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PROCEEDINGS AND DEBATES OF THE 76th CONGRESS, THIRD SESSION

SENATE

THURSDAY, FEBRUARY 8, 1940

(Legislative day of Wednesday, February 7, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, we lift up our hearts to Thee, the hearts that Thou hast made and given unto us and for which we thank Thee now. Do Thou free them from the corruption of all vain emotions and make them perfect in purity and serenity, that they may be wholly Thine. As the duties of another day confront us, leave us not to be baffled by our evil and our weakness, but do Thou strive within us to our deliverance, that we may find our own true selves in humbly consenting unto Thee.

Animate us with the thought of our responsibility for the character and happiness of others; save us from the too-outward life in which no room is left for soul-nourishing silence, and also from that inwardness which unfits for action, for the due performance of homely tasks.

May we harken to the whispers of heavenly wisdom and open our minds to the breath of the overcoming God, so that knowledge of the Highest may pass into and beautify our lives, and may no worldliness of heart crowd in upon us to choke the avenues by which Thy spirit ever makes His entrance. We ask it in the name of Jesus Christ, our Lord and Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 7, 1940, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, informed the Senate that Hon. SAM RAYBURN, a Representative from the State of Texas, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed without amendment the bill (S. 2624) to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7805) making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation, for the fiscal year ending June 30, 1940, and for other purposes, and that the House had receded from its disagreement to the amendments of the Senate Nos. 2 and 9 to the bill, and concurred therein.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4282. An act to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes;

H. R. 5688. An act to provide for the operation of the recreational facilities within the Chopawamsic recreational demonstration project, near Dumfries, Va., by the Secretary of the Interior through the National Park Service, and for other purposes;

H. R. 6658. An act to authorize the lease or sale of certain public lands in Alaska, and for other purposes;

H. R. 6813. An act to accept the cession by the States of North Carolina and Tennessee of exclusive jurisdiction over the lands embraced within the Great Smoky Mountains National Park, and for other purposes; and

H. R. 7252. An act to authorize the Secretary of the Interior to sell or lease for park or recreational purposes, and to sell for cemetery purposes, certain public lands in Alaska.

ENROLLED BILLS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1157. An act for the relief of Roy D. Cook, a minor;

H. R. 7805. An act making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation, for the fiscal year ending June 30, 1940, and for other purposes; and

H. R. 8067. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and for other purposes.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Byrnes	Connally
Andrews	Bridges	Capper	Danaher
Ashurst	Brown	Caraway	Davis
Austin	Bulow	Chavez	Donahey
Bailey	Burke	Clark, Idaho	Ellender
Barbour	Byrd	Clark, Mo.	Frazier

George	Johnson, Calif.	Neely	Taft
Gerry	Johnson, Colo.	Norris	Thomas, Idaho
Gibson	King	O'Mahoney	Thomas, Okla.
Glass	La Follette	Overton	Thomas, Utah
Green	Lee	Pepper	Tobey
Guffey	Lodge	Pittman	Townsend
Gurney	Lucas	Reed	Tydings
Hale	Lundeen	Reynolds	Vandenberg
Harrison	McCarran	Russell	Van Nuys
Hatch	McKellar	Schwartz	Wagner
Hayden	McNary	Schwellenbach	Walsh
Herring	Maloney	Sheppard	Wheeler
Hill	Mead	Shipstead	White
Holman	Miller	Smathers	Wiley
Holt	Minton	Smith	
Hughes	Murray	Stewart	

Mr. MINTON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from Kentucky [Mr. CHANDLER], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent attending the funeral of the late Representative Dowell, of Iowa.

The Senator from Mississippi [Mr. BILBO], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

Mr. AUSTIN. I announce that the Senator from North Dakota [Mr. NYE] is necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

SENATE SPECIAL SILVER COMMITTEE

The VICE PRESIDENT appointed the Senator from Idaho [Mr. THOMAS] a member of the Senate Special Silver Committee to confer with the Secretary of the Treasury regarding the Silver Purchase Act of 1934, authorized by Senate Resolution 187 (74th Cong.), to fill the vacancy caused by the death of Hon. William E. Borah, late a Senator from the State of Idaho.

PETITIONS AND MEMORIAL

Mr. LODGE presented a resolution adopted by the council and mayor of the city of Quincy, Mass., favoring repeal of the 30-day compulsory lay-off provision contained in the existing Emergency Relief Act, which was referred to the Committee on Appropriations.

Mr. TAFT presented petitions signed by 3,780 citizens of the State of Ohio, praying for the preservation of peace and American democracy, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented the petition of members of College Hill Woman's Christian Temperance Union, of Wichita, Kans., praying for the enactment of the bill (S. 517) to amend the Communications Act of 1934, to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table.

Mr. REED presented the memorial of Ludvig Nelson, of Wichita, and 85 farmers and livestock men, all in the State of Kansas, remonstrating against extension of the Reciprocal Trade Agreements Act, unless it be amended so as to require that all trade agreements be ratified by the Senate, which was referred to the Committee on Finance.

RESOLUTION OF THE STAR OF LIBERTY SOCIETY, POLISH NATIONAL ALLIANCE

Mr. DANAHER. Mr. President, I present for appropriate reference a resolution addressed to the Congress, and adopted by 300 members of the Star of Liberty Society, Group 803, Polish National Alliance of the United States, of Stamford, Conn., which I ask may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

We, the 300 members of the Star of Liberty Society of Stamford, Conn., Group 803, of the Polish National Alliance of the United States, gathered at a meeting in Stamford, Conn., this 14th day of January 1940, unanimously adopt the following resolution, which our secretary is directed to submit to the House of Representatives and the Senate of the United States, in Congress assembled, with our fervent prayer that same be kindly accepted and considered:

"Whereas we Americans of Polish extraction recognize that Poland, the land of our forefathers, has been brutally and mercilessly attacked and divided by Germany and Russia, clandestinely working in unison with their ultimate goal being the destruction of the Polish nation and people;

"Whereas the mass murder and executions of men, women, and children, the arrest and imprisonment of Polish scholars and professors at the Jagiellonian University of Kraków as well as at other Polish institutions of learning and culture, as well as the commandeering and requisitioning of all the requisites of life such as food, shelter, and clothing, the interference with Red Cross and other relief organizations, the deportation of large numbers of Poles to Siberia, further substantiate our belief that the ultimate goal of the barbaric invaders is the destruction of Poland;

"Whereas in furtherance of their aims, as outlined above, the German Government is expropriating and evicting the Poles from their lands and settling thereon Germans brought from all corners of Europe and especially from the Baltic States and the Balkans:

"Therefore we, as Americans of Polish descent, having behind us a heritage of a people who for centuries were the bulwark of Christianity, civilization, and democracy, appeal to your honorable body and to our fellow Americans to take cognizance of the unhappy fate of the Polish people during this the darkest period in its history of the cruelty perpetrated upon the Polish nation, a country whose ideas of liberty, democracy, and freedom of opportunity were and are so much in common with those of these United States of America.

"Therefore we protest against the occupation and temporary partition of Poland by the two dictatorial powers of Nazi Germany and Soviet Russia who have neither legal right nor pretext to the military and political occupation of a land whose people through the centuries have shown their ability to maintain a democratic form of government.

"Therefore we appeal to all men of good will and understanding to stop the attempted extermination of innocent people whose only guilt was their desire to preserve their identity, culture, and freedom as well as their pledge to respect and honor their treaty obligations; be it also

"Resolved, That we express our deepest gratitude and thanks to the Government of the United States of America for granting recognition to the present Polish Government, located in France, thus proving to the world that it does not approve of the partition of Poland by the invading powers. In conclusion be it

Resolved, That we all, present here, swear and affirm our wholehearted loyalty and allegiance to the United States of America and as loyal citizens hope that this resolution be accepted in the same spirit of sympathy and justice in which it was drawn."

W. S. JOSIENSKI, *President.*

REPORTS OF COMMITTEE ON CLAIMS

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 1373) for the relief of H. D. Bateman, P. L. Woodard, and J. M. Creech, reported it with amendments and submitted a report (No. 1186) thereon.

Mr. WILEY, from the Committee on Claims, to which was referred the bill (S. 2595) for the relief of Lloyd S. Harris, reported it with an amendment and submitted a report (No. 1187) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 2268) for the relief of Roxie Richardson, reported it with an amendment and submitted a report (No. 1188) thereon.

He also, from the same committee, to which was referred the bill (H. R. 4198) for the relief of M. L. Parish, reported it without amendment and submitted a report (No. 1189) thereon.

Mr. ELLENDER, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 2884. A bill for the relief of Glen E. Robinson, doing business as the Robinson Marine Construction Co. (Rept. No. 1190);

S. 3044. A bill for the relief of Nadine Sanders (Rept. No. 1191); and

H. R. 4126. A bill for the relief of Warren Zimmerman (Rept. No. 1192).

Mr. ELLENDER also, from the Committee on Claims, to which was referred the bill (H. R. 6084) for the relief of Katheryn S. Anderson, reported it without amendment and submitted a report (No. 1193).

SENATE MANUAL

Mr. NEELY, from the Committee on Rules, reported a resolution (S. Res. 233), which was read and referred to the Committee on Printing, as follows:

Resolved, That the Committee on Rules be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Seventy-seventh Congress, and that 1,500 additional copies shall be printed and bound, of which 1,000 copies shall be for the Senate, 200 copies for the use of the Committee on Rules, and the remaining 300 copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GIBSON:

S. 3311. A bill for the relief of Frank C. Allen; to the Committee on Claims.

By Mr. HATCH:

S. 3312. A bill for the relief of Jasper Williams; to the Committee on Claims.

By Mr. ANDREWS:

S. 3313. A bill to change the designation of the Fort Marion National Monument, in the State of Florida, and for other purposes; to the Committee on Public Lands and Surveys.

By Mrs. CARAWAY:

S. 3314. A bill for the relief of James H. Croxdale, of Arkansas; to the Committee on Civil Service.

By Mr. JOHNSON of Colorado:

S. 3315. A bill to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking directorates, known as the Clayton Act; to the Committee on Banking and Currency.

By Mr. BROWN:

S. 3316. A bill to authorize the use of War Department equipment for the American Legion convention to be held at Bay City, Mich., during the month of August 1940; to the Committee on Military Affairs.

S. 3317. A bill to provide for the addition of certain lands to the proposed Isle Royale National Park, in the State of Michigan, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. SHEPPARD:

S. 3318. A bill to authorize the appointment of female dietitians and female physical-therapy aides in the Medical Department of the Army; to the Committee on Military Affairs.

By Mr. ANDREWS (for himself and Mr. PEPPER):

S. 3319. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. WALSH:

S. 3320. A bill for the relief of Ray Funcannon; to the Committee on Naval Affairs.

By Mr. KING:

S. 3321. A bill for the relief of the Cooley Memorial Hospital, M. W. Fish, Mae U. Jeppsen, and Juanita B. Stone; to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Public Lands and Surveys:

H. R. 4282. An act to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes;

H. R. 5688. An act to provide for the operation of the recreational facilities within the Chopawamsic recreational demonstration project, near Dumfries, Va., by the Secretary of the Interior through the National Park Service, and for other purposes;

H. R. 6658. An act to authorize the lease or sale of certain public lands in Alaska, and for other purposes;

H. R. 6813. An act to accept the cession by the States of North Carolina and Tennessee of exclusive jurisdiction over the lands embraced within the Great Smoky Mountains National Park, and for other purposes; and

H. R. 7252. An act to authorize the Secretary of the Interior to sell or lease for park or recreational purposes, and to sell for cemetery purposes, certain public lands in Alaska.

LIMITATION OF DEBATE ON GENERAL APPROPRIATION BILLS

Mr. GLASS submitted the following resolution (S. Res. 232), which was referred to the Committee on Rules:

Resolved, That paragraph numbered 1 of rule XIX of the Standing Rules of the Senate (relating to debate) be, and the same is hereby, amended by adding after the word "debate", at the end of said paragraph, the following: ": *Provided*, That during the consideration of any general appropriation bill, no debate, except by unanimous consent, shall be in order that is not germane or relevant to the pending bill. All questions of germaneness, relevancy, or points of order raised under this proviso shall be decided by the Chair without debate. Any appeal from the decision of the Chair hereunder shall be decided by the Senate without debate."

COMMITTEE SERVICE

On motion of Mr. MCNARY, and by unanimous consent, it was

Ordered, That the Senator from North Dakota [Mr. NYE] be excused from further service on the Committee on Military Affairs and that he be assigned to service on the Committee on Foreign Relations; that the Senator from Delaware [Mr. TOWNSEND] be excused from further service on the Committee on Irrigation and Reclamation; that the Senator from New Hampshire [Mr. BRIDGES] be excused from further service on the Committee on Post Offices and Post Roads and that he be assigned to service on the Committee on Education and Labor; that the Senator from Ohio [Mr. TAFT] be assigned to service on the Committee on the Judiciary; and that the Senator from Idaho [Mr. THOMAS] be assigned to service on the Committees on Irrigation and Reclamation, Military Affairs, Post Offices and Post Roads, and Public Lands and Surveys.

EXPEDITIOUS SETTLEMENT OF DISPUTES WITH THE UNITED STATES (S. DOC. NO. 145)

Mr. KING. Mr. President, I ask unanimous consent to have printed as a document Senate bill 915, to provide for the more expeditious settlement of disputes with the United States, and for other purposes, known as the Logan bill, together with annotations of the various sections thereof.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESS BY SENATOR LEE ON LAND AND NATIONAL SECURITY

[Mr. BROWN asked and obtained leave to have printed in the RECORD a radio address on the subject Land and National Security delivered by Senator LEE on February 7, 1940, which appears in the Appendix.]

TRIBUTE TO THE LATE SENATOR BORAH

[Mr. DANAHER asked and obtained leave to have printed in the RECORD a poem by Guy H. Lagroe entitled "The Grand Old Statesman, Senator William E. Borah," which appears in the Appendix.]

LETTER FROM SECRETARY OF STATE ON OBLIGATIONS OF SOVIET RUSSIA TO THE UNITED STATES

[Mr. PITTMAN asked and obtained leave to have printed in the RECORD a communication from the Secretary of State to the Committee on Foreign Relations, together with certain press releases, relative to the obligations of the Union of Soviet Socialist Republics to the United States, which appear in the Appendix.]

TALLULAH BANKHEAD'S GIFT TO FINLAND

[Mr. HILL asked and obtained leave to have printed in the RECORD a poem by H. M. Carlisle inspired by Miss Tallulah Bankhead's gift of $3,000 to Finland, which appears in the Appendix.]

TAXATION IN NEBRASKA

[Mr. NORRIS asked and obtained leave to have printed in the RECORD editorials on taxation printed in the McCook (Nebr.) Gazette, and the Alma (Nebr.) Journal, which appear in the Appendix.]

FOREIGN ISLAND POSSESSIONS NEAR AMERICAN COAST

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Frederic William Wile relative to islands owned by foreign governments near the coast of the United States, which appears in the Appendix.]

THE CENSUS

[Mr. HOLT asked and obtained leave to have printed in the RECORD extracts from a report of the Census Bureau, which appear in the Appendix.]

POLITICAL CONDITIONS IN PENNSYLVANIA—PERSONAL STATEMENT

Mr. DAVIS. Mr. President——

The VICE PRESIDENT. The Senator from Pennsylvania advised the Chair that he desired to be recognized to make a personal statement. The Chair recognizes the Senator from Pennsylvania.

Mr. DAVIS proceeded to address the Senate in reply to a speech delivered by the Senator from Pennsylvania [Mr. GUFFEY] on February 1 instant, and was interrupted by——

Mr. BROWN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. DAVIS. I yield.

Mr. BROWN. The junior Senator from Pennsylvania [Mr. GUFFEY] is not in the Chamber at the present time. We have sent for him. I think that it would be courteous of the senior Senator from Pennsylvania if he would await the arrival of the junior Senator from Pennsylvania before he proceeds with his remarks.

Mr. DAVIS. I shall be glad to wait.

Mr. BROWN. I make that request at this time.

Mr. DAVIS. Word had been sent to the junior Senator from Pennsylvania that I was about to make this address. I do not want to wait here all day, for I expect to have to absent myself from the Chamber later in the afternoon, and I will not be here tomorrow.

Mr. BROWN. I simply make that request of the Senator. Of course it is up to him whether he complies with it or not.

Mr. DAVIS. I will defer my remarks for the present.

Mr. DAVIS subsequently said: Mr. President, I should like to have the remarks I am about to make take the place of those made when I discontinued speaking when my attention was called to the absence of my colleague from the Chamber.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DAVIS. Mr. President, recently my distinguished colleague [Mr. GUFFEY] stated on the floor of the Senate a principle with which I believe we all agree. I quote directly what he said:

> We in this Chamber are all patriotic Americans, sworn to uphold the Constitution according to our best understanding. We take that as a matter of course. But above and beyond this formal, definite commitment lies a very essential obligation to play fair in politics.

Essentially, Mr. President, that is to say, insofar as the Members of the Senate are concerned, we have an obligation to be fair with each other.

Fairness, Mr. President, is a characteristic of the American people. No Senator designs to take an unfair advantage of a colleague. However, it is inevitable that misunderstandings should occasionally develop and that observations not altogether founded on fact should be made. We are told that "to err is human." Our experience in this Chamber shows that Senators are uniformly willing to correct an error, once it has been discovered.

I am convinced, Mr. President, that my colleague did not intend to be unfair when he presented his recent observations on the political situation in Pennsylvania. He gave us the picture as he sees it. If there were errors, they resulted from a misunderstanding of the actual conditions.

My colleague said that the Republican Party in Pennsylvania is owned "body and soul" by Mr. M. L. Annenberg, the publisher of the Philadelphia Inquirer, which he described as "the Bible of Republicanism." As a Republican Senator, I believe I can lay some claim to a knowledge of the Republican Party in my State. For three times I have been elected to the Senate from Pennsylvania on the Republican ticket. This involved participation in six political campaigns, three primaries, and three general elections.

The Republican Party in Pennsylvania, Mr. President, is not owned by any one man or by any group of men. In my campaigns for Republican nomination I encountered the opposition of some so-called party leaders, or bosses, as they are sometimes termed. But on each occasion I was nominated by the votes of Republican electors, free-minded, unbossed men and women who refused to be swayed by any small clique. The situation I have described covers the history of Pennsylvania politics for the last 10 years insofar as the Republican Party is concerned. This in itself should be sufficient to refute the charge that any man or any group or any faction controls the Republican Party in my State.

My colleague stated that Mr. Annenberg, not content with "owning" the Republican Party, now is ambitious to control the Democratic Party, the party to which my colleague belongs. It is to be doubted, Mr. President, that my colleague expected to be taken seriously when he included this observation in his speech. I prefer to believe that he was momentarily seeking to run up a mental blind alley, or facetiously providing entertainment for the Senate with something light and airy, to help divert our thoughts from the serious problems of the day. If that was his purpose, I grant he has achieved a measure of success, for he must know, as every other Pennsylvanian knows, just what is troubling the Democratic Party in Pennsylvania.

It is true that the Philadelphia Inquirer carried an editorial criticizing my colleague. Because of this we are asked to believe that Mr. Annenberg, its publisher, is ambitious to control the Democratic Party. Is this a logical conclusion? I can recall numerous editorials in the Philadelphia Record, of Democratic persuasion, which handled me none too gently. But on that account it never occurred to me that I should accuse J. David Stern, publisher of the Record, of reaching out to control the Republican Party.

We should bear in mind, Mr. President, that my colleague is a candidate for renomination this year. He has opposition, but its fountainhead is not the Philadelphia Inquirer. Nor does it spring from any Republican source, so far as I know. In fact, many Republicans in our State believe that my colleague is the logical candidate of his party for renomination, in view of the fact that he has so faithfully identified himself with President Roosevelt. The opposition of which my colleague speaks does not emanate from the Republican Party or the Philadelphia Inquirer. In time of stress and excitement incident to political campaigns it is often difficult for men to retain their perspective. Especially is this true when a man is a candidate with such a vast State as Pennsylvania to cover for campaign purposes.

If we are to believe what we read in the papers, the Philadelphia Record included, certain distinguished Democrats in Pennsylvania are hostile to the candidacy of my colleague; and the Philadelphia Record cannot be accused of presenting a biased report on this question, for it has editorially declared my colleague to be entitled to Democratic renomination on the basis of the support he has so unreservedly given to the policies of President Roosevelt.

We are informed in these newspaper reports that Mr. David L. Lawrence, chairman of the Democratic State Committee, is one of the numerous Democrats currently opposing my colleague. We are told that in the camp hostile to his candidacy are such gentlemen as John B. Kelly, chairman of the Philadelphia Democratic City Committee; Arthur Colegrove, publisher of a Democratic newspaper, the Corry Evening Journal, and a member of the cabinet of former Democratic Governor, George H. Earle; and Walter A. Jones, chairman of the Pennsylvania Turnpike Commission. These are a few of the prominent Democrats in Pennsylvania vigorously opposing my colleague. My colleagues may have read in the papers that only last Saturday the Democratic State Committee, meeting in Harrisburg, strongly endorsed President Roosevelt and the New Deal but withheld approval of my colleague's candidacy, which I understand was agreeable to him.

These and other Pennsylvania Democrats are currently reported in the newspapers as opposed to the candidacy of my colleague. In view of the statement he has made concerning Mr. Annenberg's desire to gain control of the Democratic Party, I suggest that my colleague supplement his recent speech on the floor of the Senate, specifically naming any Democrats who may have been found in counsel with Mr. Annenberg for this purpose. If any facts along this line are available, the newspapers should be entitled to them. Certainly that would be front-page news.

I have mentioned these matters, not to emphasize that my colleague has opposition in the Democratic primary, but to correct any impression which may exist here with respect to this so-called Republican interference in Democratic affairs. We Republicans, Mr. President, have troubles

enough of our own without mixing in the trials and tribulations of our Democratic brethren.

In conclusion, Mr. President, I should like to suggest that it might be well for my distinguished colleague to study more closely the Philadelphia Inquirer before concluding it is a partisan paper, although I am willing to concede there was a time when it was considered the bible of republicanism in Pennsylvania. Since Mr. Annenberg became its publisher it has borne on the front page of every issue this slogan, "An independent newspaper for all the people," and directly beneath the masthead on the editorial page will be found this admirable platform:

THE INQUIRER'S PLATFORM

To print the news accurately and fearlessly but never to be content with merely printing the news; to strive always to uphold the principles of our American democracy, to war relentlessly against alien "isms," to fight intolerance, to be the friend and defender of those who are persecuted and oppressed; to demand equal justice for employer and employed, to work for the advancement of industry in Philadelphia and Pennsylvania, to expose political hypocrisy and corruption; to be just, to be fair, and above all to be unswervingly independent; to fight and never to cease fighting to maintain the sanctity of personal liberty and the inviolability of human rights.

In the Inquirer, Mr. President, appear articles by guest columnists of both parties, reflecting all shades of public opinion. I can distinctly recall an interesting column by the lovable and capable Jim Farley, chairman of the Democratic National Committee. I can recall columns by former Governor Earle and by Democratic State Chairman David Lawrence. Also there was one by Jack Kelley, a very good column, which all thoughtful Republicans would do well to read. None of these was bound by any restrictions with respect to subject matter. They wrote what was on their minds, and the Inquirer printed it on the first page.

As I said in the beginning, my sole purpose in taking the floor today was to correct an erroneous impression of the political situation in Pennsylvania at this time. When calm is restored I believe my colleague will see conditions more clearly. Surely we Republicans have enough to keep us busy without trying to make ourselves responsible for the embroilments of our Democratic brethren. I thank the Senate for the opportunity to make these brief remarks, in order that I might have an opportunity to keep the record clear as I see it.

Mr. GUFFEY. Mr. President, I wish to thank my colleague for making the speech he has delivered. I say to him now that I retract nothing, because he has not challenged a single fact I mentioned in my speech, and I hope my other colleagues will read what I had to say in my remarks on February 1.

I also wish to thank my colleague for affording me an opportunity to give the history of the Republican Party in Pennsylvania, to bring it up to date from the days of Simon Cameron. I shall give the history of the Republican Party during the days of the leadership of Simon Cameron, Matt Quay, Boies Penrose, and others, and there are some very interesting chapters in that period, which I will bring up to date.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. GUFFEY. I do not yield. In conclusion, I wish to say that the Republican Party in Pennsylvania will have a great many more troubles in this campaign before it is over.

Mr. DAVIS. Mr. President, I should indeed be very grateful to my distinguished colleague if he would give us a history of politics in Pennsylvania, and I hope that at the same time he will include the part he played in it, with the names of the men he claims controlled it on the Republican side.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. DAVIS. I yield.

Mr. SMATHERS. Do I understand that both Senators from Pennsylvania are going to make speeches on the subject matter of who controls the Republican Party in Pennsylvania without mentioning the name of Mr. Pew, of the Sun Oil Co.?

Mr. DAVIS. The Senator has much to do in thinking about who controls the politics in his own State, from what we read in the newspapers. I think if there is any reforming to be done, the Senator should go to his own party in New Jersey and begin by reforming there, and not come over into Pennsylvania. [Laughter.]

THE GOVERNMENT GOLD-PURCHASE POLICY

Mr. VANDENBERG. Mr. President, I wish to present for the RECORD two letters from the Secretary of the Treasury dealing with a subject that has been a matter of considerable controversy on the floor of the Senate—namely, the amount of Russian gold coming into the United States. The Secretary is answering an inquiry which I addressed to him under date of January 22. I ask that these two letters be printed at this point in the RECORD.

For the information of the Senate, I state that the Secretary reports a total direct importation of gold from Russia amounting to $30,600,000, from 1934 to 1939, with no direct imports in 1938 and 1939. But he also reports the importation of refined bullion bearing the Russian stamp, and Russian coin, amounting to $216,000,000 during this same period, and nearly $100,000,000 during the last 2 years.

He also notes that a ship carrying $5,000,000 worth of Russian gold has just arrived at San Francisco for the mint at San Francisco.

We are buying all this Russian gold, which, I understand, costs not more than $11 an ounce to mine, at $35 an ounce. It is all part of our general gold folly. In the case of Russian gold, directly and indirectly purchased, we have paid somebody a handsome profit of perhaps $165,000,000. We do not want the gold. We cannot use it. Every extra ounce is a liability rather than an asset. Yet, still we buy and buy and buy. In the case of Russia we subsidize a nation whose public policy about 99 percent of America condemns.

I ask that the two letters be printed in the RECORD at this point as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letters are as follows:

THE SECRETARY OF THE TREASURY,
Washington, February 1, 1940.

MY DEAR SENATOR: I have your letter of January 22, 1940, asking that you be advised how much Russian gold has been purchased under the Gold Reserve Act since 1933 and the amount of such gold that the Treasury is now buying from month to month.

In reply, you are advised that the United States net imports of gold from U. S. S. R., as reported by the Department of Commerce for the calendar years 1934 to 1939, were as follows:

(In thousands of dollars)

1934	885
1935	18,099
1936	11,208
1937	504
1938	0
1939	0
Total	30,696

Some of the gold imported into the United States from other countries has been in the form of gold bars bearing a Russian stamp. We do not know when nor how this particular gold was received by the foreign country shipping it to us. We do not have available here in Washington the detailed information as to the amount of gold bars bearing a Russian stamp acquired by this Government during the period 1934 to 1939, but the various mints and assay offices have been requested to compile such information as is available on this matter. As soon as these data are received I shall be glad to further communicate with you.

In this connection it may be of interest to note that since 1934 the United States has imported $4,916,000,000 of gold from the United Kingdom, and that the United Kingdom imported large amounts of Russian gold during the period 1934 to August 31, 1939, as indicated by the following statistics of the United Kingdom:

United Kingdom net imports of gold from U. S. S. R.

(In thousands of dollars)

1934	0
1935	931
1936	0
1937	199,965
1938	115,540
1939 (January-August)[1]	33,782
Total	350,218

[1] British gold statistics discontinued September 1939.

Very truly yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

Hon. ARTHUR H. VANDENBERG,
United States Senate.

THE SECRETARY OF THE TREASURY,
Washington, February, 8, 1940.

MY DEAR SENATOR: The additional information concerning Russian gold which I referred to in my letter to you of February 1, 1940, is now available.

The Bureau of the Mint reports the receipt of gold bars bearing a Russian stamp and Russian gold coin in the following amounts during the calendar years 1934 to 1939:

Calendar year—	Refined bullion bearing Russian stamp	Russian coin	Total
1934		$1,672	[1] $1,707
1935		140	140
1936	$3,839,360		3,839,360
1937	110,674,690	35	110,674,725
1938	48,941,270	70	48,941,340
1939	52,979,338	6,045	52,985,383
Total			216,441,655

[1] Includes crude bullion in the amount of $35.

The mint reports, however, do not indicate the country from which this gold was actually shipped. As set forth in my letter to you of February 1, 1940, the Department of Commerce reported that only $31,000,000 of gold was imported directly from Russia during this period.

For your further information, the mint reports that approximately $5,000,000 of gold shipped directly from Russia (Vladivostock) has just arrived at San Francisco. This gold is being sold to the United States Mint at San Francisco.

Very truly yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

HON. ARTHUR H. VANDENBERG,
United States Senate.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7922) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes.

Mr. GLASS. Mr. President, I am going to do something I have never done before, and that is to offer an amendment to the bill as presented by the committee. It relates to the New York Customhouse, and comes in on page 39, line 12.

The collector of customs in New York came all the way to Washington to present this matter. The hearings having been closed, he was not heard. The senior Senator from New York [Mr. WAGNER] felt aggrieved, and felt that he had been discourteously treated, since he had brought the collector down here. I then asked the collector to write me a letter stating the facts. This he has done; and I feel sure that had the committee been in possession of these facts it would have restored the $90,000 which the House eliminated.

From these facts it appears that this customhouse, erected for the Customs Department alone 33 years ago, has not had a stick of new furniture in that period of time. It also appears that, originally erected for the accommodation of the Customs Bureau with some 800 employees, it now houses nearly every Government agency in New York. It houses the Internal Revenue Bureau for the Second New York District, with 394 employees; the Bureau of Customs Statistics of the Department of Commerce, with 159 employees; the post office, station P, with 201 employees; the Coast Guard, with 23 employees; the Bureau of Animal Industry, Department of Agriculture, with 11 employees; and, in short, 1,734 persons are now accommodated in the customhouse. They want to adopt a new filing system, the one they now have being 151 years old, and they want additional equipment.

Mr. President, I move that $90,000 be added to the appropriation as it came from the House.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. BYRNES. Is the Senator proposing to add an amount to cover the filing system and the furniture, or merely the filing system?

Mr. GLASS. Both.

Mr. KING. Mr. President, the only argument in favor of this amendment is the statement made by the chairman of the committee, the senior Senator from Virginia [Mr. GLASS]. I think the Government would make progress if it would reduce the number of employees now housed in this building from more than 1,700 to a thousand. When employees upon employees are being piled up, of course they must have more room. I shall not vote for the amendment; but whatever the Senator from Virginia wants I cannot find it in my heart to oppose.

Mr. BYRNES. Mr. President, when this matter was brought to the attention of the subcommittee, as the Senator from Virginia has stated, we did not have a hearing upon it. The matter was considered last May or June. I am satisfied that there is a good case for the filing system. That is described in the letter to which the chairman of the committee has referred. I am not satisfied as to the necessity for other equipment, but I do not know how much of the proposed amount would be necessary for the filing system.

So far as I am concerned, I hope the amendment will be adopted; and then, if we wish to look into it further, we can find out how much is necessary. According to the statement which was presented to the committee, the filing system is really essential.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. CLARK of Missouri. What action did the committee take on the matter after the statement of the Senator?

Mr. GLASS. The committee did not take any action, because it had no facts before it.

Mr. CLARK of Missouri. The committee did not approve this amendment, did it?

Mr. GLASS. The amendment was not offered in the committee. That is the reason I am offering it now.

Mr. McNARY. Mr. President, I thought this was a committee amendment. It now seems to be an amendment offered by the senior Senator from Virginia. Am I correct in that understanding?

The PRESIDENT pro tempore. That is correct.

Mr. GLASS. It is not a committee amendment. We have finished with the committee amendments.

Mr. McNARY. Yes; I thoroughly understand that. I am trying to ascertain the status of this proposal.

Mr. GLASS. I am stating it to the Senator.

Mr. McNARY. I was advised by the Parliamentarian that this was a committee amendment, offered at the suggestion of the committee by the able chairman of the committee.

The PRESIDENT pro tempore. The Parliamentarian understood that the Senator from Virginia offered a committee amendment. The fact is, as now stated by the Senator from Virginia, that it is a personal amendment.

Is there objection to the present consideration of the amendment? The Chair hears none. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was agreed to.

Mr. ADAMS. Mr. President, there is a textual amendment which I wish to offer on page 76, at line 9.

It seems that in the provision for contributions from the Federal Government, to the support of veterans' homes, the act which was passed by the Congress at the last session provided for contributions in case the State homes gave some hospital or domiciliary care. In the bill as it comes from the House the words "hospital or" are omitted before the word "domiciliary." There seems to be some question as to whether or not the words are needed. The matter was called to my attention by the Senator from Massachusetts [Mr. WALSH] and also by the Senator from Illinois [Mr. LUCAS].

I think it should be said that the amendment is not offered because of necessity but as a matter of certainty, so that there may be no doubt about it, so that the contribution to be made by the Federal Government to the State homes may follow the provisions of the act which was passed in the last session of the Seventy-sixth Congress.

Mr. WALSH and Mr. ADAMS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. WALSH. Mr. President, I wish to express my approval of the amendment offered by the Senator from Colorado.

Mr. ADAMS. Mr. President, I should like to say that the amendment was offered on behalf of the Senator from Massachusetts, as well as on my own account.

Mr. WALSH. Mr. President, the States which maintain these veterans' homes are most desirous of this legislation. While the construction of the language of the bill, as reported, and as construed by the Comptroller General apparently makes this amendment unnecessary, yet the adoption of the amendment will prevent any change in any opinion that may be rendered in the future.

The PRESIDENT pro tempore. Without objection, the amendment offered by the Senator from Colorado [Mr. ADAMS], on page 76, line 9, is agreed to.

Mr. BYRNES. Mr. President, in connection with the appropriation in the bill for the Maritime Commission I desire to state that the failure to provide the authorization requested by the Commission does not mean the abandonment of the merchant-marine program. The fact is that an investigation of the appropriation bill and of the act creating the Commission convinces one that today the Commission has authority to contract to the amount of $110,000,000. Because this is true I am of the opinion, which I know is also the opinion of the other members of the committee who looked into the matter, that there was no necessity for or justification for an additional contract authorization. Under the authority that now exists the Commission can proceed a little slower than they may have desired, but with sufficient speed to justify the continuance of the program.

I ask to include as part of my remarks an extract from the 1937 appropriation bill, and an opinion on the subject, together with a justification for the opinion as expressed.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

The Third Deficiency Appropriation Act for the fiscal year 1937 gave the Maritime Commission authority, as follows:

"In addition to the contracts which may be entered into under funds available to the United States Maritime Commission for carrying out the provisions of the Merchant Marine Act, 1936, the Commission is authorized to enter into contracts for further carrying out the provisions of such act in an amount not to exceed $115,000,000."

A similar authorization was contained in the Independent Offices Appropriation Act for the fiscal year 1940, the amount being $230,000,000.

When the Third Deficiency Appropriation Act for the fiscal year 1937 was enacted there were then "funds available to the United States Maritime Commission for carrying out the provisions of the Merchant Marine Act, 1936," in an amount of approximately, and not less than, $100,000,000.

The two acts, therefore, authorized the Commission to enter into ship-construction contracts amounting to $445,000,000.

The report of the House committee on the Independent Offices Appropriation Act for the fiscal year 1941 contains the following statement:

"The committee have approved the contract authorization request included in the Budget in the sum of $150,000,000. The total contract authorization to and including the 1940 act provided $445,000,000, and the amount recommended in the bill will raise that total to $595,000,000."

The Maritime Commission has been previously authorized to enter into ship-construction contracts in amounts totaling $445,000,000. As the contracts which have been awarded by the Commission (and they provide for the construction of 141 ships) amount to $335,000,000, it is clear that the Commission is now authorized to enter into ship-construction contracts in amounts totaling $110,000,000 in addition to the contracts which it has previously let pursuant to statutory authority. In the light of this existing authority it is not necessary to authorize the Commission to enter into any contracts additional to those which it is now authorized to let.

Mr. BARBOUR. Mr. President, late yesterday afternoon I sent to the desk an amendment to strike from the bill $1,000,000 for preliminary work on the new dam in the Tennessee Valley at or near Lenoir City, Tenn., commonly known as the proposed Coulter Shoals Dam. The purpose of that amendment, which I now call up, is to reduce the expenditures of the Federal Government by that amount this year.

I should like to explain to the Senate that I am not attacking the Tennessee Valley Authority. I do not pretend to be an expert on the subject of the T. V. A. In offering this amendment I do not intend to become involved in any technical discussion of the merits or demerits of T. V. A., or, as a matter of fact, of the Coulter Shoals Dam specifically. I simply take the position that we cannot go on as we have been proceeding, spending huge sums, and committing the Federal Government to the expenditure of even greater sums in excess of the Government's income. We must economize at some time, and this is one item, as I see it, on which we can economize to some degree, at least, this year.

When this bill was debated in the House the statement was made that the only expenditure made thus far in connection with the Coulter Shoals Dam was $600,000 for exploratory work. The $1,000,000 dollars provided for in this item covers the cost of an access road and construction camp, and perhaps other preliminaries to actual construction of the dam itself. If we go that far we will have committed the Federal Government to proceeding at this time with a wholly new project which in the next 4 years will cost an estimated $28,000,000. At least, Mr. President, that is the figure which was discussed and developed in the House debate when this matter was considered by that body. Considering the ordinary relationship of such estimates to the actual cost, my judgment is—and it can be checked at a future date—that the amount will be actually in excess of that large figure. So, there is much more than $1,000,000 involved in this vote, although that is the sum which would be saved this year.

Mr. President, frankly I do not feel that I am in a position to say that this particular dam should never be built. I have no opinion as to that. As I have said, I am not an expert on T. V. A. I contend only that since we have to cut expenses somewhere, if we are to get out of the hole we are in, this is one of those instances in which it can be done.

It will be noted that I direct no comments against the several other dams mentioned in this paragraph of the bill. They have been begun. Construction is either under way or approaching completion. Obviously those moneys must be spent.

Work of that kind cannot be stopped halfway. But in that same paragraph a new dam is suggested. I do not know whether or not the elimination of that project for the time being would actually save a million dollars, but there again I have studied the debate on that subject in the House, and Members on that side of the Capitol feel that it would result in such a saving.

I shall not take up much of the Senate's time. I do not wish to read the full record, as it is available to all Senators, and many of them are familiar with it, anyway. I have studied the question faithfully, and it is because of that record that I offer the amendment and ask for its adoption.

I should like to read briefly from the observations of my good friend and colleague, Representative MCLEAN, of New Jersey, which appear on page 499 of the CONGRESSIONAL RECORD, under date of January 18, and I read from it only in part, as follows:

When I said a few years ago that the T. V. A. was going to cost $250,000,000, I was ridiculed and scoffed at. Today the report of the committee admits that the project has already cost upward of $310,000,000, and that the project, including navigation, flood control, and power, will finally cost $535,000,000.

I continue to quote from Representative MCLEAN's remarks:

That is the total estimated cost. It will cost fabulously more. I extend an invitation to any Member of the House who is at all interested to sit down with me to quietly and conscientiously study this proposition. I will show anyone who cares to give the time how, up to now, this project has cost the United States Government at least $750,000,000; and with all its correlated activities and things which are being undertaken, I venture to say that we would find that the cost up to the present time is approaching a billion dollars more nearly than the $535,000,000 which the T. V. A. officials are willing to admit.

Again, Mr. President, I will say that I do not know nor do I pretend to say whether that statement is justified. I said at the outset that I am not hostile to T. V. A. That is not my reason for attempting to do what is sought by my amendment.

I have great faith in my colleague in the other House to whom I have referred, for he and one other Representative from my State have made a very close study of this subject. I simply reiterate, Mr. President, that here is the beginning of another much larger expense than appears in this bill, and I express the hope that the Senate will feel that at least this additional undertaking can be postponed. I ask for a vote on my amendment.

Mr. McKELLAR. Mr. President, I shall detain the Senate only a moment or two.

The original act, which was passed in 1933, provided for a navigation depth averaging 9 feet between Knoxville and the Ohio River. All the dams either have been built or are in process of being built, except the one at Coulter Shoals. This is the last one, to give a 9-foot depth for navigation from Knoxville to the Ohio, and then down the Mississippi River.

This item has a Budget estimate. The House committee adopted it. The House itself adopted it. The Senate subcommittee reported it favorably, and the full committee reported it favorably; and I hope the amendment of the Senator from New Jersey [Mr. BARBOUR] will not be agreed to. This is the last dam in the project, and this is the only one that will be asked for. The explanation of the project is to be found in the hearings at page 1766:

> We are asking for $1,000,000 to start construction on the Coulter Shoals Dam and Reservoir. This amount is sufficient only to acquire the site, build the access road and construction camp, and install necessary construction plant; and, incidentally, the construction camp will be less expensive than elsewhere; in other words, all preparatory work which is necessary in order that actual construction of the dam proper can start at the beginning of the fiscal year 1942. Here again it is essential that the preliminary work be authorized now in order to preserve the orderly sequence of construction work and retain experienced construction personnel. If this relatively small amount is not authorized, not only would it make impossible the maintenance of our construction program in the year 1942, but it would also be necessary to lay off experienced personnel and employ others a year later with consequent loss of efficiency and continuity of work.
>
> We are finishing the Hiwassee Dam materially ahead of schedule. That was originally expected to be completed in the spring of 1941. We are now expecting to have the reservoir filled and start producing power either in July or August 1940. If we can make this construction organization immediately available for Coulter Shoals, we will be able to realize a great deal of efficiency out of the whole operation.
>
> We have been able during this last year to move a large part of the organization, formerly stationed at Chickamauga Dam, to Watts Bar Dam, immediately upstream, and this has resulted in very material economy and benefit to the job. If we are not able to move that Hiwassee crowd to Coulter Shoals, it means a loss of a lot of those people. Furthermore, we will also be ready to put the Coulter Shoals design into our drafting room; if we are not ready to do that, it means some more lay-offs.

Mr. President, in a word, the Congress has authorized the building of dams from Knoxville to the Ohio. This dam will complete that authorization. It will be the last one. Construction now will mean economy. Construction later will mean additional cost. If the Senator who offered the amendment had heard all the testimony, as the committee did, and had read the testimony before the House committee, I am sure he would have felt that the House acted properly in approving the item. I hope the Senate will take the same action.

I submit the question for a vote.

Mr. BARBOUR. Mr. President, I appreciate every word the distinguished Senator from Tennessee has said. I wish to say that while of course I did not have the privilege, as a member of the committee, of hearing the discussions to which he refers, I have studied the record. I wish to say, in fairness to him, that I note from page 505 of the CONGRESSIONAL RECORD that the Speaker of the House—without repeating all he says—went on to develop exactly the same thesis as that developed by the distinguished Senator who has just spoken.

Mr. President, I realize perfectly well that there is a reason for this project. It was not something that did not have a basis for its undertaking. As I said at the outset, I am not attacking T. V. A., or opposing T. V. A., or going into the philosophy of the undertaking. I am merely trying, as I think we all are trying, each as he sees the matter, in his own way, to effect economies. Economies must be effected.

Mr. President, I am glad to have made this record in that connection. There is nothing invidious or discriminatory in my mind. There is nothing in my mind other than what I have said. On that basis I hope my amendment will prevail.

SEVERAL SENATORS. Vote! Vote!

Mr. WILEY. Mr. President, I should like to direct one or two questions to the distinguished Senator from Tennessee. I should like to know whether or not a bill is pending in relation to the Federal Government compensating the States in which T. V. A. is operating for tax money which those States apparently have lost because the Government has taken over large areas in the T. V. A. adventure.

Mr. McKELLAR. Mr. President, in answer to the question, such a bill is pending in each House.

Mr. WILEY. How much is the Government being asked to pay in taxes each year?

Mr. McKELLAR. Nothing at all. The Senator from Nebraska [Mr. NORRIS] is the author of the bill in the Senate. As I recall, the bill in the House, on which hearings are to be held, provides, under the agreement of last year, that in the case of certain companies which were sold to the T. V. A. and are now under the control of the T. V. A., the tax fund which the old organizations paid in certain counties shall be so adjusted that the counties will not lose those taxes. That is the principal object of the bill. By the way, that payment is not to be taken from the Government at all but, as I understand, is to be taken from the 12½ percent which the companies have set aside for the purpose of tax adjustments and tax payments. In other words, the payments will come from the T. V. A. and from the fund which is allowed to be paid. It will really be paid by the users of electricity, because it will be paid out of the 12½-percent fund, which is in addition to the rate established by the T. V. A.

Mr. WILEY. If I correctly understand the explanation, it means that if the bill which the Senator has mentioned as having been introduced by the Senator from Nebraska [Mr. NORRIS] should become law, it would provide that the T. V. A. should pay the municipalities out of its revenue.

Mr. McKELLAR. The municipalities and counties.

Mr. WILEY. Yes; out of the revenue which the T. V. A. receives from the sale of power.

Mr. McKELLAR. That is substantially correct, as I understand. If I am mistaken, the Senator may correct me.

Mr. WILEY. There will be no added tax upon the Federal Government?

Mr. McKELLAR. Not at all.

Mr. WILEY. If this dam were constructed, there would be no added tax in the future upon the Federal Government?

Mr. McKELLAR. This dam would be constructed just as all the other dams were constructed. The bill of which the Senator speaks has no connection with the amendment which is now offered.

Mr. WILEY. I appreciate that; but if this dam is constructed, it means taking land out of the taxable areas in that locality and putting it into T. V. A. It means a loss of tax income to those municipalities and counties.

Mr. McKELLAR. A very small amount would be taken out at this particular dam; but, whatever it was, it would be adjusted out of the 12½ percent which is provided for in the adjustment of rates.

Mr. WILEY. I should like a definite answer to this question: If this dam is constructed, and land is taken out of the taxable area of the municipalities, will the Government be asked hereafter to pay more money to those municipalities?

Mr. McKELLAR. The Government will not be asked to do so; but under the adjustment the T. V. A. has made, the 12½ percent which is to be used for the purpose of paying taxes could be used for that purpose, but no more. The Government would not be responsible for it at all. It would come from the revenue from the sale of power.

Mr. WILEY. That was my first question.

Mr. McKELLAR. That is exactly the situation.

Mr. WILEY. Then, if this dam is constructed, and land is taken out of the taxable areas in the municipalities, there

will be no future load on the National Government because of taking out the land?

Mr. McKELLAR. Not on the National Government. It will be taken out just exactly as it is in the case of the other dams.

Mr. WILEY. The Senator spoke of 12½ percent. Was that originally money set aside by the Government out of investment to pay the taxes?

Mr. McKELLAR. No. The 12½ percent was fixed as coming from the users of electricity, for the purpose of paying taxes.

Mr. TAFT. Mr. President, I should like to say a word in behalf of the amendment of the Senator from New Jersey [Mr. BARBOUR]. I intend to offer an amendment cutting the general appropriation from $40,000,000 to $35,000,000, on the ground that we are reducing appropriations for every public-works project in the United States, so far as I can discover, except the T. V. A.

If this appropriation is made, the construction fund of the T. V. A. will be $5,000,000 larger than it is in the current year. This is a project dealing with a particular locality. We are cutting down on every other project, whether it be general or special. For instance, the Budget provides a decrease of $15,000,000 on public buildings outside the District of Columbia. It provides a cut of $25,000,000 in Federal aid to highways. It proposes a cut of $10,000,000 in secondary highways. It proposes a cut of $15,000,000 in the grade-crossing appropriation. It cuts $2,000,000 out of hospitalization of veterans.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. Surely.

Mr. McKELLAR. In regard to the amount of last year's appropriation, it was $39,003,000, as stated to me by the clerk of the committee. The Senator also knows that in the meantime a very large number of companies have been bought by the T. V. A., and necessarily their expenses were somewhat heavier this year. Under the circumstances, the increase of $700,000 is more of a reduction than an increase, because they have more to do.

Mr. TAFT. I am referring not to the total appropriation, which is considerably involved in the question of income, and so forth, but solely to the question of money to be used for the construction of public and permanent sections of the T. V. A.

If the Senator will read the report of the T. V. A., which is in the House hearings, appearing on page 1621, he will note that it is said:

> The amount requested for 1941, $36,669,000, is considerably in excess of both the estimate for 1940 and the actual expenditures in 1939.

And the totals on page 1622 of the hearings show that, whereas in 1939 there was actually spent $29,950,037—practically $30,000,000—and whereas the estimate for the current year ending the 1st of July, which is approaching, was $31,018,000, the estimate for the next fiscal year, although the bill now carries an appropriation of $40,000,000 for the construction of dams and other projects, is $36,669,000, or an increase of $5,600,000.

Take, for instance, the question of flood control. The Ohio River has many flood-control projects. Certainly they are more of an emergency character than the building of additional dams under the T. V. A. The flood-control appropriation is spread all over the United States, and, whereas last year we appropriated $133,000,000, the administration proposes to reduce that to $70,000,000 this year. In other words, it proposes to take out $63,000,000 of what Congress appropriated last year for general flood control and pour $5,000,000 additional into the T. V. A., which only benefits one section of the United States, and which could proceed without laying off men or in any way limiting its construction services if the appropriation for it were cut $5,000,000.

I submit, therefore, Mr. President, that any amendment cutting down this appropriation should be adopted. I do not know enough about the particular dam which is going to add $28,000,000 to the cost of the project before we get through with it to discuss it at this time; but I say we can move somewhat more slowly, and certainly there is no justification whatever for increasing the T. V. A. appropriation. When the pending amendment shall have been voted on, I intend to move to cut this appropriation from $40,000,000 to $35,000,000, which would give the T. V. A. every cent that they have this year and every cent that is necessary for an orderly procedure in the construction program of the Tennessee Valley Authority.

Mr. NORRIS. Mr. President, I had not intended to say anything on this question, but it seems to me a few words ought to be said, and I am going to confine my remarks to this amendment. The question brought up by the Senator from Wisconsin [Mr. WILEY], of course, is entirely foreign to it. I should be willing to discuss that question, but it has nothing whatever to do, as I see it, with this question.

Congress passed a general act in 1933 setting up the Tennessee Valley Authority and authorized and directed that organization to make the Tennessee River navigable from its mouth to Knoxville to a depth of 9 feet. This is the last dam on the Tennessee River proper contained in that program. Heretofore in other discussions it has always been referred to as the Coulter Shoals Dam. It is the appropriation for that dam which the Senator from New Jersey seeks to strike out. He would eliminate that dam entirely. If we should do that, in carrying forward the program, it would be impossible to make the Tennessee River navigable from its mouth to Knoxville to a depth of 9 feet.

This dam is a part of that program. The program, I think everyone will admit, has been an efficient one. Under it, it is proposed to make the Tennessee River navigable from its mouth to Knoxville, and also to protect the Tennessee Valley and the Mississippi Valley from damage by floods, and assist even in navigation there. This is part of that program.

Mr. President, Congress has provided the program; Congress has directed what shall be done; and the T. V. A. is carrying it out. The appropriation to carry out the part of the program for this year has already been cut to the bone. In the judgment of the engineers, more money will be required than is appropriated by this bill.

The T. V. A., in the first place, like all other patriotic organizations—and it is a representative of the Government just as we are—cut down its demands as low as it possibly could and at the same time keep this great organization together. It would cause great damage if this organization should be broken up and there should be postponed for a year what ought to be done this year, and the experts and employees involved should be discharged. I may say, incidentally, that T. V. A. is a large factor in the employment situation in this country.

This dam will complete the program so far as dams on the Tennessee River proper are concerned. It has been in the program all the time. Congress has known of it all the while. It has been discussed here and appropriated for. In the last appropriation bill there was an appropriation to make the preliminary surveys. As I recall—and I think the Senator from New Jersey gave the figures—$600,000 have already been spent on this dam. It has been finally located, and the borings have been made, I understand, in the exact location provided for. Now it is proposed to cut it off. That is not businesslike; I think it would be very poor business to cut off the appropriation when it has already been cut to the bone. The testimony before the committee shows that if we want to carry forward this program with economy and efficiency, it could not be cut another dollar without great injury to the program and to the entire undertaking. I think we would make a great mistake if we undertook to take such action now.

The PRESIDING OFFICER (Mr. LEE in the chair). The question is on the amendment offered by the Senator from New Jersey [Mr. BARBOUR].

The amendment was rejected.

Mr. TAFT. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 70, line 20, it is proposed to strike out $40,000,000 and insert in lieu thereof $35,000,000.

Mr. TAFT. Mr. President, I have already stated the argument for this amendment, and, so far as I know, no answer has been made by any Senator. Appropriations for all other public-works construction have been cut, but the appropriation for this project is being increased by $5,000,000. I cannot find any testimony in the record to justify that increase. Yesterday the committee struggled for hours to obtain a saving of $1,000,000 in the appropriation for civil aviation. Here is an opportunity to save $5,000,000 without in any way impeding the progress of the work, without requiring them to cut down their construction crews, without in any way affecting the work, except that they would have $5,000,000 more to spend if the amendment should not be adopted. I think, if the statement shall be examined, it will be found that the statement itself, apparently, sustains every contention I have made. I cannot find anything to the contrary.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. BARKLEY. Mr. President, I wish to say merely a few words. The Senator from Ohio has said that the appropriation for every other project has been reduced. In the appropriation bills so far reported there has been no reduction in the amounts made available for projects which are under way and partly constructed.

Mr. TAFT. But how does the Senator account for the cutting of the flood-control appropriation from $130,000,000 to $70,000,000?

Mr. BARKLEY. That does not involve stopping work on projects that are already under way.

Mr. TAFT. My amendment would not involve stopping work on projects already under way. They could go ahead with the $35,000,000.

Mr. BARKLEY. It would involve a considerable curtailment of projects already under way.

Mr. TAFT. Can the Senator show any statement in the report from which any such conclusion can be drawn?

Mr. BARKLEY. I am not going into any great detail about all the projects in the United States that may be affected by reduced general appropriations, but in the construction of these dams the Senator, I am sure, though he is not an engineer, recognizes the fact that in getting ready for what is called the peak construction, it is necessary to lay the foundations, to do much preliminary work. I imagine, of course, the Gilbertsville Dam, about which there is no controversy, as I understand, because it has been under construction now for 2 or 3 years, there was an appropriation or an allotment out of the appropriation for this year amounting, as I recall, to $11,700,000. So a good deal of the so-called increase to which the Senator refers is involved in speeding up the work at this particuar dam, which is the largest dam on the river, to an estimated cost of $15,000,000 for the next fiscal year. In order to take advantage of what has already been done, and arrive at a peak of construction within the next year or so, it is necessary to spend more money at that particular place than has been spent in any year up to this time. About 1,500 or 1,600 men are already employed at Gilbertsville, subject to momentary fluctuations on account of weather. The peak of employment at that dam will be about 2,400. Within the next year the peak will probably be reached, which accounts for a considerable part of the $5,000,000 to which the Senator referred.

Inasmuch as the work at that dam has been carried on to the point where this extra money will be needed to put on these extra men and carry on the momentum of construction, it certainly would be unbusinesslike and unscientific and uneconomical for us now to proceed simply on the dead level of what it has been possible to do up to this time by a reduction in the appropriation available for the next year.

Mr. TAFT. Mr. President, on the question of the Kentucky dam, this year $11,722,000 is to be spent. The request is that next year that amount shall be increased to $15,400,000. It is not a question of completing the dam in a hurry, because it is going to cost $61,000,000 more before we spend the whole $95,000,000, which, in my opinion, is being utterly wasted on the Gilbertsville Dam.

The principal increase, however, is not on the Gilbertsville Dam. It is on the Watts Bar Dam, where this year $5,500,000 will be spent, and next year it is proposed to spend $14,400,000, an increase of $9,000,000. Certainly that construction need not be speeded up to that extent. We are slowing down every other construction in the United States. We are slowing down every construction having to do with all the people; but every other State in the Union is being asked to stop its own construction and put up additional money to be sent down to Tennessee to speed up the work on the T. V. A. project, which is not going to be completed anyway for 10 years to come.

Mr. NORRIS. Mr. President, in any engineering proposition, especially if it is a large one taking several years to construct, we cannot say, "We will start in with 500 men, and we will keep 500 men at work all the time until we are through." It seems to me a man does not need to be an engineer to recognize the fact that there are times in the construction of a dam when it is necessary to speed up employment and to speed up the putting in of material. There are great cofferdams to be built. The great dam at Gilbertsville will be the greatest storage reservoir for floodwaters east of the Mississippi River when it is completed. It is a great undertaking. There are cofferdams of immense length. We do not want to construct a cofferdam, and pump the water out of it, and then have to slow down. Then we should speed up. That is the time when we have to employ more men and use more material, all the plans being worked out by scientific engineers.

The same thing is true at Watts Bar, a dam across the Tennessee River. When it comes to the time of doing the major part of the work, it is necessary to speed up the work. It requires more money, and it is economy to do it now rather than to run the risk of having it all destroyed in time of high water, or something of that kind. It means more employment for the unemployed.

It seems to me the question is a technical one. It is an engineering question. The engineers have figured it out; and the testimony of the engineers before the committee shows that if the appropriation is cut a dollar below what is already in the bill it will injure the entire program, and it may result in millions of dollars of loss by letting up at a time when we ought to increase our efforts.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. BARKLEY. The Senator knows, of course, as we all do, that in every great engineering project there is a preliminary beginning and a gradual working-up by reason of a farsighted plan covering years.

Mr. NORRIS. Exactly.

Mr. BARKLEY. And it is necessary to work up, beginning some time ahead, to what is called the peak of construction, which is an economical way to do the work.

Mr. NORRIS. That is correct; and then run down.

Mr. BARKLEY. And then run down, after the peak has been reached, as the undertaking begins to taper off toward the final conclusion.

It also ought to be stated that for the first time in the history of the Tennessee Valley appropriation the subcommittee of the House Committee on Appropriations, the full House committee, the House itself, the subcommittee of the Senate Appropriations Committee, and the full Senate Appropriations Committee have all agreed on this as the minimum amount necessary to carry on this program. That is something which has not occurred at any other time during the whole history of the T. V. A.

Mr. TAFT. Mr. President, the Senator is familiar with the fact that the vote in the Senate committee on cutting the amount from $40,000,000 to $20,000,000 was only about 8 to 5 in favor of maintaining the amount at $40,000,000.

Mr. BARKLEY. What difference does that make? I am only talking about what the committee did.

Mr. TAFT. I do not want the impression to be given that there was unanimous approval by the committee.

Mr. BARKLEY. I did not say it was unanimous. I said that was the action of the committee. We operate by majorities here. Congress passes legislation by majority vote, not by unanimous consent.

SEVERAL SENATORS. Vote! Vote!

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	McKellar	Smathers
Andrews	George	McNary	Smith
Austin	Gerry	Maloney	Stewart
Barbour	Gibson	Mead	Taft
Barkley	Glass	Miller	Thomas, Idaho
Bridges	Green	Minton	Thomas, Okla.
Brown	Guffey	Murray	Thomas, Utah
Bulow	Hale	Neely	Tobey
Burke	Hatch	Norris	Townsend
Byrd	Hayden	O'Mahoney	Tydings
Byrnes	Hill	Overton	Vandenberg
Capper	Holman	Pepper	Van Nuys
Caraway	Holt	Pittman	Wagner
Chavez	Hughes	Reed	Walsh
Clark, Mo.	Johnson, Colo.	Reynolds	Wheeler
Connally	La Follette	Russell	White
Danaher	Lee	Schwartz	Wiley
Davis	Lodge	Schwellenbach	
Donahey	Lundeen	Sheppard	
Ellender	McCarran	Shipstead	

The PRESIDING OFFICER (Mr. HILL in the chair). Seventy-seven Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I merely wish to state that this amendment is to reduce the T. V. A. appropriation from $40,000,000 to $35,000,000, and that I cannot see how the Senate can consistently vote to reduce payments to the farmers and vote to reduce the amount appropriated for every other public work in the United States and still vote this increased amount for the T. V. A. It seems to me the whole question of whether or not we are going to be an economy Congress depends largely on this vote; for how can we possibly vote to reduce the appropriation for any other purpose after voting to increase the appropriation for this particular public work for one section by $5,000,000 over what it is receiving this year?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. TAFT. I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. CHANDLER's name was called). I announce that my colleague the Senator from Kentucky [Mr. CHANDLER] is unavoidably detained on account of illness. If he were present and voting, he would vote "nay."

The roll call was concluded.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER], and I withhold my vote.

Mr. MINTON. The senior Senator from Alabama [Mr. BANKHEAD] is unavoidably absent because of illness, and I am authorized to announce that if he were present, he would vote "nay."

Mr. McNARY (after having voted in the negative). I have voted, but I am advised that the senior Senator from Mississippi [Mr. HARRISON], with whom I am paired, is necessarily absent, and not knowing how he would vote if present, I withdraw my vote. If permitted to vote, I would vote "nay."

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE], the Senator from Kentucky [Mr. CHANDLER], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent attending the funeral of the late Representative Dowell, of Iowa.

The Senator from Mississippi [Mr. BILBO], the Senator from Idaho [Mr. CLARK], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], and the Senator from Maryland [Mr. RADCLIFFE] are detained on important public business. I am advised that if present and voting, the Senator from Mississippi would vote "nay."

The Senator from Arizona [Mr. ASHURST] and the Senator from North Carolina [Mr. BAILEY] are absent on official business.

The Senator from Mississippi [Mr. HARRISON], the Senator from Iowa [Mr. HERRING], and the Senator from Utah [Mr. KING] are detained in committee meetings.

The result was announced—yeas 18, nays 57, as follows:

YEAS—18

Austin	Clark, Mo.	Reed	Vandenberg
Barbour	Gerry	Taft	White
Bridges	Gibson	Tobey	Wiley
Byrd	Hale	Townsend	
Capper	Lodge	Tydings	

NAYS—57

Adams	Glass	Maloney	Sheppard
Andrews	Green	Mead	Shipstead
Barkley	Guffey	Miller	Smathers
Brown	Hatch	Minton	Smith
Bulow	Hayden	Murray	Stewart
Burke	Hill	Neely	Thomas, Idaho
Byrnes	Holman	Norris	Thomas, Okla.
Caraway	Holt	O'Mahoney	Thomas, Utah
Chavez	Hughes	Overton	Van Nuys
Connally	Johnson, Colo.	Pepper	Wagner
Danaher	La Follette	Pittman	Walsh
Donahey	Lee	Reynolds	Wheeler
Ellender	Lundeen	Russell	
Frazier	McCarran	Schwartz	
George	McKellar	Schwellenbach	

NOT VOTING—21

Ashurst	Clark, Idaho	Herring	Radcliffe
Bailey	Davis	Johnson, Calif.	Slattery
Bankhead	Downey	King	Truman
Bilbo	Gillette	Lucas	
Bone	Gurney	McNary	
Chandler	Harrison	Nye	

So Mr. TAFT's amendment was rejected.

Mr. BRIDGES. Mr. President, I send to the desk an amendment, which I ask to have reported.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 34, line 18, it is proposed to strike out "$2,300,000" and to insert "$2,211,171."

Mr. BRIDGES. Mr. President, the purpose of this amendment is to strike out a certain amount under the appropriation for the Federal Trade Commission, which was included for the purpose of enabling them to investigate advertising. The gist of the purpose for the use of these funds may be found on page 195 of the hearings before the House committee on the independent offices appropriation bill, where the 1941 projects are set up. I quote:

> The place of advertising in distribution, especially national advertising, is a matter of great importance and general interest. Is it costing the consumer too much for the service it renders? Does it sometimes render the consumer a disservice? The proposed inquiry would seek to answer these and other similar questions.

The result of my amendment would, in effect, be to reduce the Commission's appropriation by $88,829. I believe that this matter is understood by most of the Members of this body.

In the hearings on the pending bill before the House committee spokesmen for the Federal Trade Commission stated that this amount was desired in order to make a study of the value of advertising, the services rendered by advertising, as I have quoted. It seemed to me that, without accomplishing some definite objective, we would simply be subjecting one of the country's leading industries to unnecessary harassment at this time and perhaps penalize one more industry in some way. The question of advertising honesty is not involved. That is something with which the Federal Trade Commission has been dealing for many years very effectively. On the broad subject of making studies, it strikes me we should have enough data on hand to last us for the remainder of our lives.

I believe as an economy move we should reduce this appropriation by $88,829. I feel that there is no urgent reason for including this amount. So far as I know, there is no great cry and no great need for the Federal Trade Commission delving into some new fields of the advertising business.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. ADAMS. A suggestion occurs to me, that a mere reduction in the amount would not accomplish what the Senator

has in mind; that is, there would be no finger pointed in the bill to what the Senator has in mind if we merely reduce the lump sum and leave it to the Federal Trade Commission to spend the money over the entire field. If the Senator really wishes to reach that point, I suggest that he offer an amendment providing that no part of the appropriation be expended for the particular purpose at which he aims.

Mr. BRIDGES. Mr. President, I think the suggestion of the Senator from Colorado is a good one, and I should like to modify my amendment in that regard, reducing the appropriation by the amount I have stated and adding the words "and no part of this appropriation shall be used for the investigation of new phases of national advertising."

The PRESIDING OFFICER (Mr. MILLER in the chair). The Senator has a right to modify his amendment.

Mr. BRIDGES. I think this is a very simple amendment. We should not step into this new field. The Federal Trade Commission now has all it can attend to, and it is doing an efficient and capable job. The honesty of advertising is not involved. It is a question of stepping into an entirely new field. I hope my amendment may be adopted, and I ask for the yeas and nays on it.

Mr. BYRNES. Mr. President, I think most Senators are familiar with the situation. Some gentleman telephoned me at 10 o'clock one night last week to advise me that he wanted to present this matter to me, and that he had discussed it with some other members of the Senate. I do not recall his name. He was greatly exercised about the authority of the Federal Trade Commission to make investigations. As a result of the inquiry made at so late an hour which caused me to believe that some alarming situation existed, I discovered what it was all about. The Chairman of the Federal Trade Commission has advised me that it is their purpose to continue a study of the methods and cost of distribution and marketing. There is no investigation being made of advertising. There is no provision in this bill for it. There is no proposal merely to investigate advertising. An investigation is being conducted into the cost of marketing and distributing products. Inevitably in any such investigation there is also an investigation into the cost of transportation, of commissions, and of advertising when advertising in connection with the marketing of a given product is an appreciable item. The Commission stated that only as an incidental factor would there be an investigation of the cost of advertising.

The Commission has no desire to make an investigation of advertising. In the marketing and distribution of one product the cost of advertising may be but an infinitesimal item. In another it may be an important factor.

The question involved in the Senator's proposal is this: If an investigation is being conducted by the Federal Trade Commission as to the cost of marketing certain products, and if advertising should be an important factor, is the Congress to say, "You shall not investigate the marketing of any product if, in connection with its marketing, advertising is a factor." I do not think the Congress will do any such thing.

Mr. President, no reason exists for the fear of the gentleman who is employed to represent the particular association. Because of the fact that this gentleman seemed so exercised the Federal Trade Commission issued to the press a statement on the subject some days ago, which should have allayed his fears. I am confident it did allay the fears that any businessman may have had; and I do not believe that this gentleman can frighten businessmen into the belief that there is any investigation of advertising alone, or any intention to conduct such an investigation.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. HAYDEN. Is there any suspicion in the Senator's mind that this gentleman, being so familiar with advertising, might have been advertising himself to his clients by taking this action?

Mr. BYRNES. I do not know him, but I knew that the situation was serious when as late as 10 o'clock in the evening he telephoned me, and confided to me that he had discussed the matter with several Members of the Senate, and advised them, and they were all vitally interested in it.

Mr. HAYDEN. The Senator is aware that there are a number of gentlemen in Washington who represent different associations, and must impress upon their membership the fact that they are here on guard, and that something is likely to happen that will prove very dangerous if they are not told about it in time.

Mr. BYRNES. I testify to the alertness of this particular gentleman, but at the same time I must say that the Chairman of the Commission impressed me as not being affected by it, and did not feel that it was a matter of importance. He said the Commission had only the kindest feeling toward advertising; that they recognized the importance of advertising in the marketing of products—in the case of some products more than others—that they were not prompted by any desire to show that such advertising was wrong, but that Federal Trade Commission investigations are always factual. It is their purpose simply to present the facts.

Mr. President, for the life of me I cannot see what harm could be done to anybody by an investigation as to the cost of marketing and distributing products if it is shown what percentage is spent for the various factors entering into it, and nothing else is to be done by it.

Mr. BRIDGES. Does the Senator not believe that there are enough investigations already being conducted by the Federal Government in various legitimate fields of business, without at this time adding one more, in view of the condition of the country?

Mr. BYRNES. The Federal Trade Commission has existed for some years, and the character of its investigations has time and time again received the approval of the Congress. More than that, the manner in which they are conducted has received the approval of Congress. I must say that the opinion I have had as to the character of their investigations was confirmed as the result of my conversation with the Chairman of the Commission about this particular investigation.

The argument that is made against it by the gentleman representing this association is that he himself is having an investigation of advertising made by Harvard, Columbia, and some other universities, and therefore no governmental body should conduct such an investigation. I suggested to him over the telephone that, while I knew nothing about it, I could see many reasons why the Government might make an investigation of this subject and not rely solely upon the investigation made by Columbia, Princeton, or Harvard, or any other university.

The question here is whether we shall drop the investigation of the cost of marketing and distribution because the Commission may perchance investigate the cost of advertising.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. CONNALLY. Why not prohibit the investigation of freight rates? That is an element, is it not, in the distribution of products?

Mr. BYRNES. It is a much larger element.

Mr. CONNALLY. And the expenses of getting the product to market.

Mr. BYRNES. The largest expense is that of transportation. The proposed amendment might well include the words "nor shall it be spent to investigate the cost of transportation, nor shall the Commission investigate the cost of the commissions of brokers." Rather we should get Columbia University to investigate those matters, and accept their figures; but then the relative expense of transportation or advertising in the cost of distribution would not be shown.

Mr. President, the Federal Trade Commission has no desire to injure the advertisers' association represented by this gentleman.

Mr. BRIDGES. I do not know the gentleman the Senator talks about. He apparently confined his efforts to the Senator from South Carolina.

Mr. BYRNES. He told me that he talked to a number of other Senators.

Mr. BRIDGES. But it seems to me no question of honesty in advertising is involved. There is no great demand

for this investigation anywhere in the country. I do not yield to the Senator from South Carolina in my respect for the Federal Trade Commission. I believe it is one of the most impartial and one of the fairest of the commissions in Washington today. That, perhaps, is not much of a compliment, but nevertheless by comparison the Federal Trade Commission shows up very well. But it merely comes down to this, that there is no demand for such investigation. Honesty in advertising is not involved. It is just one more way to spend a little money and to pry into a situation about which no great question has been raised.

Mr. BYRNES. I may say that the purpose of the investigation is with respect to the increased percentage of distribution cost. Instances are given in the motor-vehicle industry. In 1914 the retail distribution of the Ford Motor Co. was operated on 15-percent margin, while in 1938 that margin was 24 percent, an increase of 60 percent. How that affected the unemployment problem should be considered, as also the effect of the Robinson-Patman Act. And there are about 10 different reasons for the investigation. Advertising is only one reason, and a very minor one, for the investigation being conducted by the Federal Trade Commission.

The PRESIDING OFFICER. Is the demand of the Senator from New Hampshire for the yeas and nays seconded?

Mr. BRIDGES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Legislative Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	La Follette	Russell
Andrews	Frazier	Lee	Schwartz
Ashurst	George	Lodge	Schwellenbach
Austin	Gerry	Lucas	Sheppard
Bailey	Gibson	Lundeen	Smathers
Barbour	Glass	McCarran	Smith
Barkley	Green	McKellar	Stewart
Bridges	Guffey	McNary	Taft
Brown	Gurney	Maloney	Thomas, Idaho.
Bulow	Hale	Mead	Thomas, Okla.
Burke	Harrison	Miller	Thomas, Utah
Byrd	Hatch	Minton	Tobey
Byrnes	Hayden	Murray	Townsend
Capper	Herring	Neely	Tydings
Caraway	Hill	Norris	Vandenberg
Chavez	Holman	O'Mahoney	Van Nuys
Clark, Mo.	Holt	Overton	Wagner
Connally	Hughes	Pepper	Walsh
Danaher	Johnson, Calif.	Pittman	Wheeler
Davis	Johnson, Colo.	Reed	White
Donahey	King	Reynolds	Wiley

Mr. TYDINGS. My colleague the junior Senator from Maryland [Mr. RADCLIFFE] today is at Washington College, Maryland, where an honor is being bestowed on him by that school. I wish this announcement to stand for the day on all roll calls.

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], as modified.

Mr. BRIDGES. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 7922) was read the third time and passed.

LOANS TO FINLAND

Mr. BROWN. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3069, to provide for certain loans to the Republic of Finland, and for other purposes.

Mr. McNARY. Mr. President, I wish to submit an inquiry. Of course, I have no objection to the motion made. I am merely curious to know whether or not it is the intention of the Senator from Michigan to proceed to the consideration of the bill today or to wait until tomorrow.

Mr. BROWN. The majority leader [Mr. BARKLEY] and others desire that we shall not proceed to the consideration of the bill today, but that it be made the unfinished business for tomorrow's session.

Mr. McNARY. With that statement, I have no objection to the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation, which had been reported from the Committee on Banking and Currency, with an amendment, to strike out all after the enacting clause and to insert:

That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1) by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000," and (2) by inserting before the period at the end thereof a colon and the following: *"Provided further,* That the aggregate amount of loans to any one borrower outstanding and authorized at any one time shall not exceed $30,000,000. *Provided further,* That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

And from the Committee on Foreign Relations, with an amendment to the amendment reported by the Committee on Banking and Currency, on page 2, line 14, after the word "following" and the colon, to strike out: *"Provided further,* That the aggregate amount of loans to any one borrower outstanding and authorized at any one time shall not exceed $30,000,000" and insert *"Provided further,* That the aggregate amount of loans outstanding at any one time that may be hereafter authorized to any one country shall not exceed $20,000,000," so as to make the bill read:

Be it enacted, etc., That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1) by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000," and (2) by inserting before the period at the end thereof a colon and the following: *Provided further,* That the aggregate amount of loans outstanding at any one time that may be hereafter authorized to any one country shall not exceed $20,000,000: *Provided further,* That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

Mr. BARKLEY. Mr. President, it had been expected that we would proceed to consider this bill today, but the hearings have not been printed. I understand they will be available in the morning. A number of Senators have asked that the bill go over until tomorrow in order that the hearings may be available. I have no objection to that procedure.

Mr. DANAHER. I submit an amendment intended to be proposed by me to the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation, and ask that it lie on the table. The amendment is on page 2, line 17, after the word "further", to insert "that no loan shall be made to any foreign government and."

The PRESIDING OFFICER. The amendment of the Senator from Connecticut will lie on the table and be printed.

Mr. HARRISON. Mr. President, there lies on the table Senate Concurrent Resolution No. 37, which I wish to have placed before the Senate. I was about to make a motion to that effect.

The PRESIDING OFFICER. Does the Senator move that the concurrent resolution be laid before the Senate?

Mr. HARRISON. Yes. I shall make an explanation.

Senate Concurrent Resolution No. 37 provides that it is the sense of the Congress—and I shall ask that that be amended so as to make it the sense of the Senate——

Mr. BARKLEY. Mr. President, if the Senator will yield, we shall have to lay aside temporarily the unfinished business, which is Senate bill 3069, in order to take up the concurrent resolution. I therefore ask unanimous consent that the unfinished business be temporarily laid aside.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. HARRISON. Mr. President the resolution merely expresses the sense of the Senate that the Securities and Exchange Commission should provide for and expedite the registration of any Finnish bonds, application for which might be made by the Republic of Finland or by any group of American citizens representing the Republic of Finland, the bonds, securities, or other obligations to be sold in this country.

I may say that the Committee on Foreign Relations on yesterday unanimously expressed its approval of the substance of this resolution, and I do not believe the resolution will require any lengthy discussion. I should like to have it considered.

Mr. McNARY. Mr. President, is it the purpose and desire of the able Senator to have the resolution considered at this time?

Mr. HARRISON. Yes.

Mr. McNARY. Or does he desire that the whole subject matter go over until tomorrow? What is the reason for wanting the resolution considered at this time in advance of the consideration of the bill?

Mr. HARRISON. There is no particular reason except that if there is going to be a movement to have an application for the registration of Finnish bonds or securities submitted to the Securities and Exchange Commission, it would seem to me that action on the resolution should be taken immediately. Of course, it is not necessary that the machinery of the legislative branch of the Government should be put behind any such transaction in order that the proceedings might be expedited; it can be done without that; but, in view of the fact that the other bill has been laid aside and will not come up until tomorrow, and as there is nothing else before the Senate, I should like to have action on the resolution this afternoon. If I thought there was any great opposition or if any Senator desired it to be postponed, I would not make the request but would acquiesce in a suggestion of postponement.

Mr. McNARY. I have no objection if the Senator desires to present the resolution at this time, but, of course, it must be done by unanimous consent.

Mr. HARRISON. Yes.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. JOHNSON of California. I have no desire to object to a hearing of the resolution, but I want to make it plain that the resolution of itself does not deal with the subject matter with which the bill reported by the Foreign Relations Committee deals. There is no need of the resolution nor is there any power back of it except such power as may be incident to an expression of opinion by the Senate on this particular matter; and every citizen, of course, has a right to express his opinion. The bonds may be dealt with by the Securities and Exchange Commission without the adoption of this resolution just as soon as the Commission sees fit without the Senate of the United States expressing any opinion at all. I have no objection to expressing my opinion or letting the opinion of the Senate go on record, but I do not want, if it can be avoided, the bill reported by the Foreign Relations Committee to be heard today because——

Mr. McNARY. It has been agreed that that bill shall go over.

Mr. JOHNSON of California. Pardon me; I was not aware of that fact, as I was out of the Chamber for a few moments. I interviewed the clerk of the committee as to the printing of the testimony, and he informed me he thinks he will get the proofs tomorrow. I said that would answer my purposes so far as I was concerned, that I would not need anything further than the proofs. So tomorrow we could proceed, if we desired to do so, with the bill itself.

Mr. HARRISON. Mr. President, I may say to the Senator from California that I have not involved this resolution with the bill which has been reported by the Committee on Foreign Relations.

Mr. JOHNSON of California. I understand that.

Mr. HARRISON. I have kept it separate and distinct; I have not offered it as a substitute, as the Senator appreciates; but I thought it would not require much discussion, if any, and we could go on record as expressing the sense of the Senate as being favorable to the substance of the resolution.

Mr. JOHNSON of California. I think the Senator agrees with me when I say that the resolution, if adopted, would have no force, no legality, and that it is not necessary.

Mr. HARRISON. I cannot agree with the Senator that it might not have some force. I do not know whether any material amount of Finnish bonds can be sold in this country; people have different ideas about that; but I do agree with the Senator—and I made that statement—that it is not necessary for the Senate or the Congress to take any action on this matter unless we believe that psychologically it might help the sale of the bonds if they should be put on the market.

Mr. JOHNSON of California. Exactly. I quite agree with the Senator from Mississippi, and I am willing to take even a futile action that can lend itself in any fashion to the end that he seeks.

Mr. HARRISON. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. BROWN. Reserving the right to object, as the author of the bill which has been temporarily laid aside, I desire to say that I have no objection whatsoever to the consideration of the resolution of the Senator from Mississippi nor to its adoption. I believe that it may do considerable good. I do not believe that it will supply the immediate need that we hope to supply by the passage of the bill, but the resolution of the Senator from Mississippi may help considerably by arousing more sentiment and raising some money that will be of great aid to the Finnish people.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. NORRIS. Mr. President, I desire to be heard on the concurrent resolution.

The PRESIDING OFFICER. The Chair will be glad to recognize any Senator who wants to be heard.

Mr. HARRISON. Mr. President, I ask unanimous consent that I may submit a Senate resolution in lieu of the concurrent resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none.

The resolution (S. Res. 234), submitted by Mr. HARRISON, was thereupon read as follows:

Resolved, That it is the sense of the Senate that the Securities and Exchange Commission should provide for and expedite the registration of any bonds, securities, or other obligations issued by the Republic of Finland or any of its political subdivisions, upon application made to such Commission for such purpose by the Republic of Finland, or by any representative committee of citizens of the United States hereafter organized and duly authorized to act on behalf of the Republic of Finland for the purpose of obtaining funds through the sale of such bonds, securities, or other obligations.

Mr. NORRIS. Mr. President, I had not read the resolution until a moment or two ago. As I read it, it seems to me unwise for the Senate to take the action contemplated by the resolution. I do not want to be understood—I am afraid I might be—as lacking in sympathy for Finland, or with any action which might be taken to help her; but the adoption of the resolution would have no legal effect and would establish a precedent that might come home to plague us in the future. As modified by its author, the resolution now reads:

Resolved, That it is the sense of the Senate that the Securities and Exchange Commission should provide for and expedite the registration of any bonds, securities, or other obligations issued by the Republic of Finland or any of its political subdivisions, upon application made to such Commission for such purpose by the Republic of Finland, or by any representative committee of citizens of the United States hereafter organized and duly authorized to act on behalf of the Republic of Finland for the purpose of obtaining funds through the sale of such bonds, securities, or other obligations.

The resolution, if adopted, would not have the force or effect of law. That must be conceded by everyone. We

would have to make it a joint resolution, which would have to be passed by both Houses and be signed by the President, in order to give it the effect of law. If we should do that, it would be law and would be a direct legal way to approach the question, it seems to me, pending before the Securities and Exchange Commission. As it is now, however, the resolution merely expresses to the Commission the sense of the Senate that it should do thus and so about this case. In other words, it strikes me that it is exactly the same as if we were to adopt a resolution saying that it is the sense of the Senate that the Supreme Court should decide the case of A against B in favor of B. I cannot see any difference. Of course, it would be a means of approaching and effecting a purpose. Its object must be, in reality, to accomplish the same thing that would be accomplished by changing the law. We are asking the Securities and Exchange Commission to take a certain action. We do not even claim that what we ask them to do is lawful for them to do. We are asking them to give a preferential right to certain obligations which we name. However desirable it may be to do that, it seems to me it would be entirely out of place for the Senate of the United States to ask a commission or a court to take such an attitude. Here is a semijudicial tribunal, and we are expressing our opinion of a certain question pending before it, and telling it that we think that it should act expeditiously and in a certain way. That is the reason it seems to me the resolution should not be adopted.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. As always, there is force in what the Senator says. Of course, the resolution does not have the force of law; it is not binding on anybody; but is it not intended to be an expression of a hope or a wish on the part of the Senate that in the consideration of any application by Finland or any of its subdivisions for the registration of a bond issue the application may be expedited?

Mr. NORRIS. Yes; and if we want to do that, then, let us pass a law requiring it.

Mr. BARKLEY. I was going to ask the Senator if his objection would not be cured by a very slight amendment, in line 4, to change the resolution so as to read: "That it is the sense of the Senate that the Securities and Exchange Commission should provide for and expedite the consideration of applications for the registration of any bonds," and so forth?

By such an expression we would not by any technical language commit the Senate to ask the Commission to register these bonds.

I will say to the Senator from Mississippi, if the Senator from Nebraska will permit me, that in the law there are certain restrictions and regulations governing the registration of securities that are to be sold in this country. The language of the resolution might be construed to mean that we are asking the Commission to waive those restrictions and regulations, which I do not think we can do in this kind of a resolution. If it were to have the force of law, we probably ought not to do it without further consideration; but I do think it would be consistent to ask the Commission, if application should be made for the registration of any bonds of this kind, to expedite the consideration of the application for registration, so as to avoid delay. That, I think, is really what the Senator has in mind.

Mr. HARRISON. Mr. President, if the Senator from Nebraska will yield to enable me to answer the question——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Mississippi?

Mr. NORRIS. I do.

Mr. HARRISON. I may say that all in the world I wanted was an expression of the desire of the Senate, if and when application were made to the Securities and Exchange Commission by a group of citizens of this country representing Finland or by the Government of Finland, that the Commission should expedite the consideration of the matter. The Legislative Drafting Service of the Senate drafted the resolution. I have no objection in the world to adding the words "the consideration of the registration."

Mr. NORRIS. Mr. President, that might make the request a little milder; but it does not change the aspect of the whole thing in any degree, it seems to me. The principle is left just the same. We are out of place when we undertake to do this.

Mr. HARRISON. Mr. President——

Mr. NORRIS. I yield to the Senator from Mississippi.

Mr. HARRISON. Carrying out the suggestion, on line 4, following the word "expedite", I move to insert "the consideration of application for."

The PRESIDING OFFICER. The Senator from Mississippi has the right to modify the resolution.

Mr. NORRIS. The resolution also says that it is the sense of the Senate that the Securities and Exchange Commission should provide for and expedite—as it is now modified—the consideration of application for the registration of any of these securities. I do not think that changes the thing so far as the principle involved is concerned, or so far as putting ourselves in a false light is concerned. It seems to me we are absolutely out of place if we undertake to give this kind of advice. We have no such prerogative. If we think this ought to be done, we ought to be courageous enough to pass a law on the subject and let it be enacted into a statute; and then the Securities and Exchange Commission will be bound by it.

How would a member of the Commission feel—how would you feel if you were a judge—if the Senate should say, "It is the sense of the Senate that you ought to decide the case now pending before you, or which soon will be pending before you, in favor of the plaintiff"?

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. NORRIS. I do.

Mr. CONNALLY. Does the Senator think the resolution goes quite that far?

Mr. NORRIS. Probably not.

Mr. CONNALLY. It does not ask them to decide the matter in a certain way. It merely asks them to expedite it. Congress by law provides for preference in the courts.

Mr. NORRIS. The Senator's criticism of what I said is just. If we should say that it is the sense of the Senate that the Commission ought to expedite this case and reach a certain conclusion, then we would have a similar case. I thank the Senator for the correction; but that still leaves our proposed action, as I see it, away out of the Senate's domain.

I do not care to discuss the matter any further; but it seems to me it would be a tremendous mistake for the Senate to adopt a resolution of this kind.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as modified.

Mr. WHITE. Mr. President, I desire to express my complete concurrence with the views expressed by the Senator from Nebraska [Mr. NORRIS]. I was in attendance upon the meetings of the conference committee on the transportation bill, and was not in the Foreign Relations Committee when this resolution was ordered to be reported. The truth of the matter is that this resolution relates to a subject matter committed by law to the Securities and Exchange Commission. We have placed power in the hands of the Securities and Exchange Commission, and we have placed certain obligations upon that Commission. Now we are undertaking to say, by a resolution of the Senate, what we think the Securities and Exchange Commission ought to do in a particular case.

Personally, I am as much opposed to having the Senate of the United States gratuitously express its views and undertake to influence the action of a commission as I am opposed to persons expressing opinions not requested on matters concerning which they have no responsibility whatsoever.

Mr. HARRISON rose.

Mr. NORRIS. Mr. President, I think we ought to have a roll call on the resolution.

Mr. HARRISON. That will be entirely satisfactory to me. I hope there will be a roll call.

Mr. NORRIS. Would not the Senator be willing to let the matter go over until tomorrow?

Mr. HARRISON. I would.

Mr. NORRIS. I am not particularly concerned as to that; but, while I may have an incorrect idea of the importance of the resolution, I look upon this as a very important matter, having a bearing on the future of the Senate, and of the Government itself away beyond its apparent importance. I may be entirely wrong about that, but I should like to let Senators think about it overnight, and see whether we ought to pass this resolution. If it will not discommode the Senator from Mississippi in any way, I should be very glad to have that done.

Mr. HARRISON. It will not discommode me, but it would be very delightful to me if I may be permitted to remove an impression that the Senator's remarks perhaps have made on one or two Senators.

Mr. President, I see nothing dreadfully wrong in the United States Senate expressing the sense of its membership on some subject. It has been done many times since the Senate was first organized. I do not know why it should get any one heated at this time. We know that the newspapers of the country, and the people of the country have expressed themselves in articles, editorials, speeches, mass meetings, benefit performances, and letters; all imploring us to do something for Finland.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. Yes.

Mr. NORRIS. The Senator says we have frequently done things of this kind. He may be entirely right and I may be wrong about the matter, but I do not remember a single instance in which we have done such a thing. That does not mean that we have not; but I wish the Senator would point out instances of the kind. We have frequently expressed our sense of something of which we had jurisdiction, as to which we were going to pass legislation, or something of the kind; but have we ever expressed in a resolution the sense of the Senate that any tribunal ought to do or not to do any particular thing?

Mr. HARRISON. I think we have many times expressed the sense of our membership on matters not entirely within the scope of legislative matters in our jurisdiction.

We are not asking a court to change its opinion or to render a decision along a certain line. What we are doing, in view of the evident feeling in the country and the appeals that have come to us from a great many of our people to try to render some assistance to Finland, is to take some action along that line. It may be perfectly fruitless. It may get nowhere. It may not result in any material assistance to Finland, but it is an effort in the right direction; and, in my opinion, it would be very helpful psychologically if a group of citizens representing Finland or the Republic of Finland itself should get behind the movement and put on a campaign which, of course, would have to be well organized, to sell bonds in this country. But I believe it can be done, and the results will be worth the effort.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. I yield to the Senator.

Mr. BARKLEY. The effect of adopting this resolution would in no way be that the Securities and Exchange Commission would have to ignore the law or its own regulations in considering whether or not an application for registration of these bonds should be approved. The Commission might turn down the application, and if the application did not comply with the law or with their regulations they would be expected to turn it down; otherwise, to approve it. I understand that the Senator's object is that whatever action the Commission may take in regard to an application for registration should be taken with reasonable speed, so that if there is an opportunity to float any of these bonds in this country it will not be unreasonably delayed.

Mr. HARRISON. The Senator is absolutely right. I have asked for no change at all in the law. As I said, I do not know whether or not Finnish bonds can be sold to the American public. I believe that some persons, moved by patriotic impulses and their sympathetic interest in Finland, will buy the bonds. I hope they will buy a great many of the bonds. I voted against the bill, which is coming up tomorrow, to increase the capital stock of the Export-Import Bank by $100,000,000, and to turn over to other countries, upon proper showing, loans from a Government agency. I do not believe this is a good time for the Federal Government to use its funds in that way, especially when we are reducing many appropriations. In addition, I believe that it would be a serious mistake to establish such a precedent. I did believe, however, it would not be in violation of the spirit or the letter of the Neutrality Act for us to say in simple language that it is the sense of the Senate that the Securities and Exchange Commission, in the performance of its duty, should give expeditious consideration to an application by Finland for the sale of bonds, if and when an application should be made.

This resolution does not provide that they have to announce that the bonds are good; it has nothing in it about the character of any application to be made to the S. E. C.; as I have stated before, of course, the resolution is not legally binding. Its importance lies in its psychological effectiveness. The resolution does not provide that American citizens have to buy these bonds or securities. If Finland's bonds or securities appeal to the impulses of certain American citizens, they can purchase them.

It seems to me this is a good idea, and that it is a step in the right direction. I hope that if the Republic of Finland does make application, or authorizes a group of our citizens to act for it, many millions of bonds will be sold. I may say, also, that the Finnish bonds are down to about 45 at present as has been stated before our committee. I can appreciate that one who buys one of the bonds, if there is an issue of bonds, is not going to buy it as a business investment, but he may buy it on account of his sympathetic feeling for the Republic of Finland and the heroic fight her people are making.

Mr. President, it seems to me that at least we should go far enough to adopt this resolution, to show that we are sympathetic to Finland, and that it is the sense of the Senate that the Securities and Exchange Commission to which, before the bonds can be sold, application must be presented and the facts with reference to the bonds or securities shown, should expedite consideration. I hope we can go that far, and I believe the resolution should be adopted.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. DANAHER. I wonder whether I might ask the Senator if he would consider a possible alteration of the language of his resolution, by striking from line 3 the words 'provide for and," and inserting after the word "expedite" the words "consideration of possible," so that the resolution would read:

> That it is the sense of the Senate that the Securities and Exchange Commission should expedite consideration of possible registration of any bonds, etc.

Mr. HARRISON. Mr. President, I may say to the Senator that that has already been agreed to, as to the consideration, and I was about to ask about the words "provide for and" be stricken from the resolution.

Mr. DANAHER. That had not come to my notice, and I thank the Senator from Mississippi for his courtesy.

Mr. HARRISON. That was agreed to on the suggestion of the Senator from Nebraska.

Mr. DANAHER. I also ask the Senator whether he has checked up at all on the amount of outstanding Finnish bonds now in this country?

Mr. HARRISON. I have not. I may say that the Committee on Foreign Relations did not have under consideration this resolution; it was not referred to that committee; it has been on the table. We had before us the Chairman of the Securities and Exchange Commission, and he stated that they already had most of the data needed, because an application was made some time back, but that the data would be brought up to date if new application were made. He did not think it would take longer than the 20 days required by law and thought that in that time they could be getting up the data.

Mr. BARKLEY. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. BARKLEY. I think Mr. Jones testified before the Committee on Foreign Relations that heretofore Finland had borrowed in the United States about $100,000,000, about eight or nine million of which represented a loan by the Federal Government.

Mr. CONNALLY. He said during the World War.

Mr. BARKLEY. Yes; and that all of that had been repaid except about $8,000,000, out of an original loan of about $100,000,000.

Mr. KING. And the balance is not yet due.

Mr. BROWN. Mr. President, the Senator from Kentucky is almost accurate, but not quite. The amount of the bonds privately floated by Finland in the United States was $99,000,000.

Mr. BARKLEY. I had reference to all the borrowing.

Mr. BROWN. The amount acquired from the Government of the United States was $9,000,000.

Mr. BARKLEY. I did not mean to create the impression that they had borrowed from the Government approximately $100,000,000, but that all the indebtedness of Finland and the Finnish people in the United States since the World War amounted to approximately $100,000,000.

Mr. BROWN. One hundred and ten million dollars.

Mr. BARKLEY. One hundred and ten million dollars; but that practically all of it had been repaid—all except about $8,000,000.

Mr. BROWN. There is $8,000,000 of indebtedness to the Government of the United States and $10,000,000 is still outstanding and unpaid, not yet due, in the hands of the general public, of which amount, I understand, about $8,000,000 is held in the United States and about $2,000,000 outside.

Mr. BARKLEY. In other words, of the $110,000,000 they have borrowed, both from the Government and privately, since the World War, they have paid all back except about $18,000,000 or $19,000,000.

Mr. BROWN. That is correct.

Mr. DANAHER. Mr. President, will the Senator from Mississippi yield to me for a question?

Mr. HARRISON. I yield.

Mr. DANAHER. Let me point out that when the Senator from Kentucky speaks of Finland borrowing that money, he refers to Finnish corporations, who incurred what he describes as private debts. The debts of the Republic of Finland as such have never amounted to $100,000,000 in this country and there have never been any such repayments in terms of Republic of Finland payments. What Mr. Jones referred to when he spoke of public and private debts were the public debts of the Republic of Finland on the one hand and the private debts of Finnish corporations on the other hand.

To illustrate, and so that there may be no question, and since I had very deep sympathy with the purposes of the Senator from Mississippi when I first heard of his intention in this particular, I took the matter up with the Reconstruction Finance Corporation, and I hold in my hand a schedule, or chart, of such issues as were publicly sold down to date, to the last detail, including the current market price of each of the issues now outstanding in this country. This information was furnished to me this morning, and I should be very happy in due course to submit it for the consideration of the Senate in order that we might all be informed on the facts.

The point I wanted to make perfectly clear was that the reference by the Senator from Kentucky to Finland's borrowings and Finland's repayments includes not only her public, but also the private debts of her private corporations in this country.

Mr. BARKLEY. Mr. President, if the Senator from Mississippi will yield, I sought to create no other impression, and if my language did create another impression, I am sorry. I referred to the total borrowings of the Finnish Government and the Finnish people in the United States. So far as I know, the only loan of the Finnish Government as such was a loan made by the Federal Government of $8,000,000 or $9,000,000. They may have floated some other Finnish Government bonds, but I do not recall any. At any rate, the total public and private debts amounted to a sum in the neighborhood of $110,000,000, I understand. All of that has been repaid except about $18,000,000 or $19,000,000.

Mr. KING. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. KING. I am sure the Senator from Connecticut does not intend an inference to be drawn from the observations which he has submitted to the effect that because some corporations in Finland have obtained money by the issue of bonds that would be an objection to our rendering her any aid, either through the instrumentality of the pending resolution or otherwise. I think it is to the credit of the Finnish people that after the great World War, after the Finns had been subjected, as the Senator knows, to oppressive conduct for many years, they organized their Government, almost out of nothing, so to speak. As the Senator knows, they were a population engaged largely in agriculture. More than 50 percent of the land, except that which is owned by the state, is owned by individuals. A number of enterprising and patriotic Finns went to work to rehabilitate their country, to develop it. They borrowed money and started some enterprises. Until just before the onset of the last war they presented a very fine picture of development agriculturally and in a business way. A number of corporations had improved the facilities of transportation. They built factories, and they have given employment to a large number of people. They were in a prosperous condition and would have continued to be prosperous, except for this unfortunate war, which has brought upon them great suffering and has certainly impaired their credit.

Mr. DANAHER. Mr. President, the Senator uses the term "unfortunate war." Does the Senator understand that a state of war exists in Finland?

Mr. KING. Not under the law which we enacted, but the Bolsheviks are raining bombs upon them, they are destroying hospitals, and killing men, women, and children. But there is not a state of war there any more than there is between Japan and China.

Mr. DANAHER. I do not wish to trespass on the time of the Senator from Mississippi, but I should like to be heard in due course.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. BROWN. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. BROWN. I do not desire to have the impression left that the bulk of the indebtedness owed by Finland in the United States is private debt. Sixty million dollars of the one hundred million dollars about which we have been talking, incurred in the post-war period, was strictly the indebtedness of the Finnish Government, the obligation of the Finnish Government. The balance is made up of indebtedness of the city of Helsinki, of a general municipal loan by the Government for the benefit of municipalities in Finland, and of the Industrial Mortgage Bank and Residential Mortgage Bank, both Finnish governmental institutions. The $100,000,000 we are talking about is in the very true sense of the word a governmental loan and not a private loan.

Mr. HARRISON. Mr. President, I ask for the yeas and nays.

Mr. DANAHER. Mr. President, in the Foreign Relations Committee the other day when the committee was in executive session the membership very graciously gave me permission to speak a few minutes in connection with a proposed amendment to the pending bill, authorizing the doubling of the capital of the Export-Import Bank, to restrict loans so that they could not be made to any foreign government as such. I had offered that amendment previously in the Committee on Banking and Currency, and it had failed. So far as I know, in view of the way the bill apparently has come from the Foreign Relations Committee, it failed there, if in fact any Senator offered it in my behalf.

In any event, it does bear, it seems to me, on the question posed by the resolution of the Senator from Mississippi as to whether or not a loan in behalf of the Republic of Finland as such should be considered by the United States under the circumstances overseas at the present time.

Regardless of what the condition was in December, at which time the Finnish Minister made representations to our Department of State in connection with the status of his country and of Russia, 2 months have elapsed, and not only do we find that a state of war actually exists, but the newspapers this morning report, through the Associated Press, that the French Republic is taking and is demanding that there be taken complete steps for the assistance of the Republic of Finland. Great Britain, through its representatives in this city as well as overseas, and in the Parliament, has already taken steps in behalf of the Republic of Finland. There is being associated with the Republic of Finland, in other words, a status of war in which the Empire of Great Britain and the Republic of France are so far committed to the success of one side that once again the United States will be in the position of taking an unneutral step if we leap into this picture in continuation of an American loan to the Republic of Finland as such.

Whatever has been done through the Export-Import Bank up to now with respect to the Finnish-American Trading Corporation, a New York corporation, it has not been done by the United States of America, but has been done by the Export-Import Bank, a corporation chartered under the laws of the District of Columbia.

Mr. President, we are now considering whether it is the sense of the Senate that an application for a loan in behalf of the Republic of Finland, as a nation, shall be approved, whereas if we in America really want to help the credit of Finland we can go in the market and buy her bonds today.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BARKLEY. How would it help Finland for the American investors to go into the market and buy existing outstanding Finnish bonds, upon which Finland, or some subdivision of Finland, has already obtained the money?

Mr. DANAHER. Like Great Britain and France, Finland can use the holdings of her nationals in this country to build up and maintain her bond market. Finland can borrow against that collateral, and if the market is built up and maintained, inevitably the value of the collateral would increase.

Mr. BARKLEY. The value of the outstanding bonds in the hands of the investors is fixed. The owner of the bonds would not get that money. The only way Finland can benefit by the purchase of bonds by private investors in the United States is to issue more bonds, the proceeds of which would go directly to the Republic of Finland. As I understand, that is all the resolution contemplates.

Mr. DANAHER. Mr. President, let us see if that is so. In October 1923 there were floated in this country Republic of Finland external loan sinking-fund gold 6-percent bonds, redeemable in 1940, to the value of $10,000,000. That is the total face value. The face value of each bond was $1,000. On February 7, 1940, the quotation on that bond was 43½. Mr. President, 43½, and the face value was $1,000. At the end of 1939 it was 40.

The last amount called on that loan was $294,000, and the Government of Finland paid $1,000 a bond for them when it called them in, on September 1, 1939, in order to build up and maintain a market for those bonds.

The Finland Residential Mortgage Co. issued first-mortgage bonds which originally were not guaranteed by the Republic of Finland. They were issued at 6 percent, redeemable September 1, 1961. That issue came out in September 1928. They were not guaranteed by the Republic of Finland until 1934, and then they were guaranteed in order to maintain and keep a market for them. Of that $10,000,000 of bonds issued at that time there are at the present time $4,011,500 outstanding. Each bond with a face value of $1,000 could be bought yesterday at 19.

The city of Helsingfors issued an external loan sinking fund 6½ percent issue of bonds, which is not guaranteed by the Republic of Finland. It is redeemable in 1960. The loan was for $8,000,000, issued in March 1930. The present outstanding amount against it is $7,005,000. Yesterday, February 7, 1940, the price for that bond was 25¾.

Mr. President, if the United States Senate is to be asked to place its approbation upon loans in behalf of the Republic of Finland, and give apparent strength and apparent approval to a new issue to be floated in this country, and take American taxpayers' money on the representation that we in the Senate approve that sort of thing, it seems to me that the Senate is going definitely askew in the light of the facts, and I cannot believe that the Senate in its collective wisdom will say that it is the sense of the Senate that under the circumstances the S. E. C. shall expedite consideration of an application for issuance of Republic of Finland bonds.

Mr. HATCH. Mr. President, I am not a member of the Foreign Relations Committee. I have not studied the resolution which was introduced and which is being considered at this time. When it was brought to the floor today I think it was made very clear that it was unnecessary to adopt the resolution, as the bonds of Finland could be sold in the United States without the resolution being adopted. The Senator from Mississippi very definitely stated that he desired to have the resolution adopted, as I understood, perhaps for some psychological effect that it might have.

I have listened to the discussion by the Senators who have raised the question of the right of the Senate to express an opinion to a department or agency of government. I appreciate the thought behind those objections. As I have sat here and listened, and especially during the last argument that was made about the price of Finland's bonds, I have been thinking of the condition and need of Finland as it is at this moment—a free country, an independent nation, fighting against the aggressor that would destroy the right of that country to govern itself.

The Senator from Connecticut propounded the inquiry as to whether the wisdom of the Senate would recommend investment in Finland's bonds. I do not know anything about the collective wisdom of the Senate, but my own feeling is that I should like very much to express my opinion in favor of an investment of this nature if the entire investment should ultimately be lost. I should be glad to invest, Mr. President, in any country that fights for freedom.

I wonder what the psychological effect might be if the Senate of the United States should vote down the resolution today.

Mr. BARKLEY. Mr. President, I wish to say just a word. I am somewhat amazed at the attitude of my friend, the Senator from Connecticut when he suggests that if American people want to help Finland they ought to go out and buy existing bonds at 43 cents on the dollar. Of course, if I were an investor and wanted to make money on an investment, and had sufficient confidence in the ultimate success of Finland to buy the bonds that are outstanding, it probably might be a good investment, and if Finland is able to sustain her nationality I think it would be, because I have no doubt that ultimately Finland would pay those bonds dollar for dollar, and it would be a good investment to pay 43 cents on the dollar for the outstanding bonds. But not a penny of that money would ever reach the treasury of Finland. Not a dollar of it would buy a suit of clothes, or an automobile, or a wagon, or a barrel of flour, or a rifle, or a machine gun, or an ambulance.

I realize that it may be a little unusual for the sense of the Senate to be asked on a proposal of this sort—though I agree with the Senator from Mississippi that the Senate has, on former occasions, expressed its sense about various matters. We all recognize that it does not have the force of law. We all realize that it may not influence the agency to which reference is made in the resolution; but it certainly is an expression of the feeling of the Senate, and I believe the overwhelming feeling of the American people, that if we can do something that will be of financial, moral, or psychological

assistance to Finland without having to involve ourselves in a war or in participation in that war, it ought to be done.

Mr. Frank, the Chairman of the Securities and Exchange Commission, testified before the Foreign Relations Committee that ordinarily a minimum of 45 days is required; that usually it is 20 days after the application is filed before any possible action can be taken, and that probably 25 days more would be required. Even if the Commission should pass upon the application in the shortest possible time, on the very day the time expires, it might require 45 days for the bonds to be put on the market if they were approved.

The resolution of the Senator from Mississippi does not ask the Securities and Exchange Commission to waive any of its regulations. It does not ask it to hurry its procedure in an unseemly way; but it does express the sense of the Senate that, in conformity with law and in conformity with its own regulations, consideration of such application should be expedited as much as is reasonable.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. O'MAHONEY. I have been listening with much interest to this entire discussion, and I confess that I am somewhat at a loss to know what constructive objective is intended to be served by the resolution, and whether its effect is entirely clear. As I understand what has been said down to this moment, it amounts to a declaration that the passage of the resolution will not provide any aid of any kind to Finland. Is that correct?

Mr. BARKLEY. It will provide no direct financial aid. It does not raise any money.

Mr. O'MAHONEY. Is there any suggestion to the Senate or to any of its committees that the Republic of Finland is expected to make application for the registration of such a loan?

Mr. BARKLEY. The resolution does not suggest that Finland is expected to do so; and I am unable to say that it will. However, in the past Finland has probably floated bonds in this country and it might wish to do so again. If the Securities and Exchange Commission should approve an application of that sort with all necessary speed, and at the same time without undue haste, an opportunity might be afforded for some Americans to invest their own money in the bonds.

Mr. O'MAHONEY. Mr. President, is it the purpose of the Senate to express its sympathy for Finland, a sympathy which I take it is almost universally felt? Or is it the purpose of the Senate to provide aid for Finland? If it is the purpose to do either of these things, is either of them actually served by the resolution?

Mr. BARKLEY. I should say the purpose is a combination of both. I think the passage of the resolution would automatically be interpreted as an expression of sympathy on the part of the Senate for Finland, and it might bring about expeditious consideration of a means by which Finland might be given financial aid.

Mr. O'MAHONEY. But there is no suggestion that the Republic of Finland is expected to make application for such registration.

Mr. BARKLEY. I do not think the Senator would feel that it would be proper legislation for the resolution to invite Finland to do so.

Mr. O'MAHONEY. I am trying to clear up my own mind as to what the resolution will do, and what hope would be held out to the Republic of Finland if the resolution were passed.

Mr. BARKLEY. Hope would be held out that if Finland sought to float bonds and sell them to private investors in the United States, the application to float them and their possible sale would not be postponed until it might be too late for the realization of the funds to be of any value.

Mr. O'MAHONEY. Mr. President, it has been impressed upon my mind since the beginning of this discussion about aid to Finland that what Finland and the people of Finland need is military aid. Finland does not need loans for agricultural purposes. Finland does not need, even in this hour of its distress, any great amount of medical assistance. I gather from the newspapers that that is being provided.

Mr. BARKLEY. While at this moment I think it may be true that Finland does not need agricultural products, my information is that within possibly 2 or 3 months, on account of the fact that her men have been drawn into the army and thereby her agricultural products will be curtailed, there will be great need for food products in Finland. Of course, the injury of the men of Finland in the battles which are now raging presupposes the necessity for greater medical supplies. Mr. Jesse Jones yesterday submitted to the Foreign Relations Committee a list of the nonmilitary things for which Finland is now negotiating in this country. While I agree with the Senator that Finland's most emergent need is probably for military equipment—airplanes, machine guns, tanks, and things of that kind—I think the Senator will concede that it would be difficult to obtain enactment of a law by the Congress providing loans for the purchase of such things. There is a terrific list of things which she can buy with any credit she obtains in this country, whether from an agency of the Government or from private sources. There is a terrific list of things which she needs and can buy and which do not come within the category of military supplies.

Mr. O'MAHONEY. There can be no doubt about that. I agree with what the Senator has said; and I take it that provision for such things is being made by the bill which has been reported from the Banking and Currency Committee and the Committee on Foreign Relations, but we are not now considering that bill. That bill provides only for a loan through the Export-Import Bank for nonmilitary purposes.

I am merely pointing out that the emergent need of Finland, as the Senator himself has so well said, is not for such aid, but for military equipment and supplies. The resolution submitted by the Senator from Mississippi [Mr. HARRISON] is merely an expression of opinion by the Senate that an application which may or may not be made—we do not know—to the Securities and Exchange Commission for the registration of a bond issue, the proceeds of which may be used for any purpose, including military purposes, should be expedited.

The question which arises in my mind is whether or not it is clear to the country, to Finnish sympathizers, and to Finland that the passage of the resolution is actually only an empty gesture. It is merely a declaration, in a roundabout way, of our sympathy for Finland, and does not of itself add in any way to the ability of the Finnish Republic to obtain the needed funds. I ask the Senator from Mississippi [Mr. HARRISON] whether or not I am correct in that statement.

Mr. BARKLEY. In regard to that matter, I should say that the Senator realizes that, notwithstanding the restrictions contained in the bill which is the unfinished business, and which has been temporarily laid aside, with reference to the articles which can be bought with the money that is to be loaned, any money that may be obtained by Finland from the sale of bonds privately in the United States may be used for any purpose, so long as there is not a declared state of war, and so long as neither the President nor Congress has taken action to bring the neutrality law into effect. So, if any bonds are to be sold or any money raised under a program which will have to go through the sifter of the Securities and Exchange Commission, that money may be used exclusively for military supplies if Finland sees fit to use it for that purpose, so long as there is no state of war and no proclamation.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Michigan.

Mr. BROWN. The three principal things which Finland needs, as shown by what she buys from us, are cotton, oil, and wheat. They are the three heaviest exports from the United States to Finland; and, of course, every one of those things can be purchased under the provisions of the bill which we hope to pass tomorrow or Monday.

Mr. BARKLEY. The Senator, not being a member of the Foreign Relations Committee, was not aware of the fact that on yesterday Mr. Jones submitted a list of the things Finland is now buying with the money which the Export-Import Bank has already loaned to Finland. The list includes many articles besides the three mentioned by the Senator.

Mr. BROWN. Those are the three principal items.

Mr. BARKLEY. Yes.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Mississippi.

Mr. HARRISON. In answer to the question propounded by the Senator from Wyoming, it is my opinion that, in the first place, the passage of such a resolution would not violate either the spirit of neutrality or the neutrality law.

Mr. O'MAHONEY. I agree with the Senator in that statement.

Mr. HARRISON. It is simply a matter of asking the Securities and Exchange Commission to expedite the consideration of the application, should an application for the registration of bonds for sale in this country be made. Whether any actual good would come from the passage of the resolution I do not know. In my opinion it would. At least, the passage of the resolution would express the sense of this body that we are somewhat sympathetic toward Finland. I am sympathetic toward Finland, and I prefer to see the proposed financial arrangement made through the private sale of bonds to individual Americans rather than to see the money come out of the Treasury of the United States. That is one of the reasons why I submitted the resolution. I hope the effect will be the formation of a group of leading American citizens to make application on behalf of the Republic of Finland to the Securities and Exchange Commission; and I hope that the campaign for the sale of Finnish bonds will be successful. The proceeds of the bonds could be used for the purchase of implements of war, which Finland may not buy under the proposed loan from the Export-Import Bank which we have discussed. If the bonds are sold to individual American investors, Finland may use the money in any way it wishes.

Mr. O'MAHONEY. Then, if I understand correctly, the effect of the resolution would be to make clear to the country and to those who are sympathetic with Finland, and who desire to see Finland receive money from the nationals of this country which may be used for the real need of Finland, namely, the purchase of military supplies, that the Senate is in sympathy with the flotation of such a Finnish loan in this country and desires to expedite any application that may be made. It is also clear that the registration and sale of such bonds in this country would not violate international law.

Mr. HARRISON. Yes. I do not want to hold out any false hopes to Finland or to anyone who may represent Finland. That is why I said in the beginning of this discussion that Finnish bonds are now being sold in this country, I think, for less than 45 cents on the dollar. Of course, it would look somewhat foolish to some gentlemen to suggest that an American investor would pay a hundred cents when he could get the same security for 45 cents. If the expression of the proceedings were expedited under resolution and the bonds of Finland were registered, the purchaser of the bonds would be dictated by a sympathetic and patriotic impulse, and not from the investment standpoint.

I believe if Finland shall win the war that the bonds will be duly paid; if Finland shall not win the war, it will be too bad. But the American investor is pretty sensible and generally does not pay a hundred dollars for a bond that he can get for 45 cents on the dollar, unless he is moved by something else than the mere thought of profit or return.

Mr. O'MAHONEY. Finland has already demonstrated that its bonds are good, that its credit is good, and that so long as it is free it will repay to its creditors any debt it may incur.

Mr. HARRISON. The Finns have a wonderful record in that respect, and I believe that many people in America who are possessed of wealth and who say they do not want to invest their money now are at times moved by very patriotic impulses. They pay very large income taxes under the present law, as high as 75 percent in the last surtax bracket. There is a chance, if they should lose on the investment in Finnish bonds, that they might claim some deduction for the loss incurred, and I am inclined to believe that with that thought in mind certain individuals who would not otherwise lend $5,000 or even $100 would buy these bonds.

Then, too, it will be remembered that under our present law, in certain circumstances, we impose a gift tax. In other words, sometimes when one gives he is required to pay a tax. If bonds or Finnish securities are purchased in this country, it will largely be the result of the patriotic and sympathetic impulses of our people. Even if they should not sell $5,000,000 or even $1,000,000 of bonds, they could at least sell that amount and use the funds for the purchase of what it is stated they need. I think we ought to give encouragement to Finland in this matter to the extent of at least expressing the sense of the Senate.

Mr. O'MAHONEY. Mr. President, let me express my appreciation to Senators who have been kind enough to answer my various questions.

Mr. KING. Mr. President, may I interrupt the Senator now?

Mr. O'MAHONEY. Certainly.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. BARKLEY. I yield.

Mr. KING. It has been related to me by some who are interested in Finland's protection and who have given much of their time without any compensation or any hope of compensation to soliciting funds for Finland, that many persons have tendered checks provided that the money which they were willing to contribute might be utilized for military purposes, but when they were told that those who were receiving contributions could use them only for nonmilitary purposes they expressed the hope that there would soon be issued bonds so that they might buy bonds even though they should never receive a return for their investment in order to help Finland to purchase the necessary military supplies to defend herself against this cowardly assault by the Bolshevik Government.

Mr. BARKLEY. Mr. President, I shall say merely a word, in conclusion, as to the practical result of the adoption of this resolution. The Commission could take the action, anyway, probably, but the adoption of the resolution might be persuasive in giving priority to the consideration of an application for the registration of Finnish bonds over other bonds, and in that way expedite the issuance of the bonds.

Mr. WALSH. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. Certainly.

Mr. WALSH. As I understand the present law, Finland or any other country can make application to the Securities and Exchange Commission for the purpose contemplated by the resolution? The only difference is that the resolution suggests to the Commission that it expedite action in case Finland shall make application?

Mr. BARKLEY. That is correct; that is the only thing in it.

Mr. WALSH. And any other neutral could do the same thing?

Mr. BARKLEY. Yes; any other neutral could do the same thing. Under our present neutrality law, England, France, and Germany could not do it, because we deny credit to them, but any neutral country—and that is still the status of Finland—may make application, and the resolution, as the Senator says, suggests to the Commission, as an expression of our desire and our feeling, that the procedure be expedited, which might mean priority over other applications.

Mr. PITTMAN. Mr. President, this resolution did not come before the Foreign Relations Committee; there was no matter touching it pending before the committee. It had no relation whatever to the bill under consideration, namely, Senate bill 3069, which was reported from the Banking and Currency Committee, and then referred to the Foreign Relations Committee. However, prior to the meeting of the committee the Senator from Mississippi had offered publicly his resolution; it was lying on the table, subject to action, and was no longer a secret. The question would naturally arise, as it has arisen here today whether it would be advisable to recommend, as an expression of the sentiment of the Senate, that the Securities and Exchange Commission expedite any application for the registration of Finnish bonds, and whether or not it would be beneficial to Finland to issue such bonds.

Some think it would be and others think it will not be. I do not know how we shall find that out until it is tried. Personally, I think Finland would be able to sell the bonds to those who would be willing to make gifts to Finland. I believe Finland would prefer to have money in the form of loans rather than in the form of gifts. In my opinion, the Finnish people despise charity, and do not want gifts. If such provision is made that loans can be made to Finland for the purpose of buying what Finland needs, there will be some charitable people in this country who will buy Finnish bonds at par. That is my view of it. But that is not the question.

The question having been submitted to this body whether if application is made it should be expedited, that question has got to be answered now, and any Senator who votes "no" at this time is placing the Finnish Government in a very embarrassing position, not through any fault of its own. Since the subject is before the Senate, the Senate is only asked one question, and it has got to answer that question yes or no. The question is, Does the Senate favor the Securities and Exchange Commission expediting the registration of any application for the issuance of bonds by Finland? Everyone knows that it is legal at the present time to issue such bonds; everyone knows that there are two or three thousand applications pending before the Commission for registration that probably will not be reached within 6 months; and the resolution asks the Commission when legal applications for the registration of Finnish bonds are made to them, in view of the serious situation in Finland, with which we sympathize, that they expedite the registration of the bonds. The adoption of the resolution would have no effect save to serve as an expression of our sympathy; and I do not think we should hesitate even for a moment to discuss a question of that kind.

Mr. WILEY. Mr. President, I rise to speak to the pending resolution for a few moments. Tomorrow I expect to speak to the bill which has been reported from the Committee on Foreign Relations. The resolution simply provides that it is the sense of the Senate that the Securities and Exchange Commission shall expedite—and I would add the words "the hearing of"—applications for Finnish loans. If that is the intention of the resolution, it seems to me that we are doing two very fine things. We are giving a legal expression, at least in one sense, to the way our hearts beat, and we are also expressing what the people of this country feel. I said we are giving legal expression to our sentiments; but I am decidedly against, and will say so tomorrow more emphatically than I do now in an amendment which will then be proposed to the bill to this country loaning money to Finland, because I think such action would violate international law and transcend the powers of Congress. I am not, however, against speaking up in the Halls of Congress against an international rapist. Just a few months ago one of the distinguished Senators on the other side of the aisle made a very wonderful address in which he showed how down through the years America has always had the stamina to register its protest against international violence and international crimes. I do that now in relation to this very resolution. I am in favor of adopting it, because it provides the only way I can see, outside of donations, in which the American people—not the Government, but the American people—can help a worthy people such as the Finnish people.

So I shall vote for the resolution.

Mr. TOWNSEND. Mr. President, we are all seeking the most practical way to help Finland. In my judgment, the most practical way to help Finland is to find some way to stop sending to Russia materials with which to destroy Finland.

On January 27, before the Del-Mar-Va Press Association, I delivered an address on this country's gold and silver policies, in the course of which I made incidental reference to the inconsistency between our efforts to help Finland on the one hand, and the actual and much greater help which this country all along has been giving to Soviet Russia as one of the results of the United States' policy of buying any and all gold sent here from any country.

After the delivery of that speech on January 27, statements got into circulation tending to minimize the significance of what I had said about our purchases of Russian gold.

In referring to the purchases of Russian gold I had in mind, and I still have in mind, not only gold shipped to this country directly from Russia, but the much more important benefits which Russia obtains through the sale of gold to other countries which then remelt it and ship it to us.

Not all Russian gold comes here by way of third countries. I should like to read the Senate an article which was published in this morning's Washington Times-Herald:

SOVIET SHIP LANDS GOLD CARGO IN UNITED STATES—$5,600,000 IN BULLION REACHES COAST

SAN FRANCISCO, February 7.—The Russian freighter *Kim* today unloaded approximately $5,600,000 in bar gold to the United States Mint, after a secret dash across the Pacific from Vladivostok.

The gold, more than 160,000 ounces, required 4 hours to transfer to armored cars. It was consigned to the Chase National Bank, New York.

The *Kim*, riding high out of the water, carried no other cargo on its 16-day voyage.

It had come all the way over to bring this gold.

I quote further:

It docked here last night, the first Russian ship to enter the Golden Gate since last summer.

GOLD PRECAUTIONS USUAL, SAYS CUSTOMS

Treasury officials last night refused to discuss a shipment of approximately $5,600,000 in bar gold from Soviet Russia, unloaded in San Francisco, but apparently were aware that the shipment had arrived.

It was pointed out, however, that the precautions taken by customs officials were not unusual.

Russian gold figured in the news here earlier this week when Senator JOHN G. TOWNSEND, Jr. (Democrat), of Delaware, accused the Treasury of aiding Russia by purchasing the Soviet's gold. He charged the Treasury was buying all of Russia's annual gold production which he estimated at $175,000,000.

Secretary of Treasury Henry Morgenthau said the Treasury maintains a policy of "nondiscrimination," purchasing gold from any and all countries offering it.

A Federal Reserve Board report issued last night said the latest estimate available of Russia's annual production, based on unofficial information, placed the 1938 total at $184,000,000.

Yesterday's shipment can either be sold directly to the Treasury at $35 an ounce, minus a small service charge, or deposited with some Federal Reserve bank. If sold, Russia would obtain American dollars with which to make purchases in this country.

The *Kim* may sell that gold for $35 an ounce to our country, and may be loaded with war materials to be taken back to Russia to destroy Finland. So I say the most practical manner in which we can help Finland is to find some method by which we can stop sending to other countries materials to destroy Finland, and taking in return gold for which we have no use.

Mr. President, on March 12, 1939, the Philadelphia Record published an appeal to the Congress of the United States in the form of an editorial entitled "Stop Buying Gold." In the editorial, reference is made to another editorial published in the Saturday Evening Post of March 11, 1939. I ask consent that there be printed at this point in the RECORD the two editorials to which I have just referred.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of March 11, 1939]

STOP BUYING GOLD

To the Congress of the United States.

GENTLEMEN: Not much time is left to save America from the folly of its gold-purchase program.

Stop it, gentlemen, now.

Three and one-half years ago the Record published an editorial, Will Uncle Sam Pay for the Next World War? In that editorial we said:

"If Europe sends us more billions of gold bullion, we will store it in Federal Treasury vaults. Europe will take wheat, cotton, machinery in exchange.

"That gold will give us the right to buy what we want when we want it from Europe—unless Europe repudiates gold as the basis of its monetary systems. If European nations do that, Uncle Sam will be left with a great hoard of practically valueless yellow metal.

"We have had enough experience with the inherent selfishness of nations not to think that any moral obligation or spirit of fair

play would prevent Europe from playing us just such a trick. Anyone who predicted in 1920 that the Allied debt would be repudiated in 1930 would have been denounced as a poltroon. Certainly that $10,000,000,000 lesson ought not to be forgotten so soon."

Gentlemen of the Congress, when that editorial was written Uncle Sam's gold hoard had piled up to $10,000,000,000.

Last July our gold hoard hit $13,000,000,000—the biggest pile of gold ever in possession of any nation since the dawn of time.

Last October the gold hoard passed the $14,000,000,000 mark.

Next week, gentlemen, the gold hoard will pass the $15,000,000,000 mark.

Next week we will have nearly two-thirds of all the monetary gold in the world. In exchange for it we will have given the fruits of our labors, the resources of our soil, the products of our factories, a lien upon our economy.

In all we have paid fifteen billions, every penny of which was earned by American workers, who will get no benefit from the gold, but they will be faced with one of the most devastating collapses of economic history if the day of repudiation dawns.

Fifteen billions of gold.

The Nation, fortunately, is waking up. Many conservatives have been opposed to the gold policy as well as most liberals.

This week even the Saturday Evening Post comes out with an editorial which echoes our own contentions of the past 42 months.

We have been called visionary. We have been chided for seeing ghosts in our forecast of gold repudiation. But the Saturday Evening Post says:

"Great Britain possesses only a pygmy pile, amounting to about $3,000,000,000, while the Bank of France, which has always sought to maintain a large gold war chest, has only about $2,500,000,000. In consequence, as gold continues to keep coming in to the President, his fix begins to resemble the fix of the little boy who engineered a corner in the marbles market.

"Because the more gold the President acquires, the less gold other nations have. And having less, the stake of the other nations in gold as a monetary medium diminishes. Thus, the other nations have less and less incentive to try to support the price of gold; they have less and less reason to try to hold on to their declining reserves. And some day those other nations may decide that gold is not really of much economic use anyway—only for watch cases and trinkets and filling teeth—and then they may determine to let the President have all the gold they have. In which case the gold would have no market.

"Which would be very serious * * * for the citizens of the United States."

Yes; we would have cornered the gold market. And we would be faced, first, with a huge mound of useless metal; second, with the economic consequences to both our foreign and domestic trade from the outlawing by the rest of the world of the international money which we had so cleverly hogged.

Gold! Gold! Gold!

If we keep on acquiring it at the present rate, in another 3½ years we will have all the gold in the world.

Already we have subsidized the world arms race to the tune of five billions. We have sent planes, bombs, raw materials, ships, guns, * * * in exchange for gold. We have traded scrap iron for living warriors of Japan in exchange for gold from the teeth of dead warriors.

We are, as Brazil's Foreign Minister Aranha is reported to have told the State Department, undermining our own foreign trade by taking more and more gold—which keeps the dollar high in foreign exchange, the pound and franc low. That permits France and England to undersell us everywhere, especially in South America, where we hope for so much.

Gold! Gold mines everywhere working overtime to sell us more of the metal at twice the cost of its production.

No wonder conservatives and liberals alike are fearful. No wonder even those conservatives who always have regarded gold as something sacred are beginning to recognize that it could easily pass out of the picture as money—and become just another metal.

Gentlemen of the Congress, act—before it is too late. Before we become a nation cursed as was Midas the King.

[From the Saturday Evening Post for March 11, 1939]

A WAR WE SEEM TO BE LOSING

Through our program for armament expansion, we recently have shown ourselves very conscious of the danger of a world war—a war which has not yet begun at this writing. In fact, we have concentrated so intensely on the possibility of this war that we have paid relatively little attention to another world war—a war already on.

The war already on is an economic war, and it is not going very well for us. Even the most optimistic patriot could only conclude that we are losing, after looking over the news from the various fronts.

It would take a thick volume to cover the news on all fronts. But a look at a few will give anybody an insight into the nature of the war and the way it is going.

In Mexico, a totalitarian government, very largely supported by our Government's purchase of silver at higher than world prices, repaid our extremely unenlightened self-interest by grabbing American-owned oil properties in the name of communism. Then the Mexican Government sold the oil stolen in the name of communism to the Fascist countries—Germany, Italy, and Japan.

We also did some gold buying. In the 5 years from 1934 through 1938, inclusive, the President swapped more than 7,500,000,000 American dollars for 215,600,000 ounces of gold. The gold was deposited here, underground, returning to the earth whence it came.

Each time the President acquired gold he boosted the gold stock of the United States and correspondingly reduced the available gold supplies of other nations until, by the end of 1938, the President was sitting on the greatest pile of gold ever amassed by any single potentate. In the depositories of the United States Treasury reposed 55 percent of the world's supply.

Compared to the President's $14,500,000,000 hoard of gold, Great Britain possesses only a pygmy pile, amounting to about $3,000,000,000, while the Bank of France, which has always sought to maintain a large gold war chest, has only about $2,500,000,000. In consequence, as gold continues to keep coming in to the President, his fix begins to resemble the fix of the little boy who engineered a corner in the marbles market.

Because the more gold the President acquires the less gold other nations have, and, having less, the stake of the other nations in gold as a monetary medium diminishes. Thus, the other nations have less and less incentive to try to support the price of gold; they have less and less reason to try to hold on to their declining reserves; and, some day, those other nations may decide that gold is not really of much economic use anyway—only for watchcases and trinkets and filling teeth—and then they may determine to let the President have all the gold they have—in which case the gold would have no market.

Which would be very serious, not only for the President but for the citizens of the United States. For gold, it so happens, is an expensive collector's item. Every time the President receives an ounce of gold he gives in exchange 35 American dollars. And foreigners use those dollars to acquire (1) American goods and services; (2) American bonds and stocks; (3) deposit balances in American banks, which represent a future call on American goods and services and American bonds and stocks. In other words, in exchange for this gold which he buries under the ground at Fort Knox, Ky., the President swaps American cash, goods, and dividends.

The mention of dividends brings up a more striking example of the nature of the economic war and the way it is going. In 1929, when Adolf Hitler was only a joke, even to Germans, General Motors bought the Adam Opel Co., with its $35,000,000 plant at Russelsheim, Germany. General Motors still owns this business, but being the owner is about all the satisfaction General Motors gets out of it. Not that it isn't profitable. Since 1934 Opel's profits have averaged $4,000,000 a year. But General Motors stockholders haven't been able to touch a cent of those profits.

Germany's magic method of blocking marks, prohibiting any money from passing out of the country, has kept those profits, rightfully belonging to American investors, in Germany. Stockholders of General Motors are not the only sufferers. General Electric, International Business Machines, Socony-Vacuum Oil, American Radiator, International Harvester, Texas Corporation, and a lot of others are in the same fix.

Meanwhile not only the German Government but German companies and individuals have been gaily collecting with both hands from us. All of the many American companies in which they own control or an interest have paid them dividends regularly.

Money made for Americans in Germany remained in Germany. Money made for Germans in America went to Germany.

What can be done about it?

It is quite true that economic aggression, when followed by economic reprisal, leads to military aggression and war. But by our rearmament program we have served notice on the totalitarian countries that we do not intend to take military aggression lying down. Isn't it about time that we took steps to make clear that we do not intend to take economic aggression lying down either? Or should we lose the economic war that is on, by default?

Mr. GEORGE. Mr. President, I have no desire to detain the Senate, but I should like to make one or two observations on the pending resolution.

In the first place, it has been suggested that the resolution has no legal effect, has no force in law. Everyone will grant that. The Senate, however, has often expressed its sense. I very well recall that the Senate expressed its sense that a Cabinet member should be removed by the Executive. Of course, the Senate had no jurisdiction in the premises, but it did desire to express its sense that that particular action should be taken. It might have been said—indeed, it was said by a distinguished Senator who has recently passed away—that the Senate was not only lacking in jurisdiction but was actually encroaching upon the jurisdiction of the Executive; and yet the Senate adopted a resolution expressing its sense that a Cabinet officer should be removed.

Frequently we have condemned "the terrible Turks" and other peoples about the earth, and in the last analysis we have chosen the mere expression of opinion as the vehicle by which we carried that condemnation.

Mr. President, I do not think the adoption of this resolution would be an empty gesture by any manner of means. That is to say, I do not believe it would be an empty proceeding, or meaningless, if the Republic of Finland should follow up the resolution and should register bonds for sale in this market; nor do I think it would be worthless or useless even if the Republic of Finland should not follow up the resolution and should not offer bonds in this market. Undoubtedly, to have access to the greatest market on earth, unquestionably to have an invitation to come into that market and float its bonds, is a powerful stabilizing influence for any nation in peace or in war, but particularly when it is fighting with its back to the wall in a desperate struggle for existence.

Finland will not get arms from the United States in any large quantities, even if this Government makes a direct loan to her. If she obtains arms she must obtain them from countries nearer by. She desperately needs arms, and she desperately needs manpower. Arms alone will not suffice. I regret to say that in my opinion Finland not only must have arms and munitions and implements of war but she must have manpower. She must obtain in some other nation credits for the things that are vital to her very existence. Is it not worth something to Finland, is it not worth something to the nations through which she must receive her implements of war and her munitions, the things vital to her existence, to know that she has here access to a money market second to none on the face of the globe? Does it not give her credit? Does it not give her standing? Does it not give her stamina which is easily translatable into actual necessities which she must now have if she is to survive, assuming that the war is to go on for a long time?

Mr. President, not only that, but undoubtedly—I am not speaking about our neutrality law—it is an unneutral act for any nation to make an unrestricted advance of money to another nation when the latter nation is a party to an actually existing war. I made that statement here before. There appeared before the Foreign Relations Committee two able representatives from the State Department, and that statement was not controverted by them. It has been the recognized law of nations since the days of John Adams. It is an unneutral act under international law for a nation, as such, to make a loan to another nation that is actually engaged in war. It makes no difference whether or not war has actually been declared. We have a notion that because a state of war is not declared to exist, war does not exist. Under our Neutrality Act that is only technically true. Actually, if war exists, and one nation makes a loan of money with which one of the belligerents may purchase anything and everything—battleships, machine guns, poison gas—it is an unneutral act under international law. It is not necessary to look to the lawbooks to find that that is so. It is founded upon the clearest principles.

Mr. President, not only is that so, but likewise it is not always a neutral act for one country to permit another country to borrow within its territory, of its citizens, when the other country is engaged in war. It is not always an unneutral act, but it sometimes is. So I think that the adoption of the pending resolution will be of benefit to Finland, because it will be a declaration upon our part, if we adopt it, that the action is not intended as a violation of our neutrality.

I know that it is beneficial to Finland, fighting with her back to the wall, to know and to be able to say to the countries on this globe through which, and through which alone, she can obtain the necessary materials and manpower, that the markets of the United States are open to her. It is not an empty gesture, by any means; it is a service to the Finnish nation, as it always is a service to individuals or to small nations, or even great nations, to know that they have friends where friendship can count, and that that fact may be impressed upon others with whom they must have dealings which are essential to their very existence. It may encourage and may indirectly profit Finland. Assuming that Finland never takes advantage, never offers to register a single bond, the fact remains that our markets are open. Great Britain and France know they are open; all the world knows that the American money market is open for the purchase of Finnish bonds if Finland desires to take advantage of this market.

The war will not last always; and if Finland survives the possibility of securing credit in the United States, demonstrated by the action of the Senate of the United States in the very hour of her travail and danger of possible extinction, will be another strong and stabilizing factor in the recovery of the Finnish nation.

Mr. LODGE. Mr. President, the Senate might be interested to hear that yesterday before the subcommittee of the Committee on Appropriations considering the Treasury and Post Office appropriation bill, the Commissioner of Customs, Mr. Basil Harris, gave some interesting testimony relating to the present condition of American exports to Russia. He gave it as his offhand guess that this trade for the year just ended amounted to $80,000,000, more than for the preceding year, and that the exports consisted of copper, oil, and tin plate, among other things. Further investigation developed that this trade, which totaled $3,000,000 in July, had risen to $10,000,000 in December.

I submit this information at this time because it seems to me it is very pertinent to the question involved in the resolution before us, and in connection with what we are going to do for Finland. It is not difficult to imagine that these shipments will be disadvantageous to Finland and advantageous to Germany and to Russia.

This knowledge causes me humbly to submit this consideration to the Senate, that if, instead of repealing the arms embargo law last fall we had extended it to nations such as Russia, we would not now be facing the thoroughly repulsive picture of American materials helping Russia in the present conflict.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. CHANDLER's name was called). My colleague the junior Senator from Kentucky is unavoidably absent on account of illness. If he were present, he would vote "yea."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I understand he would vote as I am about to vote. I vote "yea."

Mr. STEWART (when his name was called). I have a general pair with the junior Senator from Oregon [Mr. HOLMAN]. I understand, however, that if he were present he would vote as I intend to vote. I vote "yea."

The roll call was concluded.

Mr. McNARY. The Senator from Idaho [Mr. THOMAS] and the Senator from Minnesota [Mr. SHIPSTEAD] are necessarily detained. If present, they would vote "yea."

Mr. MINTON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], the Senator from Delaware [Mr. HUGHES], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent attending the funeral of the late Representative Dowell, of Iowa.

The Senator from Arizona [Mr. ASHURST], the Senator from Nebraska [Mr. BURKE], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. HERRING], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained in various government departments.

The Senator from Mississippi [Mr. BILBO], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], and the Senator from Maryland [Mr. RADCLIFFE] are detained on important public business.

The Senator from Virginia [Mr. GLASS] is detained in a committee meeting.

I am advised that if present and voting, the following Senators would vote "yea": The Senator from Mississippi [Mr. BILBO], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. HERRING], the Senator from Delaware [Mr. HUGHES], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], the Senator from Oklahoma [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Alabama [Mr. BANKHEAD], and the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 65, nays 3, as follows:

YEAS—65

Adams	George	Lodge	Schwellenbach
Andrews	Gerry	McCarran	Sheppard
Austin	Gibson	McKellar	Smathers
Bailey	Green	McNary	Smith
Barbour	Guffey	Maloney	Stewart
Barkley	Gurney	Mead	Taft
Brown	Hale	Miller	Thomas, Utah
Bulow	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Capper	Hill	O'Mahoney	Wagner
Chavez	Holt	Overton	Walsh
Clark, Mo.	Johnson, Calif.	Pepper	Wheeler
Connally	Johnson, Colo.	Pittman	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	
Ellender	Lee	Schwartz	

NAYS—3

Danaher	Frazier	Norris

NOT VOTING—28

Ashurst	Chandler	Hughes	Slattery
Bankhead	Clark, Idaho	Lucas	Thomas, Idaho
Bilbo	Downey	Lundeen	Thomas, Okla.
Bone	Gillette	Nye	Tobey
Bridges	Glass	Radcliffe	Truman
Burke	Herring	Reed	Tydings
Caraway	Holman	Shipstead	White

So the resolution (S. Res. 234) was agreed to, as follows:

Resolved, That it is the sense of the Senate that the Securities and Exchange Commission should expedite the consideration of the application for the registration of any bonds, securities, or other obligations issued by the Republic of Finland or any of its political subdivisions, upon application made to such Commission for such purpose by the Republic of Finland, or by any representative committee of citizens of the United States hereafter organized and duly authorized to act on behalf of the Republic of Finland for the purpose of obtaining funds through the sale of such bonds, securities, or other obligations.

The PRESIDENT pro tempore. Without objection Senate Concurrent Resolution 37 will be indefinitely postponed.

COMPARISON OF STATE, FEDERAL, AND PRIVATE DEBTS

Mr. BYRD. Mr. President, in recent days there has been discussion as to the relative comparison between public and private debts. I ask unanimous consent to have printed in the body of the RECORD as part of my remarks an official statement as to public and private debts.

Mr. BARKLEY. Mr. President, I ask the Senator from what source that is gathered.

Mr. BYRD. I will say to the Senator that the State and local debt figures are those carried in the 1939 report of the Secretary of the Treasury as securities of States, counties, and cities, and so forth, wholly exempt from Federal taxation.

The Federal debt figures are those carried in the 1939 Annual Report of the Secretary of the Treasury in a table showing source of public debt increase or decrease, fiscal years 1915 to 1939.

The private debt figures are the total of private long-term debt plus bank loans as compiled by Louis H. Bean and P. H. Bollinger, in the office of the Secretary of Agriculture, and officially published in a Government release by the A. A. A. division of program planning, agricultural relations section, entitled "The Present Job of Government and Private Capital."

Mr. BARKLEY. I thank the Senator.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of debts, State and local, Federal, private, 1929–40

Year	State and local debt	Federal debt	Private debt	Total debt
1929	$16,760,000,000	$16,931,000,000	$124,700,000,000	$158,391,000,000
1930	17,985,000,000	16,185,000,000	125,000,000,000	159,170,000,000
1931	19,060,000,000	16,801,000,000	118,300,000,000	154,161,000,000
1932	19,330,000,000	19,487,000,000	108,300,000,000	147,117,000,000
1933	19,517,000,000	22,538,000,000	98,000,000,000	140,055,000,000
1934	18,823,000,000	27,053,000,000	95,700,000,000	141,576,000,000
1935	18,972,000,000	28,700,000,000	93,300,000,000	140,972,000,000
1936	19,212,000,000	33,778,000,000	92,300,000,000	145,290,000,000
1937	19,152,000,000	36,424,000,000	93,000,000,000	148,576,000,000
1938	19,170,000,000	37,164,000,000	92,000,000,000	148,334,000,000
1939	19,626,000,000	40,439,000,000	92,500,000,000	152,565,000,000

Source: State and local debt figures are those carried in the 1939 Report of the Secretary of the Treasury as Securities of States, counties, and cities, etc., wholly exempt from Federal taxation.

Federal debt figures are those carried in the 1939 Annual Report of the Secretary of the Treasury in a table showing Source of public debt increase or decrease, fiscal years 1915–39.

Private debt figures (1929 to 1938, inclusive), are the total of private long-term debt plus bank loans as compiled by Louis H. Bean and P. H. Bollinger, in the office of the Secretary of Agriculture and officially published in a Government release by the Agricultural Adjustment Administration, Division of Program Planning, Agriculture Industrial Relations Section, entitled "The Present Job of Government and Private Capital."

WORLD DAY OF PRAYER

Mr. DAVIS. Mr. President, last year I spoke briefly in the Senate concerning the World Day of Prayer, February 9. At that time I voiced the hope that the united prayers of men and women of peace would bring peace throughout the world. The peace that we have sought has not come. Instead there has been an outbreak of hostilities in western Europe, which threatens to grow ever more terrible. Under these conditions there is but one court of last appeal, and that is to the God of the nations. Again we should bring to Him our cares and sorrows, resting with Him the cause of peace we so prayerfully seek.

I rejoice in every action our Government has taken recently in behalf of mediation and peace. Nothing can be gained for the welfare of mankind through war which cannot better and more permanently be achieved through peace. Again I wish to call upon the President to exert the complete moral and spiritual influence of his great office to enlist America in the cause of world peace. Were we at war great sacrifices would be demanded of us. Now that we are at peace we should be willing to make the sacrifices necessary to win peacefully what war can never bring.

We should not be discouraged if the first prayers we make for peace are unrewarded. We shall have peace when our prayers are fully supported in lives thoroughly in harmony with brotherhood and good will. So long as we continue to pray for peace and act for war we shall have division, conflict, and prevailing anarchy.

As the World Day of Prayer draws near I wish to add my voice to those of thousands of true-hearted folk who believe that God has made of one family all the nations of the earth and that all of us are called to live together in the spirit of peace and fraternal understanding.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter addressed to me by Margaret T. Applegarth, chairman of the Committee on World Day of Prayer, together with a brief radio speech to be broadcast over the Columbia Broadcasting System from station WABC, on February 9.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NATIONAL COMMITTEE OF CHURCH WOMEN,
New York City, February 2, 1940.

Senator DAVIS,
United States Senate, Washington, D. C.

DEAR SENATOR DAVIS: Last year our World Day of Prayer committee was greatly delighted to read your splendid words in regard to the World Day of Prayer, which we found in the CONGRESSIONAL RECORD, volume 84, page 1818; this was so warm-hearted an endorsement that we reprinted part of it in our 1940 Handbook, a page of which I enclose, together with the new service for use on Friday, February 9, and the call to prayer—in the hope that you may be able to make opportunity again either to refer to the world-wide observance of the day in 50 countries, or even to have part of the service used in the Senate worship period on the 9th. We believe very

deeply in the power and influence of such services, and would deeply appreciate your continued interest, which has been of such value in the past.

Most sincerely yours,

MARGARET T. APPLEGARTH,
Chairman.

WORLD DAY OF PRAYER RADIO BROADCAST, FEBRUARY 9, 1940

As we were going to bed last evening, a very marvelous thing was beginning to happen in the world—and it is continuing all through this first Friday in lent. For during the dark hours of the night, while we were sleeping, it was already morning in the Fiji Islands, and large groups of eager new Christian women were wending their way to a union gathering in their meeting house "to pray for a spirit of oneness with the women of the world"—your world and mine.

I find it a singularly beautiful thing to realize that for over 25 years this World Day of Prayer has followed the course of the sun around our earth on each first Friday in lent, with women in more than 50 countries dropping their usual household and business tasks to devote a quiet half day to bear the weight of the world in their hearts. For no sooner had the Fiji Islanders finished the first of their services, than morning came to New Zealand also, and other enthusiastic groups of women began praying in Wellington, Aukland, Christchurch, as well as in Australia, at Victoria, Sydney, Melbourne, and those smaller towns, whose names there is no time to mention.

For the years have proved that neither snow nor rain, nor hail nor gloom of night, can keep these women from their appointed meetings on the World Day of Prayer; and, nation by nation—the Orient, Europe, Africa, both the Americas—will also begin praying, each in their own tongue, until—after 40 hours—this significant day of prayer will have ended on St. Lawrence Island, off the coast of Alaska, 30 miles from the Arctic Circle and 30 miles from the international date line.

And why do I call it significant? Not only because women in more than 50 countries will meet to worship; not only because the same printed program has been translated into all their languages and dialects in order that everyone may know the one theme for their united thought, "In quietness and in confidence shall be your strength." This is altogether significant and beautiful, of course, but the truly moving quality in such a day of prayer lies in the fact that even in this world crisis, when hatreds and divisions and upheavals are shattering all nations, here are millions of women reaching out toward the one power and the one force strong enough to bind their world together. And so, overlooking all national lines, all racial lines, all battle lines, in quietness and in confidence they will pray that each Christian may recover into his or her own life something of the astonishing loveliness which lay in Jesus Christ.

Therefore let us dwell rapidly on the various picturesque processions undoubtedly gathering at this very moment. Certain friendly and spectacular aspects of the day of prayer color all these national observances. For instance, in Egypt, the Greek Orthodox and the Coptic Churches join in the union meetings. In Argentina, South America, the Salvation Army feels a sense of responsibility for services in 40 different places; throughout the Orient and America many Young Women's Christian Associations hold services; in France the McCall Mission observes the day in each of its centers. Last year, at a special children's service, a small boy prayed: "Lord, grant that men may fight no longer but may learn to shake hands."

For the eleventh year the American Church in Athens will be filled to the doors with Greeks, Armenians, Turks, and English. And in the large cathedral in Johannesburg, South Africa, a racial drama of great beauty and of even greater meaning will be enacted, as side by side there will kneel down Zulus and Kaffirs and half castes, factory girls, native women, and the English and American residents. Perhaps no meeting in the world will be quite as brilliant a sight, for if Johannesburg repeats its former color scheme, the Methodists will be in red blouses, the Presbyterians in white, the Anglicans in long white tunics with small crosses hanging from chains, other denominations distinctive with fur caps, white knitted caps, etc. But everything reverent and majestic, with some hymns sung in Zulu, some in the Secuto dialect, the perfect rhythm of the rich, warm voices rising gloriously to the Lord of all nations and kindreds and tribes.

In Scotland there will be meetings from Edinburgh to Orkney and the western isles; throughout all England the usual 290 centers will continue to observe this World Day of Prayer, as indeed will Denmark, Holland, Sweden, Norway, for, more than ever, in wartime the hearts of women will turn to the God of All Peace.

Perhaps no city has been more war-torn and weary and baffled than Shanghai; yet year after year the Chinese have continued the deep enthusiasm of their union service in which 18 different nationalities take part. For, besides the women of China, there will also be present today women of Japan, Korea, India, Germany, Russia, France, Holland, Sweden, America, Great Britain, and the Philippines. Last year in Shanghai a very startling moment in their celebration brought a holy hush on the entire audience, for Japanese and Chinese women from opposite aisles approached a large central candle to light their own small candles; then, side by side down the same aisle, they returned to the audience, going from pew to pew to share their light with the unlighted candles which each woman in that huge church was holding. All this earnest friendliness in spite of bombings, desolations, deaths. They had become one in the discovery and the sharing of light.

It is the symbol of this beautiful day of prayer throughout the world that it should need 40 hours to round out its cycle instead of the usual 24. For tonight, as we shall be going to bed, a new day will be dawning in Honolulu, where Hawaiians, Chinese, Japanese, Americans, Spanish, and English will meet to pray for peace between their beloved homelands. And then, far to the north, only 30 miles from the Arctic Circle, the world day of prayer will end in ice and snow on St. Lawrence Island, where the Indians and the Eskimos have been frozen in since last October, unable to receive even mail until next May. But the spirit of Jesus Christ knows no time limits, no clime limits, so that there will be light there with them when there is night here with us, and I love knowing that Eskimo women will be praying that we may bind our world together into a safer, happier home for the children of men.

Therefore, in the warn consciousness of our mutual concern one for the other, let each woman in America delight to share in the sacred binding of ourselves to God on this world day of prayer; that His kingdom may come; that His will may be done upon earth—among all people, beginning with ourselves.

LEGISLATIVE BARRIERS BETWEEN STATES

Mr. WILEY. Mr. President, on March 13, 1939, I offered a resolution in this body which related to legislative barriers between States. We know the history of such legislative efforts in the past. We know that our Constitution came into being largely because States at that time erected artificial barriers to the free flow of commerce between the States. This particular resolution, Senate Resolution 101, seems still to abide in the pockets of the committee. I give notice that in the very near future I shall move to discharge the committee in the hope that the resolution may then be considered on the floor of the Senate.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The PRESIDENT pro tempore (Mr. PITTMAN) as chairman of the Committee on Foreign Relations, reported favorably from that committee the following nominations:

David Gray, of Florida, to be Envoy Extraordinary and Minister Plenipotentiary to Ireland; and

Louis G. Dreyfus, Jr., of California, now Envoy Extraordinary and Minister Plenipotentiary to Iran, to be also Envoy Extraordinary and Minister Plenipotentiary to Afghanistan.

Mr. GUFFEY, from the Committee on Foreign Relations, reported favorably the nomination of George H. Earle 3d, of Pennsylvania, to be Envoy Extraordinary and Minister Plenipotentiary to Bulgaria.

Mr. WAGNER, from the Committee on Banking and Currency, reported favorably the following nominations:

Chester C. Davis, of Maryland, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1940, vice Marriner S. Eccles; and

Marriner S. Eccles, of Utah, to be a member of the Board of Governors of the Federal Reserve System for the unexpired portion of the term of 8 years from February 1, 1936, vice Chester C. Davis.

The PRESIDENT pro tempore. That completes the reports of committees.

The clerk will state the nominations on the calendar.

WORK PROJECTS ADMINISTRATION

The legislative clerk read the nomination of Paul Edwards, of New York, to be Work Projects Administrator for the District of Columbia.

The PRESIDENT pro tempore. Without objection the nomination is confirmed.

POSTMASTER, GREENSBURG, PA., REPORTED ADVERSELY

The legislative clerk read the nomination of Kathleen McT. Gregg to be postmaster at Greensburg, Pa., which had been reported adversely from the Committee on Post Offices and Post Roads.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters reported favorably.

Mr. McKELLAR. I ask that the nominations of postmasters favorably reported be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

DISTRICT OF COLUMBIA WORKS PROJECTS ADMINISTRATOR—RECONSIDERATION

Mr. KING. Mr. President, may I inquire what committee favorably reported the nomination of Paul Edwards, of New York, to be Work Projects Administrator for the District of Columbia?

The PRESIDENT pro tempore. The Committee on Appropriations.

Mr. KING. I have just received some information which induces me to ask for a reconsideration of the vote by which the nomination was confirmed, and that action on the nomination be deferred until the next executive session of the Senate.

The PRESIDENT pro tempore. Without objection, the vote by which the nomination was confirmed will be reconsidered, and action on the nomination will be postponed until the next executive session of the Senate.

Mr. McKELLAR. Mr. President, I wish to make a statement concerning the nomination of Paul Edwards to be Work Projects Administrator for the District of Columbia. The subcommittee which investigated the matter and reported the nomination made an examination which I think was quite thorough, and obtained a report on all the questions asked. We believe the nominee is thoroughly qualified and fitted for the position. There was some suggestion concerning trouble between him and Representative BYRNS of my State. I talked with Representative BYRNS about it, and he told me that that matter had been entirely adjusted, and he was entirely satisfied with the nomination. Therefore, I will say to the Senator, the Appropriations Committee made a favorable report.

Mr. KING. I have no information other than an indirect message which was just received. I have no personal objection to Mr. Edwards. Indeed, I believe he is competent for the position. But in view of the information which I have received, I felt that perhaps it was my duty to ask that the nomination go over until the next executive session.

Mr. WAGNER. Mr. President, I do not wish to interfere with any further inquiries which may be made respecting Mr. Edwards. I am gratified to hear the Senator from Tennessee make the statement he has concerning Mr. Edwards. Mr. Edwards is a man of high character. I am informed that he has done his job thoroughly and well, and that he is industrious and reliable in all respects.

I do not want the postponement to be regarded as any kind of a reflection upon Mr. Edwards. If the Senator insists upon a postponement I shall not oppose it. However, I do not want to have the Senator form an impression upon mere rumor.

Mr. KING. Mr. President, so far as I know Mr. Edwards is very competent; and upon the information which I have I should vote for his confirmation. However, inasmuch as a resident of the District of Columbia has made a protest, I feel that it is my duty to ask that the nomination go over until tomorrow.

Mr. McKELLAR. Mr. President, I have no objection to the nomination going over until tomorrow. I do not know Mr. Edwards, but we were careful to have an independent investigation made by an impartial authority, in addition to hearing from those who employed him; and I am sure that the committee has reached a proper conclusion in recommending his nomination.

Mr. CHAVEZ. Mr. President, I shall not raise any objection to Mr. Edwards. All the information I have is to the effect that he is a very fine person. However, I think it is about time that the people of the District of Columbia had their own appointees, without going to some other States to obtain the best man. It seems to me that it is a reflection on the people of the District of Columbia to go elsewhere to obtain what we call a good man. It seems to me that the people of the District of Columbia are suffering under enough handicaps by reason of having no voice in their own government, without having to go elsewhere, whether it be to New York or to New Mexico, to find an appointee to administer public business in the District of Columbia. The information I have is that Mr. Edwards is a first-class citizen and a very fine official.

Mr. WAGNER. I am very glad to have the Senator say so. I wish to assure the Senator that, to my knowledge, Mr. Edwards' appointment is in no sense a political appointment. He was chosen purely because of his unusual capacity to do this kind of work.

Mr. CHAVEZ. The point I am trying to make is that I, for one, would not like to feel that there is no one in the District of Columbia who could do the job as well as Mr. Edwards.

Mr. WAGNER. I have no information on that subject.

The PRESIDENT pro tempore. The nomination will be passed over until the next session.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 9, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8 (legislative day of February 7), 1940

POSTMASTERS

LOUISIANA

Mrs. Willie B. Killgore, Lisbon.

UTAH

William Brooks, St. George.

WASHINGTON

Hannah L. Parker, Alderwood Manor.

WYOMING

Hugh F. Graham, Newcastle.

REJECTION

Executive nomination rejected by the Senate February 8 (legislative day of February 7), 1940

POSTMASTER

PENNSYLVANIA

Kathleen McT. Gregg to be postmaster at Greensburg in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 8, 1940

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. RAYBURN].

Rabbi Louis Wolsey, D. D., Congregation Rodeph Shalom, Philadelphia, Pa., offered the following prayer:

O Thou God of all the peoples of the world, in whose hands are the fate and the destiny of the children of men, and before whom all the families of the earth are as one brotherhood, we come to Thee to ask that Thy spirit may rest upon this Congress, that forth from this place may go those influences that shall make for justice and for freedom. Do Thou consecrate us, O God, unto freedom, that liberty to speak and to

do, not in whispers but loudly and with courage, to know and to think, to toil and to be rewarded, and to share with our neighbor and with our world. Dedicate this House, O God, to Thy Divine truths and Thy Divine laws, and when the nations stir up wrath against one another do Thou cause this great House to be an instrumentality for peace. Bless the Speaker of this House and restore him to health and to his responsibility. Bless all the officers of this great Nation that they may rule and guide in justice and in peace. And finally, O God, do Thou establish the work of their hands, yea, the work of their hands establish Thou it. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE LATE JOHN M. MOORE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, I have asked for this time for the purpose of announcing the death of a former distinguished Member of this House. On the 3d day of this month, John M. Moore, Sr., died at his home in Richmond, Tex., at the age of 77 years. He was a former member of the Texas Legislature, and from 1905 to 1913 represented the old Eighth Congressional District in Congress, the district at that time embracing the city of Houston, with adjoining counties, including Fort Bend in which Mr. Moore resided. After serving 8 years in Congress Mr. Moore voluntarily retired, although assured of reelection without an opponent. He preferred the atmosphere of his happy home life to that of politics. He also possessed large property interests to which he wished to devote his attention, consisting principally of banking, farming, and stock raising. Mr. Moore was a man of splendid ability and sterling qualities. His passing is a distinctive loss to his State and to the Nation.

SUPPLEMENTAL APPROPRIATIONS FOR MILITARY AND NAVAL ESTABLISHMENTS, COAST GUARD, AND FEDERAL BUREAU OF INVESTIGATION

Mr. WOODRUM of Virginia. Mr. Speaker, I call up the conference report on the bill (H. R. 7805) making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation, for the fiscal year ending June 30, 1940, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7805) making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation, for the fiscal year ending June 30, 1940, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, and 6.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 8, 10, 11, 12, 13, 14, 15, 16, 17, 20, and 21, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$9,750,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$768,188"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$4,194,889"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2 and 9.

C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
GEO. W. JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
Managers on the part of the House.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
FREDERICK HALE,
JOHN G. TOWNSEND, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7805) "Making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation, for the fiscal year ending June 30, 1940, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 1, 3, 4, 5, 6, 7, and 8, relating to the Military Establishment: Appropriates $15,000,000 for field exercises of the Army as proposed by the Senate instead of $18,000,000 as proposed by the House; provides, as proposed by the Senate, for an alternate officer to be designated by the Secretary of War to approve claims for damages growing out of operations in connection with field exercises of the Army appropriated for in the bill; appropriates $21,962,564 as proposed by the Senate instead of $22,962,564 as proposed by the House for Army transportation; restores the House provision, stricken out by the Senate, appropriating $200,000 for the acquisition of land in Puerto Rico for the establishment of a general depot, etc.; appropriates $9,750,000, instead of $9,500,000 as proposed by the Senate and $10,000,000 as proposed by the House, for barracks and quarters and other utilities; and inserts the provision, proposed by the Senate, limiting to 4 cents the mileage allowance to members of the Officers' Reserve Corps when called into active service training for 30 days or less.

On Nos. 10 to 14, inclusive, relating to the Navy: Appropriates $18,363,000 for the Bureau of Engineering as proposed by the Senate instead of $18,818,000 as proposed by the House; appropriates $14,969,000 as proposed by the Senate for the Bureau of Construction and Repair instead of $15,514,000 as proposed by the House; appropriates $30,260,000 as proposed by the Senate for the Bureau of Ordnance instead of $31,060,000 as proposed by the House; makes provision, as proposed by the Senate, in the appropriation "Maintenance, Bureau of Yards and Docks" for the purchase of four motor-propelled passenger-carrying vehicles at a cost not to exceed $600 each; and appropriates $28,661,000 as proposed by the Senate instead of $34,736,000 as proposed by the House for the Bureau of Aeronautics.

On Nos. 15 to 19, inclusive, relating to the Coast Guard: Appropriates $43,701 as proposed by the Senate instead of $45,990 as proposed by the House for salaries in the Commandant's Office; appropriates $2,263,000 as proposed by the Senate instead of $2,288,000 as proposed by the House for pay and allowances; appropriates $250,000 as proposed by the Senate instead of $300,000 as proposed by the House for fuel and water; and appropriates $768,188 for outfits, instead of $836,375 as proposed by the House and $700,000 as proposed by the Senate.

On Nos. 20 and 21: Inserts the paragraph proposed by the Senate authorizing not to exceed $11,000,000 of the funds appropriated for parity payments for the fiscal year 1940 to be used for the purpose of making payments (parity payments) under the Price Adjustment Act of 1938. In approving this provision the conferees expect that the sum remaining to the Department of Agriculture in the 1940 appropriation, after the use of the $11,000,000, or such part thereof as may be necessary to care for the shortage anticipated in the 1939 appropriation for parity payments, will be so administered that it will be sufficient to cover all parity-payment operations for the crop year for which the 1940 appropriation was intended.

The committee of conference report in disagreement the following amendments:

On No. 2: Permitting the War Department, in connection with the appropriation in the bill for field exercises of the Army, to make advance payments for the rental of land or the purchase of options to rent lands.

On No. 9: Permitting Col. Philip B. Fleming, a commissioned officer on the active list of the United States Army, to hold the Office of Administrator of the Wage and Hour Division of the Department of Labor.

C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
GEO. W. JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
Managers on the part of the House.

Mr. WOODRUM of Virginia. Mr. Speaker, the conference report is a complete report with the exception of two amendments that have to be voted on because they contain legislation, but about which I do not believe there is any serious controversy. The total amount of the bill as it passed the Senate was $251,822,588. The conference report as it stands and as it will become law if approved by the House is $19,658,747 below Budget estimates, the principal reductions being made in some curtailments of the maneuvers of the Army and of the Navy and the Coast Guard.

I do not believe, Mr. Speaker, there is anything of a controversial nature in this report. Unless someone wishes to ask me a question, I shall yield to the gentleman from New York.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Texas.

Mr. THOMASON. What land purchases are now left in the bill?

Mr. WOODRUM of Virginia. The purchase of some land in Puerto Rico for a depot and barracks.

Mr. TABER. There is also one in Idaho.

Mr. WOODRUM of Virginia. One in Idaho; yes.

Mr. THOMASON. What about the item that was in the bill as it passed the House about the purchase of some land I believe in the Mojave Desert?

Mr. WOODRUM of Virginia. There was nothing in the bill of that kind, I may say to the gentleman, that I know of; not in this bill.

Mr. THOMASON. My recollection is that there was something about the purchase of some land in the Mojave Desert for antiaircraft practice. I believe the gentleman will find something in the bill of that character. It was some very cheap land in California adjoining some public land.

Mr. WOODRUM of Virginia. I will check up on it.

Mr. THOMASON. I was curious about what happened to that item. I am interested in the policy of the committee regarding the purchase of more land at some of our more important posts.

Mr. O'NEAL. If the gentleman will yield, there were only two such provisions—for McChord Field, Wash., $200,000, and Hamilton Field, Calif., $150,000. That is all that was in the bill.

Mr. WOODRUM of Virginia. That is all that was in the bill. There were some other items that were discussed before the committee but were not brought in by the committee.

Mr. THOMASON. Perhaps I am mistaken, but I thought the bill included the purchase of land in the Mojave Desert in connection with some of the antiaircraft activities in California. Some more land is much needed adjoining Fort Bliss. The War Department has urged its purchase. I hope the Appropriations Committee will soon give it favorable consideration.

Mr. TABER. That might be the Mojave Desert; I do not know.

Mr. THOMASON. This may be in connection with the Hamilton Field purchase, however.

Mr. WOODRUM of Virginia. It may be.

Mr. THOMASON. If the gentleman will yield further, will the gentleman give us a little more detail about amendment No. 2, permitting the War Department, in connection with the appropriation in the bill for field exercises of the Army, to make advance payments for the rental of land or the purchase of options to rent land?

Mr. WOODRUM of Virginia. As I recall, they stated that their maneuvers would be very much facilitated if they could go in and make small advance payments of that character.

Mr. THOMASON. They are not permitted under the law now to buy options for the rental of land?

Mr. WOODRUM of Virginia. They are not. They have frequently found themselves in a hole on account of not being able to deal with landowners.

Mr. LEWIS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. What is the total amount recommended in the conference report as compared with the amount in the bill as it passed the House?

Mr. WOODRUM of Virginia. It is $12,270,000 less than the amount in the bill as it passed the House.

Mr. LEWIS of Colorado. Do I correctly understand that the Senate actually reduced the total amount below the total as passed by the House?

Mr. WOODRUM of Virginia. Yes.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is not this about the first reduction we have had in an appropriation bill that has gone to the Senate and come back to the House for about 5 or 6 years?

Mr. WOODRUM of Virginia. I may say to the gentleman there is every evidence of the fact that Congress is going to curtail public expenditures.

Mr. RICH. We congratulate the Senate on that procedure.

Mr. WOODRUM of Virginia. The gentleman will realize, of course, that this is very early in the session. We must not start congratulating too soon.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am pleased, as I am sure the gentleman from Virginia is pleased, at the reductions the Senate has made in this bill.

Mr. MAY. Surprised, the gentleman means, perhaps.

Mr. TABER. I do not know whether I am surprised or not. I believe the Senate has begun to hear from the country and is beginning to realize, just as more of the Members of the House are beginning to realize, that the ruthless expenditure of the people's money is not as popular with the people as they thought it was a year or two ago. I believe this is the reason we are getting proper results out of the Senate.

I now want to talk for just a minute about amendments 20 and 21. These two amendments provide for a transfer out of the 1940 fund for parity payments to the 1939 funds for parity payments to cover a deficit of $11,000,000 which the Secretary of Agriculture, as I understand it, illegally incurred in the 1939 funds by promising to pay to the farmers $11,000,000 more than was appropriated to them for parity payments. This reduces the amount that will be available for parity payments in the crop that is either now planted or will be planted this spring.

We have made a statement in our report about that, and I am going to read it, because I want to call attention to it a little more emphatically than just a reading of the report in the RECORD would accomplish.

> We anticipate that the appropriation for 1940 will be so administered that it will be sufficient to cover all parity-payment operations for the crop year for which the 1940 appropriation was intended.

It is a dangerous thing for a department to incur a deficiency. It puts the Congress and the department in an untenable position, and greater care must be exercised by the departments to avoid this kind of a situation. We are having more than double the amount of deficiency estimates that we ought to have, and I hope that there will be greater care on the part of the departments in keeping their operations down to what the Congress has provided. This will result in avoiding a great many more of these deficiency items in the future. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 2: Page 4, line 9, strike out the word "units" and the comma and insert "units; for rental of land or purchase of options to rent land without reference to section 3648 of the Revised Statutes; for the use or repair of private property."

Mr. WOODRUM of Virginia. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 14, line 16, insert a new section, as follows:
"SEC. 3. Notwithstanding the provisions of section 1222 of the Revised Statutes (U. S. C., title 10, sec. 576), Philip B. Fleming, a commissioned officer on the active list, United States Army, is authorized to hold the office of Administrator of the Wage and Hour Division in the Department of Labor without loss of or prejudice to his status as a commissioned officer on the active list of the United States Army, and if appointed to such civil office he shall receive in addition to his pay and allowances as such commissioned officer an amount equal to the difference between such pay and allowances as such commissioned officer and the salary prescribed by law for such civil office."

Mr. WOODRUM of Virginia. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

On motion of Mr. WOODRUM of Virginia, a motion to reconsider the votes by which action was taken on the several motions, was laid on the table.

DISTRICT COURT OF THE UNITED STATES FOR PUERTO RICO

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4532) to make effective in the District of Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 8, insert:
"SEC. 2. This act shall become effective March 1, 1940."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief article from the Maritime Exchange Bulletin.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a radio address of Howard Hunter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD; also, another request, to revise and extend my own remarks and include an editorial from the Times-Record of Fort Smith, Ark., dealing with the question of electric cooperative associations in Arkansas.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include an editorial by Kenneth A. Reid, the conservation director of the Izaak Walton League.

The SPEAKER pro tempore. Is there objection?

There was no objection.

MIMEOGRAPHED PUBLICATIONS BY LIBRARY OF CONGRESS

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I do this to call the attention of the House to the mimeographed sheets published by the Library of Congress called The Day in Congress. It purports to give the summary of the matters that happen in the Senate and in the House, calling attention to the bills, and so forth, that have been introduced. If there is anything that is pure duplication and a waste of Government money, this is it. If the Printing Committee had power to stop this, I am sure it would do so; but some other service of the Government, it seems to me, ought to take recognition of this fact and stop a great many of these mimeographed publications that are coming not only from the Library of Congress but from other departments and branches of the Government. They are worthless expenditures of the taxpayers' money. It seems to me that the executive branch of the Government or some other branch ought to take some recognition of these facts and stop the waste and extravagance that is going on in the departments of government. Mr. Speaker, where are you going to get the money for such extravagance? Who pays the bills? The American taxpayer is just about tired of useless extravagances of administration and of useless publications. Let us stop it.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I find myself in full agreement with the gentleman from Pennsylvania [Mr. RICH] as to the advisability of discontinuing this publication. The clerk of the Committee on Expenditures in the Executive Departments, of which I am chairman, called this matter to my attention the other day, and also advised me a man had called at the office and said that it would be possible to have 50 or 100 copies of the mimeographed sheets sent to my constituents, if I so desired. It seems that this individual was going from door to door, soliciting names for a mailing list.

While the Committee on Expenditures in the Executive Departments has no jurisdiction over the Library of Congress, nevertheless, I called up the Librarian and told him that I thought this was a waste of public funds, and if every Member of Congress accepted 100 copies for his or her constituents it would mean 50,000 copies a day. Like the gentleman from Pennsylvania, I think that the CONGRESSIONAL RECORD is sufficient. This digest is not necessary. It is brief; it does not go into details of what Congress is doing as much as does the Journal. The Librarian of Congress promised me that he would look into the matter thoroughly, and he also stated he never heard that any official or employee of the Library was visiting the offices of Members. The Librarian made it plain he did not approve of an employee or official soliciting names for mailing lists, and I am positive that will be discontinued at once.

If this digest is to be continued, it will require funds for personnel, paper, and ink, as well as be an additional charge against the Government for franked mail. As the practice of issuing the digest has just commenced, it should be stopped in the borning, and I hope the Librarian will discontinue it.

AMERICAN YOUTH CONGRESS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PIERCE. Mr. Speaker, I was amazed, chagrined, and embarrassed yesterday to find myself sitting as a Member of this body during criticism of the wife of the President. This attack was based upon a news story appearing in the morning paper. I could scarcely refrain from making an immediate reply, but it appeared to me that I might better serve the cause of good government and tolerance by refraining from comment until I could read the remarks of my colleague from

Wisconsin. I sincerely hoped that when I saw his words in print they would seem less critical, and I am now pleased to find that it might have been the manner rather than the matter which so distressed me. I must, however, say clearly that a wrong interpretation of events was given, and facts were not correctly stated.

I greatly regret this criticism, because I believe Mrs. Roosevelt is entirely devoted to the public good. I also believe that she has the balance and judgment which would have made it impossible for her to advise young people to do anything contrary to the highest principles of citizenship. I am, however, replying to the statement of my colleague, not only because of my great admiration for the character, ability, and self-sacrificing activity of Mrs. Roosevelt, but also because I was present at the White House meeting between Members of Congress and the representatives of the American Youth Congress. I understood that there were no reporters present, so I was astonished at the report in the press which purported to quote verbatim at least one member of the conference. I assume that the person who gave out the proceedings relied entirely upon his memory and will now most certainly assume full responsibility for any misunderstanding which may arise. If he does so, Mrs. Roosevelt will be entirely exonerated and acquitted of making any remarks commendatory of communism or of the Communist organization. Not one word in support of communism was spoken by anyone at that meeting.

Since I accepted the invitation to attend the White House conference, I do not feel at liberty to act as its reporter, nor do I seek the type of publicity which follows upon any such statement. I do desire, in the interests of tolerance and for the protection of youth, as well as to correct any implied injustice to a great citizen, to make some remarks about the situation which occasioned the outburst and the press report.

Why all this pother? No one claims that the American Youth Congress is a communistic organization nor Communist-controlled. Its purposes and objectives are apparently quite otherwise, and its record is entirely open for consideration by the public. The question of communism arose only in discussion of the expediency of expelling or retaining within the membership of the congress one affiliated group of young Communists. The officers of the congress wisely sought counsel on this matter. No one told them what to do. Their friends were concerned only to study all phases of the problem and to help to clarify it by suggestion and discussion. Certainly, Mrs. Roosevelt appeared to be motivated solely by the desire to have Members of Congress express themselves fully for the benefit of the young people. There was no debate on the merits or demerits of communism. That charge is only a peg on which to hang unfair attacks.

Far more important than any discussion of communism is that youth and age find it possible to work together with tolerance and forbearance. I imagine that any shortcomings among neglected youth may be directly chargeable to the break-down of our economic system. I also think the Communist group might be perfectly willing to pull out and shift for themselves. Is it not better for them and for us all that the Youth Congress should not advocate expulsion and raise barriers against opinions held by idealistic youth? We all know what age and experience does to mellow men and, alas, often to destroy youthful illusions. Why not trust to "the universal solvent of time" and to happier circumstances to form their minds into different molds?

Through the ages the Christian church has sought to gather in the sinners—never to cast them out. Those who think communism a sin and a menace should strive to dispel it rather than strengthen it by the persecution which unites with bonds stronger than steel. The magic of "together" and the gospel of sharing will accomplish wonders. Those in this Congress know it is not the American way to herd dissenters into concentration camps—the next step after casting them out.

My only suggestion to the officers of the Youth Congress was that they satisfy themselves that the young Communist group is really American in sympathy, and not controlled and directed by any government from across the seas.

Very soon most of us now in this House will be out of the picture. Another generation will be in these places formulating policies for our national life. I pray they may find a way for fuller participation for all in the marvelous opportunity and abundance enjoyed now by the privileged few. I pray that we may now and always be so tolerant and so wise that they will look back upon us as builders of a better society. I pray that we and they may never fear to pioneer on new economic and political frontiers made safe by the solid back country of our forefathers.

> For them the shade of trees that now we plant,
> The safe, smooth journey and the final goal.
> And yet the road is ours as never theirs!
> Is not one joy on us alone bestowed?
> For us the master joy, O pioneers—
> We shall not travel, but we make the road.

I am deeply sympathetic with youth today coming to earning age in a jobless society. I do not wonder that they meet in congresses. May success crown their efforts to make conditions more satisfactory. Their elders have done little enough in the 10 years since the break came. No one has been more helpful and kindly to the many needing sympathy and guidance than has our President's wife. I am thankful that there is an American Youth Congress preparing for the responsible duties of citizenship. I wish to put no obstacles in their way. It is not so important what we think of them. I just wonder what they think of us as they look about a world in ruins—two-thirds of all the people involved in war, and here in peaceful America millions hungry, miserable and hopeless. Other millions of people in lands across the seas who formerly lived under liberal governments, where they had determining voices in public affairs, have accepted totalitarian governments as a possible relief for misery in lieu of continued privation. Just what kind of an accounting can we give of our stewardship?

We cannot perpetuate our prejudices; only the people can change the Constitution. We can, however, correct some of our mistakes. I would certainly be surprised to learn that there is any general agreement that this body, or even the Senate, is always right—away wise. I have never encountered anyone who harbored such a sentiment. Let us then allow our successors a few marks below passing grade, even if we feel called upon to regulate them. It seems strange that in an American Congress it should be pertinent to remind Members that our capacity to reflect, observe, and study, and to use our minds leads some to accept one political philosophy quite foreign to others. Who constituted anyone in this free system the judge of other men's opinions.

We have, indeed, fallen upon unfortunate times when political adversaries attempt to besmirch character, and the highest character at that, by using the label of "Communist." It is not new. Such damaging and dastardly attacks have undoubtedly been made feasible and popular by the conduct of some congressional investigations into un-American activities. I do not believe it is a wholesome sign of a healthy political situation when citizens besmear each other with labels intended to convey the idea that those who do not agree with one particular philosophy of government are necessarily antisocial and destructive in their attitude toward our country. I deplore the use of the demagogic trick of calling a person a Communist when it becomes impossible to present reasoned arguments against his course or opinions.

I offer no apology for the Communists; I am in no way connected with them and have no sympathy for their point of view nor for their philosophy. I believe that many who have hoped to bring about the millenium through communism have found themselves disillusioned by recent occurrences, and by the break-down of what seemed to promise a better day for the Russian peasantry which had suffered so greatly under czarism. The tragedy of life in Russia under the old system was so poignant that the new plan appealed to people throughout the world who hailed with enthusiasm and hope the advent of a new order in that country. That the promise has been unfulfilled, and the hope blighted is known to people everywhere.

Communism as a philosophy and a basis for a political party existed before Russia undertook her experiment. Be-

fore the application of communism to government in Russia, we generally thought of it as "the belief in the desirability of social control of material life, including the social ownership of property." Those adhering to the doctrine gradually came to advocate the complete overthrow of capitalism.

People of these United States have prospered greatly under the capitalistic system. Some of those who have not enjoyed that prosperity, and some students of our economic and political history, have now come to question whether the capitalistic system can endure because of the terrific strain which has been put upon it during the past few years. Such strain is usually the outcome of war or other calamity, and under it people of European nations have surrendered rights and privileges which seem to our people essential to any good government.

Here in America, a new land fortunately free from many of the traditions and economic uncertainties of the Old World, the constant effort of our Congress has been to stabilize and preserve the capitalistic system. My colleagues on this floor all realize that we have not succeeded entirely and that it will require a tremendous and long-sustained effort to recapture the happy circumstances under which we spent our youth when we looked forward with certainty and assurance to business and professional activities. We have millions of people without jobs. They tell us that out of these twelve or thirteen millions of unemployed there are six or seven millions of young people for whom the immediate outlook is difficult if not hopeless. Very naturally those foreign agents who would destroy confidence in our ability to right our economic order have gained the attention of this jobless group. Some of them have been led to believe that another system would offer more opportunity. I am not able to learn that there are large numbers among us who have embraced the communistic theory.

The Communists, as a political party, are, under our laws, entitled to place candidates for public office on the ballot. Just recently citizens of New York have been given an opportunity to express themselves on a Communist candidate for Congress. The returns on that election do not seem to indicate that there is any danger that the people of New York City will seek the Communist solution for their problems. It is not a crime to be a Communist; they are explicitly recognized as one of the political parties entitled to candidates and appeal for support under our system of government. Even our civil service cannot legally ban Communists from Government employment. I quote from a recent press statement credited to a Government official:

> We have been advised with regard to Communists that unless we could find something other than their communistic beliefs or tendencies, we must accept them.

To me it seems preposterous that in a country like ours, where there is free speech and general ownership of property, communism could really take root. It is, however, an era of fear and name-calling. So the label of "Communist" has become almost the worst which could be attached to any person in our society. As we seek to strengthen our Republic we need most to fear all the manifestations of lack of integrity among our people; the willingness to surrender free institutions for bread; and the greed which reaches out to corrupt and control government in Nation, in States, and their political units. Yes, I fear fascism, nazi-ism, and political corruption just as I fear and deplore communism; all are un-American. I believe the best preventive to be economic justice and decency in public life.

My impression, from listening to the discussion between the young people and the Congressmen, was that it was suggested that the one group of Communists affiliated with the American Youth Congress might possibly be greatly benefited by the attitude and activities of that organization of young people, and that it might be better for us all if they were not made outcasts because of political belief; better if they were not made bitter and resentful, as they would probably be if they were not allowed to continue their association with young people of other aims and devoted to other methods of reaching the goal of human happiness through government. I heard these young people who were arranging the citizenship conference argue brilliantly, forcefully, and effectively for their program. I later heard it suggested by responsible citizens that, as long as the Communist Party is a legally recognized party entitled to a place on the ballot and to seats in this Congress, it might be too much to expect that a group of young people should initiate the movement to outlaw the Communist Party from membership in an association of young people. How can any man who has not proposed an amendment to the Constitution excluding Communists from the ballot and from the floor of this House call upon young people to ban into the wilderness of resentment this group of their associates who are guilty of no crime under our statutes?

It seems to me that if this larger youth group can shed sweetness and light upon those who are so greatly feared by some Members of this House, it will be better to allow them to do so. Dissenters are always a challenge to the majority in any group; association with other young thinkers may gradually dissolve communistic tendencies of malcontents. No one seems to have the slightest fear that the Communists would dominate the American Youth Congress. It is a minor matter, and is not, I think, considered of paramount importance to those who are interested in the welfare of the young people or in the welfare of the country. The very fact that Congressmen were called in to advise these young people indicates that there is nothing to fear, that they are willing to conduct their organization in the full light of day, and that they desire public approval and cooperation.

I believe that age has a duty to youth, and I believe the Members of this House have it within their hands to stay the march of any evil forces which are threatening our body politic. I do not believe it should be left entirely to young people to accomplish this. I do not believe that the cure of our evils lies in the restriction of civil and political liberties nor in the suppression of free speech. Our young people have a just grievance against our economic system because they are jobless. If they are willing to work with us and we are willing to work with them we may arrive at a solution of our most serious problem—unemployment.

Heaven help our country if it ever becomes a crime to hold any particular political or religious belief or opinions. It used to be our habit to accept lightly the mention of communism; our inherent beliefs had not then been shaken by disturbing economic changes. For years the press of this country mentioned in slightly debunking terms the 5-year plan in Russia. Now the tragic results in Russia and the discontent and unrest following continued unemployment here combine to make us more fearful of some of the suggested political remedies for our economic disease. This is an age of enlightenment in which intelligent leaders seek to be fully informed on matters affecting human relationships. It would seem a sad commentary on our civilization to have logic and reason abandoned and an alarmist campaign against one small political group substituted for orderly processes.

I have, during all my mature life, been connected with young people, first as a teacher, and for many years as a member of the Board of Regents in my home State. I am interested in trying to help them. I do not consider it helpful to have their opinions attacked and flaunted on the floor of this House. I believe there should be tolerance of youthful ideologies. It is my understanding that the aims of the Youth Congress are generally commendable. Let us help them by wise counsel; let us not embitter them by attacking them, even when they are mistaken. Let us give them an example and engender faith in our American institutions. Let us retain their confidence in legislative bodies and in democratic processes.

I commend to the attention of those who are so scornful of youth a most beautiful essay by Robert Louis Stevenson, The Lantern Bearers. In that essay he tells about the boys in an English village who, following the traditions of their forbears, went out on a certain night each year with lighted lanterns buckled around their waists. Over each lighted lantern there was tightly buttoned a topcoat concealing the bull's-eye from the public. These boys, upon meeting each other, inquired,

"Have you got your lantern?" No one pretended to know what the other one was carrying until the coat was unbuttoned and the bull's-eye disclosed. These boys gathered together in abandoned boats and there discussed the problems of man and nature. Stevenson says of them:

> The essence of this bliss was to walk by yourself in the black night; the slide shut, the topcoat buttoned; not a ray escaping, whether to conduct your footsteps or to make your glory public; a mere pillar of darkness in the dark; and all the while, deep down in the privacy of your fool's heart, to know you had a bull's-eye at your belt, and to exult and sing over the knowledge.

Now, I take it that these young people who have sacrificed so much for their organization, the American Youth Congress, have a golden chamber at the heart of it, and there they dwell delighted, and dark as their pathway may seem to the observer, each has a bull's-eye at his belt. I rejoice that they have cherished purposes, and I rejoice that they are eager to share their ideas with those less fortunate, and, possibly, less stable in their political judgments.

Stevenson says:

> There is one fable that touches very near to the quick of life. The fable of the monk who passed into the woods, heard a bird break into song; hearkened for a trill or two, and found himself on his return a stranger at his convent gates.

I believe the young Communists, joining with the American Youth Congress, will hear that song, will see that light, and will return finding themselves strangers to any system contrary to American ideals.

TRANSFER OF PARITY FUNDS

Mr. PACE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PACE. Mr. Speaker, I do not feel that the criticism of the Secretary of Agriculture and the Department of Agriculture by the gentleman from New York [Mr. TABER] in connection with the transfer of parity funds is at all justified. A few moments ago he took them to task for permitting what he termed a deficit of $11,000,000 in the 1939 parity funds. What are the facts?

In 1938 this Congress appropriated $212,000,000 for parity payments in 1939 to the producers of the five basic crops—cotton, corn, wheat, rice, and tobacco. These payments could be made only to those producers who cooperated in the 1939 farm program. As the parity payments to wheat producers are made in the spring of the year, it is always necessary for the Secretary of Agriculture to calculate the amount of money to be allotted to each of these crops and the payment to be made to each producer in the early part of the year. For instance, last year the Department began making parity payments to the winter-wheat producers on March 27, 1939. As an estimate must be set up for each crop before payments can be made to any producers, it was therefore necessary for the Secretary of Agriculture to determine as best he could before these wheat payments were made the amount of money to be allotted to each of the aforementioned crops and the individual payments to be made. I understand that his calculations were made and completed on February 14, 1939. You will readily see that this was long before any cotton, corn, or tobacco had even been planted.

Therefore the calculations made by the Secretary can be nothing more than his best estimate, based upon past experience. The reason why there is a shortage of funds for 1939 is because the compliance by the farmers with the program in 1939 was much greater than it had ever been before, and therefore the past experience was not an accurate factor. For instance, in setting up his estimates, the Secretary estimated that 73½ percent of the corn producers would cooperate in the program, but after the crop had been planted and checked it was found that 79 percent of the producers had cooperated in the program. Likewise, on the basis of past years, the Secretary estimated that 86 percent of the cotton producers would cooperate in the program, but when their crops were checked in June and July, and some as late as August, it was found that 96 percent of the cotton producers had cooperated in the program.

At that time the wheat farmers had already received their parity money and definite promises had been made to the cotton and corn producers, and it was impossible to change the calculation.

In order that you might determine the fairness of the criticism of the gentleman from New York, I wish to call your attention to the fact that I never heard one word of praise from him of the Department of Agriculture in the past years when the Secretary overestimated the amount needed and turned back into the Treasury nearly 20 times as much as the present shortage. In 1935 Congress appropriated $43,000,000 for cotton price-adjustment payments, and of that sum only $39,751,000 was paid out and $3,249,000 was turned back into the Treasury. In 1937, $130,000,000 was appropriated for cotton price-adjustment payments, of which only $122,151,000 was paid out and $7,849,000 was turned back into the Treasury. In 1936, $440,000,000 was appropriated for soil-conservation payments, of which only $393,500,000 was paid out and $46,500,000 was turned back into the Treasury. In 1937, $500,000,000 was appropriated for soil-conservation payments, of which only $360,000,000 was paid to the farmers and $140,000,000 left in the Treasury. This shows that for the 3 years—1935, 1936, and 1937—a total of $197,598,000 which had been appropriated for benefit and parity payments to the farmers, but was not received by them, was retained in the United States Treasury. Certainly it is not becoming of anyone to criticize the present shortage of around $11,000,000 in view of the enormous amount of overage in past years.

I call your attention to the fact that this is not an appropriation of $11,000,000; it does not call for one extra penny out of the United States Treasury, but simply provides that of the $225,000,000 appropriated for parity payments in 1940, $11,000,000 may be used to complete the payments for 1939.

This $11,000,000 is not to go to any particular State or to any particular section. The shortage exists in 42 of the 48 States, and I call your attention to the fact that the greatest amount of shortage is in the State of Illinois, amounting to $1,284,000.

Here is the list of the States and the amount needed to complete the payments in each State:

Amount needed to complete payments

Alabama	$410,480
Arizona	28,000
Arkansas	788,500
California	72,000
Colorado	35,000
Delaware	237
Florida	17,000
Georgia	499,850
Idaho	89,000
Illinois	1,284,000
Indiana	290,000
Iowa	554,800
Kansas	137,000
Kentucky	61,573
Louisiana	378,000
Maryland	40,411
Michigan	13,000
Minnesota	100,000
Mississippi	500,000
Missouri	360,000
Montana	347,000
Nebraska	13,000
Nevada	1,000
New Jersey	123
New Mexico	3,000
New York	1,060
North Carolina	672,984
North Dakota	450,000
Ohio	468,000
Oklahoma	550,000
Oregon	12,000
Pennsylvania	1,544
South Carolina	301,500
South Dakota	20,200
Tennessee	229,712
Texas	793,000
Utah	15,000
Virginia	16,482
Washington	5,000
West Virginia	600
Wisconsin	61,000
Wyoming	11,000
Insular Division	2,000
Grand total	9,634,056

PERMISSION TO SIT DURING SESSIONS OF HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that the subcommittee of the House District Committee on Public Health, Hospitals, and Charities be permitted to sit tomorrow afternoon for an important hearing, if the House is in session.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter regarding the Federal monetary system.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a partial list of the organizations endorsing and supporting H. R. 7971.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a short article from the Portland Oregonian of February 3.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE CATTLE AND DAIRY INDUSTRY OF THE NORTH

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CURTIS. Mr. Speaker, I rise in defense of the cattle and dairy industry of the North and of the sturdy Americans who live in that territory.

Yesterday at the other end of the Capitol, the senior Senator from South Carolina made a sharp and vigorous charge against the people in that district. Among other things he said:

> You have tried to keep us from going into the cattle business, but I invite you to come up into our section and see what we are doing. Up in your God-forsaken part of the country you have to protect your cows and feed them for about 6 months of the year.

The Senator further said:

> I am speaking of all of that section south of the Mason-Dixon line and not of the section up in the frozen, God-forsaken part of the country above us where there is from 6 to 8 months of ungodly cold weather, where people shiver and have to take from us in order to live at all. If it had not been for the protective tariff, that would have been, if not a wilderness, at least a semiwilderness and a semidesert.

Now, that sort of argument may sound all right down in the State from which the Senator comes, but it does not sound good in Nebraska. I am informed by the United States Statistical Record that, according to the last census, the Senator's State had an illiteracy rate of 14.9 percent of children of 10 years of age and over, while in the State of Nebraska we have the lowest of all the States of 1.2 percent. This low rate of illiteracy may be one of the reasons why the people of Nebraska raise good cattle and know good beefsteak and know the value and true worth of the fine, pure dairy products that come from the great northern States.

It may also have a bearing on why the Senator from South Carolina voted against the great cattle and dairy industries of our country when the Reciprocal Trade Agreements Act was passed in the year 1934. And why that same Senator yesterday voted in favor of an amendment which would permit the use of butter substitutes and oleomargarine in our veterans' hospitals.

I want to say to this Congress and to the whole world that if they want to get a glimpse of the more abundant life, which the New Deal promised us and we did not get, just set yourselves down before a good, choice, prime Nebraska beefsteak and enjoy it.

By what token or right does the Senator from South Carolina have to say that the people from the North have to take from them in order to live at all? The fact is that the payments from the United States Treasury constitute 18 percent of the total farm income of the Senator's State, which is a much greater percentage than the great territory about which he speaks.

The Senator concludes his speech by talking about patriots. The Senator knows what the violation of the two-term precedent would mean to the very foundations of our Republic. He knows that such a thing is un-American and out of place in our scheme of things, yet I challenge him to carry his State for the opposition party when that crucial test comes up next November. [Applause.]

EXTENSION OF REMARKS

Mr. MILLER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include excerpts from a paper entitled "Action."

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

AMERICAN YOUTH CONGRESS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KEEFE. Mr. Speaker, I feel constrained to say just a word in response to the remarks of my beloved friend the gentleman from Oregon, Governor PIERCE.

The Washington press carried stories recently in reference to the White House conference on activities of the American Youth Congress, which was held at the invitation of Mrs. Roosevelt.

It is interesting to note that 27 Democratic Members of the House were invited to attend this conference. It is exceedingly interesting to note that of the 27 House Members invited, 16 of the 21 Members who voted against the resolution continuing the Dies committee were invited. Of the remaining 11, 2 were members of the Dies committee, namely, the gentleman from Massachusetts, Representative CASEY, and the gentleman from California, Representative VOORHIS. Of the remaining 9, the gentleman from Pennsylvania, Representative SACKS, was listed as an invitee, but he was not recorded as voting on the Dies resolution. The remaining 8 were the majority leader, Mr. RAYBURN, the gentleman from Kansas, Representative HOUSTON, the gentleman from Oklahoma, Representative ROGERS, the gentleman from Georgia, Representative TARVER, the gentleman from West Virginia, Representative JOHNSON, the gentleman from Alabama, Representative PATRICK, the gentlewoman from New Jersey, Representative NORTON, and the gentleman from Pennsylvania, Representative EBERHARTER.

It was indeed proper that the gentleman from Texas, Mr. RAYBURN, be invited and I can suspect that the reason my colleague the gentleman from Kansas, Mr. HOUSTON, and the gentleman from Georgia, Mr. TARVER, were invited was because they are members of the subcommittee of the Appropriations Committee in charge of N. Y. A. and C. C. C. appropriations. I can also understand why the gentleman from Oklahoma, Representative Rogers, was invited, as he has been an outspoken friend of the N. Y. A. and the National Youth movement. The gentleman from West Virginia, Representative JOHNSON, is a member of the Appropriations Committee.

This leaves three Members unaccounted for, namely the gentlewoman from New Jersey, Mrs. NORTON, the gentleman from Alabama, Mr. PATRICK, and the gentleman from Pennsylvania, Mr. EBERHARTER. At least one of these three does not understand himself how he got to be invited.

I believe it is to the everlasting credit of the Senators and Representatives who were invited to this meeting that, with

the exception of the gentleman from New York [Mr. MARCANTONIO], those who did express themselves at this meeting, I know authoritatively, went on record definitely against the infiltration of the Young Communist League into the American Youth Congress.

I regret that the newspapers carry the story that the First Lady of the land defends the rights of Communists in the American Youth Congress. [Applause.]

Mr. SACKS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SACKS. Mr. Speaker, I am very happy that my friend the gentleman from Wisconsin [Mr. KEEFE] told the Members of this House that I was invited to go to that conference. It seems to me that the youth of this country are very much interested in our Government and very much interested in the future of democracy. I am also sure that the youth of this Nation are not communistic. I am sure I am not communistic. I am happy to be invited to go to the White House. I accept very graciously the fact that I was invited and I am sure that if the gentleman from Wisconsin had been invited himself by a Republican President or President's wife, he would have been happy to go to the White House.

The American youth are most desirous that their views be communicated to our legislative body. To me this is a most worthy project. The First Lady has most sympathetically undertaken to help the vast group of American youth who tomorrow will be the backbone of American democracy and the continuance of democratic principles established by our forefathers. I rise to protest any inference as to her motives and feel secure the American public understand her great desire to help youth. In my opinion this is Americanism and am proud to be one of her guests in this demonstration. The inclusion in this list of such stalwart Americans as the distinguished majority leader, Mr. RAYBURN, the gentleman from Massachusetts, Mr. CASEY, and the gentleman from California, Mr. VOORHIS, makes my position all the more preferable. Therefore, I add my humble thanks to the gentleman from Wisconsin [Mr. KEEFE] for his statement. However, the gentleman from Wisconsin is following in the footsteps of his leader, John Hamilton, National Republican Chairman, who refused the invitation to have the Republican Party represented at this meeting with the representatives of 4,000,000 youths of this country who are honestly seeking advice and guidance. Mr. Speaker, I resent the implication on the part of the gentleman from Wisconsin that the youth of America are communistic. The refusal of the Republican Party to cooperate with the youth of America cannot be covered up by raising the false cry of communism.

The SPEAKER pro tempore. The time of the gentleman has expired.

STATE, COMMERCE, JUSTICE, AND THE JUDICIARY APPROPRIATION BILL, 1941

Mr. CALDWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8319, making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8319, with Mr. BEAM in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Contingent expenses: For stationery, furniture and repairs, floor coverings, file holders and cases; miscellaneous expenditures, including telegraphing and telephones, and teletype rentals and tolls, postage, labor, typewritters and adding machines and the exchange thereof and repairs thereto, streetcar fares, newspapers not exceeding $350, press clippings, and other necessaries ordered by the Attorney General; official transportation, including the repair, maintenance, and operation of four motor-driven passenger cars (one for the Attorney General and three for general use of the Department), delivery trucks, and motorcycle, to be used only for official purposes; purchase of lawbooks, books of reference, and periodicals, including the exchange thereof; examination of estimates of appropriation in the field; and miscellaneous and emergency expenses authorized and approved by the Attorney General, to be expended at his discretion, $175,000: *Provided*, That not to exceed $2 per volume shall be paid for the current and future volumes of the United States Code, Annotated.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been considerable confusion regarding the act making compulsory the reply to questions that will be asked by the enumerators in connection with the gathering of the sixteenth decennial census. It has come to my attention that some of this confusion is the result of an erroneous newspaper article which appeared in one of the New York papers recently.

The fact of the matter is that all of the questions in connection with this census gathering must be answered under the law of June 18, 1929, providing for the fifteenth and subsequent decennial censuses of the United States (46 Stat. 21; U. S. C. supp. VII, title 13, ch. 4). This act provides that all persons over 18 years of age shall answer correctly and to the best of their knowledge all questions on the census schedules applying to themselves, to their families, and to their farm.

The act provides a penalty of not to exceed $100 if a person is guilty of refusing to answer the official questions on the schedules for census of population, the census of agriculture, and the census of housing.

At its first session of the Seventy-sixth Congress, the Congress passed a special act to provide for a national census of housing (Public, No. 385, ch. 688, 1st sess., 76th Cong.). This act has the effect of adding as a subject in the Sixteenth Census, which will be taken this year, a census of housing.

Along with other Members of Congress, I have been receiving letters from my constituents indicating that there has been given the impression through some publications or through verbal information in some cases that it is not compulsory to reply to these questions. So far as I am concerned, I am notifying all my constituents of the true facts, which are that every official question asked by the enumerators when they call must be replied to under the penalty provided in the law, which is a fine of not to exceed $100 or imprisonment not to exceed 60 days, or both; and I wish to warn them not to give false answers, because there is a fine of not to exceed $500 or imprisonment not to exceed 1 year, or both.

The misleading newspaper article to which I referred previously appeared in the Sunday New York Times early in January. This article stated in brackets that "reporting on census questionnaire was not compulsory." It was retracted by the Times the next day, and a statement has been issued by Director W. L. Austin, Bureau of the Census, fully explaining the duties of citizens to report in this census.

I fear that the newspaper article has misled many people into believing that some questions need not be answered, so I take this opportunity to warn all Members of the House, when they receive letters from constituents, to advise them that it is absolutely compulsory to answer all questions pertaining to this census, as required by an act of Congress in 1929.

There may have been other misunderstandings concerning compulsion and noncompulsion in the gathering of the current information on the part of the Department of Commerce, and this matter should be explained to Members of the House, who may find this information valuable when they are asked these questions by their constituents. The Department of Commerce, through the Bureau of the Census, gathers monthly statistics by mail from business and industrial concerns which voluntarily report their sales, stocks, and production of certain commodities to the Department of Commerce. These statistics are gathered under the general authority of the act establishing the Department of Commerce, and should not be confused with censuses, the reporting of which is required by law.

Some of these monthly questionnaires, however, are specifically provided for by acts of Congress. For instance, the schedules on cotton, cottonseed, and red-cedar shingles.

So far as I am able to learn at this particular time, these are the only three subjects which the law specifies must be replied to, except those subjects specified in the Decennial Census Act and by the act providing for a permanent Census Office—United States Code, Supplement 7, title 13. The general monthly compilations on the part of the Department of Commerce are voluntary. These minor reports may have caused the confusion in some of the statements that have been made; I refer to the false statement that it is not compulsory to reply to some of the questions asked in the decennial census.

There appears on the face of every official census questionnaire taken under authority of the Decennial Census Act and other acts, which specifically provide for compulsory reporting on the questions asked, the following explanation:

Your report is required by act of Congress. This act also makes it unlawful for the Bureau to disclose any facts, including names or identity, from your census reports. Only sworn census employees will see your statements. Data collected will be used solely for preparing statistical information concerning the Nation's population, resources, and business activities. Your census report cannot be used for purposes of taxation, regulation, or investigation.

In connection with the industrial and business censuses the penalty is more severe than for refusal to give information on population, housing, or agriculture. I wish to quote from the act of June 18, 1929, section 10, as follows:

That it shall be the duty of every owner, official, agent, person in charge, or assistant to the person in charge of any company, business, institution, establishment, religious body, or organization of any nature whatsoever to answer completely and correctly to the best of his knowledge all questions relating to his respective company, business, institution, establishment, religious body, or other organization, or to records or statistics in his official custody, contained on any census schedule prepared by the Director of the Census under the authority of this act, or of the act to provide for a permanent census office, approved March 6, 1902, or of acts amendatory thereof or supplemental thereto; and any person violating the provisions of this section by refusing or willfully neglecting to answer any of said questions shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding $500 or imprisonment for a period not exceeding 60 days, or both so fined and imprisoned; and any person violating the provisions of this section by willfully giving answers that are false shall be fined not exceeding $10,000 or imprisoned for a period not exceeding 1 year, or both.

Considerable has been said about the possible danger of revelation of information which is to be secured by the enumerators. In fact, everyone connected with the Department of Commerce, from the Director down, is sworn to protect census information against disclosure. In order to bring to your attention the penalty for such revelation of confidential information, I quote from the act of June 18, 1929, section 8, which provides strict penalty for this violation of confidence:

That any supervisor, supervisor's clerk, enumerator, interpreter, special agent, or other employees who, having taken and subscribed the oath of office, shall without justifiable cause, neglect or refuse to perform the duties enjoined on him by this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding $500; or if he shall, without the authority of the Director of the Census, publish or communicate any information coming into his possession by reason of his employment under the provision of this act, or the act to provide for a permanent census office, or acts amendatory thereof or supplemental thereto, he shall be guilty of a felony and upon conviction thereof shall be fined not to exceed $1,000 or be imprisoned not to exceed 2 years, or both so fined and imprisoned in the discretion of the court.

The Clerk read as follows:

Enforcement of antitrust and kindred laws: For the enforcement of antitrust and kindred laws, including experts at such rates of compensation as may be authorized or approved by the Attorney General, except that the compensation paid to any person employed hereunder shall not exceed the rate of $10,000 per annum, including personal services in the District of Columbia, $1,250,000.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 59, line 3, after the words "District of Columbia", strike out "$1,250,000" and insert "$1,500,000."

Mr. VOORHIS of California. Mr. Chairman, I offer this amendment for the purpose of raising by $250,000 the appropriation for the enforcement of the antitrust laws.

My first reason for so doing is that last year the appropriation was $1,300,000, and the work of this division of the Department of Justice has, in the course of the last few months, greatly expanded, and I think has produced some results which are of great benefit.

The second reason why I offer the amendment is because I find that during the past year, whereas $1,300,000 was appropriated for this purpose, there were collected in fines by this division or as a result of its work $2,400,000. In other words, it more than paid its own way.

Generally speaking, what I am interested in is this: I believe that for a solution of the economic problem within the framework of a free economy it is necessary to remove the obstacle which monopoly presents to free enterprise, and which monopoly inevitably brings about through taking an unjustifiable share of the national income into the hands of a comparatively few corporations, which ought to go generally throughout the business community.

We have a situation where prices of industrial goods in many instances are out of proportion to what they should be; and it is the industries where real competition exists, notably agriculture, which suffer from this situation.

If anything is consistent with a philosophy of free enterprise the work of this Division certainly is. We have at the moment the coming of the so-called war industries into the picture which, if we can read history at all, will mean a more serious situation with regard to unjustifiable prices and monopoly than would otherwise be the case. It does not seem to me that this is the time when this work ought to be curtailed—and the amount of the appropriation carried for this item in the bill will mean that it will be curtailed. My amendment would mean that it may be reasonably, though not very much, expanded; and even though my amendment were adopted, the item would still be $900,000 less than the amount of fines collected last year as a result of the work of this Division. With the expansion of its work this item of income can be expected to increase. Another result of inordinate prices for certain articles in this country, according to studies made, has been the importation of a lot of goods from abroad by mass sellers of those goods when they undoubtedly would use the American product if it were priced more properly and not under the influence of monopolistic control of price.

The work of this Division is to enforce the laws that we now have on our statute books. It seems to me this is a time when this work should continue vigorously, and this is the reason I offer this amendment.

Mr. CULKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am for the pending amendment, but I desire to say to the Committee at this time that, irrespective of the fate of this amendment, an amendment will be offered by the gentleman from Wisconsin [Mr. HULL] for the purpose of increasing this fund $100,000.

The purpose of the amendment to be proposed by the gentleman from Wisconsin [Mr. HULL] is to give the Attorney General sufficient money to bring the dairy monopolists to book. It is a fact, and this Congress must know it, that the Federal Trade Commission has repeatedly found that the dairymen in America, composed of 3,500,000 people, with 10,000,000 dependents, are in the grip of a savage, unrestrained monopoly composed largely of Borden and National Dairies. The Federal Trade Commission, the greatest fact-finding body in the world, has found that unless this marketing monopoly is taken off the backs of the dairymen they will be driven from the land. Authoritative findings, particularly in the State of New York, show that these distributors are now making 107 percent on manufactured milk and 24 percent on fluid milk. The dairyman is coming into a situation where he will have no place to lay his head. Twenty years ago he was the finest type of individualist in this civilization. Today his condition is becoming comparable to that of the itinerant sharecropper of the Southwest.

Vigorous antitrust prosecution is the only thing that can save him.

Last July a nonpartisan committee composed of representatives of the dairying States called the attention of the Attorney General to this situation. The Attorney General is ready to proceed.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield briefly?

Mr. CULKIN. Yes; I will yield, but briefly only.

Mr. VOORHIS of California. I merely want to say that if this amendment is adopted it will be used also for the purpose the gentleman is bringing to our attention. I regret that I did not mention it in my remarks.

Mr. CULKIN. I thank the gentleman. Mr. Chairman, the history of appropriations of this character is that they bring a twofold return to the Treasury. That was just referred to by the gentleman from California [Mr. VOORHIS]. So the economy program, fine as it is—and I am in strong sympathy with it—has no place here.

Permit me to say, and I think it is probably unusual on this floor to commend the opposition, that I have great respect for the achievements of Thurman Arnold, who is now in charge of the antitrust prosecutions. I regard him as one of the outstanding men of the present administration. [Applause.] From the standpoint of public usefulness, I believe he is probably the most outstanding man in the executive branch. Thurman Arnold understands this situation. We have been over it with him in detail, and he is prepared to act. Some of us who have studied this question and lived with it for years are convinced that unless this action is taken the dairymen will pass from the national picture. This, of course, would be a supreme tragedy. I urge the Members of the Committee, particularly those upon my own side of the aisle in whose districts the dairymen are largely resident, to support one or the other of these amendments.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. RABAUT. We had quite a conference about this in the committee, and I for one was very favorable toward an increase in funds for this division. We also called especial attention to it in the report. There are 50 cases now pending before the Antitrust Division, of which 20 are key cases; in other words, if these 20 cases are adjusted a great many other cases would be affected.

Mr. CULKIN. But it does not go to this question, may I say to the gentleman.

Mr. RABAUT. Just a moment. There is just so much that can be done, and there are only two places in the whole bill where we have gone above the Budget. This is one. The other was the Patent Office. So we want the gentleman to know that the committee was very favorable to this particular activity.

Mr. CULKIN. I think the committee is a splendid one.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GWYNNE. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Iowa.

Mr. GWYNNE. I simply want to say it is a very necessary appropriation and I hope the amendment will be agreed to because it is an important amendment.

Mr. CULKIN. I thank the gentleman.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. Maybe the gentleman has a good man in mind to prosecute, but has that man the backing of this administration? The present administration has committed itself in favor of monopoly and it has never emphasized enforcing the antitrust law. It aided monopoly in the form of the N. R. A.

Mr. CULKIN. May I say in answer to the gentleman from Kansas that Thurman Arnold is giving hope to most Americans who believe that the solution of the marketing problems of the farmer, the troubles of the small industrialists, and the elimination of the racketeering laborite, is in the enforcement of the antitrust laws. Thurman Arnold has given new hope to those people. I think he has gotten off to a fine, courageous start. I know he is a sincere, able, conscientious public official.

Mr. STEFAN. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Nebraska.

Mr. STEFAN. I agree with what the gentleman has said. I call his attention to the fact that the committee recognized this because we increased the appropriation for Mr. Arnold's department $21,000 over the Budget estimate.

Mr. CULKIN. I understand that.

Mr. STEFAN. We did that in recognition of the service rendered by this particular bureau.

Mr. CULKIN. I am speaking for 13,000,000 people who are being destroyed and this committee has made no provision for them.

Mr. STEFAN. I agree with the gentleman.

Mr. CULKIN. There are 55 cases pending. The average case costs $100,000 and unless this additional money is made available and earmarked by this discussion, these people are going to be driven off the land.

Mr. WALTER. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Pennsylvania.

Mr. WALTER. May I call the gentleman's attention to the fact this Division has saved many thousands of dollars in the purchase of automobiles through the breaking up of a combination that added many dollars to the cost of an automobile.

Mr. CULKIN. That is true. This Division has also made history in connection with the building-trades industry, where they have saved the country millions of dollars.

Mr. Chairman, if we agree to the amount proposed by the amendment offered by the gentleman from California [Mr. VOORHIS], and increase this appropriation $250,000, or $100,000, as the gentleman from Wisconsin would propose, it will be of great assistance. The dairy monopoly today is thwarting the law, and in the State legislatures and here in Washington they are literally spending millions of dollars to defeat the law. All we ask is a paltry $250,000, or at the will of the House, $100,000, for this purpose.

I may say to the gentlemen on this side of the aisle that antitrust enforcement is in the best Republican tradition, because the Republican Party put these antitrust laws on the books. Strange as it may seem, the best antitrust enforcement we have had down to the time of Thurman Arnold was by Mr. Wickersham, who was a Wall Street lawyer, but true to his trust.

Mr. Chairman, I hope the Members of the Committee on both sides of the aisle will stand by and aid the dairymen in their hour of need. [Applause.]

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

Mr. Chairman, I am very much in sympathy with the author of this amendment and with the gentleman who has spoken in behalf of the amendment, but permit me to say that the subcommittee gave careful consideration to every argument they have made this afternoon in behalf of the amendment increasing the appropriation by $250,000. At the present time there are 50 antitrust cases pending and they are in the process of litigation. Many of these cases are cases that will become precedents and will decide hundreds of other cases; therefore, this committee thought that by increasing the appropriation $41,000 over that allowed by the Bureau of the Budget it was treating the Antitrust Division in a most generous manner.

We are very much in sympathy with seeing this work carried on. The gentlemen who have just preceded me spoke specifically of the dairy industry. There is nothing in the amendment offered by the gentleman from California that guarantees that one cent of this money will be spent in fighting the battles of the dairy industry. On the other hand, he has no right to conclude that the money we have provided

here, or at least some of it, will not be spent on behalf of the dairy industry.

Mr. CULKIN. Will the gentleman yield?

Mr. CARTER. For a brief question.

Mr. CULKIN. The gentleman has made a statement about me and I wish to state my situation briefly. We have been in contact with the Attorney General's Office, formerly Attorney General Murphy, and with Thurman Arnold. We are convinced that they are going ahead if they get this additional money.

Mr. CARTER. We are giving them more than the Bureau of the Budget allowed.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from California.

Mr. VOORHIS of California. Is it not true, however, that the appropriation provided in the bill is a cut over what they had last year of $50,000?

Mr. CARTER. That may be true. I do not recall, but I do know that in making these appropriations we cannot run wild on something in which we are particularly interested. There must be a balance in making these appropriations, and it was in the exercise of that balance that we went only $41,000 over the Bureau of the Budget.

The subcommittee listened attentively and at length to a description of the work of the Antitrust Division. We are not minimizing the beneficial results that flow from this work, but we believe that with the Federal Treasury in the condition it is at the present time, that this Antitrust Division, notwithstanding the importance of the work, should not at this time have in excess of $1,250,000 that we have given them.

Mr. CALDWELL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. CALDWELL]?

Mr. HULL. Mr. Chairman, I shall object unless I may have an opportunity to talk on this amendment.

The CHAIRMAN. The gentleman was on his feet and the Chair will be glad to recognize him.

Mr. KEEFE. Mr. Chairman, I desire to speak too.

Mr. CALDWELL. Mr. Chairman, I do not want to be arbitrary. I would like to have 10 minutes in opposition and I am willing to allow the gentlemen in favor of the amendment 10 minutes. If there is no objection, I would like to see that agreement adopted.

Mr. CULKIN. Reserving the right to object, Mr. Chairman, I see there are three Members who wish to speak for the amendment, which would mean 25 minutes of debate.

Mr. CALDWELL. Mr. Chairman, I modify my request and ask unanimous consent that debate be limited to 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, I rise in support of this amendment. I had intended for a specific purpose to offer an amendment for an increase of $100,000 in this appropriation. The gentleman from California [Mr. VOORHIS] was recognized, however, and his amendment is now before the Committee. I have reason to believe that if this amendment is carried and the fund is increased by $250,000, it will include the purpose of the amendment I had intended to offer.

May I state to the gentleman from California [Mr. CARTER], who has just spoken, that this increase will not be damaging to the balancing of the Budget. It is perfectly plain from the statement of Mr. Arnold before the Committee on Appropriations that about $3 is taken in in the way of fines and penalties for every dollar that is expended by the Antitrust Division. Consequently, any increase in these funds will serve to that extent in helping balance the Budget.

The particular reason for my amendment, and my interest in the pending amendment, is that nearly a year ago a delegation of Members from the dairy sections of the country, after repeated endeavors and numerous meetings, filed a complaint with the Attorney General's Department, asking that action be taken on the prosecution of the cases against the milk or dairy products monopolies. A little later we went to see Attorney General Murphy, and later Mr. Arnold. We had several conferences with them. We urged that the Chicago cases be pushed to the limit, and I would say, by the way, that they are being pushed to the limit.

They have gone to the Supreme Court, the nature of the actions has been affirmed there, and it is now back for trial in the district court at Chicago. However, the trouble we have had in obtaining action by the Department of Justice in other cases is that they have had no funds for carrying on the prosecutions.

There are five large dairy companies in the United States which control the larger part of the distribution of whole milk, and are now reaching out and obtaining control of the markets for butter, cheese, and other dairy products. These firms are very well known. Their practices have been very fully investigated and are described in the voluminous report of the Trade Commission, which found that in nearly all the large centers of this country the farmers are being discriminated against as to the prices they receive for their milk and their opportunity of selling milk, and that at the same time the consumers are compelled to pay an exorbitant price for the milk they buy.

We people who come from the dairy sections feel that this increased amount should be allowed. We believe, notwithstanding the fact that cuts have been made in other directions, that this is an outstanding incident which requires and should have the support of Congress in promoting the protection of both the farmer, who furnishes the milk, and the consumers in the large centers. Therefore, I hope this amendment will be adopted and that the additional $250,000 will be voted.

May I say, further, that I have such confidence in Mr. Arnold and his Department that in case this amendment carries, I have no doubt that a reasonable portion of the amount, $100,000, at least, will be set aside for the purpose of pursuing the investigation, obtaining evidence, and bringing indictments against more and more of these combinations in the larger centers of the country.

I hope the amendment will be adopted. There is nothing partisan about it, there is nothing extravagant about it. It is a plain common-sense proposal to allow the Department of Justice sufficient funds to bring to book these people who have robbed the consumers as well as the farmers of America of millions of dollars. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, up to this time I have voted consistently for every bill and every cut that the Committee on Appropriations has brought before this House. Let it be understood that in respect to this particular item, however, while the appropriation is ostensibly $41,000 above the Budget estimate, in fact the appropriation represents a cut of $59,000 below the appropriation for last year.

I am opposed to monopoly wherever it can be found. I am satisfied as a result of some years of intimate contact with the milk and dairy business that there is in this country a very rank monopolistic influence in that field. I am thoroughly satisfied from various contacts and conferences with Mr. Arnold that he is one man in this Government who is not politically minded, that he is endeavoring honestly to perform his job, and that if he is given the funds with which to work he will ferret out and destroy the monopolies that are so viciously assailing the interests not only of the farmers but of the consumers of this country. [Applause.]

I want the RECORD to disclose that as far as I personally am concerned I am a firm believer in the interests of economy.

However, I believe it is false economy in this case to take away from this Department funds which Mr. Arnold says are sorely and absolutely needed if he is to continue the investigation into the milk monopoly and carry it through to a successful prosecution.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. REED of New York. Does not the gentleman believe it would be a measure of economy, when we know that in order to help the farmers the Surplus Commodities Corporation is going into the market to buy up these surpluses, if we could relieve the farmer from the drain that is made upon him by this monopoly?

Mr. KEEFE. There is no question about it. May I say further that the Surplus Commodities Corporation, going into the market and buying surplus commodities for sometimes as low as half what it costs the farmer to produce them, is not giving a very great benefit to the farmer, but is, in effect, compelling the farmer to feed the people in the cities by letting them eat up the profits of the farm through their getting these commodities for about half what it has cost the farmer to produce them.

I support the tenor of this amendment. Whether $250,000 is the proper sum I cannot say; but I am firmly of the belief that Mr. Arnold is entitled to an increase in this appropriation, and that if he is given it he will carry out the program that he has told us he will carry out. I am satisfied that he will carry on this milk investigation and that we Members of Congress who come from the dairy States will at least have done our part in raising our voices here when the time is ripe in support of the efforts to destroy a monopoly in the milk business. [Applause.]

[Here the gavel fell.]

Mr. PIERCE. Mr. Chairman, I rise in opposition to the pro forma amendment.

I am delighted to know that my friend from Wisconsin and myself can agree upon this amendment. I rather have my doubts about the ability of the Justice Department to control the milk monopoly; however, I do want them to try. Monopoly seems to be beyond the reach of Government control. I have been in close touch with the dairy business for a great many years, dating clear back of the time when I was Governor of Oregon. I remember introducing a bill in the State legislature, a mild affair, to help the dairymen. I shall never forget the fight that was put up by the Milk Trust in opposition to that bill. I shall never forget how one of the agents of the milk combination came to me after the fight was over and said: "It does not matter what you do, all we need to do is to put on the propaganda—get control of the papers and we can win the people." The monopoly defeated our efforts at that time.

Since I have been a Member of this House I have worked with our colleagues from New York and Wisconsin, particularly those interested in the dairy industry, trying to reach some solution. I am voting for this amendment. I think it ought to be adopted. It means $100,000 that will go into the hands of the prosecuting officers to try to reach this trust or this monopoly. I am not certain it can be done. We may have to pass laws here that will compel the producers to distribute the milk themselves cooperatively. That is going to be a fierce battle because we will have to fight a great many organizations that are now living off of the farmer. If something is not done in the way of breaking up the monopolies, then peasantry for the dairyman seems a certainty.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield to the gentleman.

Mr. CULKIN. The gentleman was present at the Attorney General's office with our committee and heard the discussion there, and he is satisfied that if this appropriation is increased and, in effect, earmarked by this discussion, action will be taken in this matter?

Mr. PIERCE. Absolutely. If this amendment of our colleague from California prevails, there will be a real, genuine attempt made by the legal department to help out this situation in the distribution of milk. I am for the amendment. [Applause.]

Mr. MARTIN J. KENNEDY. Mr. Chairman and Members of the Committee, as a Representative coming from the city of New York, with a population of over 7,000,000, I am deeply interested in every proposal that has for its object the reduction in the cost of living. The people of my city are vitally concerned about the cost of living and I want to do everything in my power to eliminate any unnecessary expense. If the adoption of this amendment is the method by which we can help to reduce the cost of milk and the by-products, I am heartily in favor of the amendment to provide additional funds for the Attorney General to fight alleged monopolies.

I have always admired my colleague the gentleman from up-State New York [Mr. CULKIN], because he has been a constant champion of the dairy industry and the farmer. The speech he just delivered indicated the possibilities for further reduction in the cost of living by the stamping out of the trade practices which have made it almost impossible for the farmer to live, while at the same time contributed to an increase in the price of foodstuffs.

I do hope, however, that we here in the United States will not get the persecution complex. It would seem that every day we can read of business organizations, large industries, labor unions, and officials of labor unions being indicted for abuses in violation of the law. We may have some terrible conditions in the dairy industry and some others; if so, let us clear up these violations by proceeding in a calm and orderly fashion, and not on a wave of hysteria. I hope that our position here today will not cause the Attorney General to go on a rampage which might give the impression that every successful business is a monopoly and is run in a crooked manner.

I propose to vote for the Voorhis amendment because I hope as a result of the money provided this work of the Attorney General of fighting collusion and other unfair practices will continue, and successfully result in the reduction in the cost of food and the other necessities of life. [Applause.]

Mr. CALDWELL. Mr. Chairman, it is rather refreshing to see the urge for an amendment increasing an appropriation coming from the economy side of the House. You know it all gets back to the question of just whose interest is involved.

If we approved every item asked by every Member or every group in the House, these appropriation bills would reach enormous proportions. I do not know where all the gentlemen were when we had the bill under consideration. When the committee had the bill under consideration and were hearing interested persons, those who are so zealous now in behalf of the dairy industry and other industries, made no effort to appear before the committee and present their cause. Nothing of particular moment has occurred within the last 2 or 3 weeks to make it so urgent now as against that time. The fact remains that if we are going to hold down these appropriations we must make some cuts and if we wait to do that until everyone is in accord they will not be made.

This committee appreciates the value of the antitrust division. It feels they have been doing a pretty good job. Members of the committee evidenced that feeling by making this one of the two items in the whole bill for the Departments of State, Commerce, Justice, and the Judiciary, in which we increased the Budget request. We gave them $41,000 over the Budget recommendation. Undoubtedly, good could be accomplished if they had two or three million dollars in excess of the amount that has been approved, but I call your attention to the fact that in 1934 this division had $150,000; in 1935 they had $289,000 and a supplement of $125,000. In 1936 they had $420,000; in 1937, $435,000; in 1939, $580,000 and a supplement of $200,000. In 1940 it reached the point of $1,309,000. It occurs to me the House should take stock of the situation and in some sound manner work out this problem over a period of years. I sincerely hope that this amendment will be voted down. I am sure that the Antitrust Division is rendering every service possible with

the funds and ability at its disposal. I am also sure that the orderly processes of Government will be served by holding the appropriation to the amount approved by the committee.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. CALDWELL. Yes.

Mr. HARE. There is a provision in the appropriation bill where the Attorney General is permitted to employ special attorneys, and is there any reason why he should not use that fund or a portion of it to employ special attorneys to prosecute the monopolies referred to here?

Mr. CALDWELL. Not at all. He has more than half a million dollars available for the employment of special attorneys, and I have no doubt that a number of these men are now engaged and more of them can be put on this work.

The CHAIRMAN. The time of the gentleman from Florida has expired. All time has expired. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. CULKIN and Mr. VOORHIS of California) there were—ayes 27, noes 44.

So the amendment was rejected.

Mr. HULL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HULL: Page 59, line 3, after the words "District of Columbia", strike out "$1,250,000" and insert in lieu thereof "$1,350,000."

Mr. CALDWELL. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 13 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HULL. Mr. Chairman, I am sorry that the amendment offered by the gentleman from California [Mr. VOORHIS] was voted down. I ask the indulgence of the House to press upon them the importance of the amendment which I now offer, which would increase the amount of the funds available for the Antitrust Division to $1,350,000. That will be just $41,000 more than they have this year, and it will be just $100,000 more than the committee has recommended.

The committee has made a very favorable report, so far as this Division is concerned, and, with the consent of the House, I shall insert in my remarks the report of the committee and also the statement of Mr. Arnold, of the Antitrust Division, regarding the activities and the profitable operations of the Division, so far as increasing the revenues of the Government is concerned.

The committee in its report said:

ENFORCEMENT OF ANTITRUST AND KINDRED LAWS

The Antitrust Division of the Department has pending at the present time 50 antitrust cases, about 20 of which may be regarded as major cases. In response to committee inquiry, Assistant Attorney General Arnold made a very impressive statement of the need for additional funds in order that the pending major cases may be disposed of and new cases of pressing importance might be instituted. The committee recommend the reading of Mr. Arnold's statement to the Members of the House. It appears from the testimony that it would require an appropriation of approximately $1,500,000 to complete the investigations now under way in the building industry alone.

While the committee recognize that there is a vast potential field of possible activity in the prosecution of antitrust cases, and that results to date of intensified antitrust drives indicate savings of several hundred million dollars to the consuming public as a result thereof, nonetheless, the impelling need for strict economy in governmental expenditures must be given serious consideration and weighed in the scales opposite the desire to project the Government's arm at further length into the multifarious fields of Federal activities. The committee have approved the sum of $1,250,000, an increase over the Budget estimates of $41,000, impressed as it is with the need for lending every possible encouragement to the commendable work that is being done by the Division. In normal times, with a balanced Budget, the committee would be disposed to go considerably further in adding the amounts that would be necessary to bring to account all those violating the terms of the antitrust laws. With the exception of the Patent Office in the Department of Commerce, this is the only increase over the Budget estimates that has been made in the entire bill. In both these instances this special consideration was shown to revenue-producing agencies.

Thurman Arnold, in his statement to the committee, outlined the success of the work of his Division as follows:

I gave you a list of 17 definite and specific investigations which, if properly conducted, would require the services of about 162 additional men. That would have necessitated an increase in our appropriation of $1,131,560. The Division was granted an increase of $519,000, making a total appropriation of $1,300,000 for this fiscal year. We have been working under that appropriation for the past 6 months and will continue for the next 6 months. I presume, therefore, that my first duty here today is to give an accounting of the way in which we have utilized, and expect to utilize, that appropriation.

ANTITRUST DIVISION IS A PROFITABLE AGENCY OF GOVERNMENT

Before I begin on this, however, I should like to remind you of one statement which I made to you last year. I told you that the appropriation for the Antitrust Division had no relation to any Budget-balancing activities. I said that the Antitrust Division would return to the Government in fines and penalties more than the amount of its appropriation. I am prepared to support that statement with the figures, even though the year is only half over.

Our appropriation for this year is $1,300,000. To date our record of fines and penalties collected or assessed amounts to $2,421,000; and on the basis of cases now pending, which should be completed within the present fiscal year, there is an additional total in potential fines of approximately $3,800,000. If this latter estimate proves to be correct, the Antitrust Division will return to the General Treasury approximately $6,221,000, or a profit of about $5,000,000 on its year's work. Those who violate these laws pay for their enforcement.

Yet the actual cash returned to the Treasury is infinitesimal in comparison to the amount of money saved by the consuming public conjectural. They are based on the normal trend of increase which might have been expected in about seven industries had not antitrust suits been pending against those concerns. These studies indicate that approximately $270,000,000 annually will be saved the consuming public as a result of seven major antitrust cases.

* * * * * * *

It is apparent, therefore, that an adequate appropriation for the Antitrust Division is not an expense on the taxpayers of the country. On the other hand, it is an investment which not only proves profitable in a fiscal sense, but, far more important, helps to preserve equality of opportunity by preventing price raises which have no other justification than the means of conspiracy and the erection of artificial and illegal restraints of trade.

There are 55 cases pending in this Antitrust Division at this time. They cover a wide range of alleged law violations. I enlist the attention of the Members from the larger cities, and especially those who are in cities in which the milk monopolies control prices, taking more and more from the consumers' pockets, at the same time holding down the price to the farmers, to this situation. The great dairy industry involves a business of more than $2,000,000,000 annually. It is one of the largest industries in the country, and yet there is but one big action pending in this law-enforcement drive against a monopoly that controls the milk supply in practically all of the large centers of the country. There is but one action pending today so far as those monopolies are concerned.

In the limited time I have I cannot go into the details of the matter, but I will say that 10 years ago Congress passed an act appropriating $300,000 to permit the Federal Trade Commission to investigate the dairy monopolies. In all of the investigations carried on by the Federal Trade Commission, there was none in which there were many charges made as in its report upon the dairy combinations.

We have had the fight here in Washington under consideration. The Schulte bill and the investigation made by the District Committee have commanded wide attention. Conditions have been revealed here which have, without action on the bill itself, compelled certain changes to be made in the distribution of milk in the city of Washington, with some reductions of prices to consumers.

Mr. SCHULTE. Mr. Chairman, will the gentleman yield?

Mr. HULL. I do.

Mr. SCHULTE. Speaking of monopolies, and we have all heard of the milk situation in the District of Columbia, is it not true that there should be an investigation in the District of Columbia alone, when it has been shown that one dairy made a net profit of $461,000 in this District?

Mr. HULL. I think that an investigation should be made here, and one of the purposes of trying to obtain this $100,000 of additional funds is because there are alleged violations here which the division has tried to investigate, particularly regarding the ice-cream situation, and funds are

needed for that purpose. On the other hand in New York City some investigations have been had by the city government. Mayor LaGuardia has endeavored to cut the price of milk down to a point where the poor people can obtain it.

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. HULL. Yes.

Mr. KERR. I think my distinguished colleague has convinced this House that the milk monopoly ought to be broken up. Does he not think he would be able to convince Mr. Arnold that he should use a portion of this $1,250,000 to prosecute this monopoly?

Mr. HULL. Our understanding is, after repeated conferences, that the reason further action has not been taken is because the Chicago case has taken the larger part of the funds set aside for that purpose.

Mr. KERR. I think I am in a position to inform my friend that no part of this $1,250,000 has been earmarked. As much of it as is necessary can be used to break this up.

Mr. HULL. That is true. There are 55 actions pending, and just 1 investigation regarding the dairy situation, and that is the Chicago case.

Mr. KERR. The gentleman need not be alarmed about the 55 actions pending, because many of those will probably never be adjudicated.

Mr. HULL. There are at least 20 key cases in the 55. All we are asking for on the part of the dairymen of this country is to let us have a little share of the time and attention of the Department of Justice in trying to stop some of the exactions, at least, of the monopolies that rob the farmers and the consumers alike. This amount is small. I hope the committee may consent to the allowance of at least the amount we are asking.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New York [Mr. CULKIN] is recognized.

Mr. CULKIN. Mr. Chairman, I would not trespass again upon the time of the Committee except that this matter is, I repeat, of vital importance to three and one-half million dairymen and their ten million dependents. I think the House will be remiss in its obvious duty to that great group of Americans if it fails to take appropriate action in this situation.

The amendment as it is now presented provides for an additional $100,000. That is the figure we originally considered. We had no advance knowledge of the amendment offered by the gentleman from California [Mr. VOORHIS]. We have been over this situation in detail. A committee of 10, representing the dairy interests, have given intense study to the records of the Federal Trade Commission and have come to the conclusion that a frontal attack on monopoly is the only way to cure the situation.

May I say to my friends on the Republican side, and I do not wish to intrude upon their respective legislative consciences, that in 1932 and 1936 the western farmers ran out on the Republican Party, and the Republican Party at this time had better watch its step in the North and Northeast. That is said in all kindness but in all firmness. The proper munitioning of the antitrust branch of government for the purpose outlined here will bring the comforts of living and indeed life itself to 10,000,000 people who are now being scattered to the four winds by this monopolistic performance. You can ignore that or not, as you see fit, but I trust that in good conscience you will support this amendment and give the dairyman a breathing spell.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. VOORHIS of California. I very much hope the amendment offered by the gentleman from Wisconsin [Mr. HULL] will be carried. I trust that inasmuch as it is only 40 percent as much money as my amendment contained, the opposition will only be 40 percent as great, in which case the amendment will be adopted.

Mr. CULKIN. What the gentleman says is true. May I say this Division produced revenue twofold over the amount which it cost to operate it. They have reduced this item $59,000, and all we are asking you to do is to put that back and $41,000 with it.

Mr. BUCKLER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. BUCKLER of Minnesota. Some of our good friends are talking about balancing the Budget. I am wondering if they know the conditions of the dairy farmers of the United States and if they would want to save $100,000 if they would go out in the country and see the drudgery that these women and children have to undergo trying to make a living, with this monopoly controlling the products of the farmers. Everyone of you should stand up here and support this amendment.

Mr. CULKIN. I thank the gentleman.

I leave the pending question to your good conscience. I have done my bit. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Florida [Mr. CALDWELL] is recognized.

Mr. CALDWELL. Mr. Chairman, this involves the same principle determined a few minutes ago. The difference is in amount only. I do not think additional argument is necessary. The Antitrust Division is being treated very liberally, and if ten or twelve million American citizens are affected by the conditions complained of, it seems to me that out of $1,250,000 the Antitrust Division can find funds to correct that evil if it is as glaring as is reported.

Mr. CULKIN. Did not the record before the gentleman's committee show that all these funds are earmarked for existing prosecutions?

Mr. CALDWELL. The record showed no such condition to exist.

Mr. CULKIN. That is my information.

Mr. CALDWELL. The truth is that this Division, like every other bureau and division of the Government, treats every bloc that comes to it in just this way. They say, "We are sorry, but all of our funds are earmarked. You will have to get additional funds," and the drive is for larger and larger appropriations.

Mr. CULKIN. Well, does the gentleman know anything about the dairymen's situation under this monopoly? Has he looked into it?

Mr. CALDWELL. Yes; and I deplore the conditions that exist.

Mr. CULKIN. Here is a chance for you to correct it.

Mr. CALDWELL. This is no time to increase this appropriation. I sincerely hope the amendment will be voted down.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. HULL].

The question was taken; and on a division (demanded by Mr. CULKIN) there were—ayes 37 and noes 67.

So the amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I send a privileged motion to the desk.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HOFFMAN. Mr. Chairman, the attention of the Members, and especially of the gentleman who offered an amendment to increase the funds for the antitrust division, so that those who interfered with the production and distribution of milk in the Chicago area might be prosecuted and a monopoly of the distribution and sale of milk in the city of Chicago ended, is called to the case of *Lake Valley Farm Products, Inc., a corporation; Lake View Cooperative of Watertown, Wis., etc., et al.*, v. *Milk Wagon Drivers' Union, Local 753, et al.*, decided November 29, 1939, by the Circuit Court of Appeals for the Seventh Circuit.

A reading of the decision shows—and I have a copy of the opinion here in my hand—that it was brought by the plain-

tiffs, one of whom was the Lake Valley Farm Products, Inc., which was engaged in processing and distributing milk and dairy products in Chicago; another of whom was the Lake View Cooperative of Watertown, Wis., an organization of Wisconsin farmers; another, Josef Wagner, an individual; and Amalgamated Dairy Drivers, Local Industrial Union No. 819—all of these engaged either in the production, distribution, or sale of milk—against Milk Wagon Drivers' Union of Chicago, Local 753, and the officers and trustees of that union.

The Farm Products Co. purchased its daily requirements of fluid milk from the Lake View Cooperative of Watertown, Wis. The milk was then, after being pasteurized and bottled, sold to others, who owned and operated their own automobile-truck delivery equipment. These latter in turn sold and delivered the milk to various stores, which in turn sold it to the general public on a cash-and-carry plan. These last-named distributors were not members of the defendant union.

Often on the floor Members have talked about the wide spread that exists between producer and consumer. A part of that spread is made up of the price charged for distribution. The price charged for distribution is increased because certain labor leaders insist that all those engaged in such distribution join and pay dues to a union. It is evident to all that the services of some of these union drivers are not necessary if the milk can be sold direct to the consumer from the store on a cash-and-carry basis.

It is just another illustration of whether new and more economical methods of distribution shall be adopted and used when their adoption throws one class of citizens out of work while benefiting producers and consumers. Naturally, no one wants to see anyone lose a job; but it is undoubtedly true that new methods, new procedures, invariably cost the jobs of some while creating new positions.

I do not hold a brief for those who engage in monopolistic practices and I am thoroughly in sympathy with the breaking up of such practices. On the other hand, some of the abuses which are practiced can be cured by an amendment of the Wagner Act, which has done so much to aid racketeering, bring about violence, and add to the cost that the ultimate consumer must pay.

It is my contention that the farmer has the right to produce and to sell his milk in Chicago to anyone who has the money and desires to buy; that distributors have the right to open stores and sell that milk without the intervention of any other organization, except those organizations which protect the health of the citizen.

I wonder if there is any Member of this body who will stand up on the floor and defend such actions as those to which I now make reference. Let me read to you from this decision of the circuit court of appeals:

> The Farm Products Co. is a cut-rate dairy in that it distributes its milk through retail stores by cash-and-carry sale, and at prices substantially less than the generally prevailing price for milk delivered by the dairy to the home. Because of the relatively large amount of milk delivered to each retail store, the cost of such delivery is substantially less than the cost of delivering milk on a retail route to the doorstep of the ultimate consumer.
>
> The growth of the cut-rate milk business in Chicago has been accompanied by violence to the distributing stores. They have had their windows broken; they have been bombed, set afire; they have been submitted to stench bombs and to other acts of violence. Cut-rate dairy plants have been bombed, have had machinery smashed, and their delivery trucks have been seized and destroyed, and they have been submitted to other acts of violence.
>
> Picketing by the defendant union has all taken place at and in front of stores selling the products of the plaintiff dairy, and no picketing has taken place at the plaintiff dairy plant. In some instances deliveries of other necessary food products into stores selling plaintiff's dairy products have ceased.
>
> Fifteen to twenty stores distributing the products of plaintiff dairy were lost in the month preceding the filing of the bill of complaint; 25 to 30 stores were similarly lost since the commencement of the action; more than 100 of such stores have been picketed, and there is no way to ascertain the number of consumer patrons lost by the acts of the defendant. No labor dispute exists between plaintiff dairy and its workers.

The stores destroyed and damaged were not those that belonged only to big corporations. I call your attention to this statement from the finding of the court:

> The store of the storekeeper (some of whom were poor women struggling to make a living) was either bombed or bricks were thrown through the plate-glass windows of such stores or other acts of violence were committed.

Here is the difficulty, when the farmers producing this milk have it distributed through these stores, they get a higher price than they receive from the dairy that delivers it from door to door. This is similar to the situation that exists here in Washington today; the people can purchase their milk at a lower price from certain stores than they can the other way.

Mr. SCHULTE. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. In just a moment.

Yet in between the fellow who feeds and milks the cows and the family which uses the milk in the city comes this wagon-drivers' union and says to the farmer, "You shall not deliver the milk that your cows produce to the families in Chicago which want to use it, unless you get it through our organization."

What right has any organization to step in between producer and consumer and levy a charge, either upon production or consumption, for a service that is not necessary or that is not wanted?

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SCHULTE. Mr. Chairman, I move to strike out the last word.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Is the motion to strike out the last word in order? I ask this in view of the ruling made by the Chair the other day.

The CHAIRMAN. It is.

The Chair recognizes the gentleman from Indiana for 5 minutes.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. CALDWELL. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SCHULTE. Mr. Chairman, the gentleman from Michigan, as we all know, is very apprehensive that some particular organization or some member of a union might cause him a lot of embarrassment, and he is trying to leave us with the impression that the union milk drivers in the city of Chicago are the ones who are destroying all these dairy stores. I asked the gentleman to yield for a question so I might correct him, but he refused to.

Mr. HOFFMAN. Just a moment. I ask the gentleman to yield since he has referred to me.

Mr. SCHULTE. In just a moment. The gentleman would not yield to me.

Mr. HOFFMAN. But the gentleman made a misstatement about me.

Mr. SCHULTE. I said the gentleman from Michigan was laboring under the impression that union milk drivers were aiding in the destroying of stores.

Mr. HOFFMAN. That is entirely wrong. These stores were destroyed to aid certain union milk drivers. There are plenty of good, peaceable union milk drivers.

Mr. SCHULTE. The gentleman was reading from a record.

Mr. HOFFMAN. Yes; a finding of the United States Circuit Court of Appeals.

Mr. SCHULTE. And the gentleman read that drivers belonging to the local milk drivers' union in the city of Chicago were destroying milk stores.

Mr. HOFFMAN. Yes; that the stores were destroyed to promote the interest of the drivers.

Mr. SCHULTE. I wish to state to my friend from Michigan that just a few moments ago we voted down two proposed amendments, one offered by the gentleman from California, the other by the gentleman from Wisconsin, increasing this appropriation, the former by $100,000, which, if passed, would have allowed Mr. Arnold to increase this activity.

I wonder if my good friend from Michigan has ever gone into the situation to see where some of these monopolies that we are talking about have hired thugs to go out and destroy stores—thugs, not union men. I wonder if my good friend——

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. Yes; I will be more courteous than the gentleman was to me. I yield to him even though he would not yield to me.

Mr. HOFFMAN. I favor the prosecutions carried on by Assistant Attorney General Arnold against monopolies.

Mr. SCHULTE. That is right, but I do not want the gentleman to leave the impression with the Members of this House that every time something happens, a man carrying a union card is responsible. I want to leave the impression with the gentleman that in a great many investigations that have been made it was shown that the monopoly itself was hiring the thugs under the guise of union men to destroy some of their competitors' property and to destroy competition. That is why I am so anxious to investigate monopoly—to show that they are responsible for most of the trouble.

Mr. HOFFMAN. I am not defending them. No one is more willing, no one will do more to aid in enforcing the law than I. That is my reason for so often on the floor asking for amendments to the National Labor Relations Act which will tend to prevent civil strife, end violence, and enable men who want to work to do so.

The Clerk read as follows:

Miscellaneous salaries and expenses, field: For salaries not otherwise specifically provided for (not to exceed $110,000) and for such other expenses for the field service, Department of Justice, as may be authorized or approved by the Attorney General, including experts, and notarial fees or like services and stenographic work in taking depositions, at such rates of compensation as may be authorized or approved by the Attorney General, so much as may be necessary in the discretion of the Attorney General for such expenses in the District of Alaska, and in courts other than Federal courts; patent applications and contested proceedings involving inventions; rent of rooms; supplies and equipment, including the exchange of typewriting and adding machines, firearms and ammunition therefor; purchase of law books, including exchange thereof, and the Federal Reporter and continuations thereto as issued, $317,500: *Provided*, That not to exceed $2 per volume shall be paid for the current and future volumes of the United States Code Annotated.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. CALDWELL. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. CALDWELL]?

There was no objection.

Mr. MAHON. Mr. Chairman, I wish to interrogate the acting chairman of the Subcommittee on Appropriations about the item of $1,400,000 for the Lands Division. I read the report on this appropriation and also the hearings. There is an indication that the sum is insufficient to carry on the work which will probably be required of the Lands Division. In the interest of sound administrative policy, I think we ought to appropriate a sufficient amount. This work must be carried on; the necessary operations cannot be suspended.

Mr. CALDWELL. I may say to the gentleman that the Budget sent up an estimate of $1,400,000, and the committee felt that while there was some merit in the contention of the Lands Division that it needed more, it might nevertheless get along expeditiously on the amount allowed.

Mr. MAHON. The Budget estimate for next year is approximately $300,000 less than last year. Retrenchment in some of our Government programs cannot be reflected for many months to come in the operation of the Lands Division. I think we are making a mistake in this item.

While I am on my feet I would like to compliment the Lands Division and the gentleman from Florida [Mr. CALDWELL], acting chairman of this Subcommittee on Appropriations, for the effort that is being made to eliminate a lot of the red tape in acquiring titles for post office building sites, and lands for all other purposes required by the Federal Government. I hope this will materialize into something really worth while for the Government.

Mr. CALDWELL. May I say to the gentleman that I am convinced if they will get down to the heart of the matter and eliminate all of the unnecessary details, they can take $1,400,000 and close these titles without delay.

Mr. MAHON. May I point out to the gentleman, however, that perhaps some legislation may be required in order to have that done? In fact, it was suggested to the Committee on Appropriations that such legislation was being prepared.

Mr. KELLER. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. KELLER. What is this for? For post office sites?

Mr. MAHON. No. This item covers all title acquisition work by all divisions of the Government, with possibly two or three exceptions. This is a very important item. Mr. Norman Littell, the able Assistant Attorney General and Chief of the Lands Division, states in the hearings that the Division now has pending over $3,000,000,000 in litigation.

[Here the gavel fell.]

The Clerk read as follows:

Salaries and expenses of special attorneys, and so forth: For compensation of special attorneys and assistants to the Attorney General and to United States district attorneys employed by the Attorney General to aid in special cases, and for payment of foreign counsel employed by the Attorney General in special cases, $575,000, no part of which, except for payment of foreign counsel, shall be used to pay the compensation of any persons except attorneys duly licensed and authorized to practice under the laws of any State, Territory, or the District of Columbia: *Provided*, That the amount paid as compensation out of the funds herein appropriated to any person employed hereunder shall not exceed the rate of $10,000 per annum: *Provided further*, That reports be submitted to the Congress on the 1st day of July and January showing the names of the persons employed hereunder, the annual rate of compensation or amount of any fee paid to each together with a description of their duties.

Mr. CARTER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CARTER: Page 62, line 11, strike out "$575,000" and insert in lieu thereof "$400,000"

Mr. CARTER. Mr. Chairman, my amendment proposes to reduce the amount available for special attorneys from the figures carried in the bill, $575,000, down to $400,000. Last year there was carried in the appropriation bill $650,000 for this purpose; therefore it was scaled down by the committee $75,000, and I thought at the time we made this reduction it should be reduced to at least $300,000. If you will turn to the hearings, beginning on page 361, you will find a list there of these special attorneys covering more than three pages. What their specific duties are, we do not know. In fact, there is a provision in this bill requiring the Department to make a report to the Congress as to just what these special attorneys are doing. Until such time as we have this report we should cut down on this amount, then if an additional sum is needed we can provide whatever is necessary for carrying on any work that is necessary to be carried on by these special attorneys.

Mr. COCHRAN. Will the gentleman yield?

Mr. CARTER. For a brief question.

Mr. COCHRAN. May I say that since the law has been enacted the Attorney General has made a report annually, and any time the gentleman or anyone else wants to see it, all he has to do is to go to the office of the Committee on Expenditures in the Executive Departments, and it will be found there. The report also states the duties the various assistants are performing.

Mr. CARTER. Mr. Chairman, There are set out in the hearings some very general duties that these men are performing. We had this information before the committee,

but may I say to the gentleman from Missouri that the committee was not satisfied with the information? If it satisfies the gentleman, that is all very well, but it does not satisfy the membership of the committee; therefore we wrote that provision in this bill.

May I say that the Attorney General's office ought to be staffed sufficiently, and it ought to be staffed in the regular way. This appropriation has nothing to do with the regular staff of the Attorney General's office. It covers a group of attorneys that the Attorney General appoints personally here and there throughout the country. There has come to the committee certain rumors that many of these attorneys are doing very little for the compensation that they receive. If you scan this list, you will find that under "duties" will be stated "special matters." That is all that is stated about their duties—"special matters" or "special assignments made by the Attorney General." I think that this is a place in the bill where we can save a few thousand dollars without injuring the service rendered by the Government; and I trust that the Committee will adopt my amendment.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. CARTER].

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Florida.

Mr. CALDWELL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COCHRAN. Mr. Chairman, it seems to me, if the committee really wanted to know what the special attorneys are doing, all they had to do was ask the Department for a detailed report. I do not believe the Committee on Appropriations has ever asked a Government agency for detailed information and met with a refusal to supply it. The departments respond to all such requests.

What do the attorneys do? Our courts now are choked with cases. The district attorneys and many of the judges are working night and day. There has been vast improvements where very large sums are being spent in the gentleman from California's own section mainly, around Oakland and Alameda. One of the jobs for a special attorney is, when there is a large tract of land to be taken over, where there are any number of property owners, he must examine the titles and also go before the court in condemnation proceedings. Instead of piling all this work on the United States attorney and his assistants, a special assistant is appointed to handle such cases, and as soon as it is completed he is separated from the service or assigned to other special duties.

There are cases that have been delayed in the courts for a period of years, where a special assistant has spent months and months studying the facts and preparing for trial. He appears in court and takes care of that case in lieu of the district attorney. He also goes before the circuit court of appeals and at times the Supreme Court on the same case.

The gentleman from California [Mr. CARTER] refers to the hearings. I note one special assistant is in charge of what is known as the California movie cases, which involves alleged criminals charged with violating the internal revenue laws. I understand in that case the Government might collect millions in additional taxes. This one case, if it is successful, will bring in enough to pay all the assistants for years. We have a new and most able Attorney General, a man who has just taken over the office. Give him a chance and at least let him have the amount the committee has recommended [Applause.]

Mr. WALTER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER to the amendment offered by Mr. CARTER: Strike out "$400,000" and insert in lieu thereof "$650,000."

Mr. WALTER. Mr. Chairman, this amendment merely restores to the bill the amount recommended by the Bureau of the Budget. I believe the committee could not have suggested a poorer place in this bill to attempt to economize. For a number of years the Committee on the Judiciary has had under consideration bills that provide for compensation for attorneys who are selected to perform special services. Just recently we considered the question of providing compensation of upward of $100,000 in a certain case. Unless we make it possible for the Attorney General to retain men who are highly specialized in a particular line of work we are going to have such bills before us continually.

The work performed by the people who are compensated from this item is of a highly specialized nature. I call the attention of the Committee to the fact that last year a man especially selected to prosecute a tax case recovered $11,000,000 where the regularly employed assistant in the Department of Justice lost the case in the court of original jurisdiction. It seems to me the work done in that case alone justifies the Committee in restoring the amount the Budget felt is necessary for this work.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Michigan.

Mr. MICHENER. The attorneys who were employed in that case had an arrangement with the Department of Justice that they were each to get the maximum fee of $10,000, plus additional reasonable compensation.

Mr. WALTER. Yes.

Mr. MICHENER. After the case was all over and settled they came to Congress asking for a bonus of $340,000 in addition, and that bill is now on the calendar.

Mr. WALTER. Precisely.

Mr. MICHENER. And the gentleman favors giving it to them.

Mr. WALTER. I cannot yield further.

This is a practice that has existed for a number of years. When the newly selected Attorney General and the Solicitor General appeared before our committee last week they were interrogated about this practice. They said it would not go further. We feel there should be a stop put to it. After all, it is a pretty bad thing for the United States to give work to attorneys on a contingent-fee basis. If it is to be the policy of the new Attorney General to have a complete understanding with specially selected experts before they are retained in particular matters, we at the outset of this policy will cripple him if we take $75,000 from the appropriation that the Department certainly can and does justify.

As far as the work is concerned that the men have done, it has been reported in detail in the report of the hearings. Of course, it has been impossible to describe in the report just exactly what the duties were, but, opening this copy of the hearings at random, I find here the name of a man on the roll at $6,500 a year. This man handles matters involving trespass on public lands, Indian rights, and other miscellaneous matters in the trial section of the Land Division. I know this man has been busily engaged in that type of work, for which he is particularly qualified, ever since he was appointed. Of course, the particular cases he has tried are not enumerated, but this description of his duties is ample to show just exactly what he has been doing.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from California.

Mr. CARTER. Does not the gentleman from Pennsylvania believe it would be in the interest of orderly procedure and of better organization, if this man's services are needed, that he be appointed to the staff of the Attorney General? Should not all this work be handled through the regular staff of the Attorney General, with possibly a few exceptions?

Mr. WALTER. No; I do not agree with the gentleman because, after all, you will then find inadequately compensated lawyers called on to represent the United States in litigation in which on the other side are the best lawyers available.

Certainly the Government of the United States ought to be in a position to present the best possible case through the services of highly trained experts.

Much of this money is expended in patent cases, cases in which highly trained specialists are needed. They stack up

against men who are paid many times the per diem of the United States attorney. I believe that the attorneys for the United States employed in this type of work, receive less than $25 a day. Out of this appropriation comes the compensation to pay some of the men engaged in this work.

I sincerely trust that at this time, when the Attorney General is going to make an effort to depart from the old system of compensating on a contingent basis, we do nothing that will interfere with his program. All of us have the highest regard for the Attorney General, and I, for one, feel confident that he will see to it that every cent we appropriate for his department will be wisely spent.

[Here the gavel fell.]

Mr. HARE. Mr. Chairman, I regret very much to have to differ with my congenial and good friend from California, a member of the committee, because in the short time it has been my privilege to serve with him in this special capacity I have learned to admire and respect his unusually good judgment, his sincerity and integrity in considering every item of this bill.

I can understand why this appropriation for employment of special attorneys by the Attorney General seems large, but when we take into consideration all the evidence before the committee, there are a number of times when the Government is in need of special talent, not simply legal talent but frequently the Government is called upon to defend or to prosecute cases in which additional qualifications are just as essential as a man's legal fitness; that is, he must be a man of highly technical training in order to represent the Government effectively and efficiently. Not infrequently it is necessary to employ lawyers who are expert civil engineers as well. My thought was, when this item was passed upon in the committee, that the amendment just voted down with reference to the milk investigation would be taken care of by this appropriation just as well as by increasing the appropriation at other places. I also had in mind the possibility of investigating an alleged monopoly in farm machinery and farm equipment. Now, the average lawyer would not be able to make this investigation. It would be necessary to get some attorney who is probably trained in engineering in order to make an investigation of this kind intelligently and effectively. He should certainly be familiar with the technique of the trade and industry, and this would be in addition to his legal training. However, I cannot go with my friend from Pennsylvania and say the appropriation should be increased, because the committee, after due consideration of all the evidence and all the facts presented, felt that this coming year with this appropriation, the Department of Justice should be able to handle all of these special investigations. Furthermore, I would like to call attention to the last provision in this paragraph, which states:

Provided further, That reports be submitted to the Congress on the first day of July and January showing the names of the persons employed hereunder, the annual rate of compensation or amount of any fee paid to each, together with a description of their duties.

To my mind this provision takes care of any possibility of the Department employing anyone and sending him out on a wild-goose chase or employing anyone where he would not render efficient service for the compensation received. On the 1st of July or the 1st of January, Congress would have the right to amend by resolution and say that none of this appropriation should be available for the purposes mentioned in the report, provided we should consider the money was being spent unwisely.

[Here the gavel fell.]

Mr. CALDWELL. Mr. Chairman, as stated, there are two amendments before the Committee, the first a proposal to reduce the appropriation to $400,000 and the other to increase it to $650,000. It seems to me that somewhere between those figures the Committee must be right. [Laughter.]

I sincerely respect the views of the gentleman from Pennsylvania [Mr. WALTER] and I may say that I sympathize with him in his argument. He is sound and able in nearly every respect—this being one of the few exceptions. The Committee very carefully considered this question and in reducing the item from $650,000 to $575,000, we allowed enough funds for the Attorney General to handle efficiently and expeditiously the affairs of his office.

It is necessary to reduce these appropriations if we are going to ever reach the point of a balanced Budget. I sincerely hope both amendments will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania to the amendment offered by the gentleman from California.

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. CARTER) there were—ayes 58, noes 71.

So the amendment was rejected.

The Clerk read as follows:

Probation system, United States courts: For salaries and expenses of probation officers, as authorized by the act entitled "An act to amend the act of March 4, 1925, chapter 521, and for other purposes," approved June 6, 1930 (18 U. S. C. 726), $810,000: *Provided,* That no part of this appropriation shall be used to defray the salary or expenses of any probation officer whose work fails to comply with the official orders, regulations, and probation standards promulgated by the Attorney General: *Provided further,* That no funds herein appropriated shall be used to defray the salary or expenses of any probation officer unless the district judge shall have so far as possible required the appointee to conform with the qualifications prescribed by the Attorney General: *Provided further,* That nothing herein contained shall be construed to abridge the right of the district judges to appoint probation officers, or to make such orders as may be necessary to govern probation officers in their own courts.

Mr. CALDWELL. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CALDWELL: Page 68, line 7, after the total, strike out the colon, insert a period, and strike out the remainder of the paragraph.

Mr. CALDWELL. Mr. Chairman, the first proviso might by itself accomplish a useful purpose, but coupled with the third proviso they neutralize each other, and I think all of the language ought to go out. I am informed that this committee amendment has the approval of the Committee on the Judiciary of the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

The Clerk read as follows:

Structural and mechanical care of the building and grounds: For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon him by the act approved May 7, 1934 (40 U. S. C. 13a–13d), including improvements, maintenance, repairs, equipment, supplies, materials, and appurtenances, special clothing for workmen; purchase of waterproof wearing apparel; and personal and other services, and for snow removal by hire of men and equipment or under contract without compliance with sections 3709 and 3744 of the Revised Statutes (41 U. S. C. 5, 16), $65,000.

Mr. CALDWELL. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CALDWELL: Page 72, line 14, after the comma after the word "services", insert "including temporary labor without reference to the Classification and Retirement Acts, as amended."

Mr. CALDWELL. Mr. Chairman, this language was inadvertently omitted by the committee. It takes certain employees of the Supreme Court from under the civil-service classification.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Salaries: Chief justice and four judges; chief clerk at not exceeding $6,500; auditor at not exceeding $5,000; and all other officers and employees of the court, $127,500.

Mr. HARE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARE: Page 74, line 10, after the word "court", strike out "$127,500" and insert "$127,660."

Mr. CALDWELL. Mr. Chairman, the amendment accomplishes the purpose the committee had in mind.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 501. The total amount used on an annual basis for administrative within-grade promotions for officers and employees under any appropriation or other fund made available in this act shall not exceed the amount determined by the Bureau of the Budget to be available for such purpose on the basis of the Budget estimate for such appropriation or fund exclusive of new money in any such Budget estimate for such administrative promotions.

Mr. REED of New York. Mr. Chairman, I offer the following motion, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. REED of New York moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. REED of New York. Mr. Chairman, I hope I may have the attention of the House. I do not want this Congress or the people of the country to be misled by this so-called housing census. I want the country and the Congress to differentiate between the housing census and the regular census. Whether the Congress is aware of it or not, the people are fully aware that they are being imposed upon by a proposed census that is to be taken on April 1 under the guise of inquiring into the housing conditions of the United States. It was never the intention of the Congress to pry into the personal affairs of people, as it is now revealed it is proposed to do under the questions which have been prepared for the regular political enumerators, which will require every person above 18 years of age to answer and which inquire into their personal incomes. I want to disabuse the minds of the Members of this House as to the correctness of the statement that Harry Hopkins sent out to the public. He would lead you to believe and lead the people of the country to believe that these questions have been asked before in previous censuses taken in this country; and yet, if you will read his document sent out, you will find that he states there that for the first time these questions relating to income are to be asked. The questions pry into that in every conceivable way. The people do not object to the regular census so long as it keeps off this question of income, earnings, commissions, and all of these private affairs. I am telling you that the people are up in arms. You never intended, and the committee that reported out this bill never intended, that these questions should be asked; and let me point out to you that these questions have to be answered under the pain and penalty of $100 fine or 6 months in jail, or both.

I think the people are going to be in absolute revolt on this matter. My mail was never heavier on any question, except the court fight, than it is now. I have already heard from 11 States, from State-wide organizations, from Legion organizations, from a Veterans of Foreign Wars post, from many patriotic organizations. They resent and protest. They are preparing petitions, and you will hear from them. This proposed housing act, which would involve an expenditure of $800,000,000, you voted down, and this present Census Housing Act is predicated on that act. When two writers went to the Bureau of the Census and asked the character of the questions, two articles in two different publications were published, and in neither of these did the questions in regard to income appear. In fact, the Bureau of the Census at that time never suspected that they would be forced to insert the snooping questions, contrary to the spirit and language of the Census Act. I do not know whether it was Harry Hopkins or Nathan Straus, or who it may have been, who made the demand, but it does not harmonize with the liberties and traditions of our constitutional form of government. I say to you it places us in a ridiculous position to come in here and ask us to appropriate money for the Dies committee to investigate subversive activities in this country and then find ourselves going into a snooping game comparable to the dictatorial processes that you see abroad. Now is the time to stop this. We tried the other day. I know that you Members of Congress fail to realize the significance of this. In one dictatorial country today they have a curfew sound, and, under penalty of fine and imprisonment, no person can leave his home during that day until the officers can go in and examine into the private affairs of that house. Are we going further along this totalitarian line or are we going to stop it now? Why spend this $8,000,000 when you are making a gesture of retrenchment? Why spend it now to take these census takers from their legitimate jobs and force them into this position where they become a stench in the nostrils of every American citizen? You have it in your power to stop it, and you ought to stop it. You were not for it in the beginning. I ask you as patriotic Americans to examine the list of inquisitorial questions that have been crowded and crammed and forced into this census questionnaire. I want you to read the penalties involved, to the end that you will not make any mistake when you vote on this question, which I think you will have an opportunity to do this very day.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. GIFFORD. Does the gentleman recall the colloquy I had with the leader on the Democratic side relating to looking under the bed if there had not been any privies?

Mr. REED of New York. I do not recall it.

Mr. GIFFORD. Now, if they want to inquire how many privies there are, or there does not happen to be one on the premises, must they look under the bed to find all that money, if they are refused?

Mr. REED of New York. I just want to say to you if you will read the RECORD of yesterday, I just took a few excerpts from letters from the finest group of Americans you can find in this country. They do not object to the regular census, but they rebel against being made the victims of bureaucratic tyranny.

Mr. GIFFORD. Was that privy question in previous census takings?

Mr. REED of New York. Of course it was not, and many more questions that in intent and purpose seek to pry into the intimate affairs of the people.

I urge you, now that you have an opportunity to stop this communistic, totalitarian trend, that you stop it now. [Applause.]

Mr. Chairman, I call your attention to an excerpt from a letter written to me by a young married woman in Olean, N. Y., protesting against the personal-affairs phase of the coming census. The youth of our land is not insensible to the abuse and indignity involved in this subtle totalitarian technique to evade the spirit and the letter of our Bill of Rights:

DEAR CONGRESSMAN REED: I am writing to assure you that you have many strong supporters among the younger element of your district in regard to the bill you recently introduced before Congress to repeal the housing portion of the April population census.

I am 19 and my husband is 23. Although the general opinion is that the American youth does not appreciate fully his liberties and advantages, I am inclined to disagree. At home my husband and I often speak of our thankfulness that God allowed us such a wonderful homeland. In the company of boys and girls our own age or of our fathers' and grandfathers' generation, the same feeling is prevalent constantly. Perhaps the war in Europe has brought to light this close-knit, heartfelt Americanism—but it has always been there.

I believe that is why there is such widely demonstrated resentment concerning the forthcoming German roll call, the census.

When I began to realize my existence as an individual, I also realized that I was allowed to think according to my own tenets. I learned to respect the intelligence of my neighbor and to love veracity. In school I discovered that I was a part of my own Government and that for years men had lived and died to build this Government before me that I might enjoy the freedom a man had a right to own. A sensation of well-being has been mine since I learned that.

Mr. Chairman, a record vote this afternoon on the motion to recommit this census appropriation will disclose to every true American where each Representative in Congress stands on this important issue.

[Here the gavel fell.]

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Without objection, the motion is withdrawn.

There was no objection.

Mr. CARTER. Mr. Chairman, I ask unanimous consent to return to page 73 for the purpose of offering two minor amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. CARTER: On page 73, in line 15, strike out "$105,700" and insert "$105,780."

Mr. CALDWELL. Mr. Chairman, the committee has no objection to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. CARTER: On page 73, in line 22, strike out "$6,800" and insert "$6,720."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. CALDWELL. Mr. Chairman, I ask unanimous consent to return to page 37 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. TABER. Mr. Chairman, reserving the right to object, I understand the gentleman wants to add "the District of Columbia," or some such words?

Mr. CALDWELL. It is the language that went out yesterday on a point of order made by the gentleman from New York [Mr. TABER]. If the gentleman will permit the amendment to be read for the information of the House, I think he will understand it.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CALDWELL: On page 37, after the word "work" in line 17, insert "including personal services and rentals in the District of Columbia and elsewhere."

Mr. TABER. Mr. Chairman, the amendment should read "line 15, after the comma," instead of after the word "work," because the word "work" went out on the point of order.

Mr. CALDWELL. The gentleman is correct, but the words "and for the carrying on other authorized census work" were not subject to the point of order, but went out because they were incorporated in other language which did go out. Yesterday I wanted to propose the amendment to put back this language, but inadvertently passed it over.

Mr. TABER. The only thing is the word "work" is out.

The CHAIRMAN. The Chair will state to the gentleman that the word "work" is still in.

Mr. TABER. Very well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CALDWELL].

The amendment was agreed to.

Mr. CALDWELL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the Chair, Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill H. R. 8319, the State, Commerce, Justice, and Judiciary appropriation bill, 1941, he reported the same back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: On page 38, line 16, strike out "$17,859,000" and insert in lieu thereof "$15,684,000"; and on page 38, line 20, strike out the period, insert a semicolon, and the following: "No part of the funds herein appropriated shall be used for the so-called housing census."

Mr. CALDWELL. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 65, noes 84.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 135, nays 210, not voting 78, as follows:

[Roll No. 17]

YEAS—135

Alexander	Eaton	Keefe	Rodgers, Pa.
Allen, Ill.	Elston	Kinzer	Rogers, Mass.
Andersen, H. Carl	Engel	Kunkel	Routzohn
Anderson, Calif.	Englebright	Lambertson	Rutherford
Andresen, A. H.	Fenton	Lewis, Ohio	Schafer, Wis.
Andrews	Gamble	Luce	Seccombe
Angell	Gartner	McDowell	Shafer, Mich.
Arends	Gearhart	McLean	Short
Austin	Gerlach	McLeod	Simpson
Ball	Gifford	Maas	Smith, Ohio
Bender	Gillie	Marshall	Springer
Bolles	Graham	Martin, Iowa	Stefan
Bradley, Mich.	Grant, Ind.	Martin, Mass.	Sumner, Ill.
Brewster	Guyer, Kans.	Mason	Taber
Brown, Ohio	Gwynne	Michener	Talle
Carlson	Halleck	Miller	Thill
Case, S. Dak.	Hancock	Monkiewicz	Thomas, N. J.
Chiperfield	Harter, N. Y.	Mott	Thorkelson
Church	Hartley	Mundt	Tibbott
Clason	Hawks	Murray	Tinkham
Clevenger	Hess	O'Brien	Van Zandt
Cluett	Hinshaw	Oliver	Vorys, Ohio
Cochran	Hoffman	Osmers	Vreeland
Cole, N. Y.	Holmes	Pittenger	Wadsworth
Corbett	Hope	Plumley	Wheat
Crawford	Horton	Polk	Wigglesworth
Crowther	Jeffries	Powers	Williams, Del.
Culkin	Jenkins, Ohio	Reed, Ill.	Wolcott
Curtis	Jenks, N. H.	Reed, N. Y.	Wolfenden, Pa.
Dirksen	Jennings	Rees, Kans.	Wolverton, N. J.
Disney	Johns	Rich	Woodruff, Mich.
Ditter	Johnson, Ill.	Risk	Youngdahl
Douglas	Jones, Ohio	Robsion, Ky.	
Dworshak	Kean	Rockefeller	

NAYS—210

Allen, La.	Burch	Cox	Ellis
Allen, Pa.	Burdick	Cravens	Evans
Anderson, Mo.	Burgin	Creal	Faddis
Barnes	Byrns, Tenn.	Crosser	Fay
Barry	Byron	Crowe	Ferguson
Bates, Ky.	Caldwell	Cullen	Flaherty
Beam	Cannon, Mo.	Darden	Flannagan
Beckworth	Carter	Delaney	Flannery
Bland	Casey, Mass.	Dempsey	Folger
Boehne	Chapman	DeRouen	Ford, Leland M.
Boland	Claypool	Dickstein	Ford, Miss.
Boren	Coffee, Nebr.	Dingell	Ford, Thomas F.
Boykin	Coffee, Wash.	Doughton	Fries
Bradley, Pa.	Cole, Md.	Doxey	Fulmer
Brooks	Colmer	Drewry	Gathings
Brown, Ga.	Connery	Duncan	Gavagan
Bryson	Cooley	Dunn	Gibbs
Buck	Cooper	Eberharter	Gore
Buckler, Minn.	Costello	Edmiston	Gossett
Bulwinkle	Courtney	Elliott	Grant, Ala.

Green	Kramer	O'Toole	Smith, Va.
Gregory	Lanham	Pace	Smith, Wash.
Hare	Larrabee	Parsons	Smith, W. Va.
Harrington	Lea	Patman	Snyder
Hart	Leavy	Patton	Somers, N. Y.
Harter, Ohio	Lemke	Pearson	South
Havenner	Lesinski	Peterson, Fla.	Sparkman
Healey	Lewis, Colo.	Peterson, Ga.	Spence
Hill	McCormack	Pfeifer	Starnes, Ala.
Hobbs	McGehee	Poage	Sumners, Tex.
Hook	McKeough	Rabaut	Sutphin
Houston	McLaughlin	Ramspeck	Sweeney
Hull	McMillan, Clara G.	Randolph	Tarver
Hunter	McMillan, John L.	Rankin	Tenerowicz
Izac	Maciejewski	Rayburn	Terry
Jarman	Mahon	Richards	Thomas, Tex.
Johnson, Lyndon	Maloney	Robertson	Thomason
Johnson, Okla.	Mansfield	Robinson, Utah	Tolan
Johnson, W. Va.	Marcantonio	Rogers, Okla.	Vincent, Ky.
Jones, Tex.	Massingale	Romjue	Vinson, Ga.
Kee	May	Ryan	Walter
Kefauver	Merritt	Sabath	Ward
Keller	Mills, Ark.	Sacks	Weaver
Kelly	Mills, La.	Satterfield	West
Kennedy, Martin	Monroney	Schaefer, Ill.	Whelchel
Kennedy, Md.	Moser	Schuetz	White, Idaho
Kennedy, Michael	Murdock, Ariz.	Schulte	Whittington
Keogh	Myers	Scrugham	Williams, Mo.
Kerr	Nichols	Shanley	Wood
Kilday	Norrell	Shannon	Woodrum, Va.
Kitchens	O'Connor	Sheridan	Zimmerman
Kleberg	O'Leary	Smith, Conn.	
Kocialkowski	O'Neal	Smith, Ill.	

NOT VOTING—78

Arnold	Durham	Kirwan	Sasscer
Barden	Fernandez	Knutson	Schiffler
Barton	Fish	Landis	Schwert
Bates, Mass.	Fitzpatrick	LeCompte	Secrest
Bell	Garrett	Ludlow	Seger
Blackney	Gehrmann	McAndrews	Sheppard
Bloom	Geyer, Calif.	McArdle	Smith, Maine
Buckley, N. Y.	Gilchrist	McGranery	Steagall
Byrne, N. Y.	Griffith	Magnuson	Stearns, N. H.
Camp	Gross	Martin, Ill.	Sullivan
Cannon, Fla.	Hall, Edwin A.	Mitchell	Taylor
Cartwright	Hall, Leonard W.	Mouton	Treadway
Celler	Harness	Murdock, Utah	Voorhis, Calif.
Clark	Hendricks	Nelson	Wallgren
Collins	Hennings	Norton	Warren
Cummings	Jacobsen	O'Day	Welch
D'Alesandro	Jarrett	Patrick	White, Ohio
Darrow	Jensen	Pierce	Winter
Dies	Johnson, Ind.	Reece, Tenn.	
Dondero	Johnson, Luther	Sandager	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Blackney (for) with Mr. Luther A. Johnson (against).
Mr. Seger (for) with Mr. Hennings (against).
Mr. Gross (for) with Mr. D'Alesandro (against).
Mr. Darrow (for) with Mr. Bloom (against).
Mr. Treadway (for) with Mr. Collins (against).
Mr. Fish (for) with Mr. Secrest (against).
Mr. Dondero (for) with Mr. Fitzpatrick (against).
Mr. Jarrett (for) with Mr. McAndrews (against).
Mr. Knutson (for) with Mr. Taylor (against).
Mr. Barton (for) with Mr. Warren (against).
Mr. Reece of Tennessee (for) with Mr. Byrne of New York (against).
Mr. Jensen (for) with Mr. Sullivan (against).
Mr. White of Ohio (for) with Mr. Fernandez (against).
Mr. Lecompte (for) with Mr. O'Day (against).
Mr. Leonard W. Hall (for) with Mr. Geyer of California (against).
Mr. Bates of Massachusetts (for) with Mr. Celler (against).
Mr. Harness (for) with Mr. Camp (against).
Mr. Sandager (for) with Mr. Buckley of New York (against).
Mr. Winter (for) with Mr. Schwert (against).
Mr. Landis (for) with Mrs. Norton (against).
Mr. Johnson of Indiana (for) with Mr. Barden (against).
Mr. Smith of Maine (for) with Mr. Clark (against).
Mr. Edwin A. Hall (for) with Mr. Griffith (against).

Until further notice:

Mr. Garrett with Mr. Gilchrist.
Mr. Mouton with Mr. Welch.
Mr. McArdle with Mr. Gehrmann.
Mr. McGranery with Mr. Steagall.
Mr. Walgren with Mr. Hendricks.
Mr. Ludlow with Mr. Kirwan.
Mr. Sasscer with Mr. Dies.
Mr. Bell with Mr. Martin of Illinois.
Mr. Voorhis of California with Mr. Jacobsen.
Mr. Nelson with Mr. Durham.
Mr. Magnuson with Mr. Mitchell.
Mr. Patrick with Mr. Arnold.
Mr. Cartwright with Mr. Murdock of Utah.
Mr. Cannon of Florida with Mr. Cummings.
Mr. Sheppard with Mr. Pierce.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the State, Commerce, Justice, and Judiciary appropriation bill, 1941.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. McLEAN and Mr. BENDER asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a brief letter.

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. HULL. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein excerpts from the hearings on the Department of Justice bill.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article on stream pollution.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein an editorial from the Utica Sentinel, of Utica, Mich.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a broadcast made by me at Portland, Maine, on Saturday, January 27 last.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ANNOUNCEMENT

Mr. WHITTINGTON. Mr. Speaker, on the last roll call my colleague the gentleman from Mississippi, Mr. COLLINS, was unable to be present. Had he been present, he would have voted "nay" on the motion to recommit.

PROCUREMENTS WITHOUT ADVERTISING

Mr. COCHRAN. Mr. Speaker, after having conferred with the ranking member on the Committee on Expenditures, I ask unanimous consent to recommit to the committee the bill (H. R. 8152) providing for procurements without advertising.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the N. Y. A. administrator in Kansas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas [Mr. HOUSTON]?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. COFFEE]?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the Izaak Walton League.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. MYERS]?

There was no objection.

Mr. SHANLEY asked and was given permission to extend his own remarks in the RECORD.

ANNOUNCEMENT

Mr. KEE. Mr. Speaker, I desire to announce that the gentleman from New York [Mr. BLOOM] is ill at home and unable to be present today. Had he been present on the vote just taken he would have voted "nay" on the motion to recommit.

EXTENSION OF REMARKS

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the National Audubon Society.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin [Mr. BOLLES]?

There was no objection.

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article on the good-neighbor policy.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. CROWTHER]?

There was no objection.

ANNOUNCEMENT

Mr. D'ALESANDRO. Mr. Speaker, I was detained on an investigation at Blue Plains. Had I been present I would have voted "nay" on the motion to recommit.

INTERPRETATION OF THE TARIFF ACT OF 1930

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska [Mr. McLAUGHLIN]?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, I have today introduced a bill (H. R. 8367) for the purpose of correcting a situation which has arisen because of a recent interpretation of a paragraph of the Tariff Act of 1930 by the Court of Customs and Patent Appeals. This bill is an emergency measure of such widespread interest and effect, and concerns such an important problem, that I have asked for this time to explain the measure briefly in order to acquaint the membership with its aims and purposes. In the city of Omaha, Nebr., the United States Brush Co., a local industry, is engaged in the business of manufacturing toilet brushes which are used in the beauty and cosmetic industry for the application of nail polish in manicuring work. These brushes are sold widely throughout the entire country to the beauty and manicuring business. The industry in Omaha employs directly in the manufacture of toilet brushes more than 200 persons whose sole source of livelihood is employment in that industry.

The industry is an important factor in the city of Omaha in relieving unemployment to the extent of the number of persons which it employs. The industry started there from small beginnings and has grown under local supervision to its present proportions.

The Tariff Act of 1930 contains a provision imposing a tax of 1 cent each and 50 percent ad valorem on toilet brushes of a certain character. Up until February of 1939 it was generally accepted as fact and law that the manicure toilet brushes manufactured by the United States Brush Co. of Omaha were of the type described in paragraph 1506 of the Tariff Act of 1930, and that any brushes sought to be imported from foreign countries similar thereto carried the tariff duty of 1 cent each and 50 percent ad valorem. In February 1939 the Customs Court of New York, in interpreting paragraph 1506 of the Tariff Act of 1930, held that brushes practically and substantially identical with the brushes manufactured by the United States Brush Co., but which were manufactured in Japan and imported into this country, were not toilet brushes so as to carry the tariff of 1 cent each and 50 percent ad valorem, but that these identical Japanese brushes were in fact what is designated as hair pencils, so that they carried the duty imposed by the act of 1930 on hair pencils. The duty on hair pencils, instead of being 1 cent each plus 50 percent ad valorem, is only 40 percent ad valorem. This interpretation of the existing tariff provisions, namely, paragraph 1506 of the Tariff Act of 1930, had the effect of so reducing the tariff on imported Japanese brushes that they could be imported into this country and sold at so low a figure as to make it impossible for the United States Brush Co. to compete with them in the market. This interpretation of the tariff by the customs court has now been affirmed by the Court of Customs and Patent Appeals, and in its opinion the court states that its interpretation is in line with the wording of the Tariff Act, and that the only relief which the American manufacturer of toilet brushes can obtain is such relief as the Congress sees fit to give it by clarifying its intention as to what should be covered by the term "toilet brushes."

Mr. McCORMACK. Will the gentleman yield?

Mr. McLAUGHLIN. I am always glad to yield to the gentleman from Massachusetts.

Mr. McCORMACK. About 2 years ago we had a similar case of a factory in Massachusetts just outside of Haverhill, I think in the district of my colleague from Massachusetts [Mr. BATES], in which there was produced woolen felt hats. The customs court rendered a decision which said that the higher duties imposed were contrary to law. As a result of that, we took care of the situation along the same line the gentleman is advocating now.

Mr. McLAUGHLIN. I thank my distinguished colleague for his valuable contribution, and I trust that as a member of the Ways and Means Committee he will assist in taking care of this situation.

It is obvious that the American manufactured article and the Japanese manufactured article are intended to be within the classification of toilet brushes, but because of the fact that these brushes, which are used for toilet purposes, were not in common use at the time the act of 1930 was passed, the intention of Congress was not explicitly stated in the act.

The purpose and intention of the bill which I have today introduced is to clarify the Tariff Act of 1930 by amending paragraph 1506 so as to cause it to represent the real intention of the Congress. The bill is not a new tariff bill. It is not a bill to impose a new tariff duty. It will have the effect of giving the real intention, which should be given to the provision of the Tariff Act, which has been on the statute books since 1930.

To indicate the interest of the people of my home community in this bill it is only necessary to state that a petition signed by more than 65,000 citizens of Omaha has been addressed to the Congress, praying that the Tariff Act be so changed as to give to the home industry employing home people the protection which it is obvious the Congress intended that industry to have; a protection which will really protect by equalizing in part the difference in cost of production obtaining in Japan and the cost of production in the United States. In furtherance of fairness and justice it is to be hoped that the Ways and Means Committee will act speedily upon this measure and report it favorably to the House in order that it may be passed and sent to the Senate for similar action at the earliest possible moment and thus save an American industry which is in great danger of destruction under the present interpretation of the Tariff Act of 1930. [Applause.]

[Here the gavel fell.]

EXTENSION OF CLASSIFIED EXECUTIVE CIVIL SERVICE

Mr. LEWIS of Colorado. Mr. Speaker, I call up House Resolution 217, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 217

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 960, a bill extending the classified executive civil service of the United States. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 30 minutes to the gentleman from Indiana [Mr. HALLECK], and at this time I yield myself 5 minutes.

Mr. Speaker, this is an open rule providing for 2 hours, general debate on the bill (H. R. 960) extending the classified executive civil service of the United States. The bill will be explained fully and in detail, by the distinguished author of the bill, the gentleman from Georgia [Mr. RAMSPECK], and I shall not attempt to go into it in the consideration of the rule; however, certain other gentlemen will discuss it pro and con on this rule.

I reserve now the balance of the time on this side and suggest that the gentleman from Indiana use some of his time.

Mr. HALLECK. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I am going to try in my time to say something about this bill and what is in it, because I have an idea that there are a great many Members who have not had an opportunity to read the hearings or to familiarize themselves with the provisions of the bill.

In the first place, I believe it is fair to say that this bill would permit, as distinguished from require, the President to bring into the civil service, employees in agencies that are now outside the civil service. It would apply to entire agencies that are now outside the civil service or to parts of agencies that are now outside the civil service.

The President now has authority in certain instances by Executive order to bring positions into the civil service. But it has been ruled by the Attorney General that when the Congress of the United States, in creating a new agency, specifically exempted the positions in that agency from civil-service law and the Classification Act there is no power by which the President, as the law now stands, can bring those employees into the civil service. Title I of the bill is calculated to overcome that deficiency and to invest in the President the discretionary authority to bring those employees under the civil service.

Title II of the bill seeks to extend the provisions of the Classification Act of 1923 to the field service. The Civil Service Act is one thing. That is the part of the law that sets up the method of selection and the rules by which employees are selected and come under the civil service. The Classification Act of 1923 fixes the grade and salary of the employees in the civil service who are subject to the operation of the Classification Act. As now written the Classification Act applies only to a part of the civil-service employees in the District of Columbia. Title II of this bill seeks to apply the provisions of the Classification Act to the field service generally over the country, to the end that inequality or alleged inequality shall be wiped out.

As stated by the Civil Service Commission sometime ago—

The Classification Act of 1923 to the extent that it is applicable is a fitting and necessary supplement to the Civil Service Act of 1883. These two statutes constitute the foundation for the development of an efficient employment policy in that one statute requires open competition among qualified persons in filling vacancies and the other requires equal and appropriate compensation to be paid the appointees to such vacancies.

The opposition to this bill will fall generally into two classes: First, this bill will be opposed by those who believe in the patronage system, or the spoils system, as against the merit system. It will be opposed by those who hold, for instance, that a Member of Congress knows more about the qualification of a person for a Government job than can be determined by any sort of an examination that may be fixed or determined.

Then there will be opposition to this bill from those who believe in the merit system in Government service as against the patronage system, who want to see the merit system extended and who have fought for that and stood for that but who believe, honestly and conscientiously, that this bill, as it is now drafted, is not a fair or equitable extension of the merit system.

I believe in the merit system. Such opposition as I have to this bill is of the sort that brings me in the second category. I have given more than lip service to the extension of the merit system. I voted for the postmaster bill and have voted time and again to strike out provisions avoiding the Civil Service Act in measures before us. I may say, not altogether too facetiously, that in the past years here in Washington you have heard a lot of pious talk about the merit system, but time after time when measures have come before this House to be voted on to determine whether or not we should extend the merit system or follow the patronage system the patronage system has almost invariably won out.

I stand for the merit system because I believe, by and large, it gets for the Government service the best people. I believe that people coming into the Government service in many of these positions should have the protection that a permanent tenure gives them. These are some of the reasons why I believe in the extension of the merit system.

As I suggested a moment ago, to me the strange thing is that we have gone along in this House considering bill after bill to create new agencies or to continue the lives of old ones, and time after time, even running down through 1939, in the last session of Congress, whenever that issue has been presented we have found the Members on the side of the aisle to my right standing up in sufficient numbers to take the merit system out of the provisions of the act. We did that in 1937 and subsequently in 1938 in regard to the Federal Surplus Commodities Corporation. In 1939 we did it for the Farm Security Administration. In 1939 we did the same thing for the W. P. A. and the P. W. A. In 1938 and in 1939, when we reenacted the Agricultural Adjustment Act, we did the same thing again.

Therefore, I am frank to confess that I am a little overcome at the tremendous anxiety which seems to motivate so many people now in their support of this bill. I wonder if it stems partly from the fact that 1940 is here, with all that November of this year portends. Jobs were filled outside the civil service, and now, when it seems that the political situation will be reversed, we find all of this effort to bring all these people within the purview of the Civil Service and Classification Acts. One might well question whether all this newfound devotion to the merit system is altogether in good faith.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I recognize the gentleman from Indiana as a very hard-working and conscientious member of the committee of which I am a member. May I ask the gentleman, however, if he does not believe that he perhaps makes a misstatement when he says there has not been an extension of the merit system under the so-called Roosevelt administration?

Mr. HALLECK. Well, I may say that during the last 7 years such Executive orders and statutes as have been made to bring employees under the civil service fade into insignificance when compared with the tremendous number of employees who have been brought into the Government under the operation of the patronage system.

This bill has been around for years, and it does seem a little strange to me that there is such tremendous interest in it just at this particular time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. Yes; briefly.

Mrs. ROGERS of Massachusetts. And is it not very strange that action is taken upon the bill today before the committee headed by Mr. Justice Reed makes its report as to how the civil service could be improved, and also before the President's Committee for Civil Service Improvement, of which the gentleman from Georgia [Mr. RAMSPECK] is a member, has made its report and also before the Council for the Improvement of the Civil Service has made any real report?

Mr. HALLECK. I assume that the statement of the gentlewoman from Massachusetts is correct, although I am not altogether familiar with those matters.

There are many who argue that this bill is not, after all, an extension of the merit system but that it is in truth and in fact a perpetuation of the operation of the spoils system or the patronage system that has heretofore been in vogue.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield myself 3 additional minutes.

Witnesses came before our committee and they started out by saying that they wanted to see this job of the extension of the merit system fairly done. They were realistic enough to understand and to know that unless the job is fairly done and equitably done, probably it will not stand the test of time, and I think that is one thing we should constantly keep in mind as we consider this bill and the specific provisions of the bill.

I recognize that no party that has ever been in power in this country has been "simon pure" in respect of the extension of the merit system. I am perfectly willing to confess that for my own part, although I will debate and contend with anyone as to the relative extensions of the merit system brought into the Government by my party as distinguished from any other party. Possibly this is the best we can hope for. But we have never in the history of this country seen any such grand-scale effort as this. If some of the things we have had heretofore have been a small dose, believe me, this is a rather large dose. Somebody said to me he thought maybe we had been guilty of petty larceny. Well, if we have been guilty of petty larceny, believe me, this is grand larceny. [Laughter.]

This bill will affect in the neighborhood of 300,000 employees; and there is another thing in connection with this bill that I would like to call to your attention. If affects not only permanent and established agencies of the Government, agencies that we expect will continue at least for some years as a part of our governmental operation, but it includes in addition thereto a lot of agencies that I am convinced are very temporary in their nature. I can see a lot more reason, if you please, for extending the civil service on a rather large scale to the more or less permanent agencies of the Government as distinguished from those which are clearly temporary. The positions of deputy collector of internal revenue and the positions of deputy United States marshal should clearly be under the civil service. Those positions are used definitely as a political-patronage device, and the work performed by all of them is such as to require a person who can be definitely trusted and who devotes his entire time to the service rather than the prosecution of political ends; but I wonder whether or not that same argument can be made for the Disaster Loan Corporation or the Golden Gate International Exposition Commission, the New York World's Fair Commission, the Work Projects Administration, the National Youth Administration, the National Resources Committee, or the National Emergency Council. That the committee recognized something in this direction is best evidenced by the fact that the W. P. A., by a committee amendment, is specifically exempted from the operations of this act.

Now, there is another question involved here that I think is of tremendous importance, and that has to do with the type of examination. The committee had a distinct difference of opinion as to whether or not the employees should be brought in under the competitive or the noncompetitive system. I think it is not improper to suggest that when the gentleman from Georgia [Mr. RAMSPECK] originally introduced this bill he provided in his bill for competitive examinations. That is the sort of examination that a person must take when he first undertakes to obtain a classified status in the civil service. The hearings reveal the very frank statement of the chairman as to why that provision was abandoned.

[Here the gavel fell]

Mr. HALLECK. Mr. Speaker, I yield myself an additional 5 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman please define a noncompetitive examination?

Mr. HALLECK. The gentleman from Minnesota has asked me the difference between a noncompetitive examination and a competitive examination. A noncompetitive examination requires a certain degree or type of examination calculated to determine in some degree at least the fitness of the holder of the position for the job. He does not compete with anyone else, and unless the Commission finds that he is incompetent to fill the job because he did not make a given grade he then may acquire a status under the civil service. A competitive examination is the rather extensive examination that is entered into by those who desire to be considered for the appointment in competition with other like persons. The three highest are certified, and then the selection is made from the three highest.

It is argued as against the competitive examination that too many people would fail. I think the Chairman of the Civil Service Commission indicated in his testimony that if we gave a competitive examination by this bill 75 percent of the incumbents in the jobs would be disqualified.

In connection with that I would like to say that as I heard the testimony and the arguments of those who are opposed to the competitive examination they were largely the arguments that will be made here by people who favor the patronage system as against the civil-service system; they were the arguments that it would cost too much money. They were the arguments that you cannot tell by an examination what the capabilities and abilities of a man are. They were the arguments of those who said that if we gave a competitive examination and a lot of people went out of jobs overnight, the service would be disrupted. As to disruption of the service, we went all through the last Congress on that basis, and then all at once the committee found that in the provisions of the bill, even if a person did not pass an examination, he would not necessarily lose his job; and the result has been a committee amendment which provides that if the person now holding the job does not pass a noncompetitive examination he shall be separated from the service at the end of 6 months.

Mr. AUGUST H. ANDRESEN. If it is a fact that 75 percent of the unclassified service fail to pass a competitive examination, it is quite evident that they are not fit to be in the Government service.

Mr. HALLECK. Of course, that suggestion has been made a good many times. I think, as a matter of fairness, that a person who has had one of these jobs and has experience of 3, 4, or 5 years, that person probably has some ability to do that job better than a new person coming in would have. I think that is elemental. I have always said that if competitive examinations are given credit should be given for experience. But, Mr. Speaker, if competitive examinations are right in the first instance, if we can tell by that examination who is the best person for the job, and if we want to improve the Government service by getting the best people in the job, then why should not competitive examinations be used here? I realize that there is political pressure and I realize that that sort of a bill might not get through, but I say we ought to meet this in principle and not in expediency, and meet it once for all.

Those of us who believe in the merit system are in a dilemma in respect to this bill. We would like to see a fair bill; we would like to see an extension of the civil-service system and the Classification Act; but the thing that disturbs us is this: Is this a fair bill? Is it the sort of a bill that represents an honest and equitable effort to extend the merit system in all government? If it is, then we ought to vote

for it; but, if it is not, a vote against it should not be construed as a vote against a true merit-system extension. If, as may be most forcefully argued, it is designed to bring political appointees into the civil service, load up the civil service, give those people a preferred status which they can use if their agency goes out of existence in trying to get into some other job, and otherwise is not an application of the true merit system, then I say it is not a fair bill and we should not vote for it. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Indiana has again expired.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FLANNERY].

Mr. FLANNERY. Mr. Speaker, I rise on a matter more personal than otherwise, and I ask the House to indulge me for 2 minutes.

An altercation has arisen in Pennsylvania about the W. P. A. administration, and that has been carried to the floor of this House. It was suggested here that in order to iron out the differences a conference be arranged of all parties in interest, and I suggested that the Governor of Pennsylvania, as one who had made the original charges of noncooperation, be invited. The Governor has seen fit in response to that to criticize me and attack me personally in his press conference. I merely want to comment briefly upon that. The Governor, apparently in response to my invitation, said that he wanted to go on record with reference to FLANNERY.

He said that in 1935 I was an ardent Republican and sought the Republican nomination for district attorney. I do not know just what bearing that would have on this were it true, but for the sake of the record I have been a registered Democrat all my life and I sought support for the Democratic nomination for district attorney in 1935. He further suggested that instead of finding fault with him I should try to do all I could for the men and women in Luzerne County on the W. P. A. I never found fault with the Governor, as the record will reveal, and I have been fighting for the help of the W. P. A. for Pennsylvania that the Governor says he wants, long before he entered the fray. Apparently the Governor lost his temper. It is unfortunate that he should have been led into making extravagant, intemperate personal remarks with respect to a matter that should be above personalities. I wish to make this observation. I do not believe that it is conducive to good if we go into the conference in the spirit of personal vengeance.

I trust the Governor will modify his attitude and approach this question in a calm, temperate, judicious manner as I have endeavored to do from the very beginning. This calls for statesmanship and cooperation—not abuse.

I thank you. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. HALLECK. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, this is one of the most important measures that has come before this Congress during this session.

This is not the real Ramspeck bill. The real Ramspeck bill provides for a competitive civil-service system. Most of the argument will resolve itself about that question. That is whether or not you are in favor of a real, honest, fair, competitive civil-service merit system, or whether this afternoon you want to again extend further power to the Chief Executive of this Nation and authorize him to blanket in, under noncompetitive examinations, some 300,000 politically appointed employees under your Government and mine—employees that the Congress of the United States deliberately kept out of civil service when they provided for the bureaus and commissions that are now being brought under this measure, if you see fit to vote for it.

This bill does not provide for a real, honest, fair competitive merit system. Oh, of course they tell you, "this has happened before." As far as I am concerned, this is not a political question. This measure should stand or fall on its merits, and I am saying to you that there never has been a time in any administration when an attempt has been made to place thousands of employees under a so-called civil-service plan. If you pass this bill this afternoon you are injuring that very thing. If you will study this measure you will be convinced of it.

Not very long ago the President appointed a very important committee or commission to investigate the civil-service problems. Two members of that committee are members of the Supreme Court; yet this afternoon, before the President's own committee has an opportunity to report on this question our distinguished leaders on the other side of the aisle see fit to bring this measure to the floor of the House. I assume that you will support the rule, but you ought to vote it down. It is not fair to Congress, it is not fair to the people of this country for you to say to some 300,000 people who secured their jobs by political patronage, "You are now entitled to come under the civil-service system and be entitled to the same rights and privileges as those thousands who are in there now, who acquired their jobs by competitive civil-service examinations."

It seems to me you might just as well wipe the thing off the books and be done with it if this is the manner in which you are going to conduct civil-service affairs of this country.

I am in favor of fair, competitive civil-service examinations. If you want to give credit to those employees who are in there now by reason of their experience, well and good. As a matter of fact I think it should be done. But are you going to say to some 4,000,000 young men and women graduates of colleges and high schools all over this country, who have not had permanent jobs at all, "No; you do not even have a chance or a right, under our democratic form of Government to even compete for these jobs, because the Congress this afternoon decided that 300,000 politically appointed people are entitled to those jobs and are entitled to keep them, not so much because they are qualified, but because of their political affiliations."

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield for a question?

Mr. REES of Kansas. I will if I can have 1 more minute.

Mr. HALLECK. Mr. Speaker, I yield the gentleman 1 additional minute.

Mrs. ROGERS of Massachusetts. Is it not true also that there are nearly 1,000,000 people on the eligible civil-service list, eligible for appointment in the Government, who are now unemployed by the Federal Government? Surely we are not keeping faith with them.

Mr. REES of Kansas. Oh, that is true. We have thousands of those people who have already passed civil-service examinations and whose names are on the list, but they tell us, "Oh, they did not qualify for these particular jobs." Most of them are stenographers and clerks of various kinds, but they say, "We cannot give them consideration because they took an examination for the jobs that are already under civil service." So we let them go by and say to the folks that are now in, "You keep your jobs because this legislation is for you." If they can qualify for the jobs, let them have them, but they ought to be willing to compete with the fellow on the outside. They should be glad to do it.

I hope you will see fit to vote down this rule and let the committee bring in a real civil-service bill. I would suggest that the distinguished chairman of our committee bring in a bill similar to the one he recommended to this House 2 years ago. It was known as H. R. 2700 and provided for a competitive civil service merit system. [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I yield 6 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, I do not believe that a majority of this House will vote for the passage of this bill. Believing that, I can see no reason why we should take up the time of the House in consideration of a bill when the same end can be attained by defeating the rule immediately.

I want to read a portion of the first section of this bill:

That notwithstanding any provisions of law to the contrary, the President is authorized by Executive order to cover into the classified civil service any offices or positions in or under an executive department, independent establishment, or other agency of the Government.

The whole field, if you please. Finally, at the end of section 1, it does except the W. P. A.

This House has on many occasions reversed itself, of course, but since I have been here we have passed bills which by positive provision we said, "Jobs under this agency must be selected without regard to the Civil Service Act."

Now, if you pass this bill you wipe out every such provision that you, by your vote, put into a bill.

I have been accused on the floor of this House of being a spoilsman. That has never scared me. I think that under any system where a man is compelled to hold his position upon his ability to discharge the responsibilities of the position is a better system than a cloak of protection thrown around inefficiency. But, if I am a spoilsman, then I should be for this bill because the woods down in my district are full of good men holding positions in different Federal agencies by reason of my recommendation. If I just wanted to be selfish, and had no other reason, I would vote for this bill, but I am not going to. I know there is more inefficiency by reason of civil service in this Government than by any other reason. [Applause.] I know that honest, conscientious, civil-service employees will know that I am telling the truth when I say that a man under civil service who wants to do a day's work generally is hindered by the drones and hold-backs who discharge their duties inefficiently. This system which protects inefficiency should not be extended, to all departments of Government; rather we should adopt a system which would compel an honest and an efficient day's work, or discharge from the Government service.

Mr. CREAL. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I have very limited time; I cannot yield.

A very interesting article appeared in this morning's Times-Herald. It is headed "Hoover registers a point."

I quote:

F. B. I.'s Director, J. Edgar Hoover, has raised the charge of incompetence against the Civil Service Commission and the system of competitive selection of personnel under the Commission. * * *

Hoover's charges are based on what he has said he has found to be the facts in cases less than 1 year old. He recounts that a woman employed in the Federal service applied for a job as typist and was certified February 1939. Hoover found she suffered hallucinations and delusions. Once she threatened to kill fellow employees with a pistol. Last July she was the object of an insanity complaint.

He found further that a convicted forger was certified to F. B. I. Another was an admitted Communist Party member (August 1939). He sought to be a fingerprint classifier. He concludes by saying: "* * * I think even the Civil Service Commission will admit that our procedure of selection and our merit system today is certainly as good as, if not better, than theirs. We have had no instances of scandals or corruption or inefficiency."

The present civil service is not a merit system. There is no provision in the present civil-service law which is carried out that compels people working under civil service to maintain a constant line of efficiency, and I challenge the record to show instances—there may be a few segregated ones—but I challenge the record to show where any person has ever been discharged from a civil-service position by reason of inefficiency, or their inability to do the job. [Applause.]

I think this rule ought to be defeated.

I am for a merit system and I would wholeheartedly support a bill, the purpose of which was to revise the present civil-service system so that it would become a merit system, by compelling that employees enjoying the protection of civil service would be required to maintain a constant line of efficiency, and if they fell a certain distance below that constant line that they should be automatically discharged and their promotion and advancement in salary should be gaged by the distance that they were able to go above by constant line of efficiency. A person takes examination, either competitive or noncompetitive, and has civil-service status. Under existing law, after that first examination there is never any other examination given to ascertain whether or not they have remained as well qualified to hold the position as they were qualified at the time it was given to them. This applies as well to physical as mental examinations. I am perfectly willing that Government employees should be given some protection but I have always contended that they should first be compelled to maintain a certain standard that they were entitled to that protection.

There are many fine, conscientious people employed by the Federal Government under civil-service status, but it is my studied judgment that much of their work is hampered and that the offices in which they are working are reduced to a point of inefficiency, despite their good work, by those surrounding them who are content to do as little as possible and slumber secure in their cloak of protection furnished by their civil-service status.

Drones in the civil service will not like this statement. Those who are honest, conscientious, hard working, even though they have civil-service status, will in their own heart, if they do not publicly, agree with this position.

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I yield 6 minutes to the gentleman from Pennsylvania [Mr. MOSER].

Mr. MOSER. Mr. Speaker, I have a personal feeling somewhat of regret to come before my colleagues in opposition to a rule presumably well-considered by the Committee on Rules and brought here, because it is a committee that has my supreme confidence; yet I feel that the exigencies arising in this instance are such that I should oppose it. I advocate the rejection of the rule as the shortest method out of a bad situation.

I need not repeat that I am a typical product of the open competitive merit system of civil-service examination. I would rather confine myself to a bit of the history concerning this legislation. When I became a member of the House Committee on the Civil Service, our distinguished chairman had before it his bill, H. R. 2700, that embodied and dignified the idealism I had always associated with civil service for open competitive examination. I supported that bill wholeheartedly.

Among those who came before the committee to testify in opposition to the bill was Kenneth Vipond, of the Civil Service Commission; and when he was questioned, but questioned under my cross-examination as a witness, I drew out from him some of the very self-same evidence which was brought before this House through the Appropriations Committee 2 days ago and broadcast to the Nation in a coast-to-coast hook-up, and which was just referred to by the gentleman from Oklahoma [Mr. NICHOLS]. He testified that they would certify an ex-convict. He testified that they would certify such a man on the ground that he had made amends for his crime; that he considered the man had wiped out his offense against society and should be given a chance to make good. He testified that he would certify a man who had been arrested for and even convicted of a felony, in response to questionings by our late colleague the gentleman from New York [Mr. CURLEY].

The gentleman from Indiana [Mr. HALLECK], speaking with respect to the number who would fail in an open competitive examination, was doubtless quoting President Mitchell, of the Civil Service Commission, who estimated that only 20 to 25 percent would pass. An instance to which the gentleman did not refer was definite testimony before the committee with respect to the examination for the alcohol-tax unit. Mr. Vipond said the Congress did not hold that unit in high esteem and ordered by legislation an open competitive examination. He stated further that 65 percent of those people failed. I believe the gentleman from Indiana [Mr. HALLECK] will remember that.

In addition to the testimony before the Appropriations Committee by J. Edgar Hoover, may I say that the Civil Service Commission has certified to the Post Office Department for appointment as postmaster in my district, and remains adamant in its position, a woman who has been

actively identified with every Communist Front movement that has been in operation in my district, leading up to my projected kidnaping. I protested and made the statement to the Commission that under all civil-service law I ever knew and understood, they could not justify a rating of 78 percent for business training and experience for that candidate, when over a 5-month period prior to certification, according to photostatic copies of resolutions I turned over to the Civil Service Commission, referring the originals to the Committee on Foreign Affairs of this House, her activities were devoted to such communistic energies. Exactly the same statement that J. Edgar Hoover used, "We must accept them," is the evidence in my files from the Civil Service Commission in a case in kind. I maintain that a member of an organization advocating the overthrow of the Government of the United States, which I have come here and have sworn to uphold under the Constitution, should not be named and certified to the Post Office Department to consider for postmaster or any kind of a position of profit or honor under the Government of the United States under any circumstances.

With respect to the merits of this bill, there is so much I could talk about that I could talk on indefinitely. In the limited amount of time allotted to me, I feel I should not impose upon you, but I do want to say there is not a single phase of it I could not oppose on some civil-service ground. I do believe in the merit system. I have advocated it. It was my opportunity. I believe in the merit system honestly applied, under civil-service law, but I do not believe in the philosophy stated by some opponents of this bill, any more than I find it possible to agree with its proponents. I do not believe a Member of Congress is less able and qualified to select somebody that possesses sufficient merit to take a position that may be available to him under the patronage system. I do not believe he or she is less able to do that than the type of Civil Service Commission that is administering examinations such as I have decried, and such as is described by J. Edgar Hoover.

I wish I could go on and cite personal instances. I do want to bring to your attention an assertion that has been bandied about this House that the President had stated on the 3d of January that he favors the extension of this alleged type of merit system. I leave it to all my colleagues who heard it here. The President of the United States, from this rostrum, named among other ideals an extension of the merit system, but he did not under any circumstances advocate the adoption of this particular type of legislation, which, as has been so ably stated by the gentleman from Oklahoma [Mr. NICHOLS] circumvents and sets aside previous acts of Congress to the contrary notwithstanding. The President has said to me that "This Nation is still on a competitive basis," agreeing with me that competition is still the life of trade.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, this omnibus bill, H. R. 960, is a tremendously important bill, and I think the rule should be voted down. I have been a member of the Civil Service Committee for a longer period than any other member now on the committee, and I have always supported the merit system in the civil-service measures. Personally, I have always followed the civil-service rules in my appointments to Annapolis, in my appointments to West Point, and in the appointment of postmasters. I have always taken the first man on the list. I am heartily in favor of open competitive examinations. I believe in the merit system.

Mr. Speaker, I want to bring before the House in the brief time allotted me a most vital matter. Yesterday we spent a great deal of time arguing and voting against an appropriation for our United States representatives in Soviet Russia. We do not like what goes on in communistic, atheistic Russia. We have thousands of fine workers on our temporary rolls, but do you realize that among them we have employed by our Government today certain Communists and certain persons who are hostile to our form of government? I do not believe we should take those people into the permanent employment of our Government or into the civil service and include them in our great army of Government workers wherein should be found only the finest type of people, men and women who are ready to defend the country. We should not employ people who are only willing to go into our navy yards, for instance, and into our various departments to get information that may be used against this country. A great deal of time should be spent in investigating the character and activities of those who have entered or who are to enter our Government service. We shall have only ourselves to blame if we freeze into our Government those who should not be there. The harm will be done after it is too late.

Mr. Speaker, I earnestly hope we will take plenty of time before passing a bill of this sort. [Applause.]

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, the gentleman from Pennsylvania raised a question as to the accuracy of the figures cited by me with reference to the estimated percentage of present employees who would probably be separated from the service or who would fail under a competitive examination. It is not very important, because there was not a great difference in the estimated percentage. However, you will find a statement by Mr. Mitchell, President of the Civil Service Commission, on page 3 of the hearings, in which he indicated that there was not much upon which to base an estimate, but he would say, roughly, that only 20 to 25 percent would retain their positions under a competitive examination.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 12 minutes to the gentleman from Georgia [Mr. RAMSPECK], the author of this bill.

Mr. RAMSPECK. Mr. Speaker, I want to clear up a few things in the beginning that have been said by preceding speakers which did not clearly reflect the facts. Reference has been made to the Reed committee, and the impression left, through misunderstanding, I am sure, that the Reed committee is studying the question of bringing into the civil service employees that would be affected by this bill, which is not a correct statement of the purposes of the Reed committee. That committee is making a study of whether or not the President should be advised to bring into the civil service lawyers and technical employees whom he now has authority to bring in, an entirely different subject from that covered by the pending bill.

Mr. Speaker, our friends on the Republican side who are so pious this afternoon about the sanctity of the competitive examination had no hesitancy here in the regular session last year in voting these so-called patronage employees under the Hatch bill so that the Democratic politicians could not use them. My friend the gentleman from Indiana [Mr. HALLECK], for whom I have the highest regard, voted against recommitment of the bill and in favor of its final passage, as did my friend the gentleman from Kansas [Mr. REES] and the gentlewoman from Massachusetts [Mrs. ROGERS].

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Just for a question.

Mr. REES of Kansas. Does not the gentleman believe that was a good vote?

Mr. RAMSPECK. Yes; I voted the same way; but let us be consistent about it. Why does the gentleman quibble now about putting these people under the civil-service system so that the merit system can be carried out and the employees can be appointed hereafter by the competitive system? The gentleman acknowledges by his inconsistency that the thing he is interested in is the political question, and you hope you may hold them where you can replace them after the election in 1940. [Applause.]

Mr. REES of Kansas. There is nothing inconsistent about having them take competitive examinations.

Mr. RAMSPECK. Now I wish to go further with the question of competitive or noncompetitive examination. The

evidence taken before the committee on this bill shows that the president of the Civil Service Commission, the executive director of it, and the other officials testified there is no difference between a competitive and a noncompetitive examination insofar as the contents of the examination are concerned. The only difference is that the person taking the examination on a noncompetitive basis has to make only 70 points to qualify, whereas if he is in competition his chance of getting a position depends on his relative standing in comparison with the others with whom he competes. The contents of the examination are exactly the same.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I am sorry; I cannot yield. I do not have much time.

It is true that in the Seventy-fifth Congress I introduced a similar bill containing a provision for competitive examinations. We held exhaustive hearings on that bill. I could not get any support from anybody for the theory of competitive examinations. It was testified that it would disrupt the services of these agencies and that it would cost from $6,000,000 to $8,000,000 to hold the examinations. All witnesses who appeared before the committee contended that the only practical way to bring these employees under the merit system was by the noncompetitive system.

I call your attention to the fact that later during the Seventy-fifth Congress the President's Committee on Administrative Management reported and recommended the extension of the civil service upward, outward, and downward. A bill was brought in, reported by the House Committee on Reorganization, containing exactly in substance what this bill contains now. The reorganization bill on which we voted in 1938 and for which many of you on both sides of the aisle voted, contained in substance exactly what this bill proposes to do, to bring these positions under the merit system by noncompetitive examination.

I wish now to mention the charges made here in the name of J. Edgar Hoover. May I say that I have the highest respect for Mr. Hoover as Director of the Federal Bureau of Investigation. I believe in many respects he has done an outstanding job. However, Mr. Hoover does not believe in civil service. He believes as little in it as my friend the gentleman from Oklahoma [Mr. NICHOLS], who has just confessed to you that he does not believe in it at all.

Mr. Hoover has had a free hand in the Bureau of Investigation with the exception of the position of fingerprint classifiers. The Commission entered into an agreement with Mr. Hoover that he would do his own character investigation; yet he comes out and charges the Commission with certifying to him people with bad character, when he knows and has failed to disclose publicly the fact that it was done because he had agreed he would rather have his own employees make the character investigations, which otherwise would have been made by employees of the Commission.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Is not the gentleman mistaken in this, that insofar as the fingerprint employees are concerned they are certified by the Civil Service Commission, and all other employees are selected by Mr. Hoover's force?

Mr. RAMSPECK. The gentleman is correct. That is what I said.

Mr. NICHOLS. I beg the gentleman's pardon.

Mr. RAMSPECK. The employees referred to in the article from which the gentleman read are the only employees that are under civil service in the Bureau of Investigation. They are fingerprint classifiers. By agreement with the Commission Mr. Hoover was to investigate them himself. Of course, they are certified to him without investigation because the agreement was made that he would investigate them with his own people. Yet he turns around and criticizes the Commission for carrying out this agreement with him. I say it is an unfair criticism made by him to create prejudice against the civil service in the F. B. I.

I shall go further than that, since this question has been raised. Last year Mr. Hoover appeared before the subcommittee which has just left this floor this afternoon and, off the record, according to the statement made to me by the chairman of the subcommittee himself, charged the Civil Service Commission with sending white applicants to colored doctors for physical examination. There is not a word of truth in it because the Commission has no doctors. I think Mr. Hoover made that statement off the record to prejudice that committee, which was composed primarily of men from the South. It was a dastardly thing for him to do, and he ought not to have done it.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield.

Mr. RAMSPECK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. As we all know, the Civil Service Commission has two Democrats and one Republican composing its membership.

Mr. RAMSPECK. The gentleman is correct.

Mr. RANDOLPH. Is it not a fact that the Republican member of the Commission joined with the two Democratic members in a favorable report on the legislation now about to be brought to the floor, we hope?

Mr. RAMSPECK. The gentleman is correct. As a matter of fact, in the history of this legislation three Republican members, Dr. Leonard White, of Illinois, Mr. Samuel Ordway, of New York, and the present Commissioner, Mr. Fleming, who has recently been appointed, have endorsed this legislation.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman understands my interest in the special-delivery messengers?

Mr. RAMSPECK. Yes.

Mr. DINGELL. I wish to say before I ask my question that I am for the bill as is. I have implicit confidence in the gentleman's sincerity and his ability to bring out the right kind of a bill here to bring about civil service. However, I should like to know whether at some future and early date we might not try to solve the problem affecting some 3,000 employees in the special-delivery department.

Mr. RAMSPECK. The gentleman knows my interest in that matter and my willingness to cooperate with him. I do not want to take up more time on that now, please, because it is not involved in this bill. As a matter of fact, they are not now Government employees. They are on a contract or fee basis.

Mr. DINGELL. I hope we may get together with the gentleman later on that proposition.

Mr. RAMSPECK. I do want to point out to the House that this bill will affect deputy collectors of internal revenue, deputy United States marshals, and various other employees, some of whom have been in the Government service for 20 years, and I hope the House will vote for this rule.

There are a great many questions that have been raised here that I cannot attempt to answer in the short time I have on the rule, but I think I can show to the satisfaction of the membership of this House that there is only one question involved here, and that is the question of whether or not you want to give these people who are already employed and who have rendered faithful service for several years a chance to have a civil-service status and inject them, so to speak, into the blood stream of the civil-service system.

Now, this is the real reason my friends on the Republican side are opposed to this bill. They do not want these Democratic appointees to have any chance to transfer into the old-line agencies if these emergency agencies, so-called, fold up and go out of business.

Mr. CREAL. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Kentucky.

Mr. CREAL. The gentleman from Oklahoma did not yield, but he pointed out that numerous bills have been passed by the Congress whereby employees might be taken in without regard to civil service, but he forgot to admit that the Republicans voted against nearly every one of those bills and are

now inconsistent and voting against themselves on that same proposition which is to take them by civil service hereafter.

Mr. RAMSPECK. The gentleman is correct about that.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from California.

Mr. VOORHIS of California. Does not the gentleman feel that the point that has been made about the alleged employment of foreign agents and people who believe in the overthrow of the Government by force is entirely beside the point? As I remember it, we passed an amendment to the so-called Hatch bill which forbade the employment of such people by the Government, and it is now against the law. The problem is to find out who or where such people are.

Mr. RAMSPECK. The gentleman is correct. The Civil Service Commission does not permit an alien to stand a civil-service examination and has not for a long time.

The charge made here by my friend the gentleman from Pennsylvania [Mr. MOSER] that they certified Communists, I do not know anything about, and, of course, I could not answer unless I knew a specific case, but I do know this: They would not insist upon the appointment—and they have so stated in writing—of any person who advocated the overthrow of this Government by force. We have not any law in this country that keeps a man from believing in communism if he advocates the achievement of it by parliamentary methods, and while I do not approve of his believing in that, I think, under our constitutional system, nobody here would dispute his right under the Constitution to freedom of expression so long as he advocates it by parliamentary methods, and we have no law that would authorize the Civil Service Commission to refrain from certifying any person who passes the examination, and we have no law, if you leave them outside of civil service, to prevent the employment of people who actually advocate the overthrow of government by force.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman.

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. NICHOLS. I want to ask my friend from Georgia a question. The gentleman from California [Mr. VOORHIS] has just called attention to the fact that by amendment to the Hatch bill it was provided that no one could be employed by the Federal Government who advocated the overthrow of this Government.

Mr. RAMSPECK. Yes.

Mr. NICHOLS. My friend from Georgia qualifies that by saying that it must be by force. I want to call the attention of my friend from Georgia to the fact that the amendment to the Hatch bill did not say "by force," but said "who advocates the overthrow of our constitutional form of government." That happened to be my amendment, and I know what it provides.

Mr. RAMSPECK. If that is correct, of course, the gentleman is right in assuming we cannot employ anybody who does that, whether he is under civil service or outside of civil service. He would not be eligible under civil service, and therefore all this argument about them certifying such people is beside the point. In the Committee of the Whole I expect to show the widespread support of this bill. It has the active support of all labor organizations, the National League of Women Voters, the National Civil Service Reform League, the Business and Professional Women, the United States Junior Chamber of Commerce, and many others.

The bill carries out the platforms of both major political parties and the request of the President.

I expect to show by history that the Republicans not only did not use competitive examinations when they were in power—with one exception—but they blanketed employees in without any examination. [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were—ayes 70, noes 96.

Mr. RAMSPECK. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. The Chair will count.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 122, answered "present" 1, not voting 84, as follows:

[Roll No. 18]

YEAS—214

Alexander	Eberharter	Kunkel	Robinson, Utah
Allen, La.	Evans	Lanham	Rogers, Okla.
Allen, Pa.	Fay	Larrabee	Romjue
Andersen, H. Carl	Ferguson	Lea	Routzohn
Anderson, Calif.	Flannagan	Leavy	Ryan
Anderson, Mo.	Flannery	Lemke	Sabath
Barry	Folger	Lesinski	Sacks
Bates, Ky.	Ford, Miss.	Lewis, Colo.	Satterfield
Beam	Fries	McCormack	Schaefer, Ill.
Beckworth	Fulmer	McGehee	Schuetz
Bland	Gathings	McGranery	Schulte
Boehne	Gavagan	McKeough	Scrugham
Bradley, Pa.	Geyer, Calif.	McLaughlin	Secrest
Brewster	Gibbs	McMillan, Clara G.	Shanley
Brooks	Gore	McMillan, John L.	Shannon
Brown, Ga.	Gossett	Maas	Sheppard
Bryson	Grant, Ala.	Maciejewski	Smith, Conn.
Buckler, Minn.	Green	Mahon	Smith, Ill.
Burch	Gregory	Maloney	Smith, Maine
Burdick	Griffith	Mansfield	Smith, Va.
Byrns, Tenn.	Gwynne	Marcantonio	Smith, Wash.
Byron	Hare	Martin, Iowa.	Snyder
Camp	Harrington	Massingale	Somers, N. Y.
Cannon, Fla.	Hart	Merritt	South
Cannon, Mo.	Harter, Ohio	Mills, Ark.	Sparkman
Casey, Mass.	Hartley	Mills, La.	Spence
Celler	Havenner	Monroney	Starnes, Ala.
Chapman	Healey	Murdock, Ariz.	Sumners, Tex.
Claypool	Hennings	Myers	Sutphin
Cochran	Hill	Norrell	Sweeney
Coffee, Nebr.	Hobbs	O'Connor	Talle
Coffee, Wash.	Houston	O'Leary	Tarver
Cole, Md.	Hull	Oliver	Tenerowicz
Colmer	Hunter	O'Neal	Terry
Connery	Izac	O'Toole	Thomas, Tex.
Cooley	Jarman	Pace	Thomason
Cooper	Johnson, Luther	Parsons	Tinkham
Courtney	Johnson, Lyndon	Patman	Tolan
Cox	Johnson, Okla.	Patton	Vinson, Ga.
Creal	Jones, Tex.	Pearson	Voorhis, Calif.
Crosser	Kee	Peterson, Fla.	Walter
Crowe	Keefe	Peterson, Ga.	Ward
Cullen	Kelly	Pfeifer	Weaver
D'Alesandro	Kennedy, Martin	Pierce	Welch
Darden	Kennedy, Md.	Pittenger	West
Delaney	Kennedy, Michael	Plumley	Whelchel
Dempsey	Keogh	Poage	White, Idaho
Dickstein	Kerr	Polk	Whittington
Dingell	Kilday	Rabaut	Williams, Mo.
Disney	Kirwan	Ramspeck	Woodrum, Va.
Doxey	Kitchens	Randolph	Youngdahl
Drewry	Kleberg	Rankin	Zimmerman
Duncan	Kocialkowski	Rayburn	
Dunn	Kramer	Richards	

NAYS—122

Allen, Ill.	Dirksen	Hawks	May
Andresen, A. H.	Ditter	Hess	Michener
Angell	Dworshak	Hinshaw	Miller
Arends	Eaton	Hoffman	Monkiewicz
Austin	Edmiston	Holmes	Moser
Ball	Elliott	Hook	Mott
Bender	Elston	Horton	Mundt
Bolles	Engel	Jeffries	Murray
Boren	Englebright	Jenkins, Ohio	Nichols
Boykin	Faddis	Jenks, N. H.	O'Brien
Bradley, Mich.	Fenton	Jennings	Osmers
Brown, Ohio	Fish	Johns	Reed, Ill.
Carlson	Flaherty	Johnson, Ill.	Reed, N. Y.
Case, S. Dak.	Ford, Leland M.	Johnson, W. Va.	Rees, Kans.
Chiperfield	Gamble	Jones, Ohio	Rich
Church	Gartner	Kean	Robsion, Ky.
Clason	Gearhart	Keller	Rockefeller
Clevenger	Gerlach	Kinzer	Rodgers, Pa.
Cluett	Gifford	Lambertson	Rogers, Mass.
Cole, N. Y.	Gillie	Lewis, Ohio	Rutherford
Corbett	Graham	Luce	Schafer, Wis.
Costello	Grant, Ind.	McDowell	Seccombe
Cravens	Guyer, Kans.	McLean	Shafer, Mich.
Crawford	Halleck	McLeod	Sheridan
Culkin	Hancock	Marshall	Simpson
Curtis	Harter, N. Y.	Martin, Mass.	Smith, Ohio

Smith, W. Va.	Thill	Vincent, Ky.	Wolcott
Springer	Thomas, N. J.	Vorys, Ohio	Wolverton, N. J.
Stefan	Thorkelson	Wheat	Woodruff, Mich.
Sumner, Ill.	Tibbott	Wigglesworth	
Taber	Van Zandt	Williams, Del.	

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—85

Andrews	Darrow	Johnson, Ind.	Sandager
Arnold	DeRouen	Kefauver	Sasscer
Barden	Dies	Knutson	Schiffler
Barnes	Dondero	Landis	Schwert
Barton	Douglas	LeCompte	Seger
Bates, Mass.	Durham	Ludlow	Short
Bell	Ellis	McAndrews	Steagall
Blackney	Fernandez	McArdle	Stearns, N. H.
Bloom	Fitzpatrick	Magnuson	Sullivan
Boland	Ford, Thomas F.	Martin, Ill.	Taylor
Buck	Garrett	Mason	Treadway
Buckley, N. Y.	Gehrmann	Mitchell	Vreeland
Bulwinkle	Gilchrist	Mouton	Wadsworth
Burgin	Gross	Murdock, Utah	Wallgren
Byrne, N. Y.	Hall, Edwin A.	Nelson	Warren
Caldwell	Hall, Leonard W.	Norton	White, Ohio
Carter	Harness	O'Day	Winter
Cartwright	Hendricks	Patrick	Wolfenden, Pa.
Clark	Hope	Powers	Wood
Collins	Jacobsen	Reece, Tenn.	
Crowther	Jarrett	Risk	
Cummings	Jensen	Robertson	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boland (for) with Mr. White of Ohio (against).
Mr. Doughton (for) with Mr. Treadway (against).
Mr. Bell (for) with Mr. Johnson of Indiana (against).
Mrs. O'Day (for) with Mr. Vreeland (against).
Mr. Barnes (for) with Mr. Harness (against).
Mr. Gehrmann (for) with Mr. McArdle (against).
Mr. Mitchell (for) with Mr. Short (against).
Mr. Arnold (for) with Mr. Powers (against).
Mr. Collins (for) with Mr. Wolfenden of Pennsylvania (against).
Mr. Byrne of New York (for) with Mr. Leonard W. Hall (against).
Mr. Stearns of New Hampshire (for) with Mr. Mason (against).
Mr. Sullivan (for) with Mr. Jensen (against).
Mr. Bloom (for) with Mr. Seger (against).
Mr. Warren (for) with Mr. Darrow (against).
Mrs. Norton (for) with Mr. Jarrett (against)
Mr. Buckley of New York (for) with Mr. Gross (against).
Mr. McAndrews (for) with Mr. Reece of Tennessee (against).

General pairs:

Mr. Cartwright with Mr. Dondero.
Mr. Fernandez with Mr. Gilchrist.
Mr. Clark with Mr. Edwin A. Hall.
Mr. Fitzpatrick with Mr. Knutson.
Mr. Jacobsen with Mr. LeCompte.
Mr. Ludlow with Mr. Wadsworth.
Mr. Dies with Mr. Sandager.
Mr. Garrett with Mr. Schiffler.
Mr. Hendricks with Mr. Winter.
Mr. Durham with Mr. Andrews.
Mr. Buck with Mr. Blackney.
Mr. Robertson with Mr. Bates of Massachusetts.
Mr. Caldwell with Mr. Barton.
Mr. Mouton with Mr. Risk.
Mr. Magnuson with Mr. Carter.
Mr. Bulwinkle with Mr. Hope.
Mr. Murdock of Utah with Mr. Crowther.
Mr. Nelson with Mr. Douglas.
Mr. Patrick with Mr. Sasscer.
Mr. Schwert with Mr. Steagall.
Mr. Taylor with Mr. Wallgren.
Mr. Wood with Mr. Thomas F. Ford.
Mr. Ellis with Mr. Kefauver.
Mr. Barden with Mr. Cummings.
Mr. Burgin with Mr. Landis.

Mr. BOREN changed his vote from "yea" to "nay."

Mr. JENNINGS changed his vote from "yea" to "nay."

Mr. DOUGHTON. Mr. Speaker, I have a pair with the gentleman from Massachusetts, Mr. TREADWAY. If I were permitted to vote, I would vote "yea." If he were present, he would vote "nay."

The result of the vote was announced as above recorded.

Mr. WHITTINGTON. Mr. Speaker, my colleague the gentleman from Mississippi, Mr. COLLINS, is unable to be present. If present, he would have voted "yea."

Mr. HART. Mr. Speaker, my colleague the gentlewoman from New Jersey, Mrs. NORTON, is necessarily detained. If present, she would have voted "yea."

Mr. PARSONS. Mr. Speaker, my colleagues the gentlemen from Illinois, Mr. ARNOLD and Mr. MITCHELL, are absent on official business. If present, they would have voted "yea."

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short editorial from the paper Justice, published by the International Ladies' Garment Workers' Union.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a certain letter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. POLK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address on flood control in the Ohio Valley by Brig. Gen. Thomas M. Robbins, Assistant Chief of Engineers.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain quotations from the paper Action.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a few brief clippings on how the British see our foreign policy.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that on Tuesday, the 13th, after the disposition of business on the calendar as well as any special orders, I be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order of the House heretofore made, the gentleman from Indiana [Mr. SCHULTE] is recognized for 20 minutes.

THE WHEELER-LEA TRANSPORTATION BILL

Mr. SCHULTE. Mr. Speaker, sometime ago there was introduced in the House a bill titled the "Wheeler-Lea transportation bill." After listening to the debate on both sides of the House we find that there is a consolidation feature connected to this bill. I, along with a great many Members of this House, am deeply concerned about the omnibus transportation bill as passed in different forms by both the Senate and the House.

Railroad employees have been told that this is not consolidation legislation, that it will not bring about widespread consolidation of the railroads, and that even if it does the bill gives adequate protection to railroad workers. I have contended with the gentleman from Iowa, VINC HARRINGTON, author of the Harrington amendment, from the beginning that it is consolidation legislation and that it will bring about widespread railroad consolidation, resulting in the creation of ghost communities and throwing into breadlines over 200,000 railway employees, and that no adequate protection is afforded the employees; that the bill is designed to give the railroad bankers a free rein in the consolidation procedure, subject only to the graces of the Interstate Commerce Commission, and accordingly the enactment of this legislation will mean that the Congress has abdicated to the railroad bankers and the Interstate Commerce Commission by delegating the authority to consolidate railroads, without imposing any just and adequate standards for the protection of the traveling and shipping public and railway employees.

The Association of American Railroads declared that this bill will facilitate railroad consolidation. Now, we read in the

Wall Street Journal of January 17, 1930, in which it is stated that—

The Interstate Commerce Commission anticipates renewed activity toward railroad consolidation, and is hopeful that the pending carrier legislation liberalizes the merger provisions and will stimulate the trend.

I am at a loss to understand the testimony of Mr. George M. Harrison, a member of the Commitee of Six, chairman of the Railroad Executive Association, and an exceptionally pleasant and good leader. I am at a loss to understand his testimony before the committee when he knew or must have known that the consolidation feature was in this piece of legislation, and if so, that it would mean placing 200,000 to 225,000 railroad employees upon the relief rolls. Yet he says this—and I am quoting from George M. Harrison:

Through consolidation we will get a greater amount of economies, undoubtedly get rid of the weak lines that are now presenting a serious problem and do much to strengthen the rail-transportation industry. Now, if our recommendations in that direction are adopted, we are firmly convinced that there undoubtedly will be a great many consolidations, whereby the transportation industry, with particular reference to the railroads, can be strengthened. There is no good in a consolidation unless it has the effect of strengthening the financial ability and reducing the amount of burdens that are placed upon the industry.

I am quoting Mr. Harrison, which you will find in H. R. 2531, pages 213 and 214.

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. I am happy to yield to my good friend, the gentleman from Iowa [Mr. HARRINGTON].

Mr. HARRINGTON. Is it not a fact that under the omnibus transporation bill consolidations of railroads, particularly the weaker railroads, would be most effective?

Mr. SCHULTE. Absolutely. That is true.

Mr. HARRINGTON. And it also follows, therefore, if that is the case, that the employees of the weaker railroads will be thrown out of work?

Mr. SCHULTE. There is no question about that, and that is irrespective of the length of service they have rendered to that particular railroad. And that is where a lot of the savings will come from, the salary of the employees.

Mr. HARRINGTON. And in spite of the Railroad Retirement Act?

Mr. SCHULTE. That is right.

Now, it is not being honest with the railroad employees to contend that the omnibus transportation bill does not have as one of its major purposes the expediting of widespread consolidation of American railroads in the interest of improving profits. Now, it is not in the interest of the people by any means, because in spite of the consolidations we have had in the United States, there is not anyone who can show us where there has been a 5-cent saving to the user of that particular railroad.

Mr. GEYER of California. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. GEYER of California. What does the gentleman think about squeezing the water out first before they begin jumping on the employees?

Mr. SCHULTE. I am very much in sympathy with that and am anxious that that be accomplished first. I have repeatedly said that a consolidation program will add from 200,000 to 225,000 railroad workers to the ranks of the unemployed. Now, is this a fact? Is this an overstatement? I submit the following from the Wall Street Journal of January 7, 1940. Evidently that speaks for big business.

The savings of wages, the main purpose of mergers, and the increase in efficiency in consolidation probably would be substantial. Estimates have been made that if all of the possible or logical consolidations and coordinations were an accomplished fact, savings in railroad operations of as much as $500,000,000 annually could be brought about.

It is reliably estimated that 80 percent of the savings from consolidations will come out of the pay rolls of railroad workers. Eighty percent of $500,000,000 is $400,000,000. According to the official records of the Railroad Retirement Board, based on the wages actually received by the total number of workers actually employed, the average annual wage of railroad workers in 1937 was $1,108. According to the middle-of-the-month count of the Interstate Commerce Commission, the average annual wage was $1,781, but it should be understood that this is a fictitious figure and not the true annual average wage. Consolidations would naturally eliminate the part-time employees first, so if we are to arrive at an accurate estimate of the total number of employees eliminated by railroad consolidations, the Retirement Board estimate, which includes all workers employed by the industry, would give us the most accurate result. Considering $1,108 as the average annual wage of railroad workers, the $400,000,000 annual take from railroad labor would eliminate 361,000 employees. Even if we used the fictitious average annual wage used by railroad and financial interests, 224,593 employees would be eliminated. Now, Mr. Speaker, this is in spite of millions upon millions of dollars that this particular Administration has spent in trying to relieve unemployment.

I ask the membership of the House: Are you going to take part in passing this so-called Wheeler-Lea transportation bill which is going to throw 361,000 railroad employees on the street with no compensation whatsoever for the time they have put in, with no help whatsoever and no savings to the consumers or the users of the railroad?

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. HARRINGTON. Under the Senate bill the statement the gentleman has made is absolutely correct, but is it not true that under the House bill, which is in conference, railroad labor has been protected?

Mr. SCHULTE. If the House would adopt the amendment which the gentleman from Iowa [Mr. HARRINGTON] offered, that would be true. That is the only thing that will save the railroad employees, the Harrington amendment; and I suggest, Mr. Speaker, that when this bill comes back from conference, if the Harrington amendment is eliminated, the thing which offers the only solution to this problem, then we should vote down the complete Wheeler-Lea transportation bill, for it does not mean any savings to the people of this country. [Applause.]

We have every reason to rely upon the Wall Street Journal's estimate of the contemplated savings, for the omnibus transportation bill proposes to give to the railroads and their bankers the initiative in railroad consolidations. The Wall Street Journal of January 2 this year states that this legislation would give back to the railroads initiative on consolidation proposals.

In Mr. Harrison's testimony which I have cited earlier in my remarks, he declared that the reason they were asking for repeal of the 1920 Transportation Act was to get rid of the uncertainty of Government action and the danger of having some governmental officer without practical experience, perhaps, trying to lay out the physical operations of the railways—in other words to give the railroads a free hand in consolidations. That is what they are asking us for.

This bill is also defended on the grounds that the so-called Washington jobs agreement of 1936 will protect the railway employees. If you permanently disemploy a quarter of a million railroad workers, somebody must absorb that pay roll loss. In the hearings above referred to, Mr. George M. Harrison declared that the entire economies possible from the 1936 Washington jobs agreement will be absorbed by labor for the first year and a half and thereafter it will accrue to the corporations.

Mr. Speaker, let me say that in the event the Wheeler-Lea bill becomes law it means that in every city, every little town, irrespective of its location in the United States, where railroad men live today, one-half of the railroad men living there will be unemployed. Let us see how the railroads have progressed. Who is causing all this unemployment in the railroad field? Twenty years ago the railroads employed over 2,000,000 men. Two million men were making their living on

the railroads. Today there are but 900,000 railroad employees in the United States, yet the railroads are moving more freight today than they did in 1920. This means that just 1,100,000 railroad men have lost their jobs because of improved conditions in the railroads, engines now pulling 100 cars, trains moving faster, yet railroad rates are higher today than they have ever been. Where is the saving to the public? Are we going to continue to be a part of this and allow them to do all this consolidating? I hope not.

Let me now pay tribute to our colleague in the House, the gentleman from Iowa [Mr. HARRINGTON]. He saw this coming and used every effort to protect the railroad men. His every heart beat is in sympathy with them. The gentleman from Iowa appreciating the fact that it would mean unemployment in spite of what the railroad executives said, introduced the Harrington amendment. They say the Harrington amendment is harmless. If it is harmless why not adopt it?

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. HEALEY. If the Harrington amendment stays in the bill the wholesale dismissal of railroad workers will not occur.

Mr. SCHULTE. It is the only safeguard the railroad men have, I may say to my good friend from Massachusetts; the Harrington amendment is their only safeguard.

Who is going to pay the cost of this threatened destruction of the jobs of a quarter of a million railroad workers? It is obvious that railroad workers and public relief agencies will absorb the loss, much to the profit of railroad financial interests. Let it further be recorded that railroad workers believe that a dismissal wage is no just substitute for a job. They want the right to work, not to be forced to surrender their jobs for a pittance. Following the signing of the Washington jobs agreement of May 21, 1936, I said the following of this agreement:

* * * I want to emphasize that, so far as the Brotherhood of Railroad Trainmen is concerned, the agreement with the carriers relative to consolidation and coordination can in no sense be interpreted to mean that the way is clear for railroad consolidations and coordination. This brotherhood will continue to fight as vigorously as it always has such efforts to economize at the expense of humanity. * * * We have now entered into an agreement with the carriers designed, not to improve the standards of living or working conditions of railroad workers, but to share with them a small portion of the booty that would come to the coupon clippers if Wall Street's demand for "economy" at the expense of humanity is carried out.

That is our position today. That is the position of the rank and file of all classes of railroad workers today. Congress would break faith with a million railroad workers if it used the Washington jobs agreement as a flimsy excuse for turning over to railroad bankers and the Interstate Commerce Commission our only mass transportation agency for the purpose of impairing it through consolidation for greater banker profits. Furthermore, you would be breaking faith with the millions of people who depend upon the railroads in small communities throughout the Nation. As quoted herein, Mr. George M. Harrison declared that this proposed legislation would "undoubtedly get rid of the weak lines," but I submit that the people who are dependent upon these weak lines for their means of livelihood, small-business men as well as railroad workers, consider the "weak lines" just as indispensable to their community life as the financially strong railroads.

No one can intelligently consider the problems of the railroad industry without understanding that that industry is characterized by "feast and famine." There are bankrupt railroads and railroads in an unsound financial condition—largely so because they have been milked by the rich and powerful railroads and by railroad bankers. But there are also railroads that are among the best dividend-paying corporations in the Nation. In 1936 the Chesapeake & Ohio Railroad paid more in dividends than it paid in wages to its employees. As recently as 1936 the Bessemer & Lake Erie Railroad paid 1,100 percent dividends. It also paid 1,100 percent dividends in 1931, the year prior to the railway-wage deduction. The Senate financial investigation of the railroads revealed that this industry is wasting a million dollars a day. It has been estimated that if the Government took over the railroads and paid a fair return to the security holders on the true value of the present investment $500,000,000 in dividend and interest charges could be saved annually. The Wall Street Journal is interested in saving $500,000,000 annually in the railroad industry. So am I, but I think the savings should come from those who are responsible for the present condition of the industry and not by deflating communities throughout the Nation, aggravating our unemployment and general economic problems, and imposing the burden upon the innocent and those least able to bear it. That is the issue presented by this legislation.

In view of present economic conditions in this country, the Congress simply must not enact legislation that will cause great unemployment throughout the Nation. The economic efforts of adding a quarter of a million railroad workers to the ranks of the unemployed, reaching as it would down into almost every community throughout the Nation, with its consequent creation of ghost communities and deflation of business on a Nation-wide scale, is fraught with imponderable disaster. When we consider the past record of financial exploitation in the railroad industry, and realize that the omnibus transportation bill is proposing to turn over to the very financial interests that have plundered the railroads the "initiative" and encouragement to launch this deflationary consolidation program in the interests of banker profits, in an industry that admittedly is wasting $365,000,000 annually, mainly as a result of the policies of these financiers, it is unthinkable that any Congressman or Senator would favor it.

The Harrington amendment to the omnibus transportation bill, enacted by the House, effectively guards the people against this ominous threat to their prosperity and welfare. The amendment is as follows:

Provided, however, That no such transaction (consolidation, merger, purchase, lease, operating contract, or acquisition of control) shall be approved by the Commission if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees.

All classes of railroad employees, various civic, fraternal, professional, and business groups have signed petitions in favor of the Harrington amendment. Many city councils and local officials throughout the Nation have signed these petitions. The people generally, and the rank and file of railroad employees in particular, do not want this disastrous program of railroad consolidation. So far as I know, or have been able to ascertain, not a single representative of organized labor, including the railroad labor groups, has ever spoken one word against the Harrington amendment. No railroad worker, and no one dependent upon the railroads for their means of livelihood and their community life, except railroad bankers, could oppose the Harrington amendment.

As a Member of this House, I urge you to retain the Harrington amendment when the conference report comes in. It would be far better for the country and for railroad workers if you would report out no recommendations than to recommend transportation legislation that did not contain this amendment. If this bill should ever become a law without the Harrington amendment, and railroad bankers should launch their program of eliminating a quarter of a million railroad workers, with consequent disastrous effects upon communities throughout the land, I assure you the Congress will soon have discovered that it has not solved the railroad problem, for the Nation-wide protest against this program of Wall Street railroad consolidation will compel a new and more equitable solution of our transportation problems.

Mr. PITTENGER. Will the gentleman yield?

Mr. SCHULTE. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Has the gentleman any assurances from the committee that we will have ample time to discuss this conference report when it comes in so that we may examine these different features?

Mr. SCHULTE. May I say to the gentleman that the proper thing to do in the House is to insist on proper time

to debate the matter when 225,000 jobs are at stake. It is a mighty serious thing, and we ought to debate it. In spite of what we hear from some of the railroad executives, Mr. Whitney, of the Trainmen, is very much in sympathy with it, the rank and file and the people themselves, the members of these unions, are in sympathy with it. I talked with the railroad engineers and firemen, and they want the Harrington amendment. In fact, they insist on the Harrington amendment. The conductors in my district insist on the Harrington amendment. The railroad workers, track men, and others insist on the Harrington amendment. They are beginning to realize that this is no more than a camouflage, which gives the railroads the right to consolidate and eliminate 225,000 jobs and certainly we are not going to be a party to that.

Mr. LEA. Will the gentleman yield?

Mr. SCHULTE. I yield to my good friend from California, whom I regard very highly, and one of the most capable men in this House.

Mr. LEA. I understood the gentleman to say that the passage of this bill would mean the elimination of 225,000 workers?

Mr. SCHULTE. I say not less than that number.

Mr. LEA. There is not the slightest basis for any such statement.

Mr. SCHULTE. Oh, but I say that there is. Will the gentleman accept the Harrington amendment?

Mr. LEA. I am not in position to accept it.

Mr. SCHULTE. Will the gentleman help us to have it accepted?

Mr. LEA. This is a question of abandonment or consolidation. Now, consolidation aids labor while abandonment destroys labor. It is not a question of choice. It is a question of what we actually face.

Mr. SCHULTE. I differ with my good friend the gentleman from California. I know he is sincere in his desire, and so am I. I am not willing, however, to gamble with 225,000 jobs. If there is not to be any damage to the railroad men, why not accept the Harrington amendment? It is not going to hurt the bill, and we are safeguarding those who believe the same as we do.

Mr. LEA. I am confident in my belief that the Harrington amendment will not help labor. It would stand in the way of consolidation. Consolidations aid labor by keeping up lines that otherwise will have to be abandoned. Of course, it is a debatable question. No one can tell you that any particular labor or any particular number are going to lose their employment because of consolidations. Consolidations require, in the first place, the consent of the lines affected, a very difficult thing, on account of the matter of refinancing and other problems. It is very difficult to make consolidations. In the next place, no consolidation can be made unless it has the approval of the Commission.

Mr. SCHULTE. May I say to the gentleman from California [Mr. LEA] that the question is too serious, it is too vital for either him or me to argue about. The point I make is that, knowing the railroad operators of the past and knowing the tricks to which they have resorted, I am not going to gamble when 225,000 jobs are at stake.

Mr. LEA. The principal labor organizations entered into an agreement with practically all the railroad companies providing for the care of men who might be displaced on account of consolidations. In a recent decision of the Supreme Court, the right of the Interstate Commerce Commission to require such an arrangement was established. In that particular case it was estimated that the savings per year would be about $500,000, and about $300,000 of that benefit went directly to labor. That had to do with one consolidation. Out of an estimated $500,000 saving, labor received over $300,000 of the benefit from the railroad company because of their displacement or transfer of employment.

Mr. SCHULTE. Allow me to say that the gentleman has admitted consolidations do enter into this.

Mr. LEA. In the bill?

Mr. SCHULTE. Yes.

Mr. LEA. Oh, yes; no doubt about that.

Mr. SCHULTE. There is no difference between us in reference to the consolidation feature being in the bill. The railroad men were told, and it is their general belief, that there is no consolidation connected with the Wheeler-Lea transportation bill.

Mr. LEA. If they would look up the arguments had in this House, I called attention to that as being one of the important features of the bill in the very first statement I made.

Mr. SCHULTE. It does allow the railroads to consolidate?

Mr. LEA. Yes; with the approval of the Commission.

Mr. SCHULTE. I am happy the gentleman has given us that contribution and that he has assured us beyond doubt that there is the matter of consolidation in this bill.

Now, who has asked for the bill? Agriculture has not asked for it. Agriculture testified in opposition to the bill, realizing the damage it will do to agriculture in connection with its shipping. The War Department does not want the bill, as was testified by the Secretary of War. Labor does not want the bill. Well, who wants the bill? Certainly the consumers of the United States do not want the bill, because they realize what is going to happen to them in the event the bill passes. So who can it be? It must be the railroad interests, and for the sole purpose of consolidation. I reiterate the statement it will eliminate 225,000 railroad workers who have served the railroads anywhere from 5 days to 30 years. These workers are going to be thrown on the mercy of the people of the towns in which they live. There is no denial of that, there is no question about it, from the treatment that has been accorded railroad men in the past by the railroads.

Mr. LEA. Under the present operations about 900,000 men who were formerly employed by the railroads have lost their positions.

Mr. SCHULTE. In the last 20 years, I may say to the gentleman, the railroad men inform us that over a million men have lost their jobs.

Mr. LEA. Yes; but about a hundred thousand have been taken back. Now, does not the gentleman think the laboring man is interested as well as the railroads in restoring a wholesome condition in the railroad industry?

The laboring man cannot hope to draw his salary from the railroad unless the railroad itself is a going concern.

Mr. SCHULTE. May I say to the gentleman from California that there is no question about that, and the railroads have been very amply protected in the past 50 years.

Mr. LEA. There has been a great demand and support for this legislation by the men themselves. Practically an overwhelming majority of the employees of the railroads of the United States want this legislation for the same reason that the railroads need it.

Mr. SCHULTE. The Brotherhood of Railroad Trainmen, and that is the largest body that belongs to the 21 brotherhoods, is very much opposed to the bill. May I say also that the railroad engineers and firemen who live in my district are opposed to it. The Order of Railway Conductors in my district is opposed to it. The railway men who maintain the tracks are opposed to it because their eyes have been opened to the fact that it means the loss of half of their jobs. They realize and appreciate that fact.

[Here the gavel fell.]

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. I yield to the gentleman from Texas.

Mr. BECKWORTH. Does the gentleman know what are some of the various circumstances that might cause the brotherhoods in various districts to differ in their opinions as to what effect this legislation will have on the workingmen?

Mr. SCHULTE. Yes, absolutely; through the leadership of the various organizations. The leaders who have gone

into this bill and who are very much in sympathy with their men, and honest in trying to keep their men at work, are for the Harrington amendment. This is a very broad statement I am making. I predict here and now that in the event this bill passes without the Harrington amendment every one of these railroad leaders who have been opposing the Harrington amendment will be dethroned or dehorned, as they call it in the parlance of the railroad world.

I say to the Members of this House that if the Wheeler-Lea bill passes it will not mean a saving to the consumers or the users of the railroads. What the railroads are trying to do is eliminate all forms of competition, to continue the dog-in-the-manger attitude they have had for 20 years. They have finally lost it because of the competition of trucks and water transportation. Now they are using the railroad men to force through this piece of legislation that will forge the last link around their throats and choke them to death.

I plead with the Members of the House not to let the Wheeler-Lea bill go through unless it contains the Harrington amendment. If it does not contain the Harrington amendment, let us vote it down.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. I yield to the gentleman from California.

Mr. HINSHAW. Did I not hear the gentleman state earlier in his address that, if this bill passes, the freight rates will be set by the railroads and not by the Commission?

Mr. SCHULTE. That is right.

Mr. HINSHAW. Where does the gentleman find that in the bill?

Mr. SCHULTE. Because they will be influenced by the railroads.

Mr. HINSHAW. The Interstate Commerce Commission?

Mr. SCHULTE. Look at the South today and ask any one of the Members from those Southern States.

Mr. HINSHAW. The Interstate Commerce Commission has been setting rates for a long time, and I believe they will probably still continue to do so. Does not the gentleman think so?

Mr. SCHULTE. I do not think there is any question about it, and, I will say, to the detriment of the people in the gentleman's district and to the detriment of the people in my district.

Mr. HINSHAW. I do not believe that.

Mr. SCHULTE. That is up to the gentleman's people. If they want higher rates, I say that is entirely up to them and to the gentleman; but the people in my district want lower rates.

Mr. HINSHAW. My people want lower rates, but I think that the best way to get lower rates, and I believe the gentleman will agree with me, is to have a healthy situation in the railroad field.

Mr. SCHULTE. I say that if the gentleman wants to cut off 225,000 jobs, that is entirely up to him.

Mr. HINSHAW. I do not want to do that. The gentleman knows that the only solution to the problem is to increase the business of the railroads, and they cannot get it unless they can lower their rates and at least break even. More business means more jobs and steadier ones to railroad employees. That is what I want, and that is what the employees and the people want.

Mr. SCHULTE. I do not want to cut off any jobs.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. I yield to the gentleman from Illinois.

Mr. KELLER. It has just occurred to me, if I may reply to the question of the gentleman from Texas [Mr. BECKWORTH], that the men would be influenced by local conditions, which, in my judgment, would mean that they would be influenced by whether they were working on the main lines which might be benefited by the cutting off of some of the smaller lines or whether they were on the smaller lines; and where the smaller lines were involved they would certainly be against this bill from A to Z.

Mr. SCHULTE. If the eyes of the railroad workers were opened to the real facts of this bill, they would oppose it to a man. I hope the Harrington amendment will be adopted. [Applause.]

[Here the gavel fell.]

WASHINGTON'S FAREWELL ADDRESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Thursday, February 22, after the reading of the Journal, Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. KELLER asked and was given permission to revise and extend his own remarks in the RECORD.

THE W. P. A. IN PENNSYLVANIA

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein an article appearing in today's Philadelphia Inquirer, in which I am attacked, and an article appearing in today's Philadelphia Record, in which I am likewise attacked.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McGRANERY. Mr. Speaker, on Tuesday afternoon, on the floor of this House, I said that we had a ghost Governor in the State of Pennsylvania in the person of Col. Carl Estes, a citizen of the sovereign State of Texas, and, at the same time, I quoted the Scranton Times of February 21, 1939, as publishing a story headed: "Tighten your belts, James tells men looking for work. Governor tells building-trades men that he believes unemployment problem will not be solved unless there is a war." On that occasion I charged Governor James as having the ghost Governor hovering about him all during his preelection campaign, during which time Governor James repeatedly attacked W. P. A. as a wasteful and extravagant agency of the Government.

Today's Philadelphia Inquirer quotes Governor James as calling me "a liar" at his press conference yesterday afternoon. I shall read the passage:

JAMES DARES FOES TO FACE HIM ON W. P. A.—BRANDS McGRANERY AS "LIAR" FAILING TO REPRESENT DISTRICT

(By Gerson H. Lush)

HARRISBURG, February 7.—Governor James challenged congressional critics of his attacks on W. P. A. today to invite him to an "open meeting" at Washington for a full discussion of the matter.

In a fighting mood, the Governor struck back vigorously at two Pennsylvania Democrats who assailed him on the floor of the House yesterday.

He accused both Representative JAMES P. McGRANERY, of Philadelphia, and Representative J. HAROLD FLANNERY, of Pittston, of misrepresenting their constituents for not joining his battle "to try to help Pennsylvania get Pennsylvania's share."

"GHOST GOVERNOR" HIT

McGRANERY, in his Washington speech, assailed the Governor's close friend and adviser, Col. Carl L. Estes, as Pennsylvania's "ghost Governor," and said James believed a war was the only solution to the unemployment problem in this country.

At his press conference the Governor branded McGRANERY as a liar who made "so silly a statement that it hardly deserves an answer."

"McGRANERY's attack was a fool statement founded purely in political spite and animosity," the Governor declared.

"Mr. McGRANERY wants to remember as a Democrat that he still represents men and women in his district who are on relief, and he is blinded so much by partisan bitterness that he would attempt to embarrass the Governor in his efforts to do one thing to get for the people of Pennsylvania their rightful share of their own money and their right to get people on W. P. A. instead of on relief.

"If there is any ghost in this matter, it is the ghost of the forgotten men and women who ought to be on W. P. A. and not on relief."

CONFERENCE SUGGESTED

After the congressional attack on the Governor, Representative JOHN McDOWELL, Pittsburgh Republican, suggested a round-table

conference, at which James would be represented. FLANNERY indorsed the idea, but insisted the Governor be there in person.

The Governor's reply was that he would be glad to attend any such conference, but in turn he insisted that Col. F. C. Harrington, National W. P. A. Administrator, be present.

QUOTA INCREASED

The Governor also pounded on FLANNERY, who hails from Luzerne County, which likewise is James' home.

"I want to get this on the record," the Governor said. "In 1935 FLANNERY was one of the most ardent Republicans in Luzerne County. He was serving in the district attorney's office and was anxious to be the Republican candidate for district attorney in Luzerne County.

"He wasn't a Roosevelt Democrat in 1932. He didn't suffer a change of heart until he was rejected as the Republican candidate for district attorney.

"Instead of finding fault with me, let him remember I am fighting to see men and women in Luzerne County who are on relief get on W. P. A."

I regret that the Governor of the great Commonwealth of Pennsylvania has seen fit to demean himself and his office by descending to the level of street jargon and using the ugly word "liar" rather than answer the charges. I reiterate the charges that I made on Tuesday afternoon in this House.

It is to be deplored that the Governor of any great Commonwealth should have so little control of his temper. Today's Philadelphia Record reported him as follows, "James, white with anger, pacing up and down his office." His vocabulary was so lacking that he was unable to deny the charges in an intelligent and gentlemanly fashion.

Perhaps it was because of the fact that the ghost Governor was not hovering about him at that time. Perhaps it was because of my exposé of the ghost Governor that he could not be there on that occasion.

The entire article is as follows:

JAMES ANGERED BY GHOST STORY—GOVERNOR FLATLY DENIES CHARGE COLONEL ESTES IS SHADOW EXECUTIVE

(By Joseph P. McLaughlin)

HARRISBURG, February 7.—Governor James today characterized as "so silly it hardly needs denial" a Democratic Congressman's charge that Col. Carl L. Estes, wealthy Texas publisher, is the "ghost Governor" of Pennsylvania.

In a fighting mood, the Governor denied flatly that Estes is behind his attacks on W. P. A., or that he, James, ever said the only real solution to the unemployment problem is war.

WHAT HE REALLY SAID

"What I really said," James declared at a press conference, "is that the New Deal's only solution to the unemployment problem is war."

The charge that Estes is the "ghost Governor" of Pennsylvania was made yesterday on the floor of Congress by Representative JAMES P. MCGRANERY, of Philadelphia.

James, his face white with anger, bitterly denounced MCGRANERY and Congressman J. HAROLD FLANNERY, of Luzerne County, who also participated in the attack. Pacing up and down his office, he said:

SPITE AND ANIMOSITY

"MCGRANERY'S attack was a fool statement, founded purely in political spite and animosity. He wants to remember as a Democrat he still represents the men and women in his district who are on relief.

"He is so blinded by partisan bitterness that he would attempt to embarrass the Governor in his efforts to do just one thing—to get for the people of Pennsylvania their rightful share of their own money and to get the people who are on relief on W. P. A.

THE ONLY GHOST

"If there is any ghost in this matter, it is the ghost of the forgotten men and women who ought to be on W. P. A. and not on relief."

At one point James, turning to me, said: "Take this down; I want to get it in the Philadelphia Record:

"In view of what the Pittsburgh Press said about Senator GUFFEY, maybe it might be a good idea to have a Texas Democrat come up here and clean out some of these Pennsylvania Democrats."

WILL JOIN CONFERENCE

James said he would gladly participate in the suggested round-table conference between Democrats, Republicans, and Work Projects Administrator F. C. Harrington to settle the controversy over responsibility for W. P. A.'s failure to fill its quota in Pennsylvania.

"Let the head of W. P. A., Colonel Harrington, be there," said James, "not a second-rate man like the administrator in Pennsylvania (Col. Philip Mathews)."

It is too late, however, for Governor James to hide the ghost Governor of Pennsylvania. He has been in the forefront since Governor James took the oath of office. His absence yesterday was conspicuous. It is evident that the Governor can make no rational public utterance without him.

Now, I am most reliably informed that Governor James will attempt to make a national figure of himself as the guest of Senator ARTHUR VANDENBERG in the city of Detroit next Monday night. At that time, on the anniversary of the birth of a truly great American, who belongs not only to one political party but to the entire American people, this violently partisan man will attempt, on a Nation-wide hook-up, to carry out the plan of his political backers, who seek to make him a candidate for President. In the Detroit speech will Governor James again be the medium for the ghost Governor? Are his backers preparing the country for a ghost President?

Can this sudden sympathy for W. P. A. on the part of Governor James have been suggested by the ghost Governor, Carl Estes? It is a known fact that Colonel Estes has made a survey of the national situation. Has he found, particularly in the large industrial localities, a high appraisement for the activities of W. P. A.? Once again, Governor James is going into a campaign, this time a national campaign, to be, as he was in the 1938 Pennsylvania campaign, "all things to all men."

My record as an advocate and strong supporter of W. P. A. speaks for itself since I have taken my seat in this House. In this and every other respect I have always represented my constituents most faithfully and conscientiously, and Governor James well knows this.

However, I have always been obstructed by a Republican administration in Philadelphia that would never subscribe in a full and fair manner to the benefits of W. P. A. A complete table of these obstructions and deficiencies was inserted as a part of my remarks last Tuesday. That table stands unchallenged. It cannot be challenged or attacked. It is the truth, and Governor James has not questioned it because he cannot. I, and my other Democratic colleagues are now obstructed by a State administration which, either through lack of intelligence or a desire to play politics with human misery, has refused to do its part toward providing sufficient funds for Pennsylvania's full participation under the W. P. A. program, which I, as well as every other liberal-thinking Member of this House, have supported. [Applause.]

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. MCGRANERY. I yield to my friend.

Mr. WALTER. Who is this Corporal Estes that the gentleman has described as being the ghost Governor of our State?

Mr. MCGRANERY. Corporal Estes came to Pennsylvania under a nom de plume recently and then became a part of the James campaign for Governor. He is a gentleman from the State of Texas. He served in the National Guard of that State. He was an enlisted man. The title "colonel," so far as I can ascertain, is some honorary title that was given to him, perhaps on another day by a Governor.

He may, perhaps, have been on some staff, but he is closely associated with Joseph Pew, who is the dominant figure today in the Republican Party and who has put forth Governor James as a possible candidate for President on the Republican ticket; and he has already tried to make it possible to capture the Republican National Convention for Pennsylvania and there attempt to stampede it for James. Does that answer my friend's question?

Mr. WALTER. Yes; thank you.

Mr. SACKS. Mr. Speaker, will the gentleman yield?

Mr. MCGRANERY. I yield.

Mr. SACKS. Is it not true that the Governor of Pennsylvania is trying to find an excuse for the promises he made to balance the budget and to continue W. P. A., which he has not kept since he has been in office?

Mr. MCGRANERY. I have already repeated that the Governor of Pennsylvania stamped up and down the State of Pennsylvania, leveling charges against W. P. A. and calling it an extravagant agency on the part of the Government and a wasteful one. However, he has done an about-face with the two gentlemen [Mr. CORBETT and Mr. MCDOWELL]. My colleagues from Pennsylvania well know the views of most

of the Republican Members from Pennsylvania and they are not, and never have been, in sympathy with the W. P. A. program.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. McGRANERY. I yield.

Mr. BRADLEY of Pennsylvania. My friend, then, thinks that instead of being a reckless ranger from Texas, in addition to being a ghost Governor, this gentleman is also most likely one of those phantom colonels we hear about.

Mr. McGRANERY. I believe there would be a great deal of truth in what the gentleman has said.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. McGRANERY. I yield.

Mr. EBERHARTER. Can the gentleman from Pennsylvania tell us whether or not this "ghost" of whom he speaks, now resides in the executive mansion at Harrisburg, at the expense of the taxpayers of Pennsylvania?

Mr. McGRANERY. I have been most reliably informed that that is true, and notwithstanding Colonel Estes took up residence very close to the executive mansion, he now resides in the executive mansion itself.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SMITH of Illinois, for 1 day, on account of important business.

To Mr. FITZPATRICK, for an indefinite period, on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 7805. An act making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation for the fiscal year ending June 30, 1940, and for other purposes.

The SPEAKER pro tempore announced his signature to an enrolled bill of the Senate of the following title:

S. 2624. An act to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks.

RESOLUTION AND BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. Res. 377. Resolution appointing Hon. SAM RAYBURN, a Representative from the State of Texas, Speaker pro tempore during the absence of the Speaker (engrossed copy);

H. R. 7805. An act making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation for the fiscal year ending June 30, 1940, and for other purposes; and

H. R. 8067. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and for other purposes.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 23 minutes p. m.) the House adjourned until tomorrow, Friday, February 9, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Friday, February 9, 1940, at 10 a. m., before the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce. State regulatory bodies will be heard.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, February 14, 1940, at 10:30 a. m., for the public consideration of H. R. 8023 and H. R. 8292.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, February 13, 1940:

H. R. 1780, to amend section 7 of the act of June 19, 1886, as amended (U. S. C., 1934 ed., Supp. III, title 46, sec. 319), relative to penalties on certain undocumented vessels and cargoes engaging in the coastwise trade or the fisheries, and for other purposes.

H. R. 5837, to amend section 221 of the Shipping Act, barring certain aliens from participating in the benefits thereof.

H. R. 6770, to amend Revised Statutes 4311 (U. S. C. 251).

H. R. 7694, to amend section 4311 of the Revised Statutes of the United States.

H. R. 8180, to require that not less than 75 percent of the crew of any fishing vessel of the United States be citizens of the United States.

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collector of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 14, 1940, at 10 a. m., there will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary on the bill (H. R. 8016) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (municipal compositions). The hearing will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 6877, to protect the United States in patent infringement suits; and S. 547, to amend section 23 of the Copyright Act.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1378. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1941 in the amount of $3,000,000 (H. Doc. No. 629); to the Committee on Appropriations and ordered to be printed.

1379. A letter from the Acting Secretary of the Treasury, transmitting the draft of a proposed bill to amend section 2 of the act of January 12, 1938 (52 Stat. 4); to the Committee on Merchant Marine and Fisheries.

1380. A letter from the Postmaster General, transmitting the draft of a proposed bill to amend acts extending the franking privilege to widows of ex-Presidents of the United States; to the Committee on the Post Office and Post Roads.

1381. A letter from the Secretary of the Treasury, transmitting the annual report for the fiscal year ended June 30, 1939, of the stabilization fund created under the Gold Reserve Act of 1934; to the Committee on Coinage, Weights, and Measures.

1382. A letter from the Secretary of the Interior, transmitting the draft of proposed legislation to authorize the restoration to tribal ownership of certain lands upon the Crow Indian Reservation, Mont.; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 8237. A bill to amend the District of Columbia Revenue Act of 1939; without amendment (Rept. No. 1581). Referred to the Committee of the Whole House on the state of the Union.

Mr. CRAVENS: Committee on the Territories. H. R. 4776. A bill to amend section 6 of the organic act of Alaska; with amendment (Rept. No. 1582). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRYSON: Committee on the Territories. H. R. 7612. A bill for the transfer of funds to the town of Wrangell, Alaska; without amendment (Rept. No. 1583). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McLAUGHLIN:

H. R. 8367. A bill to amend the Tariff Act of 1930 by reclassifying brushes or hair pencils for manicuring purposes; to the Committee on Ways and Means.

By Mr. SPENCE:

H. R. 8368. A bill to provide for investigation of activities of Government employees on behalf of foreign countries; to the Committee on the Judiciary.

By Mr. BUCKLER of Minnesota:

H. R. 8369. A bill authorizing a per capita payment of $12.50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to the Committee on Indian Affairs.

By Mr. COOLEY:

H. R. 8370. A bill to provide for a permanent rate of 3½ percent on land-bank loans and a permanent rate of 4 percent on commissioner loans; to the Committee on Agriculture.

By Mr. DISNEY:

H. R. 8371. A bill to authorize a preliminary examination and survey of Salt Creek of the Arkansas River and its tributaries in Osage County, in the State of Oklahoma, with a view to the control and conservation of its floods, and for other purposes; to the Committee on Flood Control.

By Mr. KELLER:

H. R. 8372. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Chester, Ill.; to the Committee on Interstate and Foreign Commerce.

H. R. 8373. A bill to amend section 79 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. IZAC:

H. R. 8374. A bill to give wartime rank while on active duty to certain retired commissioned officers, warrant officers, and enlisted men; to the Committee on Military Affairs.

By Mr. TINKHAM:

H. J. Res. 450. Joint resolution to provide for the withdrawal of membership of the United States in the International Labor Organization; to the Committee on Foreign Affairs.

By Mr. WHITE of Ohio:

H. J. Res. 451. Joint resolution providing for the observance of National Inventors' Day and National Advancement Week; to the Committee on the Judiciary.

By Mr. FISH:

H. J. Res. 452. Joint resolution to establish an international trade and credit market based on gold; to the Committee on Ways and Means.

By Mr. PLUMLEY:

H. Res. 380. Resolution expressing sentiments of House relative to granting exclusive license to foreign-owned air-transportation systems; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 8375. A bill for the relief of Caroline S. Bauer; to the Committee on Claims.

By Mr. DIMOND:

H. R. 8376. A bill for the relief of Agnes L. Reinert; to the Committee on Claims.

By Mr. KILDAY:

H. R. 8377. A bill for the relief of Thomas L. Boren; to the Committee on Military Affairs.

By Mr. LEA:

H. R. 8378. A bill for the relief of Filiberto A. Bonaventura; to the Committee on Immigration and Naturalization.

By Mr. LESINSKI:

H. R. 8379. A bill for the relief of Izaak Szaja Licht; to the Committee on Immigration and Naturalization.

By Mr. MAHON:

H. R. 8380. A bill for the relief of Douglas C. Pyle; to the Committee on Naval Affairs.

By Mr. MUNDT:

H. R. 8381. A bill for the relief of Henry Nyhouse; to the Committee on Claims.

H. R. 8382. A bill for the relief of Josephine Todd Moore; to the Committee on Invalid Pensions.

By Mr. MURDOCK of Arizona:

H. R. 8383. A bill granting an increase of pension to Frank J. Gillick, alias Frank J. Belyea; to the Committee on Pensions.

By Mr. PARSONS:

H. R. 8384. A bill granting a pension to Claud Stine; to the Committee on Invalid Pensions.

H. R. 8385. A bill granting a pension to James Hord; to the Committee on Invalid Pensions.

By Mr. REECE of Tennessee:

H. R. 8386. A bill granting a pension to Nettie Potter Stout; to the Committee on Invalid Pensions.

H. R. 8387. A bill granting a pension to Printha Ann Ownby; to the Committee on Invalid Pensions.

H. R. 8388. A bill granting a pension to Horace E. Ehle; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia:

H. R. 8389. A bill granting a pension to Penira Williams Massey; to the Committee on Invalid Pensions.

By Mr. BLAND:

H. J. Res. 453. Joint resolution authorizing Capt. William Bowie, former Chief of the Division of Geodesy in the United States Coast and Geodetic Survey, Department of Commerce, to accept and wear the decoration of the Cross of Grand Officer of the Order of St. Sava; to the Committee on Merchant Marine and Fisheries.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6426. By Mr. FLAHERTY: Petition of the Massachusetts State Federation of Labor, Boston, Mass., opposing the Neely

anti-block-buying bill; to the Committee on Interstate and Foreign Commerce.

6427. Also, petition of the United Cement Finishers, Local Industrial Union 900, Boston, Mass., opposing the curtailment of appropriations for Work Projects Administration, National Youth Administration, United States Housing Authority, and Wage and Hour Division; to the Committee on Appropriations.

6428. Also, petition of the Massachusetts Dental Society, Boston, Mass., urging support of House bill 7865, to provide for the District of Columbia a modern dental law; to the Committee on the District of Columbia.

6429. Also, petition of the Women's International League for Peace and Freedom, Massachusetts branch, Boston, Mass., opposing anti-alien legislation; to the Committee on Immigration and Naturalization.

6430. By Mr. HANCOCK: Petition of Charles Hackenheimer and 155 other residents of Syracuse, N. Y., protesting against the levying of any excise or processing taxes on primary food products; to the Committee on Ways and Means.

6431. By Mr. KEOGH: Petition of Mrs. Francis Donaldson, State president, New York League of Women Voters, favoring the passage of the Ramspeck bill (H. R. 960); to the Committee on the Civil Service.

6432. Also, petition of the Merchants' Association of New York, concerning the Wheeler-Lea bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

6433. Also, petition of the Manufacturing Retail Bakers' Association of the Eastern States, concerning the collecting of a processing tax on wheat; to the Committee on Ways and Means.

6434. Also, petition of the New York State League of Savings and Loan Associations, New York City, favoring the passage of House bill 6971; to the Committee on Banking and Currency.

6435. By Mr. MAHON: Petition of Lewis Owen, chairman of the Hockley County division of the Texas Agricultural Association and about 220 other citizens of Hockley County, Tex., seeking equitable adjustment of cotton-acreage allotments in Hockley County; to the Committee on Agriculture.

6436. By Mr. MERRITT: Resolution of the Flushing Manor Civic Association, requesting that legislation be enacted to equalize the interest rate on Federal Housing Authority mortgages, which would render recent change of Federal Housing Authority mortgages to become retroactive to the very inception of the Federal Housing Authority; to the Committee on Banking and Currency.

SENATE

FRIDAY, FEBRUARY 9, 1940

(Legislative day of Wednesday, February 7, 1940)

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou who art most pure, most wise, most holy, before whom angels veil their faces and saints confess their sinfulness: How shall we come before Thy presence save with a sense of our complete unworthiness? How trifling seem the things for which we strive; yea, the very thought of Thee makes all else seem poor. And though we be tied and bound with the chain of our sins, yet let the pitifulness of Thy great mercy loose us, that, with pure hearts and minds, we may serve Thee in the spirit and power of the blessed Christ, who was in all points tempted like as are we, yet without sin.

Speak to each one of us through the voice of stillness, reminding us of our high vocation, and at evening, when the day is done, lead us beyond the glory of the sunset to the gates of Thy high place, and let Thy peace come down upon us with the twilight and the stars as the benediction of a Father's love, through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, February 8, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4532) to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States.

The message also announced that the House had passed a bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the enrolled bill (S. 2624) to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	La Follette	Schwartz
Andrews	George	Lee	Schwellenbach
Ashurst	Gerry	Lodge	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Smathers
Barbour	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Brown	Guffey	Maloney	Taft
Bulow	Gurney	Mead	Thomas, Idaho
Burke	Hale	Miller	Thomas, Okla.
Byrd	Harrison	Minton	Thomas, Utah
Byrnes	Hatch	Murray	Tobey
Capper	Hayden	Neely	Townsend
Caraway	Herring	Norris	Tydings
Chavez	Hill	O'Mahoney	Vandenberg
Clark, Idaho	Holman	Overton	Van Nuys
Clark, Mo.	Holt	Pepper	Wagner
Connally	Hughes	Pittman	Walsh
Danaher	Johnson, Calif.	Reed	Wheeler
Donahey	Johnson, Colo.	Reynolds	White
Ellender	King	Russell	Wiley

Mr. MINTON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from Kentucky [Mr. CHANDLER], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Maryland [Mr. RADCLIFFE], and the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY] are detained on important public business.

Mr. AUSTIN. I am requested to announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. DAVIS], the Senator from North Dakota [Mr. NYE], and the Senator from Minnesota [Mr. SHIPSTEAD] are unavoidably detained.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

TRIBUTE TO THE LATE SENATOR BORAH—RESOLUTION OF THE LEGISLATURE OF NEW YORK

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was ordered to lie on the table:

STATE OF NEW YORK,
IN ASSEMBLY,
Albany, January 22, 1940.

By Mr. SHAW:

Whereas the Legislature of the State of New York has learned with deepest sorrow of the death of the Honorable WILLIAM EDGAR BORAH, late United States Senator from the State of Idaho; and

Whereas the people of the State of New York join with those of all other States in the Union in mourning the passing of this great American, whose entire life was one of untiring devotion to the services and welfare of the American people; and

Whereas, in his passing, the entire Nation has sustained a great loss: Now, therefore, be it

Resolved (*if the Senate concur*), That when the legislature adjourns today it do so out of respect to the memory of the late United States Senator WILLIAM EDGAR BORAH; and be it further

Resolved (*if the Senate concur*), That copies of this resolution, suitably engrossed, be transmitted by the clerk of the senate and the clerk of the assembly to the President of the United States Senate, the Governor of the State of Idaho, and to the surviving widow of the deceased United States Senator, to whom we extend our deepest sympathy and condolence.

By order of the Assembly.

ANSLEY B. BORKOWSKI, *Clerk*.

In Senate January 22, 1940. Concurred in without amendment.

By order of the Senate.

WILLIAM S. KING, *Clerk*.

FRANKING PRIVILEGE TO WIDOWS OF EX-PRESIDENTS

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, transmitting a draft of proposed legislation amending acts extending the franking privilege to widows of ex-Presidents of the United States, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

ADOPTION OF MINORS BY INDIANS—CROW INDIAN RESERVATION LANDS, MONTANA

The VICE PRESIDENT laid before the Senate two letters from the Secretary of the Interior, transmitting drafts of proposed legislation relating to adoption of minors by Indians, and authorizing the restoration to tribal ownership of certain lands upon the Crow Indian Reservation, Mont., and for other purposes, which, with the accompanying papers, were referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the boards of directors of the Bryan and Graham National Farm Loan Associations, both in the State of Texas, favoring restoration of the Farm Credit Administration to the status of an independent bureau and also the placing of the operations of the Federal land banks, national farm loan associations, and other units of the Administration under the supervision of a bipartisan board appointed by the President for fixed terms, by and with the advice and consent of the Senate, which were referred to the Select Committee on Government Organization.

Mr. REED presented a memorial signed by 34 citizens of the State of Kansas, remonstrating against the construction of a flood-control project now under consideration by the War Department to be located in Greenwood, Woodson, Elk, and Wilson Counties, Kans., which was referred to the Committee on Commerce.

Mr. NEELY presented a resolution adopted by a meeting of members of Council No. 133, Polish National Alliance of America, and representatives of other Polish-American organizations of northern West Virginia, at Weirton, W. Va., protesting against the military occupation of Poland by the armies of Germany and Soviet Russia and expressing appreciation and thanks to the Government of the United States and the American people for the sympathy and interest manifested to the people of Poland during the invasion of their country and also for the moral and material aid rendered them in their hour of need, which was referred to the Committee on Foreign Relations.

Mr. WALSH presented the memorial of the congregation of the First Baptist Church of Rockland, Mass., remonstrating against the shipment of war materials and supplies to Japan, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Massachusetts Branch of the Women's International League for Peace and Freedom, at Boston, Mass., protesting against the enactment of such pending antialien legislation as would curtail civil rights, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Local No. 120, Typographical Union, of Lynn, Mass., protesting against enactment of the so-called Neely bill, relative to the block booking and blind selling of motion-picture films, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 2552) for the relief of the Jersey Central Power & Light Co., reported it with amendments and submitted a report (No. 1194) thereon.

Mr. REYNOLDS, from the Committee on Military Affairs, to which was referred the bill (H. R. 7941) relating to the citizenship and compensation of certain employees on military construction work in the Panama Canal Zone, reported it without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 3322. A bill authorizing the appointment of Alexander McNair Willing as captain in the Regular Army; to the Committee on Military Affairs.

By Mr. McNARY:

S. 3323. A bill to provide pension benefits for certain Spanish-American War veterans equivalent to those granted to Civil War veterans; to the Committee on Pensions.

By Mr. MALONEY:

S. 3324. A bill relating to the existing flood-protection project at East Hartford, Conn.; to the Committee on Commerce.

By Mr. BYRNES:

S. 3325. A bill to provide for the transfer of the duplicates of certain books in the Library of Congress to the Beaufort Library, of Beaufort, S. C.; to the Committee on the Library.

By Mr. BULOW (for himself and Mr. GURNEY):

S. 3326. A bill for the relief of A. T. Cole; to the Committee on Indian Affairs.

By Mr. HALE:

S. 3327. A bill granting a pension to Gertrude B. Gowen (with accompanying papers); to the Committee on Pensions.

By Mr. BURKE:

S. 3328. A bill for the relief of Dorothy Crossing; and

S. 3329. A bill for the relief of Charles E. Molster, former disbursing clerk for the Department of Commerce and the National Recovery Administration; J. L. Summers, deceased, former chief disbursing clerk, Division of Disbursement, Treasury Department; and Guy F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department; to the Committee on Claims.

S. 3330. A bill to amend the Tariff Act of 1930 by reclassifying brushes or hair pencils for manicuring purposes; to the Committee on Finance.

By Mr. SHEPPARD:

S. 3331. A bill to create the grade of chief warrant officer in the Regular Army; to the Committee on Military Affairs.

By Mr. BARBOUR:

S. 3332. A bill to authorize the Secretary of Commerce to permit the construction and maintenance of overhanging walks on the highway bridge, Route No. 36, at Highlands, N. J., for public use; to the Committee on Commerce.

By Mr. PITTMAN:

S. 3333. A bill to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended; to the Committee on Foreign Relations.

HOUSE BILL REFERRED

The bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

SUPERINTENDENT AND MESSENGER, SENATE RADIO PRESS GALLERY

Mr. BYRNES submitted a resolution (S. Res. 235), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate; and subsequently Mr. BYRNES

reported the resolution from that committee without amendment, as follows:

Resolved, That there shall be paid out of the contingent fund of the Senate, until otherwise provided by law, compensation at the rate of $2,800 per annum for the services of a superintendent and at the rate of $1,560 per annum for the services of a messenger for the radio room of the Senate radio press gallery.

Mr. BYRNES subsequently said: Mr. President, I ask unanimous consent for the present consideration of the resolution heretofore reported by me today from the Committee to Audit and Control the Contingent Expenses of the Senate.

There being no objection, the foregoing resolution was considered and agreed to.

ADDRESS BY SENATOR REYNOLDS AT CHAPEL HILL, N. C.

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by him at the University of North Carolina, Chapel Hill, N. C., January 18, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR BROWN TO AMERICANS OF POLISH DESCENT

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address delivered by Senator BROWN on February 4, 1940, at Detroit, Mich., to Americans of Polish descent, which appears in the Appendix.]

TRIBUTE TO THE LATE SENATOR BORAH BY RAY M'KAIG

[Mr. BURKE asked and obtained leave to have printed in the RECORD an article on the late Senator BORAH, entitled "The Human Side of Idaho's World-Respected Spokesman," by Ray McKaig, published in the Boise (Idaho) Capital News of Thursday, January 25, 1940, which appears in the Appendix.]

PURCHASES OF FOREIGN SILVER, ETC.

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an editorial from the New York Journal of Commerce of January 27, 1940, dealing with purchases of silver from Mexico; an editorial from the Washington Post of January 29, 1940, on the present bullion policy of the United States.; an article by John T. Flynn, published in the Washington Daily News of January 30, 1940, with reference to purchases of silver from foreign countries; and an article from the Baltimore Sun of February 8, 1940, relative to shipments of American copper to Russia, etc., which appear in the Appendix.]

LOANS TO FINLAND

The VICE PRESIDENT. The Senate met today following a recess, and the pending business is what is known as the Finnish loan bill.

The Senate resumed the consideration of the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation.

Mr. BROWN. Mr. President——

The VICE PRESIDENT. The Chair recognizes the Senator from Michigan, in charge of the bill.

Mr. GEORGE. Mr. President, will the Senator yield to me?

Mr. BROWN. I wish to make a very brief statement, and then I will yield to the Senator from Georgia.

Mr. GEORGE. I wish, with the Senator's consent, to have the Senate take up a matter which will lead to no controversy.

Mr. BROWN. I desire to make a statement about the parliamentary situation, and then I shall be glad to yield.

The bill as originally introduced was amended in the Banking and Currency Committee, and was again amended in the Foreign Relations Committee. I ask unanimous consent that the bill as reported from the Foreign Relations Committee be considered as the matter pending before the Senate.

The VICE PRESIDENT. The Senator from Michigan asks unanimous consent that the bill as reported by the Committee on Foreign Relations shall be considered as an original bill. Is there objection?

Mr. MCNARY. Mr. President, I have no objection if that will carry the amendment to the title of the bill which was first reported by the Committee on Banking and Currency. It will be observed that the title of the bill now reads "To provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation," whereas the real title of the bill should be "To provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes."

The VICE PRESIDENT. Cannot that be corrected if unanimous consent is given?

Mr. MCNARY. I should like that stipulation incorporated in the unanimous-consent agreement, so that we shall have the completed product of the Foreign Relations Committee on the floor of the Senate for its consideration when it comes up.

Mr. BROWN. That is agreeable to me. We amended the title in the Banking and Currency Committee.

The VICE PRESIDENT. Is there objection to the amended suggestion of the Senator from Michigan? The Chair hears none, and it is so ordered.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. GEORGE. Mr. President, before making a request for unanimous consent I will state to the Senate that there is on the calendar a resolution in regular form, similar to resolutions which have previously been adopted in all election years, providing for the appointment of a special committee of five Senators to act, of course, only during the primary and general elections in the year 1940. The resolution is Senate Resolution 212. It has had the approval of the Privileges and Elections Committee and has gone to the Committee to Audit and Control the Contingent Expenses of the Senate and been favorably reported from that committee. I ask unanimous consent that the resolution be taken up and acted upon at this time, so that it may be out of the way, and the committee may be appointed.

The VICE PRESIDENT. The Senator from Georgia asks unanimous consent for the present consideration of a resolution, which will be read by the clerk.

The Chief Clerk read Senate Resolution 212, submitted by the Senator from Georgia [Mr. GEORGE] on January 10, 1940, which had been reported from the Committee on Privileges and Elections with amendments, and from the Committee to Audit and Control the Contingent Expenses of the Senate without additional amendment.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The amendments reported by the Committee on Privileges and Elections will be stated.

The amendments were, on page 3, line 9, after the word "chairman", to insert "or any member"; and on line 10, to strike out "any member", so as to make the resolution read:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the campaign expenditures of the various Presidential candidates, Vice Presidential candidates, and candidates for the United States Senate, in all parties, the names of the persons, firms, or corporations subscribing the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof, but as to the use of any other means or influence, including the promise or use of patronage or use of any public funds, and all other facts in relation thereto which would not only be of public interest but which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in 1940.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and to contests before primaries, conventions, and the contests and campaign terminating in the general election in 1940.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpena or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical, and other

assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman or any member of said committee or of any subcommittee may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $30,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the next session of the Congress.

The amendments were agreed to.

The resolution as amended was agreed to.

DIPLOMATIC RELATIONS WITH SOVIET RUSSIA

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. BROWN. I yield to my colleague.

Mr. VANDENBERG. The American Coalition is the central spokesmanship of a group of about 40 well-known standard patriotic organizations in the United States. It held its annual meeting in Washington on January 31, 1940, and adopted certain resolutions regarding Russian-American relationships. I ask that the resolution be printed at this point in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The resolution is as follows:

Resolution adopted by the American Coalition at its annual meeting in Washington, D. C., January 31, 1940

5. DIPLOMATIC RELATIONS WITH SOVIET RUSSIA

Whereas diplomatic relations with the Soviet Union were established on the undertakings set forth in an exchange of notes dated November 16, 1933, between the President of the United States and the People's Commissar for Foreign Affairs, Union of Soviet Socialist Republics, as follows:

[Excerpt from letter of President Franklin D. Roosevelt to Mr. Maxim M. Litvinov, People's Commissar for Foreign Affairs, Union of Soviet Socialist Republics, November 16, 1933]

"1. To respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its territories or possessions.

"2. To refrain and to restrain all persons in government service and all organizations of the government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States, its territories or possessions, and in particular from any act tending to incite or encourage armed intervention or any agitation or propaganda having as an aim the violation of the territorial integrity of the United States, its territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories or possessions.

"3. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which makes claim to be the Government of, or makes attempt upon the territorial integrity of, the United States, its territories or possessions; not to form, subsidize, support, or permit on its territory military organizations or groups having the aim of armed struggle against the United States, its territories or possessions, and to prevent any recruiting on behalf of such organizations and groups.

"4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories or possessions." And

Whereas the recognition of Soviet Russia has resulted in no benefit to our country and much embarrassment through its attempts to subvert our republican form of government and exchange the benefits derived from the Christian religion to the immoral possibilities of their atheistic attitude; and

Whereas evidence of a conclusive nature obtained during investigations by the Dies committee has been deemed by this committee to "constitute a violation of the treaty of recognition entered into between the Government of the United States and the Government of the Union of Soviet Socialist Republics in 1933" (p. 4, H. Rept. No. 1476, 76th Cong., 3d sess.): Be it

Resolved, That the President of the United States and the Congress be advised that the American Coalition urges that the diplomatic and consular representatives of the United States to the Soviet Union be withdrawn and the appropriations for their maintenance be discontinued.

LOANS TO FINLAND

The Senate resumed the consideration of the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation.

Mr. DANAHER. Mr. President, will the Senator from Michigan yield to me?

Mr. BROWN. I yield to the Senator from Connecticut.

Mr. DANAHER. I recently had a letter from one of the most interesting ladies it has ever been my privilege to know, Mrs. Nina Gore Auchincloss, who is the daughter of a former distinguished Member of this body, former Senator Gore, of Oklahoma. Because the letter deals with a wholly American point of view, and because it sets so justifiable a note for our consideration at this time, I feel it of sufficient public import that I ask unanimous consent to have it extended in the RECORD as part of my remarks. I send the letter to the desk, asking unanimous consent that it be printed in the RECORD as part of my observations.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The letter is as follows:

FEBRUARY 9, 1940.

Senator JOHN A. DANAHER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR DANAHER: I am not unmindful of what you are trying to do and I wish to submit to you a few observations which seem to me apropos the present situation.

There can be no possible denial that charity is the prime virtue. Like mercy, "it is twice bless'd; it blesseth him that gives, and him that takes." It is the duty of those who can to bestow charity. It is also their duty to use discretion and judgment on whom they bestow it. Since only a Midas could have enough for all that are in need, it is becoming a little frightening to observe the rampant hysteria in our country today.

I would be the last to begrudge any help we may offer to the American friends of Czechoslovakia, urgent relief for France, American friends of France, bundles for Britain, Polish, and Finnish sundry reliefs (and we might as well throw in the Turkish earthquake), if I felt we had looked after and taken care of all our own people in want. Has this been done? The answer is not yes. Until it is there might be a bit of stinting on our good deeds across the sea.

We do not have to go over the mountain into the shadow of the valley to find cold, hungry, ill children, women, and men. It is painting no imaginary picture to depict thousands of American children sleeping sans blankets on pallets, hoping the animal heat of their brothers and sisters will keep them above zero. When those children get up in the mornings there may not be a warm sweater to put on (but daily there is frantic knitting all over the country, destination Europe). These children's shoes have newspaper folded in the bottoms as some protection against the hole in the sole; an inadequacy of food is their daily diet. The fate of our country is in the hands of these children we neglect today. Forgetting these obligations is unfair to the well-cared-for children, making more of an elephant load for them to carry through any future disaster that may befall our country. I do not have to wonder what my reactions would be. My children were in want, when I saw and heard the people who could help me and mine ballyhooing the destitution of those from three to six thousand miles way. The usual complaint is that mankind can't see beyond the end of its nose—now farsightedness seems to be on the rapid increase.

Most assuredly our sympathies cannot help but run high when we hear of the suffering in Europe. But we Americans should be more realistic. Sympathetic emotionalism prepares fertile ground for war propaganda. Probably one of the reasons our forefathers came over here was because they judged their future by their past—thousands of years of warring.

Helping there may be more glamorous, but it is not discharging our proper duty, which is right here in Washington and amid the vast numbers of unfortunates throughout our country. It is vitally important that during these cold weeks there have not been enough shelters for the homeless men, as the pictures in the Washington Star of January 4 and 5 bring to our attention with the force of a sledge hammer. But I have heard of no movement to rectify this. There are quite a few cases in our hospitals of men with frozen feet. The shelter of a doorway is insufficient protection during a blizzardy night.

There is a saying, long since passed into a proverb, that the Americans love to be humbugged. A little pressure on the brakes might be in order against the guinea pig rapidity with which all these relief agencies are springing up. Otherwise they may become our national vice, our besetting sin.

The New Testament says, "But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel."

Faithfully yours,

NINA GORE AUCHINCLOSS.

Mr. BROWN. Mr. President, I do not intend to occupy very much of the time of the Senate in the consideration of this bill, because it is one that has had thorough public discussion in the newspapers and over the radio, and has already been the subject of considerable debate here in the Senate.

I feel that I ought to give a general but short summary of the activities of the Export-Import Bank. I do this principally because the main discussion about this bill has concerned a loan on the part of the Export-Import Bank to Finland, whereas the bill as finally reported by the two committees of the Senate, of course, covers many other matters.

The Export-Import Bank is a District of Columbia governmental corporation. Its authority comes from an Executive Order of the President, which was issued under authority granted by law in the National Recovery Act.

Its life has twice been extended, first to July of 1939, and again to July of 1941; so that at present the bank is entitled to do business until July 1, 1941. At that time its right to make further loans will expire, unless renewed.

The present limitation upon the power of the bank to loan money is $100,000,000. Its funds are obtained either by subscriptions to capital or by advances from the Reconstruction Finance Corporation. That sum has been used, I think, about two and a half times over. I shall shortly give the present condition of the institution.

With respect to the matter now before the Senate—the increase of the capital of the bank—I may say that last July the Banking and Currency Committee recommended to the Senate that it increase the capital of the bank to $200,000,000. When I say "capital," I mean the loaning power. The Senate, by the passage of a bill early in August, fixed the amount at $175,000,000. Because of the adjournment of Congress soon thereafter, and I think for no other reason, the bill did not reach the floor of the House, being under consideration by the Banking and Currency Committee of the House when Congress adjourned. So the present condition is that the bank has a loaning power of $100,000,000. The bill now before the Senate increases that amount to $200,000,000. I think it is fair to say that the purpose of the Banking and Currency Committee in making the amount $200,000,000 instead of $175,000,000, as previously passed by the Senate, was to provide for and cover the loan which we hope will be made to the Finns.

The general purpose of the bank is to encourage the sale of American agricultural and manufactured products to foreign countries. The usual transaction is about as follows: The General Motors Corporation will propose to sell, we will say, $5,000,000 worth of goods either to a South American republic or to citizens of South America. It is the kind of a transaction which the corporation itself, perhaps because of dangers that it apprehends, is not itself willing to finance entirely. The Export-Import Bank comes in and supplies a part of the capital, and assumes a part of the risk. If Senators will glance through the report of the Export-Import Bank as it was presented to the two committees, they will find that usually the Federal Loan Administrator or the trustees of the bank require that the selling corporation—using my illustration of the General Motors Corporation in Detroit—assume, say, 25 percent or 50 percent of the risk involved, and the bank assumes the remainder.

Mr. ADAMS. Mr. President, I should like to have that made clear. It is my understanding that the Export-Import Bank will carry 65 to 75 percent of any loss which may be incurred as a result of credits which accrue from the sale by the American corporation to the foreign corporation or foreign government.

Mr. BROWN. I will say to the Senator from Colorado that it may assume a hundred percent of the loss.

Mr. ADAMS. It does, in some cases.

Mr. BROWN. It may assume 50 percent or 25 percent. What the general average is I do not know; but I well recall instances in which their share was as low as 25 percent, and it runs up, as the Senator has said, to 65 or 75 percent.

Mr. ADAMS. I should like to have the Senator explain why, in his judgment, the United States Government should furnish not only the credit with which the business is done, but should carry 65, 75, or 100 percent of any loss incurred. In the answer to that inquiry I am sure the Senate would be interested.

Mr. BROWN. In the sale abroad of our agricultural products, such as cotton, in the sale of our manufactured products, such as Frigidaires, or automobile trucks, the American citizens who engage in those lines of trade are unwilling to take all the risk, and if we are to encourage the sale of our surplus agricultural products and our surplus manufactured products, it is necessary, in the opinion, I think, of the Congress, as shown when we passed the law, and in the minds of those who administer it, that the Government should assume some of the risk. It is in a sense a relief measure for American agriculture and for American manufacture by encouraging sales.

Mr. KING. Mr. President, will the Senator yield?

Mr. BROWN. I hasten to say, if the Senator will pardon me a moment, that the record of the bank has been excellent. For example, for the last year, 1939, its profit was $1,744,000. Its operations have been highly successful and the administration by Mr. Jones and his associates is to be highly commended.

I yield now to the Senator from Utah.

Mr. KING. I am sure that it is not to be logically and properly inferred, from the statement made by the Senator a moment ago, that all our agricultural and manufactured exports call for the interposition of the bank.

Mr. BROWN. Certainly not.

Mr. KING. Because we are exporting billions of dollars' worth of commodities, and in only a very small percentage of those commodities, in value, is the risk assumed by the Federal Government.

Mr. BROWN. The Senator is entirely correct about that, and I think what he points out is well shown by the record of the bank in the matter of profit.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WAGNER. In addition to what the Senator has said about the successful operation of the bank, is it not also true as demonstrating the care which has been exercised in extending its credit that there has not been a single default in the repayment of any of the loans thus far?

Mr. BROWN. I take what the Senator says to be true. I do not myself happen to know that to be a fact.

Showing, briefly, the present status, and the necessity for increasing the loanable power of the bank, I call attention to the fact that the total loans outstanding on January 31, 1940, just a few days ago, amounted to $68,000,000, and the undisbursed commitments to $62,000,000, or approximately $30,000,000 beyond the power of the bank to lend. Of course, someone may immediately ask why the trustees of this bank should commit the bank to lend more money than it has. The answer is that the commitments are not always taken; in other words, people who make arrangements to borrow do not finally borrow. But it is a fact, as I think is amply demonstrated by the statement, that the institution could very well use the additional $100,000,000, and certainly must have it if it is going to make any further advances to Finland, to Norway, and to others.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. DANAHER. In that connection, with reference to the matter of commitments, we should, should we not, have the record straight? There are loans amounting to approximately $20,000,000 with the Reconstruction Finance Corporation and the Farm Credit Administration on the paper, so that that money is and would be available to the Export-Import Bank.

Mr. BROWN. There is no obligation, I am informed by the Secretary of the Export-Import Bank, on the part of either of the governmental institutions to which the Senator refers. Those loans were taken over by the Export-Import Bank without recourse to those governmental institutions.

Mr. DANAHER. Mr. President, does not the Senator recall the testimony of Mr. Jones on the point, to the effect that that sum could be taken up again and thus be made available for commitments?

Mr. BROWN. If the Senator says so it must be so, but I myself do not know it. I do not recall that testimony.

Mr. President, I have had prepared a 3½-page summary of the activities of the Export-Import Bank, which I shall not burden the Senate to read, because I think I have generally covered the subject matter; but I ask to have it printed at this point in my remarks for the information of the Senate.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington was formed in order to make it possible for American manufacturers and exporters to compete upon more nearly equal terms with foreign competitors in other industrial nations who were able to obtain financial assistance from their respective governments. It has operated principally in four major fields:

First, the bank has extended short-term credits in connection with the exportation of agricultural products, especially cotton and tobacco, where such facilities were not readily available through private financial institutions. The bank has assisted in the sale of American raw cotton to foreign spinners and dealers by establishing through the facilities of our commercial banks lines of credit available to American cotton shippers. These credits have been guaranteed by the leading banks in the countries of the purchasers. The principal countries to which American shippers have exported cotton under such lines of credit are Italy, Poland, and Spain. More than 400,000 bales have been exported through the facilities of the bank to date, and the operations have been entirely satisfactory.

Second, the bank has extended credits directly to American firms desiring to export industrial products, particularly heavy machinery and electrical and railway equipment. The durable-goods industries in the United States have experienced a high percentage of unemployment, and while there is a large demand abroad for their products competition from foreign sources has been very keen. The practice of the bank has been to offer credit terms approaching those available to foreign manufacturers through their governments, the average having been about 4 years. These transactions have usually been accomplished by discounting the obligations of the foreign purchaser after they have been endorsed or otherwise unconditionally guaranteed by a sound foreign bank.

This type of business is most beneficial to American concerns because the installation of basic equipment is almost invariably followed by "repeat" orders for replacements and extensions. The conclusion of the European war will see greatly increased competition for desirable markets and every effort should now be made to assure continued outlets for our capital goods.

Such credits have been made available to American manufacturers doing business in many countries, including Argentina, Brazil, Canada, Chile, China, Cuba, Colombia, Finland, Haiti, Iran, Nicaragua, Panama, Paraguay, Portugal, and Venezuela.

The general practice of the bank is to require the interested American exporter to participate with the bank in the extension of the credit, thus assuring the greatest possible use of the bank's funds.

An example of a typical piece of business is the credit extended in December 1938 to the Universal Trading Corporation in order to facilitate exports to China. Of a total authorization of $25,000,000 the sum of $17,090,000 has been actually utilized; and of this amount $2,239,000 has already been repaid. Under the commitment there have been 570 individual purchases, representing dealings with 363 different firms located in 27 States.

The wide diffusion of benefits resulting from the sale of heavy equipment can be illustrated by pointing out that the construction of a single locomotive requires approximately 86,527 man-hours of work distributed among 85 different localities throughout the United States.

Third, to meet the needs of small American exporters, the bank has extended credit lines up to $20,000 each to individual firms who are experienced and of good business reputation but who are hampered by lack of capital in obtaining accommodations from private sources. Here again it has been the custom of the bank to designate a commercial institution to handle such accounts. The credits are revolving and are available to the interested American exporter upon presenting short-term drafts on approved foreign purchasers.

Under this arrangement some concerns have been able to turn over their line of credit from five to six times during the course of a year.

Fourth, for the sole purpose of providing dollar exchange required to meet promptly the obligations due American exporters, the bank has agreed to extend credits to leading banks of several countries. The purposes of such transactions are to alleviate temporary adverse exchange situations and to maintain trade with the United States upon a free exchange basis. The operation of these transactions has been uniformly satisfactory.

Although the Export-Import Bank was created in February 1934 it did not function actively until nearly 2 years later. Since that time through January 31, 1940, the Export-Import Bank has made total commitments in excess of $290,700,000 covering trade with 55 foreign countries. Either because the interested American shippers were unable to secure the business or succeeded in obtaining the necessary financing elsewhere, commitments in excess of $109,000,000 were canceled.

Actual disbursements for this period have amounted to $119,905,653, of which $51,750,619 has been repaid.

Total loans outstanding on January 31, 1940, were $68,155,034, and undisbursed commitments $62,994,854.

Net earnings of the bank have ranged from $19,221 in the calendar year 1935, to $2,344,776 in the calendar year 1939. Since its establishment through January 31, 1940, the net earnings of the bank aggregated $5,074,754.

While these are sizable figures they do not represent a large percentage of the Nation's total foreign trade. At the same time the assistance provided by the bank has been of vital importance to certain of our industries and to many of our localities. The record of the bank is good. It has cost the taxpayer nothing, and it should be permitted through the enactment of the bill now under consideration to continue to serve American agriculture and industry.

Mr. BROWN. Mr. President, I pass now to a subject which I know is of greater interest and concern to us, namely, why the Finnish loan bill which I introduced was attached to the Export-Import Bank bill.

I introduced a bill—which I frankly favor today, but which I am not willing to press now because I do not think the bill can pass—providing for a loan to Finland of $60,000,000, unrestricted as to what Finland could buy, and as to where the money should be spent, because under present circumstances I felt that it was desirable, in the interest of this country, to assist the Finnish people. After discussing the matter with various administrative agencies, I came to the conclusion that the best measure we could get was the bill which is now before the Senate. Possibly we may be able to amend it, to improve it a little further along the line of my own thought, but I am not sure that can be done. That will be for later consideration of the Senate. But it was felt that if we could follow the practice which has already been adopted by the Export-Import Bank, of lending the funds of the bank in the amount of $10,000,000, which was the amount Mr. Jones and his associates had authorized before this matter came up, it would be well to use that agency to lend money to the Finnish Government, or to corporations whose obligations were guaranteed and assured by the Finnish Government for the purpose of buying our goods.

The President sent a message to the Congress on the subject, and after that message was received I discussed it briefly with the administration, and discussed it quite fully with the Federal Loan Administrator and with the General Counsel for the Reconstruction Finance Corporation, and together we drafted the bill substantially as it is now presented to the Senate.

The bill provides that the capital of the Export-Import Bank shall be increased to $200,000,000, an increase of $100,000,000 over the present authorization. It provides that no one country—and its nationals—may have more than $20,000,000 of this amount in addition to what has now been committed to that country.

Reduced to a practical situation, it means that the Federal Loan Administrator may advance $20,000,000 more to Finland, he having already committed $10,000,000 to them, so that the ultimate power of his ability to lend to the Finns would be $30,000,000, either under the Banking and Currency Committee bill or the bill reported by the Committee on Foreign Relations, which is the bill now before us.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. REYNOLDS. It is my understanding that the bill provides additional authority for the lending of $20,000,000.

Mr. BROWN. That is correct.

Mr. REYNOLDS. In the case of China, we loaned them $25,000,000, and I understand from the Federal Loan Administrator that at the present time they have utilized $2,295,000 of the $25,000,000.

Mr. BROWN. I think the Senator is correct.

Mr. REYNOLDS. Would this mean that the Federal Loan Administrator or one of his agencies would be permitted to lend an additional $20,000,000 to China?

Mr. BROWN. Yes; if the facts are correct.

Mr. REYNOLDS. Which would make a total of $45,000,000; or, subtracting what they already have, it would make a total of about $40,000,000?

Mr. BROWN. Between $40,000,000 and $45,000,000 would be the ultimate amount which could go to China; because, as the Senator points out, of the $25,000,000 loan, a part has been paid; but to no other country, including Finland, could the amount exceed $30,000,000 hereafter.

Mr. ADAMS. Mr. President, if the Senator will yield, the tabulation that was given us by the Committee on Banking and Currency—perhaps changed since that time—indicates that the amount outstanding of the China loan is $14,000,000; that the actual amount which has been disbursed is $16,090,000, of which $2,039,000 has been repaid. My inquiry is whether or not the bill would allow the increase in addition to the amount outstanding, or in addition to the amount originally authorized?

Mr. BROWN. The bill plainly uses the word "authorized." Therefore I think to the present commitment to China, whatever it may be, there could be added $20,000,000, which would be the total that could now be loaned to China.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BROWN. I yield to my colleague.

Mr. VANDENBERG. It occurs to me that the use of the unlimited phrase "loans to China" carries a much broader implication than the practice of the Export-Import Bank contemplates.

Mr. BROWN. The Senator is correct about that.

Mr. VANDENBERG. I think it would be well to have that definitely in mind, for it presents a rather different picture when we remember that the previous loan to China so far is simply the use of American money to finance a barter trade of American commodities for tung oil, and that the new loan contemplated—the so-called new loan—is actually not a loan at all but is merely the financing of an exchange of tin for American commodities. That is rather a different picture from that presented by the broad phrase of a "loan to China."

Mr. BROWN. I have been referring more particularly to outside limitations. The Senator is entirely correct. I think he makes an exceedingly valuable contribution when he points out that these are not outright loans to particular governments; they are advances to citizens of the United States to aid them in the sale of their surplus agricultural or manufactured goods to a government or to the nationals of a government, and they are in no sense of the word loans to China or to Finland.

Mr. VANDENBERG. Will my colleague further yield?

Mr. BROWN. I yield.

Mr. VANDENBERG. I may supplement what has been previously said with the further information from the record that in the tung-oil barter transaction the American purchases came from 570 different American firms. So that the use of the loose phrase "loans to China" in no sense describes the actual nature of the transaction which has occurred or is subsequently contemplated, and I think it makes considerable difference.

Mr. BROWN. Yes.

Mr. BYRNES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from South Carolina?

Mr. BROWN. I yield.

Mr. BYRNES. I invite the Senator's attention to the amendment on page 2 of the measure reported by the Committee on Foreign Relations——

Mr. BROWN. In large type, beginning in line 17?

Mr. BYRNES. Yes. What is the interpretation of the Senator of that specific language, if today there is an outstanding commitment to China of $16,000,000? The provision reads:

Provided further, That the aggregate amount of loans outstanding at any one time that may be hereafter authorized to any one country shall not exceed $20,000,000.

Is it agreed that there is outstanding today a loan of $16,000,000 to China?

Mr. BROWN. Fourteen million fifty-one thousand dollars is the figure that is shown to me.

Mr. BYRNES. Then if the amount of the loan to China outstanding at this time is $14,000,000, I read on:

That may be hereafter authorized to any one country shall not exceed $20,000,000.

Does that mean that we can add no more than $6,000,000 to that outstanding loan of $14,000,000, or does it mean the reverse, and that we can add an additional commitment of $20,000,000?

Mr. BROWN. I think the intent of the Foreign Relations Committee, and certainly the intent of the Committee on Banking and Currency, and I believe the plain implication of the language, is that $20,000,000 more than is now outstanding by way of commitments on the part of the Export-Import Bank may be loaned to China or its nationals.

Mr. BYRNES. I know that that was the purpose of the Committee on Banking and Currency, and I wondered if there was any change of purpose by the Foreign Relations Committee.

Mr. BROWN. I understand not.

Mr. PITTMAN. Mr. President——

Mr. BROWN. I am glad to yield to the chairman of the Foreign Relations Committee.

Mr. PITTMAN. The amendment was placed in there largely by reason of the desire of the United States Government to acquire tin from China. It was testified before the committee that the form of the limitation as it came from the Committee on Banking and Currency would prevent any further loan to China except to the extent of $8,000,000, and that the United States was very desirous of obtaining tin from China. As it is now, we get tung oil from China under the previous loan.

Mr. BYRNES. If the bill provided that hereafter there shall be no loan authorized exceeding $20,000,000, I would have no doubt about it. When it says, "the aggregate amount of loans outstanding at any one time that may be hereafter authorized", it is a little confusing. I wanted to know what the members of the committee thought about that.

Mr. BROWN. I think the phrase "that may be hereafter authorized to any one country" would clearly permit the authorities of the bank to lend $20,000,000 in addition to that which has been authorized heretofore, and I think that that was the intent of the Foreign Relations Committee. It was not its intent to change the original $30,000,000 limitation to any one country, except in the case of China, because of the special circumstances which the Senator has pointed out.

Mr. PITTMAN. No; I cannot agree to that at all. The limitation as it came from the Committee on Banking and Currency was a limitation of an aggregate of $30,000,000 to any one borrower. The committee placed the limitation upon the aggregate borrowing for exports to any one country. So there is no change in the intent; but the limitation now, instead of applying to past loans, applies only to loans hereafter authorized, and such loans will be limited to an aggregate of $20,000,000.

The $20,000,000 was arrived at because it was not designed to change the limitation with regard to Finland. The limitation as affecting Finland in the Committee on Banking and Currency bill was an aggregate of $30,000,000. An authorization for $10,000,000 has already been made for Finland. Therefore if we made the limitation to authorize an additional loan of $20,000,000 it would place Finland in exactly

the same position as it would be in under the bill of the Committee on Banking and Currency.

Mr. BROWN. I think perhaps my language was a little too broad. I have exactly the same intention that has been so clearly expressed by the chairman of the Committee on Foreign Relations. Briefly, to illustrate, there is now $2,000,000 outstanding in commitments to Haiti. I should say that the total amount which under the bill could be loaned to Haiti—or to her citizens to assist in Haitian trade—would be a total of $22,000,000.

Mr. PITTMAN. I think that is a correct interpretation.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. BROWN. I yield to the majority leader.

Mr. BARKLEY. Senators will recall that in the Committee on Banking and Currency discussion took place as to whether any limitation that might be fixed should apply to loans hereafter made or should be a general maximum applying to all loans outstanding and that might be authorized hereafter.

Mr. BROWN. I well remember that discussion.

Mr. BARKLEY. And the committee fixed $30,000,000 as the maximum that could be outstanding at any one time, including past loans and future loans. The language was a little unfortunate because it did not carry the real meaning of the committee that the $30,000,000 limitation should apply to loans made for the exportation of American products to any one country, rather than to a loan made directly to a country, for none of these loans have been made directly to a government as such.

In the Committee on Foreign Relations it was made perfectly plain that what we were trying to do and what we had intended to do in the Committee on Banking and Currency was to limit the amount of loan that could be made to anybody for the exportation of goods to any one country. The $30,000,000 limitation, as the provision was originally made in the Committee on Banking and Currency, would make possible a $20,000,000 additional loan to Finland or for exports to Finland.

Mr. BROWN. Or $30,000,000 in all.

Mr. BARKLEY. Thirty million dollars in all. Twenty-five million dollars to China has already been authorized. The Export-Import Bank authorized a loan of $25,000,000 to the Universal Trading Corporation for the exportation of American products to China. That loan has not all been taken, and a little over $2,000,000 of that which was taken has been repaid. There would be still some $6,000,000 or more available to China out of the original authorization of $25,000,000; so that when this language provides that the total that may be hereafter authorized shall not exceed $20,000,000, it seems to me it does not apply at all to the $25,000,000 loan to China which has already been authorized.

Mr. BROWN. I call the Senator's attention to the fact that in the report of the Export-Import Bank there is a notation that the commitment now available to the exporter in the case of China is $8,910,000.

Mr. BARKLEY. Yes.

Mr. BROWN. So that amount would be available beyond the $20,000,000 provided in the bill.

Mr. BARKLEY. That is correct. Without the bill the Export-Import Bank could still finance the exportation of $8,000,000 more of goods to China under the $25,000,000 loan already authorized.

Mr. BROWN. Yes.

Mr. BARKLEY. In addition to that it could provide for the extra $20,000,000.

Mr. BROWN. In addition to the sum which is now outstanding and taken.

Mr. BARKLEY. So there could be a total outstanding for the benefit of China of $45,000,000, including the $25,000,000 already authorized and the new $20,000,000 which might be authorized.

Mr. BROWN. I think there should be deducted from the Senator's estimate the amount which China has paid.

Mr. BARKLEY. That is possibly true. There is a question whether or not the Export-Import Bank could reloan to China what has been repaid on the loan already made.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from South Carolina.

Mr. BYRNES. If the words in line 18, "outstanding at any one time," were eliminated, the language would read:

Provided further, That the aggregate amount of loans that may be hereafter authorized to any one country shall not exceed $20,000,000.

Why would not that accomplish what the Senator declares is the purpose?

Mr. BROWN. Let me say to the Senator that his suggestion sounds very good to me, but I would not feel justified in accepting it on the floor without further consideration.

Mr. BYRNES. I would not want to offer it.

Mr. BROWN. The legislative counsel is present, and when I shall have concluded this speech—I wish to say a few words about Finland; I have not yet said much about Finland—I should like to discuss it with him and with the chairman of the Foreign Relations Committee, as well as the chairman of the Banking and Currency Committee. Possibly we can clear up any ambiguity, if there is ambiguity in that language.

Mr. BYRNES. That is all I wished to suggest. I would not offer an amendment, because I think it can be done better if someone will sit down and carefully think out the language. I would rather have the committee do it.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. PITTMAN. That language was suggested by Mr. Jones in writing. I do not think the committee would have any objection to making the language definite and certain so far as the intent is concerned, but I think there is plenty of time to discuss the matter.

Mr. BYRNES. I think so. Whenever the purpose is agreed upon, we should have no difficulty about the language.

Mr. PITTMAN. The purpose is perfectly clear.

Mr. BYRNES. Those words really confuse it, if I correctly understand the purpose.

Mr. PITTMAN. I do not know that the Senator's suggestion would accomplish the purpose. As I listened to it I did not think it would. However, there is no use taking up time with that now.

Mr. BYRNES. My only question was whether or not the words "outstanding at any one time" might be eliminated without defeating the purpose.

Mr. BARKLEY. Mr. President, I think it ought to be kept in mind that this is a revolving fund. If we limit the language so that only $20,000,000 may be hereafter authorized, if that $20,000,000 should be repaid this language would prevent the lending of any more money to the same country or for the benefit of the same country.

Mr. BROWN. That is not our intention.

Mr. BARKLEY. That is not the object of the measure.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from New York, the chairman of the Banking and Currency Committee.

Mr. WAGNER. Let me call the attention of the Senator to another limitation which I think this amendment places upon the amendment adopted by the Banking and Currency Committee. At least it removes an ambiguity. The amendment adopted by the Banking and Currency Committee provided that the aggregate amount of loans to any one borrower, outstanding and authorized at any one time, should not exceed $30,000,000. The question was raised whether or not that amount included loans to nationals within a country, in addition to the country itself.

Mr. BROWN. Yes.

Mr. WAGNER. Take the case of China. The loan of an additional $30,000,000 may be authorized, reduced by the outstanding loan; but the nationals of China may, as the nationals of other countries do, receive further credits from

the Export-Import Bank, thus violating the spirit of the law under a strict interpretation, and providing for a loan to the nationals of a country much greater than the amount of our limitation. So the amendment as it now reads—

The aggregate amount of loans outstanding at any one time that may be hereafter authorized to any one country—

includes not only the country itself, but also the nationals within that country.

Mr. BROWN. I think the Senator has stated the matter very clearly.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, the bill as introduced by the able Senator from Michigan [Mr. BROWN] provided directly for a loan to Finland of not to exceed $60,000,000. Is that correct?

Mr. BROWN. That is correct.

Mr. ASHURST. The bill as returned to the Senate by the committees would seem to indicate that authority might be granted to make loans to other governments. Is that true?

Mr. BROWN. That is true.

Mr. ASHURST. What other government than the Government of Finland is it contemplated shall receive loans?

Mr. BROWN. Loans have been authorized to the Norwegian Government. I am quite sure that a loan to the Swedish Government has been discussed. One has been discussed for the Danes. Several South American countries have obtained assistance in the purchase of American agricultural and manufactured supplies.

Mr. ASHURST. Although I am not a member of the Foreign Relations Committee, I have confidence in the members of that committee, as well as in the members of the Banking and Currency Committee. However, it seems to me that in these difficult times it would have been better had the bill named the country to which loans are to be made. I regret that the committees did not see fit to let the country to which we are to make a loan be named in the bill. The United States is brave enough to make a loan or to withhold a loan. If we make a loan to any foreign powers, it should be made directly, and not screened in any way. We should say to the world, "We will make loans," or "We will not make loans." We should not be put into an equivocal position. Within a few months it may develop that we have loaned money to some government that Congress did not anticipate should receive a loan. I am but performing an act of supererogation in saying to the Senate, "Never sign blank checks." Make the loan if you wish. Withhold it if you wish. But, Senators, it is of doubtful propriety; it is dubious statesmanship and may lead into trouble, to give to anyone in this Government the right to make a loan. Congress should name the country to which the loan is to be made.

Mr. BROWN. The Senator realizes, of course, that, as my colleague the Senator from Michigan [Mr. VANDENBERG] well pointed out a few moments ago, we are not making direct loans to foreign governments.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. GEORGE. I do not want to enter into a controversy now, but I think Mr. Jones' testimony is contrary to what the Senator has just stated. Loans have been made directly to foreign governments.

Mr. BROWN. Let me finish and I think the Senator will not be in disagreement with me. Money was advanced—call it a loan—to purchasers of American agricultural and manufactured articles—to assist various nations in purchasing our surplus agricultural and manufactured products. That is the justification for the entire bill.

As a general thing, the advances have been made to the nationals of other nations, and we are not entering into the policy of making money loans to other nations with no restrictions upon the use of the money. It is not as though the Senator from Arizona came into a bank operated by the junior Senator from Virginia [Mr. BYRD] in Winchester, Va.—I am not accusing the Senator from Virginia of being a banker, but I am merely using that as an illustration—and asked him for a loan of $10,000.

If the Senator from Arizona obtained such a loan, he could do what he wished with the $10,000. That is not the kind of loan we are talking about. We are talking about a loan which will assist American agriculture and business in the sale of surplus commodities, and which is restricted as to its use and purpose as follows:

First. The loan must not be in violation of international law.

Second. It must not be for arms and munitions as heretofore defined by the President.

Mr. ASHURST. Congress may have once fallen into deliquescence; but in the past year Congress has restored itself in the esteem of the American people. The world knows that this is a loan to Finland. If it were not for Finland's needs and requirements, this bill would not be before us.

Mr. BROWN. The Senator is mistaken about that.

Mr. ASHURST. If so, I want to know it.

Mr. BROWN. I do not know whether or not the Senator voted for the increase in the lending power of the Export-Import Bank last August.

Mr. ASHURST. I did not.

Mr. BROWN. To the best of my recollection no record vote was taken. However, we did increase the lending power of the Export-Import Bank, which has been making such loans since 1935, by increasing its loanable funds in the amount of $75,000,000.

Mr. ASHURST. Mr. President, I ask the Senator to permit me to make one more statement.

Mr. BROWN. I gladly yield.

Mr. ASHURST. I intend to be a candidate for reelection to the Senate. Beyond any doubt I shall be asked whether or not I voted for the loan to Finland. I want to be able to say that I did or did not. When I vote for this bill do I, by any intendment, vote for an opportunity for Finland to receive a loan? I favor the loan to Finland.

Mr. BROWN. I think I can answer that question without qualification by saying that the Federal Loan Administrator, Mr. Jones, in his testimony before the Foreign Relations Committee, plainly stated that he thought that the Finns were entitled to a credit of at least $10,000,000 more than they now have; and I have not the slightest doubt that he and the President of the United States are in accord in that respect, because the President sent a message to Congress in effect urging that we do this in order that Finland might obtain a loan.

Mr. ASHURST. I am quite content.

Mr. BROWN. I think the Senator can assure his constituents that he has voted for a loan to Finland. Let me further say that I do not think such an assurance would be necessary to bring the Senator back here; I believe he would come back anyway. This would not seem like the United States Senate without the brilliant statesman from Arizona.

Mr. ASHURST. I thank the Senator; I hope I may come back; but I am not thinking particularly of the political repercussions. I do not know how my constituents view this question; but I know I should be and will be asked the question, and I want to be able to say that Congress did not screen itself behind a cloak, but that Congress voted to grant a loan to Finland. That is what I want to be able to say.

Mr. BROWN. I shall speak along that general line before I conclude, but let me say in this connection that, like the Senator from Arizona, I would be delighted if we could get through the Senate of the United States and the House of Representatives and have enacted a law which would grant Finland credit of $30,000,000 which she might use for any purpose whatsoever. But I find that I meet with opposition from both sides upon that proposition. Many Senators think that we have not gone nearly as far as we should go. On the other hand, many other Senators think that we have gone too far and that we ought to have absolutely nothing to do with loans to a government which is engaged in hostilities.

Mr. ASHURST. Mr. President, if the Senator will yield to me further, let me say that on June 26 last—charitable his-

tory will probably not perpetuate the address—I said in the Senate we had but two friends in Europe, Finland and Ireland.

Mr. BROWN. I remember when the Senator made that statement.

Mr. ASHURST. I believe that any loan made to Canada, Ireland, Denmark, Norway, Sweden, or Finland will be repaid, but that a loan made to any other governments may never be repaid.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BROWN. The Senator from Nevada, the chairman of the Foreign Relations Committee, has been on his feet some time and I will yield first to him. I then will yield to the Senator from Connecticut.

Mr. PITTMAN. Mr. President, I wish to assure my friend from Arizona that there is no change made by this bill in the existing law for which I think he voted. The law to which I refer is that creating the Export-Import Bank with a capital of $100,000,000. Its purpose was to aid and facilitate in the export of our surplus crops and commodities. That law is still in existence, and no change will be made in it by the passage of this proposed act at all, except to increase the capital to $200,000,000 and to put on loans limitations which do not now exist in the law; that is all.

Mr. ASHURST. A word further. I have long followed and accepted, and expect to continue to follow and to accept the leadership of the able senior Senator from Nevada on matters relating to our foreign relations.

Mr. PITTMAN. Let me say to the Senator that by this bill he is not called on to say whether a loan shall be made to Finland or shall not be made to Finland, whether a loan shall be made to Norway or a loan shall not be made to Norway, or whether a loan shall be made to Sweden or shall not be made to Sweden, at all. There is no such intimation in the bill. The only intimation that can be found in it is that the bill as introduced originally by the Senator from Michigan called for a direct loan of $60,000,000 to Finland. That question is not now before the Senate. There was reported by the Banking and Currency Committee a substitute bill which is exactly the same as the bill reported by the Foreign Relations Committee except that the latter committee wanted an exception made in favor of China. When I say "an exception in favor of China," I mean that the Banking and Currency Committee wanted the total loans to borrowers in any one country limited to $30,000,000. There was no country other than Finland that had an outstanding loan of $10,000,000 except China. That was a question that we had to consider. The bill as reported from the Banking and Currency Committee allows aggregate loans to any one borrower authorized and outstanding at any one time of $30,000,000. The Committee on Foreign Relations adopted an amendment under which Finland will be allowed to apply for a $20,000,000 loan and China will be allowed to apply for a $20,000,000 loan. The bill does not affect any other country whatsoever.

Now let me read——

Mr. CLARK of Missouri. Mr. President, before the Senator proceeds further——

Mr. PITTMAN. Let me finish this statement. Reference has been made to what Mr. Jones said in regard to the Finnish loan. I want to read from his testimony, and it will be seen that he has placed Finland on exactly the same plane as every other country in the world, so far as loans for exports are concerned; that is perfectly plain. Everyone knows that the language ought to be changed to read "exports to countries." This is what Mr. Jones said in his testimony before the committee:

Senator VANDENBERG. Mr. Jones, you have said there is not necessarily any increased credit for Finland in this bill, have you not?

Mr. JONES. I have.

Senator VANDENBERG. You said that if there are increased credits it will depend upon subsequent circumstances. That was your language.

Mr. JONES. No.

Senator VANDENBERG. Yes; you said "circumstances." I wrote it down so that I might ask you what were the circumstances.

Mr. JONES. I did not use the word "subsequent." I said circumstances at the time.

Senator VANDENBERG. That is correct. What circumstances would govern an additional loan to Finland?

Mr. JONES. Everything that might affect the ability of Finland to repay the loan.

Senator VANDENBERG. That would be the only thing you would consider?

Mr. JONES. That would be the only thing I would consider.

I thought I should read that into the RECORD so that there will be no misunderstanding as to Jesse Jones' use of the capital of the Export-Import Bank.

Now, let me say another thing. I will not take time to read it, but he testified that never had he made a loan contrary to the Johnson Act. I do not say "in violation of the Johnson Act," but I say "contrary" to that act, because, I take it, that under the Johnson Act the Reconstruction Finance Corporation could make a loan.

Mr. ASHURST. Mr. President, let me interject a sentence there, with the permission of the Senator from Michigan. I trust that nothing I have said, by any construction, will show a lack of confidence on my part in Mr. Jones. On the contrary, I have great confidence in his integrity and his ability. I think the work he has done has been startling in its excellence and in its worth.

Mr. PITTMAN. Mr. Jones testified that he had never approved a loan for the export of our goods to any country in controvention of the Johnson Act; that he had never approved a loan for any arms, ammunition, or implements of war, and that he never would. So we have the matter perfectly straight. The question before us is nothing on earth except an increase of the capital stock of the Export-Import Bank to $200,000,000. The Senate voted an increase in its capital to $175,000,000 at the last session, and we are now proposing to place limitations on the use of the money which are not in the act today.

Mr. KING. Mr. President, will the Senator from Michigan yield to me?

Mr. BROWN. I yield.

Mr. KING. May I ask the Senator from Nevada whether he interprets the testimony to which he has just called our attention as forbidding the organization, of which Mr. Jones is the head, loaning to Finland unless he is satisfied that the collateral which may be furnished or the obligation which is made is adequate to meet the final payment?

Mr. PITTMAN. I will admit that, undoubtedly, that is a matter entirely within the discretion of the board of the Export-Import Bank, and we have nothing to go on except the administration of that bank. The bank has been administered well and successfully, and we have the promise of Mr. Jones as to how the money shall be used.

Mr. CLARK of Missouri. Mr. President, will the Senator from Michigan yield to me for a moment?

Mr. KING. Mr. President, if I may be permitted to say a word further, I would prefer an outright loan to Finland. I share the views expressed by the Senator from Arizona [Mr. ASHURST] and I would not want the language which has just been read to be construed as forbidding a loan to Finland unless the banking organization was absolutely sure that it would be repaid.

Mr. BROWN. If the Senator will allow me to interpose right there, let me say that Mr. Jones subsequently stated before the Foreign Relations Committee, on page 23 of the print of the testimony which we have, the following in answer to a question by Senator VANDENBERG as to what he would do in regard to a Finnish loan:

Mr. JONES. I would consider favorably, but not necessarily authorize, a loan, but I would not exclude Finland at this time from consideration of a further loan. I am not certain that I would go as far as $20,000,000 more or $10,000,000 more, but I would not say, "No, we think your cause is hopeless. We do not think your note is good, and therefore we will lend you no more money." I would not say that to Finland.

Mr. KING. I am very glad the Senator has called our attention to that statement. Personally, if I shall vote for this bill, I shall vote for it with the understanding that Mr. Jones and the organization of which he is the distinguished head shall make a loan to Finland of not to exceed $30,000,000.

Mr. CLARK of Missouri. Mr. President——

Mr. BROWN. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I do not desire to take the time of the Senator from Michigan from his argument, but I think that the Senator from Nevada made a statement that should not be permitted to go unchallenged. The Senator from Nevada a moment ago said that the question of a loan to Finland was not before the Senate.

I call attention to the fact that the bill before the Senate is Senate bill 3069, introduced by the Senator from Michigan, who now holds the floor, and is entitled "A bill to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation," and that it provides for a direct loan to the Republic of Finland to be made by the Reconstruction Finance Corporation. That is the measure which is before the Senate for consideration at the present moment.

Mr. KING. That is dead.

Mr. HERRING. We have changed the last paragraph.

Mr. CLARK of Missouri. I understand that a substitute has been reported.

Mr. BARKLEY. Mr. President, what the Senator says is technically true from the parliamentary standpoint; but the Senator from Michigan [Mr. BROWN] obtained unanimous consent that the substitute or amendment which is now before us should be considered as the bill now pending before the Senate for action. While it is technically true that it strikes out the language of the original bill introduced by the Senator from Michigan, that language is not in fact now before us.

Mr. CLARK of Missouri. If the Senate has already ordered the substitution of the amendment for the original bill, then I am in error.

Mr. BARKLEY. That is correct.

Mr. CLARK of Missouri. That happened while I was out of the Chamber. I am very sorry it happened in my absence, because it was my purpose to oppose the substitution of that language for the language of the original bill.

Mr. PITTMAN. The Senator may offer any amendment he desires to offer, anyway.

Mr. DANAHER, Mr. BAILEY, and other Senators addressed the Chair.

Mr. BROWN. Before I yield to the Senator from Connecticut, to whom I think I should yield next, and then the Senator from North Carolina, I desire to repeat that which every Member of the Senate well knows, but to repeat now as part of this argument, the indebtedness of foreign governments to the United States, in round figures.

Belgium today owes us $457,000,000; Czechoslovakia, $165,000,000; Estonia, $21,000,000—all in default.

Finland owes us $8,142,000, which is current, up to date, with interest and principal paid to date according to agreement.

France owes us $4,200,000,000; Germany-Austria, $26,000,000; Great Britain, $5,574,000,000; Greece, $34,000,000; Hungary, $2,000,000; Italy, $2,025,000,000; Latvia, $8,700,000; Lithuania, $7,000,000; Poland, $266,000,000; Rumania, $64,000,000; Yugoslavia, $61,000,000.

Mr. LUNDEEN. Mr. President, will the Senator yield at that point?

Mr. BROWN. In every instance I have named, except the little Finnish Republic which we are talking about today, and which the majority of us, I believe, want to help, the debtors are in default. Finland is not in default, but is current and up to date.

I now yield, first to the Senator from Connecticut.

Mr. DANAHER. Mr. President, I thank the Senator from Michigan, and I will say to the Senator from Minnesota [Mr. LUNDEEN] that I shall be brief. I want simply to recall, if I may, to the mind of the Senator from Michigan that when Mr. Jones was before our committee we asked him how it was that he authorized a loan of $10,000,000 to the Finnish-American Trading Co. He told us, did he not, that the corporation had a million dollars of paid-in capital, and he considered that as long as there was a million dollars of paid-in capital, he was justified in figuring that amount, at 10 percent, the basis of a possible maximum loan of $10,000,000 at that time? Does the Senator recall that statement?

Mr. BROWN. I say to the Senator that that is undoubtedly true. I have no doubt that that is what he said.

Mr. BARKLEY. Mr. President, will the Senator yield to me at that point? In addition to the fact that the Finnish-American Trading Corporation had the million-dollar capital, it was because of the fact that Mr. Jones thought the loan was good because of Finland's credit and the circumstances that surrounded it. It was not simply that he could get $10,000,000 back out of $1,000,000.

Mr. DANAHER. I cannot say it all at once.

Mr. ADAMS. The testimony was that the loan was guaranteed by the Finnish Government.

Mr. DANAHER. Precisely.

Mr. President, so that we may have the record straight, let me say to the Senator from Michigan that I took pretty exact notes in longhand of Mr. Jones' testimony, and immediately dictated it to my secretary when I returned to my office. Just as the Senator from Colorado [Mr. ADAMS] has said, Mr. Jones also required that the Finnish Government guarantee that loan, as he used the expression, "for a modest amount." Those were his very words. He said that he took up the matter with the Secretary of State, with the Secretary of the Treasury, and with the President, and they all approved the $10,000,000 authorization; and then he said—and now I quote exactly——

> We would not go any above the $10,000,000 unless you told us to.

Mr. BROWN. I do not recall his testimony that way at all. I have a very distinct recollection on that point. I disagree with the Senator.

Mr. DANAHER. All right. Let me add that he also told us that in inquiring into the credit status of Finland he took into account her payments up to date; he took into account the fact that she had $2,000,000 of exports annually, and $180,000,000 of imports annually; that she had a favorable balance of trade of $20,000,000; that she had money on deposit in banks in Paris and in London and some in New York; and, taking all of those circumstances into consideration, he felt that she was good for $10,000,000. He pointed out that all during December she had not taken even 5 cents of the loan. He pointed out that at the time he testified, in January, she had taken or committed only $830,000 of it. He pointed out that there was a possible and probable commitment of $2,500,000 at that time, and whether she would ever go beyond the $10,000,000 he did not know; whether she would ever come back for more beyond the $10,000,000 he did not know; and whether she would ever get another dime depended on the circumstances at the date of her taking up the whole $10,000,000.

I will ask the Senator from Michigan if that is not a substantially accurate résumé of what Mr. Jones said.

Mr. BROWN. The hearings before the Banking and Currency Committee were not printed.

Mr. DANAHER. I know that.

Mr. BROWN. And, according to my recollection, they were not taken down. It is most difficult for me to recall all the things Mr. Jones said. I am in distinct disagreement with the Senator's statement that Mr. Jones intimated that he could not go beyond $10,000,000. I disagree principally because I have just read to the Senate a statement from Mr. Jones' printed testimony before the Foreign Relations Committee to the effect that he would favorably consider a loan of an additional amount; he said perhaps not of the entire $20,000,000, perhaps not all of the $10,000,000, but that he would consider it favorably.

I further disagree with the Senator's recollection as to the amount which the Finnish authorities want. The Senator may be correct that Mr. Jones said, back in early January, when we had the hearing, that Finland had not been taking more than a few hundred thousand dollars. I know that they now want the entire $10,000,000, and that they have applied for more aid, which will be provided by this bill. So I am not in agreement with the Senator's recollection.

Mr. DANAHER. Mr. President, will the Senator yield for just one moment further?

Mr. BROWN. I yield.

Mr. DANAHER. With the Senator's permission, then, I should like to introduce two articles, one from the Washington Star and the other from the Washington Post, purporting to quote the statements of Mr. Jesse Jones made immediately following that hearing.

Mr. BROWN. Of course, the Senator can place those statements in the RECORD without objection from me; but no reporter from the Washington Post or from the Evening Star was present.

Mr. DANAHER. That is true.

Mr. BROWN. I was present, and I was about as much interested in the bill as anyone, and I think I have a fairly good idea of the general attitude of the Federal Loan Administrator toward the Finnish loan.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Michigan yield; and if so, to whom?

Mr. BROWN. I must yield first to the Senator from North Carolina [Mr. BAILEY].

Mr. BAILEY. Mr. President, I was very much interested in, and I think greatly enlightened by, the inquiry of the distinguished Senator from Arizona, and the answers. I gather that the Senator from Arizona may now go home. into his campaign, with this assurance: If anyone in Arizona complains of him that he voted for a loan to Finland, he can say, "Oh, no; I did not vote for a loan to Finland. I voted to give the Export-Import Bank some money. I did not think about any loan to Finland." If there should be some Bolshevist in that State—of course I do not think there is—who would complain of him, he could say, "Why I have not offended you. I did not vote for anything for Finland." But if, on the next day, he should meet some friend of Finland—some man who had been greatly stirred by the gallantry of that little nation, standing there and fighting for her life—he might say, "I understood you said on yesterday that you did not vote for any loan for Finland. I am going to vote against you." The Senator would say, "Oh, yes; I did. I voted for a loan for Finland, because I was assured by Mr. Jesse Jones that that was exactly what he was going to do with the money." [Laughter.]

I think that is a very fortunate circumstance for all of us Senators. We can answer either way we please; and I notice that the bill is dated January 25, which is the month of the two-faced god Janus. [Laughter.]

I should like to ask the Senator a plain question. In considering this legislation, am I to consider that I am voting to increase the capital of the Export-Import Bank in a blanket way, with no conception of what they are going to do; or am I to realize that on one hand I intend to aid China against Japan, and, on the other, Finland against Russia?

That is the reality. I am willing to debate the matter on that ground, but I am not willing to fool myself, or undertake to fool my constituents.

Mr. BROWN. Of course, the Senator from North Carolina realizes that the record which has been made in the introduction of the bill, the hearing before the Banking and Currency Committee, which unfortunately was not taken down, and certainly before the Foreign Relations Committee, where the testimony was taken down in full, plainly indicates that the reason which has primarily brought this matter before the Senate now is the situation in Finland.

Mr. BAILEY. And the purpose is to aid Finland in resistance to the aggression of Russia?

Mr. BROWN. No; I do not say that. That was my original purpose.

Mr. BAILEY. Shall I dismiss that motive from my mind altogether?

Mr. BROWN. If the Senator will let me say a few more words, I will try to disabuse his mind on that subject.

Mr. KING. He will not dismiss it from his mind with my consent.

Mr. BROWN. This bill—and we cannot get away from the fact—is a bill which increases the loanable authority of the Export-Import Bank. The record back of it clearly shows that the two committees fully considered the Finnish loan proposition, and I think it is fair to assume, from the testimony which we heard read by the chairman of the Committee on Foreign Relations that if this authorization is made Finland will be enabled to use the capital of the Export-Import Bank for the purpose of purchasing nonmilitary supplies in the United States. That is not as far as I would like to go, but it is as far as this bill goes, and I do not think any Senator can vote for the bill without assuming that Finland will be aided by the passage of the bill, provided the Federal Loan Administrator thinks the loan is reasonably safe and, second, provided the funds are not to be used for the purchase of war supplies which are prohibited by the President's proclamation with respect to our neutrality.

Mr. BAILEY. Will not the Senator also say that that is the motive for the proposed legislation, and that it would never have been before us, and he would not have introduced the original bill, but for the inducement of the heroic attitude of Finland and her desperate situation?

Mr. BROWN. The Senator confuses two matters. First, I introduced an original bill for the purpose of aiding the Finnish Government in their defense against the aggression of the Russian Empire, or the Russian Republic, or whatever it may be called. I cannot say that the bill would not be here if it had not been for the Finnish situation, because it was here last August, when the Committee on Banking and Currency reported a bill authorizing an increase in the capital of the Export-Import Bank in the amount of $100,000,000. The Senate passed the bill after lopping $25,000,000 off that figure, and the bill died because Congress adjourned before the House of Representatives considered it. But it is here now as a result of my introduction of the Finnish loan bill.

Mr. BAILEY. I thank the Senator; but I seem to have very great difficulty in getting an answer on the particular point. The Senator says that the original bill introduced by him was introduced in behalf of Finland and in order to aid her in the present struggle; but he says that when it got into the Committee on Foreign Relations all that was dismissed, and it becomes now a general matter.

Mr. BROWN. I know the Senator wants to be accurate historically speaking. It was in the Committee on Banking and Currency.

Mr. BAILEY. In the Committee on Banking and Currency, and afterward in the Committee on Foreign Relations, was it not? I notice that the bill was reported from the Committee on Banking and Currency by the Senator from Michigan [Mr. BROWN] on January 25, legislative day of January 23, having been introduced by the Senator from Michigan on the 8th day of January, and I notice that it was reported by the Senator from Nevada [Mr. PITTMAN] from the Committee on Foreign Relations, with an amendment to the amendment, on February 7. So I think I was historically accurate. I do not think I was wrong about it. It has been before both committees.

I wish to be candid and frank. I have had a great deal of correspondence from people in my State about this matter and I have had much of concern about it. I have always thought of it as providing a loan to Finland to aid Finland in her resistance to Russia. I was told this morning that I must not think of it any more along that line.

Mr. BROWN. The Senator was not told that by the Senator from Michigan.

Mr. BAILEY. I think that is the general impression.

Mr. BARKLEY. Mr. President——

Mr. BAILEY. I should like to conclude, then I will not speak any more. Then we are told that we are not helping China against Japan; that we are buying tin from China.

This, after all, is the Senate of the United States. Little boys down the alley can deceive themselves, and hope to deceive others, but Senators cannot propose even to try to deceive themselves, and they cannot hope to deceive others.

Mr. BROWN. If the Senator will permit me to interrupt——

Mr. BAILEY. The Senator from Michigan is not trying to deceive.

Mr. BROWN. I think it is very unfair to say that anyone, either the Senator from Michigan or the members of either the Committee on Foreign Relations or the Committee on Banking and Currency, is attempting to deceive.

Mr. BAILEY. I do not mean that they are.

Mr. BROWN. With the Senator from North Carolina, we could not do that; he is too keen.

Mr. BAILEY. I do not think you could do it, and I am not stating you are attempting to do it.

Mr. BROWN. And I am not attempting to deceive the people of the United States. I have been very frank about this matter.

Mr. BAILEY. I would not say the Senator has ever been other than perfectly frank. I do not intend to reflect on him. My statement was probably a little bold and rhetorical, but certainly I did not intend to reflect on anyone. I would not do it.

This is what has occurred to me: It is made to appear that we do not intend by this action to provide money to aid Finland in her struggle. As a matter of fact, we know we are. It is being made to appear that we do not intend to lend money to the low countries to help them in the event of an invasion. As a matter of fact, I think it is in contemplation. It would be made to appear that we do not intend to be of assistance to China in resisting Japan. As a matter of fact, we know where this money will go, and that it will help China. That is what I meant to say.

Mr. President, I am willing to face the facts as they are and debate to a conclusion this matter of the power of the Congress to provide loans to aid desperate nations in their struggles against aggressors. I think that is the question. But I am unwilling to cover that matter up and do by indirection—and I say that with all due deference—under color of increasing the capital of the Export-Import Bank, what I would not be willing to do directly. I am willing to front the issue. That is about all I wish to say. I can debate that issue, but I cannot debate the other one.

There can be no objection to money being put into the hands of the Export-Import Bank or the R. F. C. We have done it over and over again, and there is no debate about that. But we are asked deliberately to take that course, and then say that Mr. Jesse Jones will do the rest, and we can say we knew nothing about it. That is my elaboration of my statement. But I wish to say to the Senator that I would not reflect on him on any account. The Senator's original object was sufficiently direct, but this bill puts me in the position of voting $100,000,000 to the Export-Import Bank and exculpating myself of responsibility as to where they lend it or how it is to be loaned. I would much rather deal with the direct situation.

Mr. BROWN. I wish to say to the Senator that, in my judgment, if he votes for this bill, which authorizes the Federal Loan Administrator to lend as much as $30,000,000 to Finland; and if he votes to place upon it the restrictions which are placed in the bill, he certainly will have his full measure of responsibility for any loan made under the bill. If we authorize Mr. Jones to do it, then we cannot later stand aside and say, "You should not have done this thing. We told you you could go that far if in your judgment the conditions permitted it, and you were wrong." We are authorizing the Federal Loan Administrator to lend as much as $30,000,000 for the purchase of agricultural products by the Finnish nation. I do not think anything the Senator can say will absolve him from responsibility, nor do I think anything he has said can take from him the credit for his vote, because I think that if he votes for the bill he will be entitled to credit for it as a vote for a loan to Finland.

Mr. BAILEY. Then if he lends money to Sweden or Norway or Holland, I have the same responsibility, have I not?

Mr. BROWN. I think so.

Mr. BAILEY. We will bring that home to the Senate, too. If we are going into the business of, blindfolded, taking responsibility for such loans up to the limit fixed in the bill as Mrs. Jesse Jones may make, that is our responsibility. I am willing to debate that, too.

Mr. BARKLEY. Mr. President, will the Senator from Michigan yield?

Mr. BROWN. Let me say, before the majority leader proceeds, that I have been on my feet for an hour and a half, and I am perfectly willing to stand and wait a longer time, but I should like to make a few general observations with regard to the Finnish loan which I think will be of interest to those who are interested in the bill. I have never refused to be interrupted or refused to yield, but I should like to proceed with the main tenor of my remarks, and I assure Senators I will not be long. I now yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I would not trespass on the Senator's time except to make a comment on one observation made by the Senator from North Carolina [Mr. BAILEY] to the effect that if it were not for the Finnish situation this bill would not be here.

While it is true that the bill introduced by the Senator from Michigan is the vehicle to which this proposition is attached at this time, it is not true that, even if that bill had not been introduced, and there had been no conflict between Russia and Finland, this proposal would not be here, because before the Senator introduced his bill dealing directly with Finland the recommendation for an increase in the capital stock of the Export-Import Bank had been repeated. That recommendation was made nearly a year ago by the President and by Mr. Jones, and Mr. Jones came before the Committee on Banking and Currency urging a $100,000,000 increase in order to facilitate the exportation of American products. The Senate passed a bill with a $75,000,000 increase before there was any war in Europe. So, while the proposal might not be here today as an amendment or substitute for the bill introduced by the Senator from Michigan, it would be here at this session, because it would have been brought before the committee, and I think the committee would have done what it has done now; that is, would have recommended an increase in the capital stock of the bank.

Mr. BROWN. Mr. President, I believe that my own views have been sufficiently outlined. I think one of the main reasons this bill is here is that many of us in Congress desire to aid the Finnish people in the defense of their homes and firesides from those who now assail Finland. Naturally one of the questions that comes to the mind of Members of a legislative body is whether or not this action may be taken with reasonable safety. I wish to occupy about 5 minutes to tell a little about the Finnish Republic.

It is roughly the size of the State of California or the State of Montana in area. Its population is almost 4,000,000. Seventy-eight percent of the population is rural and 22 percent is urban.

Its exports consist mainly of timber and the products of the forest. Those to the United States are largely pulp and sulfide. Over the 5-year period immediately preceding the present difficulty, its normal exports exceeded imports by about $128,000,000. In 1938 its exports amounted to $180,000,000.

Its foreign trade is 33 percent with the British, 16 percent with the Germans, 8 percent with the people of the United States. Germany and England are Finland's largest customers. Only 1 percent of the trade of Finland is with Russia, or was with Russia before the outbreak of hostilities.

The principal imports from the United States are first, cotton; second, oil; and third, cereals. They form, I think, approximately 70 percent of the total imports from the United States.

Now, in respect to the Finnish record as to payment of debts, everyone knows that she is the only European country to which we loaned money during and after the World War that is current and up to date in her obligations. She owes

today in round figures $8,000,000. She paid her last installment of $250,000 on December 15 last, after the outbreak of hostilities with the Soviet Republics.

The Finns not only have a perfect record of payment of debts since the World War, but during the 100 years from the time when the Russian Empire took what was then known as the Duchy of Finland, down to the World War, their record for payment of debts has been excellent. As a subdivision of the Russian Empire, Finland borrowed extensively in France and in England during that period. During that entire 100-year period Finland paid every dollar of principal and interest it borrowed, either from private sources or from the governments of European nations.

The state debt of Finland at the present time is $22,000,000. That is a per capita debt of $6. When one stops to consider that the Federal per capita debt in the United States is about $285, and the total per capita debt, inclusive of the Federal, State, and municipal debt, is about $450 per capita, he can get some idea of the credit rating the Finnish Government has. Her debt represents $6 per capita. Her current debt is far less than was her current annual income before the outbreak of hostilities.

Finland's governmental economy has been excellent. I must disagree with the distinguished Senator from Connecticut [Mr. DANAHER] in respect to the Finnish governmental loans, particularly with respect to the statements he made on the floor of the Senate yesterday. The amount of borrowing by the Finnish Government in the United States has been approximately $70,000,000 since the war. The balance of some $30,000,000 or $40,000,000 is in the form of borrowings by the Finnish Government-owned railroads or corporations which were adjuncts of the Government of Finland.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from North Carolina.

Mr. BAILEY. Let me ask the Senator if he said that the total Finnish national debt amounts to $6 per capita?

Mr. BROWN. Yes; $6 per capita.

Mr. BAILEY. And our national debt is $45,000,000,000. We have about 130,000,000 population. That would mean that our debt would represent $330 per capita?

Mr. BROWN. Two hundred and eighty-five dollars.

Mr. BAILEY. Well, it has risen since the Senator got his figures. But taking the Senator's figures, the United States Government debt represents $285 per capita, and that of Finland $6 per capita. I think we ought to borrow some money from them. [Manifestations of laughter and applause in the galleries.]

Mr. BROWN. Of course, Finland assailed, as she is, has no funds to loan.

At the end of 1938 Finland had paid all but $19,000,000 of its American indebtedness, between $8,000,000 and $9,000,000 of which is the debt which is current, so far as the United States is concerned. The balance of about $8,000,000 or $9,000,000 is the amount of Finnish governmental or Finnish governmental corporation bonds in the hands of the American people.

The Senator from Mississippi [Mr. HARRISON] submitted a resolution which, after slight amendment, was adopted by the Senate yesterday. I am in complete agreement with the views of the Senator from Mississippi in that respect. I think we should encourage those of the American people who can do so, to purchase Finnish bonds which are not in any way restricted as to the use of the money. What I point out is that, of course, the success of such a plan is quite uncertain. The need of the Finnish Republic at the present time is acute. If they are going to have any aid in their battle with Russia they need it quickly. We can act in the Senate today or on Monday. The House, I think, will consider this bill with reasonable expedition. A substantial credit can be given by this method to the Finnish Government.

What I now say may not be wise in the sense of its aiding in the passage of this bill, but I speak as one who is a friend of the Finnish Republic, one who wants to see them succeed in their struggle. I call attention to the fact that there are many materials which may be purchased in this country which will be of great aid to the civilian population of Finland, and will take from the Finnish Government much of the burden which they would otherwise have to assume, and release for military purposes large sums of their own money which would otherwise have to be used for the civilian population.

I call the attention of the Senate to the fact—and I will give many items—that many articles valuable in war which may be purchased under this measure are excluded from the proclamation that the President made under the Neutrality Act, defining munitions of war. I wish to give them to the Senate briefly.

In the line of transportation: Horses, mules, harness, saddles, wagons, rolling stock, railroad equipment, motortrucks, automobiles, boats, motorboats, pontoons, bridges. It must be remembered that the transportation facilities of Finland are mainly used in connection with water. There are 2,500 miles of waterways in the Republic of Finland. The great bulk of their freight is carried by water.

In the realm of shelter and personal equipment: Canvas tents, blankets, sleeping bags, clothing, shoes, boots, mittens, socks, civilian gas masks, binoculars, parachutes.

In the line of food and medicine—and remember that cereals constitute one of the three largest imports into Finland from the United States—are cereals, forage, hay, oats, straw, searchlights, electrical equipment, radio equipment, barbed wire, which is very valuable, of course, in any defensive operation, and on the part of Finland the war there is purely defensive.

Under the provisions of this measure all the commodities mentioned could be bought by the Finns. They are all of such a nature that the Finns could legitimately ask for loans from the Export-Import Bank for their purchase, because all of them are either manufactured or agricultural products of the United States, which we have in surplus quantities today.

These statements refute the contentions of those who say that this measure cannot aid the Finns to any extent in their battle. Under the provisions of the pending bill the Finns would be able to purchase many commodities which would be of great benefit to them in the defense of their country.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. CONNALLY. When a country is at war is not any financial or economic aid of military value, because it enables the country to maintain its economic set-up?

Mr. BROWN. It releases other funds.

Mr. CONNALLY. It releases other funds which can be devoted to military purposes.

Mr. BROWN. I think there is no question about that.

Mr. CONNALLY. Is not every dollar which a nation at war obtains that much military aid?

Mr. BROWN. It certainly would be of benefit to them.

Much has been said to the effect that Mr. Jones would not lend much, if anything, to the Finnish people. In the first place, the President asked for a bill of this kind, and in the second paragraph of the message which he sent to Congress, after the introductory remarks, he said that, in his judgment, the American people desired that we help the Finns if we could do so within the limits of our neutrality. He said:

> There is without doubt in the United States a great desire for some action to assist Finland to finance the purchase of agricultural surpluses and manufactured products, not including implements of war.

So far as I am concerned, I should like to go considerably further than that. Again quoting:

> There is at the same time undoubted opposition to the creation of precedents which might lead to large credits to nations in Europe, either belligerents or neutrals.

We have taken care of that matter by the Johnson Act and by the provisions of the Neutrality Act, which we passed a couple of months ago, which make it impossible to lend money to any of the countries that are in default to us.

The President said further:

> The facts in regard to Finland are just as fully in the possession of every Member of Congress as they are in the executive branch of the Government. The matter of credits to that Republic is wholly within the jurisdiction of the Congress.

I read that to show that the purpose of the message was to call the Finnish situation to the attention of the Congress. It is plain the President wanted authority to loan. Mr. Jones is his agent.

I have already stated that Mr. Jones, in his testimony before the Foreign Relations Committee, strongly intimated that he would grant further loans to Finland if conditions at the time the application was made caused the loan to appear to be safe.

I call attention to the fact that he has already advanced $10,000,000 to Finland under circumstances that were not quite as safe as they are today. The Finns have demonstrated remarkable defensive military power. They have held the Russians off for more than 2 months. If it was safe to lend them money when we all contemplated the immediate overrunning of the Finnish Republic by the tremendously superior Russian forces in early December and late November, certainly, after that little nation has demonstrated its military power to stop the Russians, I think it would appeal to any administrator that it is safer to lend money now than it was then.

I call attention to the fact that the defeat of Finland in this war—if such we may call it—would not mean the end of the Finnish Republic, first, because, if the Allied powers are eventually successful, it is fair to assume that the Finnish Republic will again be set up as an independent government. I have called attention to their debt-paying record in the 100 years that they were a grand duchy of Russia; and I am satisfied that if the Export-Import Bank authorizes this credit, if the Finns are overrun by the soldiers of the Soviet Republic and if the Allies are eventually successful, this money will come back to us.

Mr. President, suppose it should not be paid? Suppose we should lose the entire sum of $30,000,000? That would represent a loss per capita to the American people of 25 cents—25 cents for each of us. It seems to me that would be a very small price to pay for that which 90 percent of the American people earnestly desire—the stopping of the advance of the Russian Army upon the Mannerheim line in Finland, where it is stopped today.

Others may view without emotion the spectacle of the mighty Russian nation, the most extensive in the world, with the largest standing army in the world, attacking a small, peaceful, inoffensive nation. I cannot. Russia outnumbers Finland in population almost 50 to 1. Without the slightest provocation, on a demand for cession of territory and the establishment of naval and military bases which no nation could grant and retain its self-respect, this modern barbarian power—and I cannot call it else—launched its attack in the dead of winter, when the roads over Finland's lakes were open. A fervor of patriotism has so far enabled this little nation to stop—nay, repeatedly to defeat the Russians. Their stand has aroused the admiration of the world. Their fight is purely defensive. Their sole objective is the defense of their nation, their Government, their homes, and their people.

Mr. President, our people still love justice. We appreciate honor and integrity. We are now living in a realistic world. Senators may say that we have no interest in the outcome. We may refuse the paltry aid suggested by this bill—a contribution, as I have said, of 25 cents per capita from the American people. Our refusal may result in the spread of an unholy doctrine which will plague us; nay, possibly destroy us, in the years to come. If in our judgment a small loan to this brave people will stop the spread of communism throughout the Scandinavian countries, I say that it is money well spent.

I know the superb citizenship that Sweden, Norway, and Finland have given us. If I can stop this menace without risk to my country, I want to do it. We shall not worry about a few million dollars if we lose it all. Russia will not turn her guns upon the shores of the United States, because it is impossible for her to do so. We can take this action without serious risk. Not to do it may be more dangerous to our country.

Mr. WILEY. Mr. President, I address myself to the bill, Senate bill 3069, and to the amendment suggested by the Senator from Michigan, because the amendment to the bill raises the identical questions which I raised in the Senate on January 8 of this year. The questions are as follows:

First. Can the Congress of the United States loan money to Finland, directly or indirectly, without violating international law?

Second. Under our constitutional form of government, has the Congress the authority to make a loan or a gift of the people's money to Finland?

I am asking a third question: Irrespective of international law and constitutional authority, would it be a wise course for Congress to follow, when this Nation is at peace, to make a loan or a gift of money out of the Treasury of the United States to a nation which is at war? Would it not establish a new foreign policy?

Mr. President, in my remarks on January 8 I reached the conclusion that such a loan would be in violation of international law, would violate the power of Congress, and would establish a new foreign policy, opening the door for pressure groups and demands all down the highway of the future.

Mr. President, already there have been received at my office resolutions adopted by other foreign groups asking that I support bills which have been or may be introduced into the Congress similar to the one introduced in behalf of Finland.

Today, bleeding, dismembered Poland calls to us for help. She has an army in the field in France. There are many more Polish people in this country than there are Finns. Czechoslovakia is in the same boat, and many Czechoslovakians are now citizens of this land.

Mr. President, we stood and we still stand for the open door in China, but I cannot stand for the open door to the American Treasury, especially as I interpret my duties and obligations as a United States Senator under the Constitution. I am foreclosed while this country is at peace from becoming a party to any step which would lead toward that open-door policy to the American Treasury, which we know would lead dangerously close to the precipice of war.

I love Finland; I feel for her in the great crisis which she is facing; but I love America more. Because I take the step that I am now taking I want no one to feel that I am not moved by the noble deeds and heroic efforts the Finns are making, and I want no one to say that, personally, I am unwilling to help Finland. I want to make clear, so clear that those who come after us cannot fail to understand, that we in this Congress see a difference between official action taken by the Government and the acts of individuals or groups of individuals.

Like all the other Members of this great body, I am a trustee, a trustee with limited powers, a trustee of something that is very much worth while. As such a trustee it is my function to keep that which is entrusted to me intact and transfer this, the great American inheritance of freedom, to future generations.

Let me digress for a moment to read into the RECORD a letter that was brought to my desk last night, a letter which George Washington wrote to Patrick Henry. It is dated Philadelphia, October 9, 1795, and reads:

> MY DEAR SIR: I have persuaded myself, sir, that a crisis is approaching that must, if it cannot be arrested, soon decide whether order in good government shall be preserved or anarchy and confusion ensue. My ardent desire is to keep the United States free from political connections with every other country, to see us independent of all, and under the influence of none. In a word, I want an American character, that the powers of Europe may be convinced we act for ourselves and not for others. This, in my judgment, is the only way to be respected abroad and happy at home.
>
> I am, my dear sir, your most obedient and affectionate servant,
>
> G. WASHINGTON.

Mr. President, recently one of the great newspapers of my State published an editorial addressed to me in which, among other things, it was said that because of my Norwegian ancestry I was in position to play a very influential role in this debate. The editorial said that I represented more people of Scandinavian descent than any other United States Senator,

with two or three possible exceptions, and it brought to my attention the fact that I must know that the defeat of Finland by Russia would mean the invasion of Norway and Sweden. The editorial suggested that thousands of my constituents telegraph me and urge a change of viewpoint. The editorial concluded:

We do not believe that Senator WILEY will be representing the people of Wisconsin unless he does so. We believe that if he fails to do so he will be held to account for it in his next election.

My answer to that editorial was a copy of the remarks that I made in the Senate on October 8. I said further in my letter:

I am more confirmed than ever that the position I have taken is the correct one. The fact that the bill S. 3069 pending in the United States Senate, which will come up for action soon, says nothing about a loan to Finland, but simply increases the capital of the Export-Import Bank from $100,000,000 to $200,000,000, is confirmatory very decisively of the position that I have taken.

And we have heard considerably about what Jesse Jones said in the committee—

Jesse Jones, the head of the Export-Import Bank, recently stated that he would not make any loan unless it were a good loan, which means no loan will be made. The bankers have turned it down on that basis.

This bill will provide no aid for Finland. It will be detrimental to Finland. This bill is mere camouflage and delusions.

As was suggested by the Senator from South Carolina this morning—

The Export-Import Bank is created for the purpose of fostering American trade between nations at peace. Even if the loan should be made, it would not be used for the purpose of marketing war materials. Let us be frank. Finland needs war materials. She needs airplanes. Every day's delay here may prove serious.

The best thing that could happen for Finland would be the defeat of this bill. Then, as I said in my remarks to the Senate, the people would respond.

We have been told this morning that 25 cents per head would do the job.

I have personally sent my check to help Finland, but as long as the people feel the Government will give some aid they are not going to give aid. Your editorial, in part, does not seem to distinguish between the acts of the citizens of a country and the official acts of the country. This country has not sold war supplies to Japan, but citizens of this country have. This country has not loaned money to China, but the Export-Import Bank has loaned it to a corporation in this country for the purpose of expediting the sale of our domestic products, which does not include munitions or implements of war. When you say that Finland technically—

And here is the point that is urged so often—

is not a belligerent you mean that she is not a belligerent technically within our Embargo Act; but within the meaning of international law she is a belligerent.

I said further—

You have apparently, as your editorial indicates, been given information by certain interested foreigners, the same as was given to me in Washington. The best way to secure America from the invasion of foreign armies and foreign ideas is for the American people to understand our republican form of government. It is good practice to tie to a principle.

Even here in the United States Senate.

I realize that the lay mind, especially when it is swept by emotion, has little time for considering constitutional authority or the significance of international law. But right there is where, if one is guided by principle, one will not let hysteria or emotionalism or political expediency divert him from his course.

If we don't want to violate international law; if we don't want to breach the Constitution; if we don't want to set a new precedent for a new foreign policy in order to help Finland, then all we have to do—we the people—is to dig down into our individual jeans. We are told that a loan to Finland might insure her success in the fight against Russia. If this is true, then a gift by the American people will be more effective. The argument is also heard that in making this loan we would be safeguarding our vital interests of today and of the future. If the American people themselves—

And when I say "the American people" I mean citizens as distinguished from the Government—

make the loan, or the gift, this will also be true, and we will not be opening the door which might lead this Nation into becoming an international banker friend for all our foreign friends.

I do not expect the European mind—I have told those who called on me the same—to understand our form of government. But Norway as a government hasn't loaned money to Finland. Sweden as a government hasn't loaned money to Finland, and as far as I know no other government has done so. Many of the foreign governments through their parliaments or congresses have the power to do so, but they recognize that would be an act of war, a violation of international law. But the people over there are aiding Finland. The Swedish people have given $15,000,000. Let us—the people of this country—do likewise and avoid Government or official action. If the people make a gift we will not have a financial stake in Finland.

Then we will have fulfilled an obligation individually and as groups, without involving the Nation.

Mr. President, this bill should be defeated because it is a roundabout way of pretending to do something that cannot be done directly, to wit, loan money to Finland. I know some will say, as has been said this morning, that the loan will not be made to Finland but will be made to some independent corporation in this country; that it will not be made by our Government, but will be made by an arm of the Government, known as the Export-Import Bank. That is merely a subterfuge.

We reach the conclusion, then—and let us be frank about it—that Finland needs war material; she needs airplanes, and delay in getting materials and airplanes may prove very serious.

We reach the further conclusion that this bill is merely camouflage and a delusion, because it will not provide for Finland the aid she needs, and it will be detrimental to Finland in that, as I have indicated, it will interfere with donations and with subscriptions to a bond issue, if a bond issue should go through.

I believe there is unanimity among the American people that they would like to see Finland aided. They feel Finland merits aid. However, I know that the American people are deeply conscious of a conviction that they do not want to do anything or have Congress do anything that will tend to endanger the peace of America. The American people want us to use our heads and see if there is any practical and legal way by which a gift or a loan may be made to Finland. In that connection the question naturally arises, should the Congress make such a loan or gift? As we approach this subject, we particularly, who have been given, as I have said, a trust and responsibility and to whom the country looks with confidence for wise, moderate, patriotic, and healing counsels, are confronted with these questions: Would a loan to Finland breach international law, violate our Constitution, and create a new foreign policy?

We know that the solution will never be found through the pathway of emotionalism and hysteria or fear, which lead only to unbalanced judgment.

It is my contention, and I think the law that I shall cite sustains me, that the Congress of the United States, under international law, has no right to loan or give money to Finland. In other words, it is my contention that under international law a neutral state is forbidden to grant loans to or open credit for a combatant nation during the duration of the war. We cannot get away from this international principle by saying there is no war within international law and the recognized principles of common sense, because there is a war between Finland and Russia. If anyone doubts that, he should read the newspapers or go to the Finnish front and stand on the Mannerheim line, and then go to France. From a visit at the western front, one might conclude there was no war in France, but this is not true in Finland.

Under international law—and I am talking about the law of nations—war exists when two or more states have their armed forces fighting each other. Many of my brethren here do not seem to appreciate that fact. Under the same law it is the duty and the obligation of the government of a neutral state to abstain from all participation in the conflict. The extent of the duty of abstention is broad. Every possible field of activity is covered. Money cannot be loaned, neither can credit be extended, by a neutral government to a belligerent, for that amounts to participation in war and constitutes, therefore, unneutral conduct. I cite Hyde, International Law, volume II, pages 698 and 699.

There are those who contend that there is no war in Europe, because neither the President nor Congress has taken steps under the so-called Embargo Act. The Embargo Act is not international law; it is domestic law.

We have stood as a nation for law and order. We have stood for international law. We are standing for it now, through our State Department. This is no time for us to become an exponent of the breach of international law—a lawbreaker.

Some contend that the following provision of the Habana Convention of 1928, which provides that—

> Credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials are not included in this prohibition—

Is applicable, and gives permission to do what is now contemplated by the bill pending in the Senate. The answer to that contention is that the Habana Convention is international law only in the Western Hemisphere. The signatories to that agreement were 29 nations of North and South America.

We are contending now with Japan, in relation to the Nine Power Treaty, that it cannot be changed without the consent of all the signatories. We should put ourselves in a very poor position if we should contend now, as some do, that international law can be changed at our whim and fancy.

In order to avoid being drawn into foreign wars, the United States, by its present so-called neutrality law, denies to its citizens many of the rights to trade and travel to belligerent countries which citizens of neutral nations ordinarily enjoy under international law. Before these laws have been well tested, it is now proposed by some folk that the United States Government itself violate its neutrality and make a loan to Finland, now at war with the Soviet Union. By taking sides officially in this conflict, the United States would take far greater risks of involvement than by returning to a simple assertion and maintenance of customary neutrality rights for itself and its citizens.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. WILEY. I do.

Mr. TYDINGS. I have to leave the city to keep an engagement at Cambridge, Md., tonight. It is quite possible that this measure may come up for a vote before I can return. I have asked the Senator from Wisconsin if he will yield to me in order that I may make a brief statement. I hope no other Senator will take the floor until he can secure it again, because of his courtesy in giving me this opportunity.

Does the Senator yield for that purpose?

Mr. WILEY. I do.

Mr. TYDINGS. Mr. President, I am heartily in favor of this bill, particularly as it is drawn.

In the first place, I can see no international involvement at all in it. It is a perfectly legitimate commercial transaction, proposed to be conducted through the Export-Import Bank. In the main, all it does is to promote the sale of American agricultural and manufactured products through that governmental agency. I hope, however, that one of the loans that will be made under the bill will be a loan to Finland.

The reason I am for such a loan is, first, that the Finns, of all the nations that received financial assistance from us after the World War, have religiously and promptly paid back the installments on their debt to us each and every time they have come due; and now, when their credit has been proven to be good, and they are in real need of further credit, and the money is to be expended in the United States anyway, and we are spending so much money to promote agriculture and industry together, it seems to me to be in line with the main governmental policy to pass this bill. While I appreciate that Russia has a right to have any kind of government its citizens want, whether it is communism, democracy, fascism, or nazi-ism, I have a right, too, to feel, as I do, sympathy for Finland, which is being invaded, irrespective of her form of government.

Of the 18 national heroes of the Russian revolution, the men most responsible for bringing on that revolution and establishing the present government in Russia, and who were told off to stand as an honor guard at the coffin of Lenin at the time that coffin was lying in state, 14 have already been "purged," showing the character of the Russian Government at present—"purging" 14 of its so-called national heroes, the leaders in the revolution! God only knows how many millions of persons starved to death when the Soviet Government years ago took the grain from the kulaks and left them without food. Heaven only knows how many millions were shot down in the revolution itself, for no crime in particular but because of mass and class hatred. Heaven only knows how many hundreds of thousands in Russia have been executed in purges of one kind or another. With the great struggle going on in Finland, I cannot see why, apart from our Government, as citizens—and this is not an intervention in that war—we should not have the greatest sympathy—aye, constructive sympathy—for this little Nation and help it stem the tide of barbarism, a remnant of the Dark Ages.

Any person who has read the writings of Lenin, or of Stalin for that matter, must realize that communism is anti-God. In all their writings they say that religion is the greatest enemy to the communistic philosophy or political faith, and they assert over and over again that religion must be destroyed if communism is to survive; that the two cannot exist side by side. Today, I understand that in all the great country of Russia, with one-twelfth of all the people on the face of the earth living there, with one-sixth of the entire world area within its confines, there is only one Catholic priest for 160,000,000 souls, and he is attached to one of the embassies. The Greek Orthodox Church, which was the predominant church of old Russia, has in many cases been entirely uprooted, and only a few score of churches exist today throughout the confines of that country, showing that communism is relentlessly and ruthlessly uprooting all reference to and reverence for Almighty God, and taking it out of the lives of the people, and particularly of the young. The churches are plastered with bill posters. The sacred icons have been taken out and cut up into kindling wood.

That is Russia's business. We have no right to tell them how to run their country; but I have a little concern for what is going on in this world, and I have a concern—a great concern in my individual capacity—for Finland and Norway and Sweden and Denmark. I think it is no more than an act of humanity, equivalent to donating money to take care of the victims of an earthquake or a great international catastrophe, as we have done on previous occasions, to come to the rescue of Finland in a perfectly commercial and legitimate way, in line with our governmental policy, without any suggestion of intervention, and to give that country at least the moral support of the knowledge that the democracy and decency and God and freedom and liberty and humanity are not so blind as the image which we often see on posters pictures them to be. If this were a straight-out loan to Finland, I would question the wisdom of it as much as I would favor it from a humanitarian point of view.

But in the guise in which it is put in this bill—namely, only giving them credit with which to buy the products of our farms and factories, in line with our announced governmental policy, with no violation of the Neutrality Act—I think we would be recreant to our trust to the American people if we should not give to the one nation which has repaid its debt our gratitude and extend a friendly hand of credit once more when it so sorely needs it.

Mr. President, I do not know what is going to happen abroad this year; but I believe that the war will spread; I believe it will be a bitter war, costing much in life and in treasure, and I have a fear that when the war is over, with the unemployment which will result, with the factories in our own country now engaged in making munitions of war turning men out on the streets when there is no longer demand for such products, in that state of affairs bolshevism

will find ripe soil in which to sow its seed. Therefore, I do not look with favor on the extension of the doctrine of communism wherever it can be held in check. If the people in Russia want it, they are welcome to have it, but in America we do not want it, and we do not want to lose any opportunity we can seize, without violating international law, to hold it in check.

This bill contemplates a loan for God and the church, if such a loan was ever made, a loan for all the freedom that has been achieved by all the struggles and on all the battlefields through all the ages. It is upholding the Declaration of Independence, it is upholding the Constitution of the United States, and the traditions of our country.

I know some Senators may feel that the best course in this emergency is to do absolutely nothing. Perhaps they are right; I shall not take issue with their conscientious scruples on this important question. For me, however, there is only one course, and that is to extend the hand of friendship to this little nation which is standing at Thermopylae and keeping back the hordes of darkness.

For these reasons, if I am present when the vote is taken, I shall record myself in favor of the bill, and if I am absent, I am unwilling to have a mere pair speak for my position upon it. The Senator from Nebraska has been kind enough to pair with me in the event he takes the opposite side on this important question.

I make this appeal to my colleagues. If Finland loses this war, that is not all there is in the scale, for no sooner will the victors march in on that country than men, women, and children will be murdered by the score, every vestige of religion will be uprooted and destroyed, and all the things which humanity loves and holds dear will disappear from another part of the face of the earth.

Who knows but that Sweden may be the next and Norway the next and Denmark the next? Who knows but that three or four of the dictator countries, including Russia, may, in the great struggle which is shaping up, join together and attempt to overcome all the democracies on the face of the earth? That may seem like a far cry right now, but Japan is already working in the Orient, Germany and France and England are at war in Europe, and Russia and Finland are also at war in Europe.

Mr. President, this is no time to temporize, when we have a perfectly proper measure before us which does not involve our Government in the slightest degree, which is in line with its traditional policy, which only extends credit to be expended in our own country, for agricultural products and manufactured goods. It is wholly constitutional, it is in line with our traditional policy, and, thank God, it is in line with the traditions and the practices which we are pleased to call the American way of life.

Mr. GEORGE. Mr. President, will the Senator permit me to ask him a question?

Mr. TYDINGS. I am glad to yield.

Mr. GEORGE. Was it not said in 1916 and 1917 that the money we advanced to the Allies would be spent in our own country?

Mr. TYDINGS. And largely it was spent in our own country.

Mr. GEORGE. Exactly. If the day comes when Finland is out of the picture, and Germany and her tacit ally, Russia, are about to overcome France and Great Britain, I assume that all the Senator says would impel him to vote for loans to France and Great Britain.

Mr. TYDINGS. I do not know that I would do that. I would have to see what the circumstances were. In answer to the Senator's question, let me say that I do not want to see this country involved in war if it is humanly possible for it to keep out of war, but at the same time I am not going to be such an ostrich as to wait to the last minute until someone sneaks up on me and puts me out of existence.

Mr. GEORGE. The Senator is unlike the distinguished Senator who said it did not make any difference whether we abide by international law or not, because Russia could not do anything to us. I did not appreciate that argument. I think the Senator from Maryland infers that Russia can do something to us.

Mr. TYDINGS. I think Russia, in company with a possible other victor in Europe, and a possible other victor in the Far East, the three of them together, might give us something to think about; and I do not trust them 1 inch. I believe in getting ready, keeping our powder dry, staying out of war if it is humanly possible, but in the event the inevitable comes, America means more to me, as my distinguished colleague beside me says, than getting a meal and going to the movies. It means a way of life, and I, for one, would be willing to defend that way of life if I saw it in jeopardy.

Mr. GEORGE. And I share the Senator's feeling.

Mr. TYDINGS. I know the Senator does.

Mr. GEORGE. I believe in national defense, but I believe the strongest defense this Nation has ever had was a policy of neutrality strictly adhered to for more than a century.

Mr. TYDINGS. And I agree with the Senator; and this bill is not unneutral in the slightest degree. Russia has declared no war on Finland.

Mr. GEORGE. I am not asserting that it has. I simply wanted to make it perfectly plain that if the Senator is impelled to vote to make this loan to Finland because Finland is standing against Russian bolshevism will not his logic carry him to support a loan to France and Great Britain if the hour comes when they alone are standing against Russia?

Mr. TYDINGS. No; I would not say that, Mr. President. That is an imponderable which no man could answer in the present state of circumstances. I further remember that in the instant case to which the Senator alludes France and Great Britain did not repay their debts to us, as the little country of Finland has done.

Mr. GEORGE. I am not controverting that. I am not even concerned about the amount of the loan. I am concerned about maintaining a neutral attitude. I believe there is more virtue in it for us, and that it will in the end mean more aid to the struggling nations on this earth, than if we do the unneutral thing; and I am concerned about that.

Mr. TYDINGS. I know the Senator is, and I know there is no better exponent of pure Americanism in this country than the distinguished Senator from Georgia.

It is my opinion that Russia is on the march. She has been on the march in Latvia; she has been on the march in Estonia; she is now on the march in Finland; she has been on the march in the Far East; she is plotting international revolution. There is before this very Congress evidence that certain American citizens have been in the pay of Russia, have traveled under false passports, have gone to meetings in Moscow, and there have said that the world revolution is coming, and that they are aiding to bring it about under Russian auspices here in our own country.

Talk about neutrality! What about these Russian activities in the United States of America? Who is unneutral there? I am not afraid, Mr. President, to refuse to cringe before that kind of unneutrality. I think this country is safe so long as there are men who will stand on this floor and fight foreign influences in the United States of America; and they have to fight them at home, and abroad, as well, within proper limits always, as provided in the bill pending before the Senate.

Russian revolution is a reality, not a theory, and it is being worked on every day. It has permeated many of the governmental establishments of the United States and many of the communities of the United States among people who do not understand what Americanism is, who do not want to understand, sometimes, what Americanism is, who are more interested in serving the wishes and the dictates of foreign rulers than they are in living in this land, the most blest of all the nations on the face of the earth.

I say the time is coming when we will have to show a stronger spine than we have been showing toward the communistic horde which is trying to weaken this Government from within. As for myself, I am ready to shoulder my share of the responsibility whenever the hour comes.

Mr. WILEY. Mr. President, I have listened with a great deal of interest to the brilliant remarks of the Senator, and with much he has said I can agree. I am satisfied that America agrees 100 percent with certain of the premises he has stated. America has no time for the communistic doctrines of Russia—in other words the Marxist doctrines—which do not include freedom of speech, freedom of the press, freedom of worship, the right to hold individual property, the right to swap one's labor for money compensation. None of these things obtains in Russia. Those rights have been taken away by the state. But the argument of the distinguished Senator can be answered very clearly by an incident in our own history.

Way back in the days when George Washington and Jefferson and Hamilton lived—in 1798—we had just been the recipient of aid from France during the Revolutionary War. We were a free nation because France joined us in the war against England. And then, in 1798, France got mixed up with England, and then it was that the calm mind of Washington, the acute intellect of Hamilton, and other minds came into play.

That is what I am asking the Senate to do now—to think this thing through. Do not let passion or prejudice be the motivating power. Do not let us, because of our hatred of Stalin and the leaders in Russia, forget also that there are Russians who do not believe as they do. Let us think less of hating other nations and more of our responsibility to America.

Now, what is this incident? Here is the incident: France, our helper; France, who was at war with England; France, who loaned us money, and gave us Lafayette, and gave us thousands of her troops; France needed help; but here we were rising in our strength, growing, and what did we do? What did Washington and the rest of them say? This is what they said:

> With reference to the loan of money which was solicited from the United States by the French Government, in 1798, through the American envoys in Paris, the United States took the ground that such a loan would be a violation of neutrality. This is cited with approval by Chancelor Kent.

I will now cite another instance: In 1816 our commercial agent at Buenos Aires presented a memorial to the Government of the Argentine offering his services to procure a loan from the United States Government. At that time his Government was at war with one of the European governments, and when this matter came up before our Government he was instructed to stop—that this Government recognized it would violate international law if we loaned money to a combatant nation while it was at war.

Those citations are from Moore, International Law Digest, volume 7, page 978.

I also bring to the attention of the Senate the statement of Edwin Borchard, professor of law at Yale University, which is an apt reply to the distinguished Senator from Maryland [Mr. TYDINGS]. This is what he said, and it expresses your view and mine:

> American sympathies for Finland may legitimately be expressed in private contributions to the Hoover committee or any other private donation. A governmental loan to Finland, whether through the Export-Import Bank or the Reconstruction Finance Corporation, is an act of intervention and of war, exposing the United States to legitimate reprisals now or hereafter, on the part of Soviet Russia. It therefore seems to me illegal and dangerous, however tempting, to advance public funds to Finland.

Mr. President, if that is the law, and it seems to be good common sense, then I say to all America, "Dig down into your own jeans." If little Sweden can raise $15,000,000 from her 7,000,000 population, we can raise at least $30,000,000 from our 130,000,000 people. I repeat what I said before. After all, we are here as trustees, not to lose our heads, but to keep them. We are here to think this thing through. We are here not to create a precedent that will haunt us in the years to come.

Mr. President, I am not afraid of Russia. I am not afraid that Russia is coming over here. But what I say is that this Government and this people that have stood for law and order in a domestic sense and in an international sense, do not want to breach international law now.

I should like to call the attention of this body particularly to another subject which seems so fundamental, and yet in recent years we seem to have forgotten fundamentals. I contend that under our constitutional form of government the Congress has no authority to make a loan or gift to Finland now that Finland is at war. I said that constitutionally we cannot do that. The Constitution gives specific powers to the Congress.

Besides these specific powers, there are certain implied powers. If the Constitution does not confer this power to Congress, then I ask this question, particularly after the speech of the Senator from Maryland: Should we attempt to conform the Constitution to our sympathies and our emotions?

The Constitution does not give Congress power to raise revenue for the benefit of a foreign State. Congress is limited in its taxing power to laying and collecting taxes to pay the debts and provide for the common defense and general welfare of the United States—article I, section 8.

It was not until after the United States entered the World War in 1917 that loans were made to foreign governments engaged in war with the enemies of the United States. Those loans were made to aid in prosecution of a common cause under what Senator Borah called the war power. Not until the United States is prepared to sever friendly relations with the Soviet Union and join Finland in its war of self-defense may Government loans to Finland be constitutionally authorized or made by Congress or any agency of the United States.

Oh, I know that under the suggested bill we are going to camouflage, we are going to have a smoke screen; we will say, "Well, we are not going to loan money to Finland"; that the Congress has created the Export-Import Bank, and we will not loan money to Finland, but we will give some money out of the people's Treasury by collecting taxes for the purposes of the Export-Import Bank. Then we will say, "Now, Jesse Jones, if you think this is a good loan, you make the loan. But not to Finland." I enjoyed the remarks of the distinguished Senator from South Carolina today. He asked, "Why not face the thing head-on, squarely?"

Now, we are not going to lend the money to Finland. We are going to lend it to another corporation set up here. We have a principle of common sense, which is also a principle of law, that you cannot do indirectly what you cannot do directly. And yet that is what we are going to do.

Any contention to the effect that the Export-Import Bank may make loans to the belligerents, thus shielding the United States Government from committing an unneutral act in connection with the present war between Finland and Soviet Russia, is mere buncombe and mere camouflage. In connection with the Export-Import Bank it should be recalled that the purpose for which this agency was set up was "to promote and facilitate the foreign trade of the United States" and not to enable the United States by indirection to commit unneutral actions.

We here in Congress, as I said—and I repeat it—are the trustees not only of the people's money—trustees with limited powers, because the powers not given to Congress belong to the people—but we are trustees also of something else, for the things we do live after us, and the precedents we set will guide future generations. We are now about to put ourselves down as lawbreakers by indirection.

The absolute control of the moneys of the United States is, of course, in the Congress, and Congress is responsible only to the people for the exercise of this great power.

Congress is empowered to lay taxes, but the Constitution provides what for, and nowhere can it be found in the Constitution, express or implied, that the Congress can lay a tax or take the money out of the Treasury for a foreign nation to carry on war, either of offense or defense, as long as we are at peace.

By no stretch of the imagination can a loan of money to Finland resulting from a tax imposed upon the people of this country be considered within the "general welfare" power. We have gone far under new ideologies in the last

7 years to extend the power to tax, but nowhere has it been contended that Congress could in peacetime tax this Nation so another nation could go to war or defend itself against another power. A tax that is not for the common defense or general welfare, but for other objectives wholly extraneous, would be wholly indefensible upon constitutional principles. The power of taxation and appropriation extends only to matters of national as distinct from local welfare. We might as well say "as distinct from wars in other lands."

Mr. President, it is up to us to guard not only the liberties of our people, but so guard our actions here in Congress that future generations will not be hurt, will not be hamstrung.

We must realize—most of us do not—the form and nature of the Government of which we are a part. Until the people change the fundamental law of the land, Congress may dispose of the people's money only for purposes defined and designated in the fundamental law. The suggested loan of money to Finland by this Government would raise the question of the spending power as well as the taxing power. As I have said, the limitation on the power of taxation of the Federal Government is to be found in the phrase "general welfare and public purposes." It has been said that general welfare does not require any more than is required for public purposes; that taxation is reasonable when it is for a public purpose; and that for taxation to be due process of law as a matter of substance it need be levied only for a public purpose. But, I repeat, no one can say that the loan of the people's money to a foreign government when this Government is at peace and that government is at war is for a public purpose of our people.

Mr. President, it is good practice to tie to a principle. I realize that the lay mind, especially when it is swept by emotion, has little time for considering constitutional authority or the significance of international law; but if one is guided by principle, he will not let hysteria or emotionalism divert him from his course. When I hear the argument made that the refusal to make this loan might result in the spread of an unholy doctrine, I say, "What refusal?" The answer must be, "The refusal of the American people." We do not have to violate international law, breach the Constitution, or establish a new precedent or a new foreign policy to help Finland. I am for helping Finland; but I am for helping Finland the right way, the constitutional way; not in violation of international law, and not in such a way as to open the door and set a precedent which your children and mine will have to face.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BARKLEY. What is that way?

Mr. WILEY. I am glad the Senator asked that question. He is always very acute-minded; but apparently he was not present when I discussed the subject. I will tell him frankly. Sweden found a way. She gave Finland $15,000,000. Norway has given at least $10,000,000. France and England are giving. They are even getting ammunition across.

But does the Senator contend that any of those governments have done directly or indirectly what is asked here, which is a loan by one government to another? The answer must be "No." I shall answer the Senator's question. In this country there are 130,000,000 people. In Sweden there are fewer than 7,000,000. Sweden gave $15,000,000. If, as has been suggested, we were to give 25 cents apiece in this country as individuals or as groups or societies, we would answer the question.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. WILEY. I yield.

Mr. BARKLEY. As I understand, Sweden has made no direct loan or gift to Finland as one government to another. Is that true?

Mr. WILEY. That is my understanding.

Mr. BARKLEY. Neither has Norway.

Mr. WILEY. No; nor any other government.

Mr. BARKLEY. How is Finland obtaining airplanes and other munitions of war from England and France? They are not being given by private donations. As I understand, they are being sent by the Governments of England and France. Wherein does that differ from private subscriptions by Swedish or Norwegian citizens, or even by American citizens, to some fund which will be given as a gift to Finland to aid her in her defense?

Mr. WILEY. Does the Senator want my idea of the answer to that question?

Mr. BARKLEY. Yes.

Mr. WILEY. To me it is very plain. England and France are at war. We are at peace. England and France, under the war powers of their Governments, are able to do what has been suggested. Their constitutional authority is different from ours. We in Congress are limited. England and France, through their generals and their high commands, are doing that which they think—because they are at war—is in their own self-defense. But we are at peace. There is the distinction.

Mr. BARKLEY. The Senator used the examples of Sweden, Norway, England, and France as the way it ought to be done.

Mr. WILEY. Yes.

Mr. BARKLEY. England and France are not doing it the same way Norway and Sweden are doing it.

Mr. WILEY. I beg to differ with the Senator. They are following the precedent of Norway and Sweden. The people are giving.

Mr. BARKLEY. The people are giving; but also the Government is giving, or at least furnishing materials, or providing a loan, or in some way making it possible for Finland to obtain war materials from England and France.

Mr. WILEY. Does the Senator think we are in the same situation as those governments?

Mr. BARKLEY. The Senator justifies that course on the ground that England and France are at war. I certainly do not assume that the Senator means that we ought to go to war in order that we may do it in the same way England and France are doing it. Of course, the Senator does not mean that. How does the Senator feel we can do this in a constitutional way? If we are interested in bringing about any assistance, direct or indirect, how can we do it according to the Senator's idea of the Constitution?

Mr. WILEY. I think I have answered that question.

Mr. BARKLEY. By private donations?

Mr. WILEY. Yes.

Mr. BARKLEY. How much has been raised in this country by private donations?

Mr. WILEY. The Senator is bringing in another phase of the subject. About $1,500,000 has been raised; but I ask the Senator whether or not he has dug down in his jeans and given anything.

Mr. BARKLEY. That is a matter with which the Senator from Wisconsin need not be concerned.

Mr. WILEY. The Senator has answered the question. He has not contributed.

Mr. BARKLEY. I do not advertise my private charities on the floor of the Senate for political or other reasons. Whenever I donate anything to Finland or to any other institution I think worthy of a donation, I do it in my own way and in my own time. I will not seek to advertise it on the floor of the Senate.

[Manifestations of applause in the galleries.]

Mr. WILEY. Apparently what I said irked the distinguished Senator.

Mr. BARKLEY. No; it does not irk me.

Mr. WILEY. It was not my intention to do so. My point is this: The Senator brought up the fact that only $1,500,000 has been subscribed. Why? The answer is that the people of this country still think that this Government will take governmental action. They do not want duplication. If this Government takes action and refuses to give as a government, then the people themselves will be charged with the responsibility, and will not feel that they will be duplicating gifts. That is one reason they have not "come across."

I do not believe we have a build-up of emotionalism which is not real. The American people, when they feel deeply, give.

The other day I heard the argument that we should be the good Samaritan. I turned to the individual who made the argument and said, "Do you mean that?" He said, "Yes." I said, "Was the good Samaritan an agent or employee of the Government, or did he give out of his own pocket? Did he give out of his own heart and soul, or did he take the man who was wounded to the tavern and have him looked after out of the people's money?"

The one who made the argument had to admit that the good Samaritan did it himself. I say to all America, if the people want a thrill, let them give, and they will find that they will have an elation within which amounts to something. But if American public opinion is such that it wants to require the Government or the Congress to be coerced into doing that which the Congress thinks it should not do, future generations will have to pay the price, because a precedent will be set.

The distinguished Senator was not present when I said that I already have a petition from another group in my own State asking that I agree to a bill which will be introduced, to appropriate $15,000,000 for another foreign nation, a nation which we love as much as we love Finland. I refer to the Poles. They are a great people. They have done a great job. They are fighting. They have an army in France. Perhaps we should dig into the Treasury of the United States for them. If we follow that theory where does it lead us? Up a blind alley. As suggested yesterday by the distinguished Senator from Georgia [Mr. GEORGE], we do not know where it leads.

Mr. BARKLEY. Mr. President, will the Senator again yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I did not mean to criticize the amount which had been raised in this country by the committee of which Mr. Hoover, I believe, is chairman, or by any other agency. I merely asked the Senator for information as to the amount. However, I do not understand that that money is to be turned over to the Government of Finland. I understand it is very largely, if not entirely, for private relief, for the relief of those who are suffering in Finland because of the war. I do not understand that the money raised by private subscription or free donations in this country is to be used by, or will be available to, the Government of Finland as such, to buy anything which the Government of Finland, as such, needs in order to prosecute its defense.

Mr. WILEY. My understanding is that the Hoover fund is limited in scope. But there is absolutely no objection, under our Constitution, under international law, or under our foreign policy, to the great heart of America, irrespective of the Hoover fund, setting aside money which can be used definitely and concretely for airplanes, munitions, or whatever Finland needs.

I have said that I thought that in times like this it is a good thing to tie to a principle. I have said that we do not have to violate international law, or what I think is the constitutional limitation placed upon Congress.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. WAGNER. Is the Senator acquainted with the convention of Habana of 1928?

Mr. WILEY. Mr. President, the Senator was not present when I brought up that question.

Mr. WAGNER. I beg the Senator's pardon.

Mr. WILEY. What the Senator is about to bring up is that in the Habana Convention of 1928, which was signed by 29 American nations, there is the proviso that the loaning of money in times like these is agreeable so far as the signatories to the convention are concerned.

Mr. WAGNER. Yes.

Mr. WILEY. In my earlier remarks I stated that that convention does not change international law except as between the signatories to that instrument.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. GEORGE. The Habana Convention was only an agreement among the nations of the Western Hemisphere.

Mr. WILEY. That is correct.

Mr. GEORGE. Not that they might make loans of money for all purposes, but that they might make loans for the purchase of necessities.

Mr. WAGNER. That is the point I wanted to bring out. Under the terms of that convention, while it is regarded as an unneutral act to lend money for the purchase of war materials, even to a belligerent, it is not considered an unneutral act to lend money for the purpose of buying foodstuffs and raw materials.

Mr. WILEY. If the Senator please, here is the language——

Mr. WAGNER. I have just been asked whether that convention was ratified by the Senate. I will say that it was ratified.

Mr. WILEY. Yes; but that convention provided for credits that a neutral state might supply to facilitate the sale or export of food products, and raw materials are not included in the prohibition of credits But, Mr. President, that was an agreement between 29 signatories of the Western Hemisphere.

The best illustration we have that it would not apply in this instance is the situation in the east under the Nine Power Treaty. Japan wants to cancel that treaty, and says she has the power to do so because conditions have changed; that is her reason for wanting to abrogate that treaty; but we say no; when nine powers agreed that is the law until the nine powers agree to change it.

Mr. President, under international law for 150 years, as recognized by our own Government and expressly confirmed by the two incidents I have mentioned, we cannot, during a war between two nations, loan money or extend credit to either of the combatants.

Mr. WAGNER. That is a matter of controversy. The Senator assumes that we have recognized Finland as a belligerent. We have not as yet done so. Neither Finland nor Russia has declared war. It is a factual situation which Congress may determine or the President may determine under the Neutrality Act.

Mr. WILEY. Mr. President, will the Senator let me interrupt him there?

Mr. WAGNER. Yes.

Mr. WILEY. That is not a correct statement, if you please, as to international law. It is a correct statement under our embargo law, which is a domestic law, but such law cannot modify international law unless all the parties to international law agree.

Mr. WAGNER. Neither one of the countries has declared war; but both countries have asserted—one, Finland, in communications to us, and the other before the League of Nations—that they are not at war with one another.

Now if we should hold to the contrary we would have to find a factual situation which both countries deny. I say it is a matter for us to determine whether or not they are belligerents.

I inquire if the Senator has discussed the loan made by this country to Poland? I heard him mention Poland a moment or so ago, but has he discussed the loan which we made to Poland while Poland was in an undeclared war with Russia on the question of the delimitation of frontiers? In 1920 the United States, while that so-called undeclared war was in progress between the two countries, loaned Poland $24,312,000 for foodstuffs. That situation, although there are distinctions which may be made, is analogous to the present situation.

Mr. BROWN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. WILEY. I will yield for a question. I am somewhat in the same position the Senator was in an hour and a half ago when he was interrupted so much.

Mr. BROWN. I ask the Senator if he has read the testimony before the Foreign Relations Committee?

Mr. WILEY. I have not. I understand it has not as yet been printed for distribution.

Mr. BROWN. In that testimony Mr. Hackworth, general counsel for the State Department, in answer to a question from Senator BARKLEY stated as follows:

Senator BARKLEY. Is it the view of the State Department that under the present status of the situation between Russia and Finland the type of loan which might be made under this bill would not be in violation of international law?

Mr. HACKWORTH. Yes; I think I mentioned that.

Senator HARRISON. Do you not think it is a violation of the spirit of the law?

Mr. HACKWORTH. The spirit of international law?

Senator HARRISON. Yes.

Mr. HACKWORTH. To make a loan for the purposes stated would not in my opinion be a violation of its spirit.

That is the opinion of the State Department as expressed by its general counsel.

Mr. WILEY. I thank the Senator for the information. I have already cited to the contrary the professor of law at Yale University, and the best authority in America, namely, John Bassett Moore.

Now answering the question brought up by the distinguished Senator from New York, I want to tell him what war is.

War is the contention between two or more states through their armed forces.

Are Finland and Russia contending with armed forces?

War is a fact recognized * * * by international law. For a war to be into existence, two or more states must actually have their armed forces fighting each other.

Are Finland and Russia fighting each other?

This is the definition from Oppenheimer's International Law, volume 2, pages 115 and 116:

To be a war the contention must be between states.

Is Finland a state? Is Russia a state, and is there a contention?

It is a contention of states through their armed forces.

Supra (meaning Oppenheimer), 118.

As defined by Oppenheimer in his treatise on international law:

War is the contention between two or more states through their armed forces. War is a fact recognized * * * by international law. For a war to be in existence two or more states must actually have their armed forces fighting each other (vol. 2, pp. 115–116).

The government of a neutral state is obliged to abstain from all participation in the conflict.

The extent of the duty of abstention is broad. Every possible field of activity is covered. * * * Again, the loaning of money or the extension of credit by a neutral government to a belligerent amounts to participation in the war and constitutes, therefore, unneutral conduct (Hyde, International Law, vol. 2, pp. 698–699).

I could cite a number of other authorities on international law to the same effect. We cannot camouflage the situation by saying that there is not any war over there. All we can say is that, under our Embargo Act, when we declare that there is a war, then, by virtue of that act we restrict the rights of our citizens as prescribed by that act. But under international law there is war when there is contention between two nations with armed forces in the field. That has been the rule, and is the rule. If anyone doubts that there is a war, let him go over to the Mannerheim line or let him read the newspapers tonight. Is there war in France merely because we have said there is a war? Where is there war? The answer must be, where two countries have contending forces in the field.

But, Mr. President, I will hurry on with my remarks. We are told that a loan to Finland might assure her success in her fight against Russia, and, if her success should follow, it would do away with some possible problems that we might face in case Finland should lose. If this is true, then a gift by the American people would be more effective than a gift by the Government or a loan by the Government, because it is admitted here today that a loan, if it should go through, could only be used for certain unwarlike materials. We are told if we do not make this loan to aid in stopping the war, which threatens the remaining strongholds of freedom, that we may have greater problems to face. In other words, the argument is that in making this loan we are safeguarding our vital interests of today and of the future. If the American people themselves make the loan, then, I say, fine, wonderful; that is the thing to do. But if the Congress makes the loans because of the arguments advanced, then I say we will not simply be violating a legalistic concept of neutrality but we will be violating three basic principles which are ingrained in our national life, and, furthermore, we will be opening a door that will lead us into innumerable international conflicts in which in an American sense—yes, in a Western Hemisphere sense—it is not our business to become involved. What is more important, we will have sold some of the very great values which we have inherited from our forefathers, and we will have sold them, because we permitted ourselves to go on an emotional jag. If we are so emotionally affected by the serious condition in Europe and in Finland, the American people themselves will dig down and raise the money, and I say they will. If Congress defeats this bill the people themselves will do it; and they are standing by watching. I say that the very strength of their emotions has been weakened by the false suggestion that Congress will do this thing for them. We have got too much of "Let George do it" now.

As I have already said, we have done a great deal in the last 7 years which is very close to the constitutional border line. Now we want to open it up so that other favorite groups overseas may come in and dig into the Treasury. This very instance presents an opportunity for us to recapture some of the individual independence and initiative which we possessed before we were "sold" on the idea that it is the Government's business to do everything. Our forefathers did not have such a concept, and they gave us a republican form of government under which the powers of Congress were definitely limited. When this Government was formed they knew that legislators, under pressure, were only human beings. So they said, not in exact words but by limitation, "You cannot tax the American people and take the money from the Public Treasury when this country is at peace in order to provide any foreign nation, whether the aggressor or the one attacked, with means to carry on the war." We agree that the American people have an interest in the fate of Finland, and we say the American people should "come across."

It has been stated that the attack by Russia is an attack on the rights of all peoples and that the principles of liberty and justice have been assailed, therefore it is claimed that the Government should make this loan. Mr. President, the same argument would justify a loan to Poland, to Czechoslovakia, and constantly increasing loans to China and also loans to Ethiopia, and, as suggested by the distinguished Senator from Georgia, in a few months, loans to France and to England. If tomorrow Belgium and Holland and Sweden and Norway should be attacked the same argument would justify loans by this Nation to each of those governments.

If we do that, if we keep on becoming bankers for all our international friends, we are at war. Do you not see how important it is that we tie to principles? I have discussed rather hurriedly and disjunctively today what I think those principles are.

Let the American people respond. If in the future the people of this country want to delegate to Congress the power to loan money under these conditions, then let the Constitution be amended, and let international law be changed, and let the people by their votes state that they want the well-established foreign policy of this country to be changed. Let it be clearly understood—and I repeat it again and again—that the people have the right, individually and in groups, to make gifts or loans to Finland, but they have not delegated that power to Congress.

Mr. President, I am about to conclude.

We in America are charged with keeping democracy alive. In times of great crises the Constitution was the guide of the great man whose birthday we shall soon celebrate and the other great man whose birthday we shall celebrate a week later. I refer to Washington and Lincoln. In recent

years we have stretched the Constitution in relation to our domestic affairs. I pray and hope that we shall not stretch it now in relation to our foreign affairs. If only we were involved—and I mean you and I who are sitting here—perhaps we could afford to take the risk; but if we should breach the Constitution now, our action would hamstring future generations.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. MALONEY. The Senator has said time and again that the Constitution ought to be changed to permit us to make this loan if we desire to make it. I wonder if the Senator would be willing to point out where the Constitution needs to be or might be changed to do that.

Mr. WILEY. I believe the Senator misunderstood me. I did not say it should be changed. I said that if the people want to confer upon the Congress power to loan money to a foreign government when we are at peace and they are at war, then the Constitution should be changed to give that power to the Congress. I am not in favor of its being changed.

Mr. MALONEY. Mr. President, will the Senator further yield?

Mr. WILEY. Yes.

Mr. MALONEY. Would the Senator be willing to point out where the Constitution would need to be changed?

Mr. WILEY. That probably would require a restatement of the speech which I made here when the Senator was not present.

Mr. MALONEY. I should like to say to the Senator that I have been present. I have been listening to the Senator's speech with very great interest.

Mr. WILEY. Then I suggest that the Senator's colleague [Mr. DANAHER] is going to take the floor after I am through. I have talked now for about an hour and a half. I have referred to the taxing power, and the right of Congress to levy a tax to raise money which would be utilized for foreign governments under such conditions as these. I also questioned the right of Congress to spend money except for the general welfare, claiming that this proposed expenditure is not in the interest of the general welfare or for a public purpose. I have referred to those two specific powers; and then I have claimed that there is contained in the Constitution no specific power from which one can get, expressly or impliedly, the right in Congress to vote money or spend money for a purpose such as this, which I say is providing a foreign government with money to carry on war, either defensively or otherwise.

Mr. MALONEY. Mr. President, would the Senator be willing to point out to me where in this bill there is such a provision?

Mr. WILEY. I realize the position of the Senator; but the title of the bill and the remarks made on the floor today show, and every newspaper in the country knows, that this bill is but a camouflage to provide money for Finland; and that subject was discussed. I do not think the Senator was here earlier in the day. It was brought out very clearly by the distinguished Senator from North Carolina [Mr. BAILEY] and others. Several Senators wanted to know what they were voting for, and I think several Senators definitely and clearly implied that the purpose was to provide money for Finland; and I say we cannot do indirectly what we cannot do directly.

Mr. MALONEY. If the Senator will further yield, I should like to say again that I have been present during his remarks; that I am a member of the committee which considered this bill; that I am entirely familiar with its purposes; and that I do understand that the principal purpose of the bill is to make a loan to Finland.

Mr. WILEY. The Senator does understand that?

Mr. MALONEY. I clearly understand that the principal purpose of the bill is to make a loan to Finland. I have asked the Senator, however, to clarify his statement that the bill is in violation of international law, that the Constitution needs changing to permit us to pass it, and I asked the Senator a moment ago if he would tell us wherein we are conniving to help Finland to win the war. There is no camouflage about the matter, as the Senator charges. We clearly understand what the situation is.

Mr. WILEY. If the Senator clearly understands what the situation is, then there is probably not any necessity for me to attempt to clarify it further. Let me say that the position I have taken, as the Senator knows, is that when another nation is at war, a loan to that nation directly or indirectly out of the money of this Government violates the settled principles of international law. I futher took the position that the Constitution being an instrument of delegated authority, there is no authority in the Constitution, expressly or by implication, which permits Congress to levy a tax or take money from the Treasury to give to a foreign country that is at war, even though that country is defending its own homes. That is the position I have taken.

Mr. HATCH. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. WILEY. I do.

Mr. HATCH. I merely ask for information on the point which the Senator has just mentioned. He stated that there is no constitutional power to make a loan to a foreign country at war. In considering that question does the Senator make a distinction, depending upon whether that country is at war or at peace? Does that make some difference from the constitutional standpoint, not from the standpoint of international law?

Mr. WILEY. I make this distinction, first: It makes a great difference whether this country is at war or at peace. If this country is at war it exercises its war power, a subject which has been discussed in this body time and time again; and in the exercise of its war power it would have a right to do that which we did do in the World War—for instance, aid our Allies. But when this country is at peace, then I say that there is no such power, and I challenge anyone to point out where in the Constitution that power exists. If they cannot point out where it exists, then it does not exist, unless it exists impliedly; and if it exists impliedly we should have definite, concrete precedents to establish it, outside of the precedent that occurred during the World War and after the World War, before we declared a state of peace.

Mr. HATCH. I am afraid I did not make myself clear. The Senator from Wisconsin has said that there is no power under the Constitution for this country—I presume now, when we are at peace—to make a loan to a foreign country which is at war. My question was, Is there any power in this country, when at peace, to make a loan to a foreign country which is not at war? Is the element of war an essential element in the constitutional position which the Senator is taking?

Mr. WILEY. I know of no constitutional power that will authorize Congress to take the people's money from the Treasury to loan that money to a foreign country, even at peace.

Mr. HATCH. Whether it is at war or at peace?

Mr. WILEY. Yes.

Mr. HATCH. Now the Senator has answered my question. There is no distinction whatever; and yet, as a matter of fact, has not this country made numerous loans to foreign countries throughout the years?

Mr. WILEY. I have not been able to make a great study of the matter; but I should say "No," or not until the World War. The Senator will please remember that before we got into the World War we made no loan, though pressure was brought to bear upon this Government to underwrite some loans. We refused to make loans, however.

Mr. HATCH. The time is not material. We have made loans, have we not?

Mr. WILEY. Yes; under our war power.

Mr. HATCH. We have made loans to South American countries, have we not, when no war has been involved?

Mr. WILEY. No.

Mr. HATCH. Directly or indirectly?

Mr. WILEY. No. The Senator now is getting off on the question of the Export-Import Bank. I am not questioning the power of the Export-Import Bank to do what it was brought into existence to do; but when it is proposed to use it as a means of making a camouflaged war loan, it cannot be done. I have authorities to that effect which I have cited here.

Mr. HATCH. I am not going to delay the Senator.

Mr. MALONEY. Mr. President——

Mr. HATCH. I have not quite finished. I have a little difficulty in following the Senator's constitutional argument.

Mr. WILEY. I do not blame the Senator.

Mr. HATCH. But in the light of what has transpired in this country, I shall not further detain the Senator.

Mr. MALONEY. Mr. President——

Mr. WILEY. I yield to the Senator from Connecticut.

Mr. MALONEY. I just want to be sure whether or not the Senator knows that the bill itself expressly provides that there shall be no loans in violation of international law.

Mr. WILEY. Yes; and I also heard the expression on the floor of the Senate today that, contrary to John Bassett Moore's opinion in the matter, and contrary to Professor Borchard, of Yale University, the State Department representative says it is O. K. I know that.

Mr. KING. Mr. President, will the Senator yield for just a question?

Mr. WILEY. Yes.

Mr. KING. I understood the Senator to state that certain loans might be unwarranted. I was wondering if he regarded it as an illegal act for Congress to make an appropriation of $25,000,000—I think that was the amount—to acquire the Virgin Islands; whether Congress did an illegal act in making very large appropriations to pay Colombia for the alleged wrong done to Colombia in seizing, as it was claimed, what now constitutes the Panama Canal Zone. Congress evidently did not regard it as an illegal act to buy the Virgin Islands, or to make an appropriation to reimburse a sovereign state, to wit, Colombia, for having, as Colombia claimed, seized a part of her territory.

Mr. WILEY. I would answer those questions categorically "No," because I do not think those situations are analogous to the ones before us now. None of those cases arose when two nations were at war. None of them resolved itself into our making a loan to aid one of the combatants when that nation was at war.

Mr. KING. Mr. President, will the Senator yield further?

Mr. WILEY. I yield.

Mr. KING. I have, then, misinterpreted the broad ground upon which the Senator predicates his argument, namely, that there must be a specific grant in the Constitution of the United States to make legal an appropriation for any purpose other than that which is germane to the maintenance of constitutional government. It was not germane to the maintenance of constitutional government to appropriate $25,000,000 to buy the Virgin Islands, or it was not a part of our governmental function to appropriate a very large sum, $10,000,000 to reimburse Colombia because of a grievance which Colombia had against us for an alleged trespass upon her territory. There is no specific grant of authority for those payments; yet, so far as I know, no one has challenged their validity.

Mr. WILEY. The Senator is bringing up two different phases of this subject. First, the validity of an act of Congress is pretty hard to challenge as a matter of law. Secondly, he is bringing up, as I stated before, situations which are not analogous to that now being discussed.

As to the power of Congress to do those things which were done, I have not gone through the debates, and I do not know what particular constitutional question, if any, was involved. In fact, I am not familiar, except in a general way, with the incidents to which the Senator refers. To me they are not analogous to the problem here. With Colombia we righted a wrong. The Virgin Islands were for national defense.

Now, Mr. President, I am about to conclude. We in America are charged with the responsibility of keeping democracy alive. In times of great crises the Constitution was the guide to Washington and Lincoln. I pray and hope it will be our guide. If only we ourselves were involved in what we are now doing, we could afford to take the risk, but can we afford to do it when our acts will be the guide to future generations?

I know that a deep shadow seems to lie over humanity in these times, but shadows do not endure. We are informed that those who walked in darkness in other periods saw a great light. Others have seen the day break and the shadows flee away. So shall we. I interject this thought in my conclusion because in the midst of shadows men become apprehensive and irrational and lose their way. There is a light for us to follow. In religion it is the Christian concept of Deity, and in government it is the Constitution of the United States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7922) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes"; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOODRUM of Virginia, Mr. JOHNSON of Oklahoma, Mr. FITZPATRICK, Mr. HOUSTON, Mr. STARNES of Alabama, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. CASE of South Dakota were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 4532) to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States, and it was signed by the Vice President.

LOANS TO FINLAND

The Senate resumed the consideration of the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation.

The PRESIDING OFFICER. The question is on the amendment of the Committee on Foreign Relations to the amendment of the Committee on Banking and Currency.

Mr. DANAHER obtained the floor.

Mr. PITTMAN. Mr. President, may I perfect the amendment before the Senator proceeds? I suppose there may be some amendments to it.

Mr. DANAHER. I yield.

Mr. PITTMAN. Mr. President, after conferring with a number of Senators, and with the drafting service of the Senate, I have drawn a substitute on behalf of the committee.

The PRESIDING OFFICER. The clerk will read the proposed substitute.

The LEGISLATIVE CLERK. In lieu of the amendment reported by the Committee on Foreign Relations, it is proposed to insert the following:

Provided further, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed $20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof.

Mr. PITTMAN. I offer the amendment as modified.

The PRESIDING OFFICER. Without objection, the committee amendment will be so modified. The question is now on the amendment, as modified, of the Committee on Foreign Relations to the amendment of the Committee on Banking and Currency.

Mr. DANAHER. The amendment which I yesterday sent to the desk and asked to have lie on the table had been drafted

with the language appearing on page 2 of the bill. But the language of the amendment just submitted by the chairman of the Committee on Foreign Relations alters the existing language, and therefore my proposed amendment does not exactly apply. I therefore ask if I may see a copy of the amendment as it has just been modified.

Mr. BROWN. I am glad to give the Senator a copy I have.

Mr. DANAHER. Mr. President, having opportunity to read the substitute just offered, I should like to alter the amendment which I yesterday had laid on the table, and in place thereof offer the following amendment, that from the language of the committee amendment as just modified we strike out the words "any one foreign country" where they appear and insert after the word "agencies" the words "of any one country."

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Connecticut.

The LEGISLATIVE CLERK. In the amendment, as modified, it is proposed to strike out the words "any one foreign country"; and after the word "agencies", where it twice occurs, to insert the words "of any one foreign country"; and after the words "made to", strike out "such foreign country and."

The PRESIDING OFFICER. The question is now on the amendment offered by the Senator from Connecticut to the amendment of the Committee on Foreign Relations, as modified, to the amendment of the Committee on Banking and Currency.

Mr. DANAHER. Mr. President, before we proceed further with the proposed amendment, let me ask also that the clerk take from the table the amendment which I yesterday offered, which I now will offer, and state it.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the original amendment on page 2, line 17, after the word "further," it is proposed to insert the words "that no loans shall be made to any foreign government, and".

Mr. DANAHER. Mr. President, while I realize that we should not have two amendments pending at one time, I desire to proceed first on the amendment stated by the clerk, and direct my whole comment to the general subject, and with those thoughts, and for the convenience of discussion and for the purposes of argument only, I ask that the whole matter be treated as if it were offered at one time. It is in that particular, therefore, that I submit this language and ask that we may proceed accordingly.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. Certainly.

Mr. BARKLEY. The Senator is not asking that the two proposals be voted on at one time?

Mr. DANAHER. Of course not, merely that we may discuss them, and it will limit the whole discussion.

Mr. BARKLEY. If the Senator will permit me, I am not only willing but glad to enter into any arrangement which may expedite discussion and disposition of the bill. I had hoped we might dispose of it today in order that we might adjourn over until Tuesday. Last Monday we were in recess in order to give Members of the Senate on this side an opportunity to attend the meeting of the National Democratic Committee here in Washington. I understand various Republican Senators have engagements which will take them out of the city next Monday to make speeches on Lincoln's birthday anniversary. I thought it might be well to show the same courtesy to Republican Senators that we showed to ourselves, and I am still hoping we may dispose of the pending bill in time to do that, and not have a session next Monday.

Mr. DANAHER. Let me ask the Senator whether any claim has been made that I have protracted the debate.

Mr. BARKLEY. Oh, no; I am not claiming anything of that sort. I am merely trying to help consummate what we all want to do.

Mr. DANAHER. I did not so interpret the Senator's remark. Let me, for the purpose of the RECORD, point out that when the Senator from Michigan was speaking earlier in the day he based his observations and his versions upon the testimony of Mr. Jones before the Committee on Banking and Currency. I call to the attention of the Senate the fact that Mr. Jones also appeared before the committee on the 17th of January in executive session; that no stenographic report was made of his testimony, but on the morning of the 18th the Washington Post, in an article by Mr. Robert C. Albright, a very capable and competent reporter, thoroughly experienced, reported, speaking of Mr. Jones:

> He said that he could find $25,000,000 for further credit, but said this was a congressional responsibility, and he will grant no more credit unless Congress authorizes it.

One week later the committee met again, this time with Mr. Jones present, and representatives of the State Department also present. The Associated Press, reporting the doings on January 24, said this:

> Jones informed reporters that he told the committee that if the bill passed Congress in lieu of a bill providing for a loan to Finland that he would "regard it as leaving the matter of any further loans to Finland up to the administration of the lending agencies, and I would not consider it a direction to make a loan to Finland."

I wanted those two statements to appear in the RECORD in view of the fact that so many Senators seem to think that this bill deals—as its title would imply—wholly with the proposed loan to Finland.

Mr. President, I suggest the absence of a quorum.

Mr. BROWN. Mr. President, will the Senator withhold his request for a moment?

Mr. DANAHER. Yes.

Mr. BROWN. I wish to repeat what I said this morning, that the testimony of Mr. Jones before the Committee on Banking and Currency was not taken down. Did the statements to which the Senator from Connecticut refers appear only in the Washington Post and the Star?

Mr. DANAHER. No; they appeared in all newspapers having the Associated Press service.

Mr. BROWN. I do not think they are accurate statements of Mr. Jones' testimony before the Committee on Banking and Currency. In justice to him I feel I ought to say that.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WAGNER. Was that alleged to be an actual quotation of what Mr. Jones said in an interview?

Mr. DANAHER. It appears so; yes.

Mr. WAGNER. The statement was not made before the committee, but was made to the reporter, I take it.

Mr. DANAHER. I read it as such. I tried to make that clear.

Mr. WAGNER. I do not recall that testimony being given before the committee. What the Senator is now reading is a statement made by Mr. Jones to a reporter, and not made in the committee meetings.

Mr. DANAHER. That is correct. But, Mr. President, it above everything points to exactly what is involved here, and that is that once more the Congress is being asked to turn $100,000,000 over to the administration of Mr. Jones.

I say that with no disrespect or in disparagement of Mr. Jones; quite the contrary, I hold Mr. Jones in the highest esteem. But once more $100,000,000, of the American people's money is being turned over to a loan administrator to administer as he says, whether on the record or off the record, he intends to administer it, and that is precisely the point made by the Senator from North Carolina and others.

Mr. WAGNER. I may say to the Senator I know nothing about that interview, but I heard and read the testimony of Mr. Jesse Jones before the Foreign Relations Committee, and I base my judgment upon that, and not on a statement of this kind, which appears to be contradictory and at variance with his testimony. He may not have been accurately quoted in it.

I think the Senator from Michigan had the same impression I had; that it was alleged Mr. Jones made that statement before the committee. I recall no such statement having been made.

Mr. DANAHER. Let me ask the distinguished chairman of the Committee on Banking and Currency if he will tell the Senate how it was that $10,000,000 was arranged for as a credit to the Republic of Finland, and let the Senator give us, if he will, Mr. Jones' version.

Mr. WAGNER. As to the loans that have already been made?

Mr. DANAHER. Mr. Jones told us the reason and the basis for establishing a $10,000,000 credit. Will the Senator from New York please tell the Senate how Mr. Jones arrived at the figure $10,000,000? He explained it to us.

Mr. WAGNER. I do not recall exactly. The Senator from Michigan may be able to give the exact testimony as to that. But I recall distinctly that that $10,000,000 was advanced for the purpose of purchasing agricultural and other commodities in this country, and he said that because of the past record of Finland he was sure the loan would be repaid. Before the Foreign Relations Committee he said that the people of Finland always have paid their debts, and he believed they always will pay their debts.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. REYNOLDS. In pursuance of the statement made by the able Senator from New York, I will say that it is my recollection, as a member of the Committee on Foreign Relations, that on Wednesday Mr. Jones stated that the loan of $10,000,000 that was made to Finland was not so good today as it was at the time it was made.

Mr. DANAHER. I thank the Senator from North Carolina for his contribution. It certainly ought to illustrate one thing to the Members of the Senate, that if we are going to have important testimony in executive sessions, we should have stenographic records made of what is said, for the protection of the witnesses and as an aid to the recollection of the Senators themselves; and the very fact that the chairman of the Committee on Banking and Currency does not even recall what Mr. Jones told us as to how he established that, is due proof, it seems to me, of an exigency that ought to be met from now on.

Mr. WAGNER. I do not want the Senator to misquote me. The Senator says I have no recollection. It was the will of the committee that the testimony not be taken down. As I recall, Mr. Jones did say that he agreed to advance $10,000,000, and he agreed that Finland was good for a larger sum, which of course he would consider after this measure was passed by Congress.

Mr. DANAHER. How did he come to fix the amount at $10,000,000 in the first place and not $5,000,000?

Mr. PITTMAN. Mr. President, will the Senator——

Mr. DANAHER. No, no, Mr. President. The Senator from Nevada was not there. The Senator from New York was. What did Mr. Jones say as to why he arrived at the figure $10,000,000 in the first place?

Mr. WAGNER. I do not know that he was discussing why there was a limitation.

Mr. DANAHER. Will the Senator permit me to refresh his recollection?

Mr. WAGNER. Yes.

Mr. DANAHER. Very well. Does the Senator recall that he told us that there was created in New York a corporation known as the Finnish-American Trading Co.?

Mr. WAGNER. Yes; he discussed that.

Mr. DANAHER. Does the Senator recall that it was capitalized for a million dollars, and all its stock was owned by the Republic of Finland?

Mr. WAGNER. I recall that he said something with reference to that.

Mr. DANAHER. Very well. Does the Senator remember that he said he required the guarantee of the Republic of Finland? Does the Senator remember that?

Mr. WAGNER. Yes.

Mr. DANAHER. Does the Senator remember that he said he took it up with the President of the United States, the Secretary of the Treasury, and the Secretary of State, and all of them agreed before the loan was made?

Mr. WAGNER. I do not recall that he said anything except that he took the matter up with the State Department, as he did in connection with all loans that are made to foreign governments, to be sure that there were no violations of the Neutrality Act, or that the loan was in conformity with the foreign policy of the administration. That was the only testimony I recall him giving with reference to conferring with other departments.

Mr. DANAHER. I thank the Senator. Let me say to the Senator that as we go along he is obviously recalling a good deal.

Mr. WAGNER. Yes.

Mr. DANAHER. Let me ask the Senator one other question. Does he not recall that Mr. Jones told us when the Finnish-American Trading Corporation was found to be capitalized for $1,000,000, and that Finland had an export trade balance of $20,000,000 in her favor, and when he found that she had cash on deposit in London and in Paris, he took all those things into account and felt that she was good—and I will quote him—"for a modest amount of credit"? Does the Senator recall that?

Mr. WAGNER. I do not recall that he said that Finland was good for a "modest amount." I distinctly recall his testimony about the past record of Finland, and he stated to us, as he stated to the Committee on Foreign Relations, that he believed the loan was good, because the people of Finland have always paid their debts, and they always will.

Mr. DANAHER. Yes; he said that.

Mr. WAGNER. And there was nothing significant about the loan being limited to $10,000,000 at this time. As I recall the testimony, he expected further negotiations for increased loans. He further told us that all of it involved the purchase of commodities from some twenty-odd States in the Nation, and that as these purchases were made the loans would be advanced.

Mr. BROWN. Mr. President, will the Senator yield to me a moment?

Mr. DANAHER. No, no; please not just now.

Mr. WAGNER. The Senator from Connecticut wants to be the witness.

Mr. DANAHER. No; I prefer the testimony from the Senator from the State of New York at the moment. I will be happy to yield to my other colleagues in a moment.

I want to bring out another thing from the Senator. Mr. Jones told us that the United States Treasury took a note of $9,000,000 from the Republic of Finland some 20 years ago. He told us that the Republic of Finland had made payments of her interest regularly; that she had paid, roughly, $5,246,000 on account so far, including interest and principal.

Mr. WAGNER. Yes.

Mr. DANAHER. But she still owes us eight-million-two-hundred-and-thirty-thousand-odd dollars on the original $9,000,000. Does the Senator remember that?

Mr. WAGNER. But there was no default in her payment.

Mr. DANAHER. No; no question of default.

Mr. WAGNER. Very well. Do not let us have it appear that Finland defaulted.

Mr. DANAHER. Oh, no. No, indeed.

Mr. WAGNER. And I think, also, testimony was brought out that there was a suggestion at the time the last payment was due, that Finland might defer payment because of the situation, and the Finnish Government said, "We are going to pay our debt, and we are going to make this installment payment in spite of our difficulty." I cite that to show the attitude of Finland with reference to her indebtedness.

Mr. DANAHER. One other question, and I shall conclude. Does the Senator recall that Mr. Jones, finding that there was a $1,000,000 corporation in New York, said that he felt that that would be a justifiable basis upon which to capitalize at 10 percent the amount of the credit, after taking into account all the other factors?

Mr. WAGNER. I am sorry to say that I do not recall any testimony that the Administrator was relying upon the capital stock of the particular corporation which was organized to facilitate the purchases. What he definitely told the

committee, and what he persuaded the committee, was that the loans were good because of the history of Finland; and I repeat his very words. He said, "The people of Finland have always paid their debts, and I believe they always will."

The limitation of $10,000,000 was not significant at all. It was mentioned in the course of negotiations. Our understanding is that as soon as the Finns were prepared to make further purchases they would ask for the increased credit. There was no inference, such as the Senator is now trying to imply—I am sure unintentionally—that Mr. Jones conveyed the impression that Finland was good for only $10,000,000, and that that was the reason for the limitation. That was not the testimony, and I am sure the Senator could not draw that inference from the testimony.

Mr. DANAHER. Let me ask the Senator one further question in the light of his concluding observation. Does not the Senator recall that Mr. Jones said, "We will not go beyond the $10,000,000 unless you fellows tell us to"? Those were his words. Does not the Senator remember that?

Mr. WAGNER. He said he would like the view of Congress with reference thereto; but that had nothing to do with the soundness of the credits.

Mr. DANAHER. I thank the Senator.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. No; I promised to field first to the Senator from Nevada [Mr. PITTMAN].

Mr. BARKLEY. I wanted to talk about the very question which the Senator asked the Senator from New York [Mr. WAGNER].

Mr. DANAHER. I should like to yield first to the Senator from Nevada, if I may.

Mr. PITTMAN. Mr. President, I wish to read the testimony on this subject before the Foreign Relations Committee. I think the wisdom of having stenographic notes of hearings is demonstrated in this instance, because the memory of even members of committees is sometimes at fault.

Mr. DANAHER. I agree with the Senator.

Mr. PITTMAN. This is the testimony touching the subject of the first loan of $10,000,000. It is very brief:

Senator HARRISON. Was this first loan made before or after hostilities with Russia began?

Mr. JONES. Right afterward; but they had been negotiating for 2 or 3 months. The Minister first came in and wanted $60,000,000, and afterward he came back with a list of the kind of purchases that would comprise the $60,000,000. About one-half of it was for implements of war. I told him we would rule that out to begin with, that we would make no loan for guns and such. In the meantime, I undertook to acquaint myself with the ability of Finland to pay her debts, her record, her trade balances, and so forth. It took me a little while to get that information, and I reached the conclusion, and so advised my associates, that certainly the record of Finland would justify a reasonable credit. Then we said to these gentlemen, "Instead of $30,000,000 we will lend you up to $10,000,000," and when I said up to $10,000,000, I meant if that much goods were shipped, and if conditions did not warrant cancelation, they could have $10,000,000, and when that was expended they could come back and we would talk about further loans. That is the genesis of it and the consideration of it.

Senator HARRISON. How much have they received to this time?

Mr. JONES. Not a great deal. I doubt whether the bank has paid out $1,000,000. They have made commitments and purchases, but it takes quite a little while to make these purchases and get them to the ports, and get ships for them.

Senator HARRISON. They have arranged to get $10,000,000?

Mr. JONES. $10,000,000; yes.

Senator VANDENBERG. Why do you need an additional $100,000,000?

Mr. JONES. To take care of the other requirements of the bank if we are going to continue financing such exports generally throughout the country, as I have read here. Most of those are small sums, but they are helpful in that they help some small manufacturer in this country to sell something in some other country.

Mr. DANAHER. I thank the Senator from Nevada.

I now yield to the Senator from Michigan.

Mr. BROWN. I now recall the circumstance of the statement to the reporters which was made immediately after the Banking and Currency Committee adjourned. Several reporters requested that Mr. Jones and I remain, which we did. We sat around the table of the Banking and Currency Committee. I do not recall whether or not the Senator from Connecticut was present.

Mr. DANAHER. No.

Mr. BROWN. The statement which the Senator has underlined in the newspaper clipping from the Washington Post, I take it, is substantially correct. I am glad to absolve both the reporter and the Senator from any intention to misquote what was said. Mr. Jones said this, quoting from the article:

Jones informed reporters that he told the committee that if the bill passed Congress in lieu of the bill providing for a loan to Finland that he would "regard it as leaving the matter of any further loans to Finland up to the administration of the lending agency, and I would not consider it a direction to make a loan to Finland."

I have no quarrel whatever with that statement of Mr. Jones. Mr. Jones sat at the same table when I made this statement to the reporters, which he heard and to which he did not demur. The reporter said:

Although Finland was not mentioned in the legislation, Senator BROWN told reporters he thought Jesse Jones, Federal Loan Administrator—

And Mr. Jones was sitting right there—

will understand that Congress wants him to make a loan to Finland if it is safe to do so.

That is also part of the record that was made immediately after the meeting.

Mr. DANAHER. The Senator would not expect Mr. Jones to demur to his statement that he would consider further loans "if it is safe to do so," would he?

Mr. BROWN. I think not; no.

Mr. DANAHER. I thank the Senator.

Mr. BROWN. We do not want him to make loans unless it is reasonably safe to do so.

With reference to the article by Mr. Albright in the Washington Post of January 18, I take it the Senator is interested in this quotation:

He—

Meaning Mr. Jones—

said he could find $25,000,000 for further credit, but this was a congressional responsibility, and he would grant no more credit unless the Congress authorizes it.

I think Mr. Jones said substantially that. The remarks which Mr. Jones and I made at that time must be taken into consideration in the interpretation of the paragraph which the Senator has read. The idea was that Mr. Jones felt that he had gone far enough with the $10,000,000 credit if we did not increase the lending power of the Export-Import Bank by the $100,000,000 which was asked.

With that statement, I say that the articles from which I have quoted are substantially correct as to what Mr. Jones and I said immediately after the meeting of the Banking and Currency Committee.

Mr. DANAHER. I thank the Senator from Michigan.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield to the Senator from Kentucky.

Mr. BARKLEY. I merely wish to emphasize what the Senator from New York [Mr. WAGNER] has said, and what the Senator from Michigan [Mr. BROWN] has said, as to what Mr. Jones told the committee. Mr. Jones did say, as the Senator will recall and as all Senators on the committee will recall, that without further legislation he did not feel justified in holding out any hope that Finland could obtain an additional loan above the $10,000,000, or that any corporation for the benefit of exports to Finland could obtain such a loan. At that time, of course, we were discussing the specific bill which had been introduced by the Senator from Michigan.

I think it is fair to say that Mr. Jones was conferred with by members of the committee in working out a substitute bill which would make it possible, if circumstances justified it when the time came, for him to make a further loan for the purpose of exporting goods to Finland, and that he would take the language of this bill as the authority which he needed, taking into consideration the increase in the bank's capital, without which he could not make any more commit-

ments because he was already over-committed, and taking into consideration the fact that such an increase, with the provisions which were put in the bill as amendments, would be regarded as authority on his part to make an additional loan, if when the time came, and the application were made, he felt that the circumstances justified it.

There is no great difference of opinion as to what Mr. Jones said, and what his position was then and is now. I think it is fair to say that if the bill is passed as it is now, Mr. Jones will regard it, and so administer it in attempting to carry out the will of Congress, as authorizing him to extend further credit if and when application is made and conditions justify it.

Mr. DANAHER. I thank the Senator from Kentucky. Let me say, tying all this in, that it is perfectly apparent that we have been in substantial accord all the time. So far as my interrogation of the distinguished senior Senator from New York [Mr. WAGNER] is concerned, let me say to the Senator from Kentucky that I have waited 20 years for this opportunity. When I first started to practice law, the Senator from New York was a justice of the Supreme Court of New York, and the situation was reversed. For the first time I have had the opportunity and pleasure this afternoon of really attempting to refresh his recollection. [Laughter.]

Mr. BARKLEY. If the Senator practiced before the Judge for 20 years and did not attempt to refresh his recollection, I would not say that he was negligent to his clients, but he may have been embarrassed or timid in the presence of the court. [Laughter.]

Mr. DANAHER. Let me reply to the Senator from Kentucky that as a lawyer I did my best to keep the court advised at all times. [Laughter.]

Mr. President, to come back to the general subject, I thank the Senator from Michigan for his statement after his recollection was refreshed.

With the newspaper comments established as correct, it is perfectly apparent that there is a greater intent back of this proposal than would appear simply on its face. There is much more to this situation than appears on its face.

Let me ask the senior Senator from South Carolina, as I see him sitting there, if he will recall the day last June when the junior Senator from South Carolina was here asking that we agree to a proposal to swap 500,000 bales of cotton—stagnant cotton, if you choose—from American cotton piles in return for an equal value of rubber, with the agreement, understand, that neither party was to use either the rubber or the cotton unless and until a war broke out, and meanwhile if we, for instance, took the rubber we could not sell it for 7 years, and we could not even sell it then unless we got permission of Great Britain to fix a price on it.

Mr. President, I asked the junior Senator from South Carolina if he agreed to that kind of a proposition, and he never made a greater mistake in his life than he did when he said yes, he thought that was a good deal. I do not believe that Senators who know that a million bales of cotton are lining the warehouse docks in Galveston and other points in the South now think that was a good deal.

I ask those who know about the situation that existed last September when the tobacco farmers were told that British buying would stop, unless we repealed the arms embargo now to recall, in the light of what is happening, that Britain has transferred her purchases of tobacco to Turkey because it is in her interest to do so, but not in the interest of the United States tobacco farmer. Mr. President, we now find insinuations daily in the press, editorially in the Washington newspapers within the week, and in news articles emanating from Department heads, that British credits are becoming exhausted because we have a cash-and-carry provision in our Neutrality Act; because they have to pay cash for munitions of war, their credit is being depleted. Never mind the fact that the Annalist only a year ago said that they had $9,000,000,000 of reserves in this country.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Texas?

Mr. DANAHER. Gladly.

Mr. CONNALLY. The Senator made some reference awhile ago to some Senator last fall making a plea to have enacted the neutrality law so that we could sell tobacco somewhere. Who was that Senator?

Mr. DANAHER. I submit that I did not make any such statement, and I submit the RECORD will show that I did not. The Senator from Texas is misinformed or did not catch the drift of my comment. What I did say was that the tobacco farmers were being told by British buyers—that is what I said—that is what would happen if the arms embargo was not repealed.

Mr. CONNALLY. Was that in writing or merely by word of mouth?

Mr. DANAHER. Statements were made all through North Carolina and in the burley-tobacco-producing section generally that 200,000,000 pounds of tobacco normally sent to Great Britain would continue to go there, but today they are not going there, notwithstanding the fact that the arms embargo was repealed.

Mr. CONNALLY. The arms embargo was enacted here in the Senate and in the other House and not in North Carolina. I should like to have the Senator from North Carolina stand by and observe the history of the matter.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from North Carolina?

Mr. DANAHER. Yes; I will yield to the Senator from North Carolina, on the invitation of the Senator from Texas.

Mr. REYNOLDS. I remember a moment ago that the Senator made reference to the junior Senator from South Carolina in making mention of a certain proposed barter agreement between Great Britain and the United States. The Senator has observed that the junior Senator from South Carolina is not here this afternoon. He is detained, I understand, in a committee meeting.

Mr. DANAHER. Will the Senator from North Carolina yield for a moment simply that I may correct him?

Mr. REYNOLDS. Certainly.

Mr. DANAHER. I did not observe that the Senator from South Carolina was absent until the Senator called my attention to it.

Mr. REYNOLDS. I understand that. His absence, however, has provided me with an opportunity to follow up what the able Senator has just said.

It is quite true, and I think the American people ought to understand it, that not only prior to the lifting of the arms embargo were the American cotton farmers and the American tobacco producers given great hope and inspiration to the effect that if the arms embargo were lifted we need not ever experience any difficulty in making disposition of all our tobacco—tobacco grown in the Commonwealth of Virginia, in the State of North Carolina, in South Carolina, and in Georgia particularly, at the regular price, but hopes were held out to the farmers in North Carolina and in her sister States to the effect that if we did lift the arms embargo Great Britain would be there to buy all that tobacco, every pound of that tobacco, at almost war prices—not 17 cents a pound, but 47 cents a pound.

I desire further, in the absence of the able junior Senator from South Carolina, to remind the Senate to the effect that so far did that influence lead in providing inspiration for the tobacco farmers of North Carolina, Virginia, South Carolina, and Georiga that $50,000,000 worth of tobacco was held at the option of the British in order that it might be available to them.

Prior to the arms embargo, it will be recalled, there were negotiations with the representatives of the British Government for the purpose of providing an opportunity of disposing of 500,000 bales of cotton that we desired to get rid of in this country on account of the tremendous surplus we had, and that was to be exchanged by barter for tin and rubber from the Malay States through the seaport of Singapore.

But after the arms embargo was repealed, our brothers across the sea said to my neighbors in North Carolina and

her sister State, "We are exceedingly regretful but we find that we must be friends of our allies; we find that we must help our friends in this hour; we care nothing about our friends of yesterday; we are going to let our nationals enjoy the Turkish blend rather than that provided by the Virginia blend or the North Carolina or South Carolina or Georgia blend, and we cannot buy your tobacco. We are going to buy from our good friends, the Turks. We care nothing about what hopes may have been held out to the people in North Carolina, Virginia, South Carolina, and Georgia."

One other statement, if the Senator will permit me. All that happened after the embargo was lifted, and after the embargo was repealed it also happened that our British brethren came along and said, "We are extremely regretful that we will not be able to go through with our barter in regard to cotton. You can keep your 500,000 bales of cotton for the present, because we need all the tin we can get; we need all the rubber we can get, and you will have to wait for awhile before we will be able to go through with that barter trade." I think it may be assumed that the longer the war lasts the greater will be the need for these elements, the sinews of war, tin and rubber.

Mr. DANAHER. Mr. President, I certainly thank the distinguished Senator from North Carolina for his contribution and for the factual presentation he has so vividly and forcefully submitted.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. CONNALLY. The Senator from Texas interjected himself into the debate awhile ago merely to observe that, so far as the neutrality law is concerned, I repudiate any insinuation that the Senate acted on the bill to repeal the arms embargo for mercenary or commercial reasons under the promise of Great Britain or any other country that we would be able to sell a few more shoes or more tobacco or cotton.

Mr. DANAHER. The point, after all, lies in this, that there is now being undertaken a brand new movement in this country to cause Americans to believe, because of the existence and the cash-and-carry provisions of the neutrality act, that British and French credits or cash in this country will be exhausted and that therefore we must take steps to repeal the cash-and-carry provisions of the Neutrality Act.

Mr. President, according to the report of the Secretary of State, only a short week ago Great Britain took out arms-export licenses in the month of December 1939, amounting to $66,840, making a total for the 12 months ending December 1939 for Great Britain of $20,991,067.72.

Whatever the situation may be so far as Great Britain is concerned, it is perfectly apparent that France, during the same period, in the month of December, took $15,035,642, making a grand total for the year of $122,120,000, or six times as much as Great Britain took.

Ah, but why should it not be so, when Admiral Stark appears before the Committee on Appropriations and tells us at this session of Congress that the United States Navy air patrols are flying 800,000 nautical miles a month, and when he tells us—and I read from page 3 of his testimony—

> Had the Germans had in mind sending any submarines to our coasts, with the possibility of perhaps getting supplies from our coasts, I think we have completely eliminated that possibility.

Admiral Stark again said:

> We took the area adjacent to our waters that we considered we could cover with aircraft supplemented by destroyers.

The Senator from Georgia [Mr. RUSSELL] pursued a most valid line of inquiry and Admiral Stark responded to his question on page 5, referring to the *Columbus:*

> We did not know what she was going to do. We picked her up almost as soon as she left her port in Mexico. She passed on from one set of our destroyers to another and when she went offshore our cruiser in that area followed her out.
>
> Senator MCKELLAR. How far was she out when she went down?
>
> Admiral STARK. I would say about 500 miles.
>
> Senator MCKELLAR. From the general shore?
>
> Admiral STARK. From our coast at that particular point.
>
> Senator RUSSELL. Have you had occasion to follow any merchant ship?
>
> Admiral STARK. I would like to discuss that off the record.
>
> Senator RUSSELL. Very well.

Then there was discussion off the record, as the stenographic minutes show.

Here is a situation, in other words, in which the United States of America, through its naval patrol, is acting as the eyes of the British in north Atlantic waters, where our Navy is following a German merchant ship—the ship of a country with which we are at peace—from Vera Cruz, and never letting her out of sight of one convoy after another until the moment she goes down; and when the newspaper publicity on that subject came out, it did not come from the Navy. It came from Mr. Early at the White House; and he said that the *Tuscaloosa,* while in the course of routine neutrality patrol, came upon the *Columbus* in a sinking condition, and afire from stem to stern.

Mr. President, that just was not so. The American Navy was patrolling those waters, and following that ship, and turning her over from one cruiser to another, until, 500 miles at sea, she met up with a British destroyer; and to avoid capture and perhaps subsequent internment she was scuttled and sunk.

Mr. President, somewhere or other we shall have to draw the line. Either this war over in Europe is our affair, or it is not.

On the 16th of January the President of the United States sent to this body a message. When we convened that day, I sent to the desk a concurrent resolution. Following out the very language of the Neutrality Act, I asked that Congress declare it as the sense of Congress, and that we find as a fact, that a state of war exists between the Republic of Finland and the Union of Soviet Socialist Republics. Everybody in the world knows there is a war over there. Two hours later the President, by special messenger, sent a letter to us, after there had been introduced here that concurrent resolution which would have called for the invocation of our own neutrality act, a neutrality act which had in it language that had been inserted by his direction, giving him this very opportunity to escape enforcing what was our law up until November 4, 1939. We debated that point here. The Senator from Colorado [Mr. JOHNSON] clearly predicted, and the RECORD will show it, that that very language would be used as an escape clause to dodge the responsibility for declaring that a state of war exists and thereupon invoking the neutrality law of our own making.

What do we find happened? We find that the President told us on September 21—and I read from his message:

> If a war in Europe had broken out prior to 1935, there would have been no difference, for example, between our exports of sheets of aluminum and airplane wings; today there is an artificial legal difference. Before 1935 there would have been no difference between the export of cotton and the export of guncotton; today there is. Before 1935 there would have been no difference between the shipment of brass tubing in pipe form and brass tubing in shell form; today there is. Before 1935 there would have been no difference between the export of a motortruck and an armored motortruck; today there is.
>
> Let us be factual and recognize that a belligerent nation often needs wheat and lard and cotton for the survival of its population just as much as it needs antiaircraft guns and antisubmarine depth charges. Let those who seek to retain the present embargo position be wholly consistent and seek new legislation to cut off cloth and copper and meat and wheat and a thousand other articles from all of the nations at war.

Mr. President, the senior Senator from Michigan [Mr. VANDENBERG] introduced into the CONGRESSIONAL RECORD yesterday a statement of the hundreds of millions of dollars of American money that have been going to Russia to buy her gold. We find the situation so drastic that the Pacific is dotted with ships. You cannot get a tanker into the harbor at Vladivostok. We find that the pig tin situation is so serious that Assistant Secretary Johnson and Secretary of the Navy Edison only 2 weeks ago joined in a statement to the American people demanding that we sell no more pig tin for export, because Russia had taken so much of our domestic supply that we had less than 6 weeks' supply of pig

tin in this country for our own emergency use. Senators heard the distinguished junior Senator from Massachusetts [Mr. LODGE] yesterday quote from the report of the Commissioner of Customs, Mr. Basil Harris, telling of the $80,000,000 worth of American goods that have been sent over there, consisting of copper, copper tubing, and the rest, going to supply Russia; and we see articles in the newspapers, and we listen in this place and over the air to people talking about the United States helping Finland.

Why, Mr. President, if we should declare the existence of a state of war, and if we should enforce our neutrality act—and it is our act, whether some of us like it or not; it is our law, and we ought to obey it—we would stop the business of helping Russia, for the reason that under the Neutrality Act the President has power to issue a proclamation, and in that proclamation he may enumerate all the items that he wishes to call implements of war; he may include bowie knives, krises, and machetes if he wants to, and he may stop the export to Russia of the things that are helping Russia; and he may stop the use of American dollars at $35 for an ounce of gold, doubling the amount of capital available to Russia to conduct the war.

We are financing every war on the face of the earth today, under the policy that is being pursued. What did the President tell us in his message on January 16 of this year? He told us then:

> There is at the same time undoubted opposition to the creation of precedents which might lead to large credits to nations in Europe, either belligerents or neutrals. No one desires a return to such a status. * * *
>
> This Government will have early occasion to consider a number of applications for loans to citizens and small countries abroad, especially in Scandinavia and South America. That raises the question for the determination of the Congress as to whether my recommendation made to the Congress some months ago, for enlarging the revolving fund in a relatively small sum, for relatively small loans, should be considered. It goes without saying that if the applications for loans can be acted upon favorably by the Congress, this matter will be kept within the realm of our neutrality laws and our neutrality policies.

Mr. President, Great Britain did not declare war on Russia when Russia rushed into Poland and decimated the country and took over three-fifths of it. Quite the contrary; Chamberlain went on the floor of Parliament and told Parliament that that did no more than restore to Russia her natural boundaries, which had been taken away from her by the Brest-Litovsk Treaty. That is what he said.

Mr. President, Poland was the ally of England. She did not declare war on Russia. The President of the United States told Congress that he wants loans, if any, to finance the purchase of agricultural surpluses and manufactured products, not including implements of war. He is financing, through the conduct of the Department of the Treasury and this mistaken, fallacious gold policy, and the refusal to find a state of war and invoke our Neutrality Act, a means of assisting Russia to conduct and maintain that very destructive fight upon Finland which has engaged the patriotic attention of so many of our Senators today.

Mr. President, I submit that if we really want to do what is our job we shall conduct ourselves in accordance with our own law; and while I recognize that there is not before this body parliamentarily at the moment the matter of a concurrent resolution to find the existence of a state of war, that is what we ought to pass, and that is what we ought to do.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. DANAHER. Yes; I yield.

Mr. LUNDEEN. Am I to understand the Senator to say that we are engaged in helping both sides by our present policy; that we are bound to see that the war continues? Are we taking part in the struggle? Short of war, are we going to help anybody who fights?

Mr. DANAHER. Mr. President, if we were to invoke our Neutrality Act and issue a proclamation in accordance with it, we would be able to continue help to Finland through Great Britain and through France, which already are the mediums through which supplies are, and must be, carried to Finland. There is no other way in which we can get them there. American ships cannot go there. We took American ships off the seas. Every American exporter knows that if he tries today to send cotton or anything else abroad he has to do it in a British ship, that he cannot then get a bottom unless he agrees to let the British have half the cargo, and he cannot get it then unless he pays their rates.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BROWN. I understand that Norwegian ships, Swedish ships, Dutch ships, and other ships, are on the high seas, and that goods are actually going to Bergen and to other ports in the Scandinavian peninsula directly from the United States, with which the British have nothing to do. They may possibly search the ships, but I do not think they are going to stop supplies going to Scandinavia, or to Finland.

Mr. DANAHER. Mr. President, if any shipments from this country would hurt or compete with British shipments, they are held up 12 or 15 days at some contraband control station, or at least 4 or 5 days, while the ships of some favored nation are passed through. That is what is happening to American trade. We are losing out in every possible aspect as a result of the action of the Congress.

Mr. BROWN. My point is that there are ships available to this service of transportation other than the ships of the British and French nations.

Mr. DANAHER. There cannot be many; there may be some.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. LUNDEEN. The Senator stated that the ships of some nations were held up and those of more favored nations were let through.

Mr. DANAHER. That is correct.

Mr. LUNDEEN. How about the British holding up our mail ships? We are not a favored nation with the British, then. Is that the idea?

Mr. DANAHER. I would hope they would think us so. In my heart I think of us as such. I think we are a favored nation. With me this is a favorite nation, and, so far as I am concerned, I shall continue to think so, and I want the world to think so, and I want to act for it here, and I want the Congress to continue to act for it, and when we are asked to adopt a policy turning hundreds of millions of dollars over to an Export-Import Bank, to be controlled in the discretion of an Administrator, whose attitude as to whether we will or we will not grant future credits occupied the attention of the Senate for more than 2 hours today, it is easy to see the injustice and the wrong that is being done the American people in that particular.

Why should we make loans to any country? There is not a loan in the record of the Export-Import Bank, by the way, to any country. Someone has erroneously stated that there is, but there is not. We have always made the loans to a subsidiary corporation, an American corporation, an exporting corporation, and we have taken its paper. In some instances we have demanded the guarantees of foreign governments, but we have not made any American loans to any foreign government through the Export-Import Bank.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. Certainly.

Mr. BARKLEY. I think the Senator is slightly in error; I believe a small loan was made to the Republic of Cuba.

Mr. DANAHER. We bought silver bullion and coined it and sent it back to them. That is what happened.

Mr. BARKLEY. It was a loan.

Mr. DANAHER. The record will show.

Mr. BARKLEY. It was a loan, and is so included in the list.

Mr. DANAHER. Very well; then I am in error to that extent. It was paid out. There was no loss. What we did was to take the silver, coin it at our expense, and send the coin back.

Mr. BARKLEY. There have been no losses on the operations of the Export-Import Bank. On the contrary, they made a profit.

Mr. DANAHER. That is correct.

Mr. BARKLEY. In 1939 they made a profit of nearly two and half million dollars.

Mr. DANAHER. Certainly; because loans with 5- and 6- and 8-year maturities, which no bank would take, have not yet come due; and when they do, the losses will be seen.

Mr. BARKLEY. The Senator cannot assume that because a loan is not due it is going to be defaulted when it comes due.

Mr. DANAHER. I did not say that. I did not say there was a loss. The Senator just said there was none, and I was explaining why there was not. The point I am making is that we ought to limit this bill, we ought to provide that there be no loans to any foreign country, we ought to provide that American money will go to help American exporters within the purview and intendment of the Export-Import Bank Act which we passed in 1928 and again in 1935, and in that way we can demand the guaranties of foreign countries on the paper, but at least we have a domestic entity with which to deal. That is the only sensible solution of the problem.

In any event, I have submitted my views, and I ask that the amendment restricting loans to foreign governments be agreed to.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield.

Mr. BROWN. I did not hear all the colloquy, but I think the Senator from Kentucky called attention to the fact that the Senator from Connecticut was inaccurate when he stated that there were no loans made directly to foreign governments. I find that a very large loan was made directly to the Republic of Cuba.

Mr. BARKLEY. I so stated to the Senator.

Mr. BROWN. Insofar as the loan to China is concerned, the Universal Trading Corporation is a corporation whose stock, I am informed, is entirely owned by the Government of China. So far as the two largest loans we have made are concerned, they were Government loans.

Mr. DANAHER. Mr. President, the Senator is quite correct, the Universal Trading Corporation is owned by China; but it is an American corporation. The Finnish-American Trading Co. is an American corporation. It was organized under the laws of the State of New York, even though its stock be owned by Finland. The Amtorg Trading Corporation is a Russian corporation, and, indeed, the Export-Import Bank was originally chartered to handle the Amtorg account.

Mr. BROWN. The Senator observes that in all those cases the fundamental security which the Export-Import Bank has is the guaranty of the foreign governments. In the case of China, it is not the Universal Trading Corporation, because if there had not been the guaranty of the Government of China, the loan would not have been made.

Mr. DANAHER. Has not the outstanding loan at this very time from the Export-Import Bank been negotiated in favor of and by the Finnish-American Trading Co.?

Mr. BROWN. Certainly; but the security upon which the Export-Import Bank depends is the guaranty of the Government of Finland, and they could not borrow 15 cents if it were not for that guaranty on the part of the Finnish Government; and the Finnish Government owns all the stock of the Finnish Trading Corporation.

Mr. DANAHER. There is no question about that. Is there any reason why we should not continue that arrangement?

Mr. BROWN. So far as I am concerned, it does not make any particular difference, but I think it would be just as well to cut out the camouflage and make the loan direct.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. LUNDEEN. What security have we if a government to which a loan is made becomes nonexistent? For instance, suppose in a few months from now there is no Finland. Suppose the word of China becomes worthless so far as payment of debts is concerned. We have long lists of billions of dollars we have loaned to Austria. Where is Austria today? We have loaned nearly $200,000,000 to Czechoslovakia. How are we to collect that? Perhaps we can collect some of it at the Panama Canal, or through some trade arrangement; but we will certainly have to search through the records to see how we can find a method of collecting. How are we to collect the hundreds of millions of dollars we loaned to Poland?

I think the American people had better stop and think, and that the Senate had better consider the European picture. These small nations are disappearing and consolidating into larger groups, and perhaps we may find that the securities of some nations and their promises may not prove 100-percent good. Is not that the history of our war loans?

Mr. BROWN. Mr. President, will the Senator from Connecticut yield?

Mr. DANAHER. I yield.

Mr. BROWN. The Senator from Minnesota seems to overlook the fact that while we have loaned money to other countries and have not been repaid, the money we loaned to the little Republic of Finland has been in part repaid, and they are wholly up to date in their payments according to their agreement. I, for one, feel that we are doing a service not only to ourselves, but to the peoples of the world, by recognizing integrity and honor when we find them; and the little amount of money we might lose if, unhappily, Finland should cease to be, I think would be money well spent.

Mr. McKELLAR obtained the floor.

Mr. LUNDEEN. Then, Mr. President, the Senator is in favor——

Mr. McKELLAR. I believe I have the floor.

Mr. LUNDEEN. If the Senator will pardon me.

Mr. McKELLAR. I will yield to the Senator if he desires. I have the floor.

Mr. LUNDEEN. I thank the Senator. If that is the statement of the Senator from Michigan, when are we to retire from this world-saving idea which we have been pursuing for 25 years? Whenever we find somebody in trouble, are we supposed to rush in with our millions and billions to save them?

Mr. BROWN. Not at all.

Mr. LUNDEEN. When one-third of our people are ill-housed, ill-clothed, and ill-fed here in the United States the time has come to put a stop to that sort of thing. [Manifestations of applause in the galleries.] The American people are getting tired of foreign loans; our own people unemployed to the extent of ten or twelve million; without bread, without housing, and ill-clothed, transients by the hundreds of thousands in rags, living in hovels today in the coal fields of Pennsylvania and in other States. The time has come to think about America and forget Europe. [Manifestations of applause in the galleries.]

Mr. BARKLEY. Mr. President, I call the attention of the Chair to the fact that the rules of the Senate prevent demonstrations in the galleries, and I hope the Chair will remind our guests that they must observe the rules and refrain from demonstrations for or against any Senator or anything that is said in the Senate.

The PRESIDING OFFICER (Mr. THOMAS of Idaho in the chair). The occupants of the galleries will observe the rule invoked by the Senator from Kentucky, and refrain from demonstrations of any kind.

Mr. BYRNES. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. BYRNES. I ask the Senator to yield to me only because I am advised that during my absence from the floor there was some discussion of the barter agreement between the United States and Great Britain, and that the statement was made that there had been no deliveries of rubber under that agreement.

Merely for the RECORD, I wish to say that the fact is that rubber has been delivered upon that agreement, and it is in the warehouses of the United States Government. Of the total of 87,000 tons of rubber to be received by this Govern-

ment under the agreement, one-half has been purchased by Great Britain from the rubber producers for delivery, and that amount was purchased by February 1. It would not be proper to say where that rubber is now, but it will be in the warehouses of the United States Government within a very short time.

As to the cotton, which I understood it was said had not been delivered, 167,000 bales of cotton have been shipped under that barter agreement, and further shipments were delayed only because it was deemed advisable, in the opinion of the Director of the Commodity Credit Corporation, that no further shipments be made at a time when ships were needed to deliver the cotton owned by individuals in this country, and which was sold for delivery.

As to the rubber, the reason a greater quantity of rubber has not been demanded for delivery under the agreement prior to this time, is that immediately upon the outbreak of the war the price of rubber soared, and had the United States demanded of Great Britain that it purchase rubber from the producers in order to deliver under the agreement, it would have caused hardship to the industries of this country which are dependent upon rubber to carry on their business, and to furnish employment to American workmen. Under the treaty, however, there was a provision for a delay of delivery. An agreement was arrived at. As I said, one-half of the rubber had been purchased for delivery. One hundred and sixty-seven thousand bales of the cotton have been actually shipped, and more will be shipped by June 30, the date to which the time was extended.

Mr. McKELLAR. Mr. President, I am not a member of the Foreign Relations Committee, and I shall not go into the intricacies of the debate between members of that committee and other Senators who are members of the Committee on Banking and Currency, both of which committees have had this measure under consideration.

I shall detain the Senate only a very few minutes, possibly not more than 3. I am very much in favor of furnishing money to Finland and furnishing it immediately. I would prefer to vote for a direct loan. I would rather do directly what is here proposed to be done indirectly. However, if this is the only method by which we can give aid to Finland, I shall vote for this method and this bill.

I want to give the reasons why I am in favor of a direct gift. We may call it a "gift" or a "loan." The two words mean the same in this connection.

Russia is not engaged in a declared war on Finland. She is merely brutally killing Finnish men, women, and children, sick and well, old and young, wherever she finds them living, destroying their homes and their property. Her action toward Finland is worse than famine in Finland, worse than pestilence, worse than earthquakes, and in these circumstances it seems to me we can make a gift or loan to the suffering people of Finland without diplomatic offense to Russia or to any other nation. The precedents are ample.

In December 1921, by act of Congress, we made a gift of $20,000,000 for purchase and distribution of corn, seed, grain, and preserved milk for the people of Russia. In January 1922 we gave $4,000,000 for medical supplies to the suffering people of Russia.

In February 1925, by an act of Congress, we gave Japan more than $6,000,000 for her earthquake sufferers.

In 1919 we gave $100,000,000 to the war sufferers of Europe.

Surely, since we gave these enormous sums to those who were suffering as a result of earthquakes in Japan, from famine in Russia, and to the war sufferers of Europe after the war, we could give a reasonable amount—any reasonable amount we desire—to aid in the protection of Finland against hordes of barbaric Russian soldiers armed to the teeth and infinitely more dangerous to human life and human happiness and to more people than earthquake or famine.

The people of the United States have always been generous toward the people of foreign nations in distress. I hope she always will be. This wholesale killing of Finnish people by the Russian armies and this wholesale destruction of Finnish property by the Russian armies is far more despicable, far more hurtful to the people, far more detestable, and far more barbaric and brutal than any visitation of Nature, and for that reason it seems to me we violate no treaty obligation and no moral obligation of any kind in making a direct gift to Finland in her present distress.

I am very sorry the committee did not report out the bill introduced by the Senator from Michigan [Mr. BROWN], providing for a loan of $60,000,000 to Finland to be used as she pleases to use it. I should like to have voted for such a bill, and let her use the money not in the way we say but in the way which her necessities dictate. However, if those on the committee and the majority of this body are unwilling to pass such a bill, and are willing to pass the bill only as recommended by the Foreign Relations Committee, then I am going to vote for the bill, and thus do indirectly that which I should like to do directly.

Mr. President, I have always believed in doing a thing directly. I do not believe in roundabout ways of getting at a question or doing what seems to me it is our duty to do; and I think we would have a perfect right to act directly, and that we are under a real moral obligation to do so, for the relief of the brave people of Finland, just as we did for the famine sufferers in Russia, the earthquake sufferers in Japan, and the war sufferers on the continent of Europe.

Mr. President, I think Finland has made a wonderful record against overwhelming odds. She is entitled to the consideration and help of the world. The cowardly, dastardly, and miserable fight which Russia is making on Finland is unspeakably infamous. It ought to cause every nation on the face of the earth to break treaty relations with the present Government of Russia. I would willingly vote today to sever our treaty relations with Russia, as we did once before. Under her present leadership Russia is a death-dealing monster, trying to destroy a small and almost defenseless country. In my humble judgment, the present Government of Russia ought to be wiped off the face of the earth.

Mr. President, if we are to do Finland any good, we must act immediately. Let us pass this bill, and pass it now. Let us not postpone action on the measure. If we should do so, any action taken might be too late.

Mr. BARKLEY. Mr. President, I had hoped that we might do today just what the Senator from Tennessee has indicated is his desire be done, and that is to pass the bill, but it is obvious that we cannot conclude the considerations of the bill today. I had indicated previously during the day that as a courtesy to our Republican colleagues who are going to be absent on next Monday to inflict cruel and inhuman punishment upon various audiences throughout the country by making Republican speeches, that we would extend to them the same courtesy that we extended to ourselves last Monday, by not having a session Monday. That would mean that we would have to meet tomorrow in order to try to conclude action on this bill. In order that we may not have to do that, I shall ask unanimous consent that when the Senate concludes its business today it recess until 12 o'clock Tuesday next, and that at an hour not later than 5 o'clock p. m. on that day, the Senate proceed to vote on the bill and all amendments thereto without further debate.

Mr. McNARY. Mr. President, I sincerely hope the agreement may be entered into. And on behalf of the Republican Members of the Senate and the Republicans throughout the country I want to express appreciation for the thoughtfulness and generosity on the part of the able leader on the Democratic side.

Mr. GEORGE. Mr. President, I have no objection to the request. I had hoped that I might be able to get the floor this afternoon, and if not, I hope I may get the floor the first thing Tuesday morning, because I think the question here involved is one which deserves very careful consideration. I hope that I may be able to proceed for a reasonable length of time the next day the Senate is in session. I do not think I will take over 30 minutes.

Mr. BARKLEY. That is entirely agreeable to me, I will say to the Senator from Georgia, and I know it can be arranged.

Mr. MALONEY. Mr. President, reserving the right to object—and I shall not object—I wish to say that it so happens that I am compelled to be out of the city on Tuesday. I have not heretofore had an opportunity to speak on this matter. Since I have not had the opportunity to speak today, I was hopeful of having the opportunity to speak on the subject tomorrow, because I had spoken to the majority leader and expected there would be a session then.

I take this occasion to say that I am anxious to support the bill, and I wish the RECORD to show that if the bill should come to a vote on Tuesday under the proposed unanimous-consent agreement I would vote for it if I were present.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I think the past experiences of the Senate conclusively demonstrate that the kind of unanimous-consent agreement which the Senator from Kentucky has proposed does not give satisfaction. I shall not object; but we can all see, from what has been said by Senators who wish to speak next Tuesday, that the time will be completely taken up by a comparatively few Senators, and that when we reach the hour of 5 o'clock there will be many Senators who will wish to speak for not to exceed 5 or 10 minutes. The Senator will remember from the experience of the Senate that we always run into that kind of a dilemma when such an agreement is made. It seems to me he ought to change his request and fix a time in the afternoon after which speeches will be limited. I do not care what the limitation is, even if it is as little as 5 minutes.

Mr. BARKLEY. Mr. President, I appreciate the suggestion of the Senator from Nebraska. This bill has been pending for some time. The House must act on it; and I think both Houses of Congress are anxious to dispose of the matter. I think the country would like to see it disposed of speedily. For that reason I wished to fix an hour on Tuesday when we might vote so as to avoid having a session tomorrow or Monday.

I will modify my request to this extent—that beginning at 3 o'clock on Tuesday, if the 5-o'clock hour for voting is retained, no Senator shall speak more than once or longer than 20 minutes on the bill or any amendment thereto.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I wish to couple with my request unanimous consent to waive the rule requiring a quorum call for fixing an hour to vote.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF MILITARY AFFAIRS COMMITTEE

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Maj. Marion Irwin Voorhes, Cavalry, for appointment, by transfer, to the Quartermaster Corps, Regular Army.

He also, from the same committee, reported favorably the nominations of sundry Reserve officers for appointment as first lieutenants in the Medical Corps, Regular Army, with rank from date of appointment.

He also, from the same committee, reported favorably the nominations of sundry officers for promotion in the Regular Army.

He also, from the same committee, reported favorably the nominations of several officers for appointment as general officers in the National Guard of the United States, under the provisions of law.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the calendar.

WORK PROJECTS ADMINISTRATION—NOMINATION PASSED OVER

The legislative clerk read the nomination of Paul Edwards to be work projects administrator for the District of Columbia, which nomination had been previously passed over.

Mr. KING. I move that the nomination be confirmed.

Mr. CHAVEZ. Mr. President, yesterday I made some remarks on the nomination just read. As indicated yesterday, it is not my purpose to object to its confirmation. The information which I have obtained leads me to believe that Mr. Edwards is a very fine citizen and a very fine official. Nevertheless, he comes from a place outside the District of Columbia.

I now give notice that in the future I shall object to the confirmation of any nominee in the District of Columbia or in any State who does not come from the citizenship of that particular District or State. I may not be able to stop such nominations, but it is not fair to have carpetbagging after the days of 1865 and 1866, whether it be by the appointive power or by departmental order.

Mr. McKELLAR. Mr. President, I am glad the Senator has withdrawn his objection.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC SERVICE

The legislative clerk read the nomination of George H. Earle 3d to be Envoy Extraordinary and Minister Plenipotentiary of the United States to Bulgaria.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of David Gray to be Envoy Extraordinary and Minister Plenipotentiary of the United States to Ireland.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Louis G. Dreyfus, Jr., now Envoy Extraordinary and Minister Plenipotentiary to Iran, to be also Envoy Extraordinary and Minister Plenipotentiary of the United States to Afghanistan.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL RESERVE SYSTEM

The legislative clerk read the nomination of Marriner S. Eccles to be a member of the Board of Governors of the Federal Reserve System.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Chester C. Davis to be a member of the Board of Governors of the Federal Reserve System.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

IN THE ARMY

Mr. SHEPPARD. Mr. President, I ask unanimous consent that the Army nominations reported today be confirmed.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. SHEPPARD. I ask that the President be notified of the confirmation of the Army nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

That concludes the Executive Calendar.

RECESS TO TUESDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until Tuesday, February 13, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 9 (legislative day of February 7), 1940

CALIFORNIA DEBRIS COMMISSION

Maj. Robert C. Hunter, Corps of Engineers, United States Army, for appointment as a member of the California Debris Commission provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California," vice Maj. Frank M. S. Johnson, Corps of Engineers, relieved.

APPOINTMENTS IN THE REGULAR ARMY

TO BE MAJOR GENERAL

Brig. Gen. Walter Campbell Short, United States Army, from March 1, 1940, vice Maj. Gen. John H. Hughes, United States Army, to be retired February 29, 1940.

TO BE BRIGADIER GENERAL

Col. Robert Henry Lewis, Field Artillery, vice Brig. Gen. Walter C. Short, United States Army, nominated for appointment as major general.

TO BE THE INSPECTOR GENERAL, WITH THE RANK OF MAJOR GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM DECEMBER 24, 1939

Col. Virgil Lee Peterson, Corps of Engineers, vice Maj. Gen. Walter L. Reed, the Inspector General, whose term of office expired December 23, 1939.

TO BE CHIEF OF FINANCE, WITH THE RANK OF MAJOR GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM APRIL 23, 1940

Col. Howard Kendall Loughry, Coast Artillery Corps, vice Maj. Gen. Frederick W. Boschen, Chief of Finance, whose term of office expires April 22, 1940.

TO BE CHIEF OF COAST ARTILLERY, WITH THE RANK OF MAJOR GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM APRIL 1, 1940

Col. Joseph Andrew Green, Coast Artillery Corps, vice Maj. Gen. Archibald H. Sunderland, Chief of Coast Artillery, whose term of office expires March 31, 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 9 (legislative day of February 7), 1940

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY OF THE UNITED STATES

George H. Earle 3d, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Bulgaria.

David Gray to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Ireland.

Louis G. Dreyfus, Jr., now Envoy Extraordinary and Minister Plenipotentiary to Iran, to be also Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Afghanistan.

WORK PROJECTS ADMINISTRATION

Paul Edwards to be work-projects administrator for the District of Columbia.

FEDERAL RESERVE SYSTEM

TO BE MEMBERS OF THE BOARD OF GOVERNORS

Marriner S. Eccles
Chester C. Davis

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants

Theodore Livingston Hartridge
Oscar Peyton Moffitt, Jr.
Harry Gladding Moseley
Hugh Warren Jones
Larry Allen Smith
Julian Rex Bernheim, Jr.
Robert Paul Hughes
Benjamin Hardy Sullivan, Jr.
Sterling James Ritchey
Joseph Calvin Lawrence
Philip Alexander Bergman
David Hickman Drummond
Joseph Brown Gordon
Fred George Lahourcade
James Edward Sams
Louis Harmon Jobe, Jr.
Robert James Goldson
Alonzo Allan Towner, Jr.
Jake William Hearn
Ephraim Bernard Cohen
David Harry Naimark
John Ward Regan
Robert Bresette Gorman
Harold Frederick Funsch
Harry James Grossman
Don S. Wenger
Delmar Eichler Domke
John Joseph Chizik
Harold Buffington Graves
Maurice Riordan Connolly
James Edward Hix

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Paul Sorg Reinecke, Corps of Engineers.
Raymond Albert Wheeler, Corps of Engineers.
William Benjamin Hardigg, Ordnance Department.
Harry Russell Kutz, Ordnance Department.
Thompson Lawrence, Infantry.

TO BE LIEUTENANT COLONELS

Maurice Joseph McGuire, Infantry.
Leon Gregory Harer, Infantry.
Chauncey Harold Hayden, Infantry.
Erle Oden Sandlin, Infantry.
Isaac George Walker, Cavalry.
Walter Edward Jenkins, Field Artillery.
William Elmer Lynd, Air Corps (temporary lieutenant colonel, Air Corps).

TO BE MAJORS

Lucas Victor Beau, Jr., Air Corps (temporary major, Air Corps).
Arthur Lee Shreve, Field Artillery.
George Raymond Connor, Infantry.
Newman Raiford Laughinghouse, Air Corps (temporary major, Air Corps).
John Paul Dean, Corps of Engineers.
Patrick Henry Timothy, Jr., Corps of Engineers.
Hugh John Casey, Corps of Engineers.
Patrick Henry Tansey, Corps of Engineers.
Hans Kramer, Corps of Engineers.
Albert Gordon Matthews, Corps of Engineers.
Leland Hazelton Hewitt, Corps of Engineers.
Michael Charles Grenata, Corps of Engineers.
Thomas Francis Kern, Corps of Engineers.
Ralph Edward Cruse, Corps of Engineers.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Marion Irwin Voorhes.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICERS

Roger Weed Eckfeldt to be major general, National Guard of the United States.

William Francis Howe to be brigadier general, National Guard of the United States.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 9, 1940

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. RAYBURN].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thy mercy, O Lord, is in the heavens and Thy majesty and power reach unto the ends of the earth. Turn unto us again and give Thy presence unto Thy children, and with Thy blessing may we not fail to hallow the gifts of life. We pray that we may be just in our judgments, rich in our charity, and sincere in our interpretation of one another. Do Thou give range and vision to the thoughts that we think and to the lives that we live. We thank Thee for the happiness

and the hallowed associations of our homes. The dear Lord bless them with contentment and good health. May we all enjoy life at its best that we may give this life of joy to others. Comfort the sick and all bereaved ones with the hopes and promises of our most holy faith and graciously abide with our Speaker, and Thine shall be the glory. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7922. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1941, and for other purposes.

EXTENSION OF REMARKS

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my own remarks on the Department of Agriculture appropriation bill.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE STATE DEPARTMENT

Mr. DOUGHTON. Mr. Speaker, on Tuesday, February 6, the gentleman from Maine [Mr. BREWSTER] addressed the House during the consideration of the appropriation bill for the State Department and made what I feel to have been an unwarranted attack upon the State Department.

I therefore ask unanimous consent to have inserted in the RECORD at this point a letter received from the Secretary of State bearing on this subject.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The letter referred to is as follows:

DEPARTMENT OF STATE,
Washington, February 8, 1940.

The Honorable ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means,
House of Representatives.

MY DEAR MR. DOUGHTON: My attention has been called to the debate reported in the CONGRESSIONAL RECORD of February 6, with reference to H. R. 8319, making appropriations for the Departments of State, Commerce, and Justice and for the judiciary for the fiscal year ending June 30, 1941, and for other purposes. I note that Representative BREWSTER, of Maine, is reported to have made the following statements (CONGRESSIONAL RECORD, p. 1095 et seq.):

"Mr. Chairman, I shall address myself for a few moments to the appropriation for the State Department and raise the question as to whether the matter I shall present, if it were typical of the practices of the State Department, would not justify refusing this Department any appropriation whatsoever. I believe the circumstances herein set out are calculated only to serve the purpose of foreign rather than domestic interests. I refer to the subject matter covered by my resolution of inquiry presented last week and answered by the Treasury Department. In the reply it was stated that the so-called Newfoundland deal was initiated on the request of the State Department. The records of the Customs Department amply bear this out.

"* * * In other words, an American fishery as now defined by our Treasury Department under the Customs Division, is a fishery in which American fishermen may not be employed. So extraordinary a result has been secured by the State Department requesting that the Treasury should revise their current regulations and introduce a so-called Treasury decision. Under the treaty of 1818 it was provided that our fishermen might land their fish on the 'uninhabited' coast of Newfoundland, 'dry and cure them,' and bring those fish back to the United States. It is a perversion of that ancient 'treaty right' under which the General Sea Foods Corporation today is going to be enabled, if the Treasury regulations initiated on the motion of our State Department shall stand, to enter our market absolutely duty free. This was accomplished by the simple addition on August 10, 1938, of the following language to the existing Treasury regulation as to what constitutes an American fishery. It formerly provided that it should be a fishery carried on under the American flag by an American vessel. Now, they add these three lines:

"'And may include a shore station operated in conjunction with such vessels by the owner or masters thereof.'"

The "resolution of inquiry" mentioned by Representative BREWSTER appears to have been House Resolution 361 submitted by him on January 17, 1940, upon which the Committee on Ways and Means submitted an adverse report, No. 1558, on February 1, 1940. Copies of House Resolution 361 and of the report No. 1558 are attached hereto and particular attention is invited to the letter of the Acting Secretary of the Treasury under date of January 26, 1940, quoted in the report.

I have carefully examined the letter addressed to you by the Acting Secretary of the Treasury and find no grounds for the statements of Representative BREWSTER as set forth in the above extracts from the CONGRESSIONAL RECORD. Furthermore, an examination of the files of this Department reveals that there is no basis for the assertion or the implication that this Department has requested that "the Treasury should revise their current regulations and introduce a so-called Treasury decision."

The records of the Department show that this matter was first brought to its attention in a report from the American consul general at St. Johns, Newfoundland, dated December 3, 1937, containing information which was brought to the consul general's attention by the Newfoundland Commissioner of Natural Resources regarding the proposed establishment of the enterprise of the General Sea Foods Corporation in Newfoundland. Copies of the consul general's report were referred to the interested agencies of this Government—namely, the Treasury Department, the Department of Commerce (in which the Bureau of Fisheries was then located), and the Tariff Commission. The Treasury Department stated in subsequent communications that pending the receipt of further information from the representatives of the General Sea Foods Corporation and from this Department a decision regarding the tariff status of products resulting from the operations of the corporation was being held in abeyance.

This Department subsequently forwarded reports from the consul general at St. Johns containing additional information desired, and on August 22, 1938, was advised by the Treasury as follows:

"This Department has reached the conclusion that fish taken by American vessels owned by the General Sea Foods Co. and processed in Newfoundland under the proposed procedure described by representatives of that company will be entitled to free entry as products of an American fishery under the provisions of paragraph 1730 (a) of the Tariff Act of 1930 (U. S. C., title 19, sec. 1201, par. 1730 (a)). Article 489 of the Customs Regulations of 1937, which relates to products of American fisheries, has been amended to accord with this conclusion and the General Sea Foods Co. has been advised of the action taken."

As you know, it is the duty of Foreign Service officers to transmit information to the Department of State pertaining to matters in which our Government may be interested and when such information is received it is forwarded to other interested Government agencies for their consideration and determination as to the questions under their jurisdiction. This procedure is well recognized and is essential to the coordination of the work of the several Government departments. I am sure that you will agree with me that this Department's participation in the matter in question can in no way be construed as influencing the decision of the Treasury Department.

Referring to the statements on page 1097 of the CONGRESSIONAL RECORD, indicating that the assignment of Mr. Leo D. Sturgeon, a Foreign Service officer, as assistant to the counselor to handle certain fishery matters of an international nature "curiously enough coincides with this Newfoundland deal" and that there seems to be "a close liaison between the State Department and Customs Department in engineering this Newfoundland deal," I may say that Mr. Sturgeon had no connection whatsoever with this case as it was disposed of prior to his present assignment which was made on July 27, 1939. Furthermore, Mr. Grady and Mr. Davies, mentioned in the debate, had no connection with this matter, their assignment to the Department having taken place subsequent to the Treasury decision in question.

In view of the nature of the statements made in the debate to which I have referred, I hope that in justice to the Department of State you will be good enough to cause this letter to be printed in the CONGRESSIONAL RECORD with an appropriate reference to the remarks discussed herein.

Sincerely yours,

CORDELL HULL.

INDEPENDENT OFFICES APPROPRIATION BILL, 1941

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7922) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1941, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. WOODRUM of Virginia, Mr. JOHNSON of Oklahoma, Mr. FITZPATRICK, Mr. HOUSTON, Mr. STARNES of Alabama, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. CASE of South Dakota.

BUREAU OF WAR RISK LITIGATION

Mr. RABAUT. Mr. Speaker, on Tuesday, February 6, when this House had under consideration the three-department appropriation bill for the Departments of State, Justice, and Commerce, a discussion arose concerning an item in the bill of $375,000 for the Bureau of War Risk Litigation. As a member of that committee, I promised to secure the information requested. I now ask unanimous consent to insert at this point in the RECORD a letter which I received from Judge Julius C. Martin, Director of the Bureau of War Risk Litigation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is that in conformity with the ruling concerning insertions at this point in the RECORD?

The SPEAKER pro tempore. Well, these 1-minute speeches have been inserted at this point.

Mr. MARTIN of Massachusetts. I am not objecting to receiving this information, but I think we ought to proceed according to the rule.

The SPEAKER pro tempore. This is a letter from a responsible official of the Government.

Mr. MARTIN of Massachusetts. I would suggest that the gentleman ask for 1 minute and do it in the regular way.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and I will read the letter.

Mr. MARTIN of Massachusetts. I suggest that the gentleman proceed for 1 minute and then insert the letter in the regular manner.

The SPEAKER pro tempore. Without objection, the gentleman from Michigan is recognized for 1 minute.

There was no objection.

Mr. RABAUT. Mr. Speaker, this is the letter addressed to me:

FEBRUARY 7, 1940.

In re appropriation for fiscal year 1941.
Hon. LOUIS C. RABAUT,
1227 House Office Building, Washington, D. C.

DEAR CONGRESSMAN: In answer to the questions raised in the discussion in the House of Representatives on February 6, 1940, CONGRESSIONAL RECORD, page 1087 et seq., in regard to the Bureau of War Risk Litigation, I have to say:

That the number of cases pending at the first of this fiscal year was 1,663. The minimum contractual liability of the Government on those contracts is $22,949,400.

In answer to the question as to whether the Government is spending money to prevent veterans from getting justice, I have to say that the money is being spent solely for the purpose of seeing that justice is done to the veterans both in getting what is due them from the Federal Treasury and in endeavoring to prevent payment to veterans whose claims are without merit, and also in strenuous efforts to bring about the earliest possible disposition of the cases.

As to the question whether or not it would be better to spend the proposed $375,000 for the benefit of the veterans rather than in the defense of their suits, I have to say that the $375,000 would possibly pay less than 30 veterans the amount claimed, and for the expenditure of $485,000 last year the Government actually saved $12,207,614.92. The expectation of saving at least $10,000,000 to the Government during the next fiscal year is the reason why an appropriation of $425,000 was asked.

In answer to the statement that no new suits can now be brought I have to say this is entirely erroneous. Two hundred and fifty-three suits were brought during the fiscal year 1939, and the law (38 U. S. C., sec. 445, as amended) provides that if the Veterans' Administration denies a claim on an insurance contract the claimant may sue the United States in the district court of his residence, and as there were 606,071 insurance contracts in force as of the 30th day of June 1939, involving a liability to the Government of $2,562,353,868, outside of those in litigation, it is reasonable to expect that many more suits will be brought. And, besides, every commissioned officer and enlisted man and nurse in the active service of the Army or Navy may now take out Government insurance, and undoubtedly many of them do take the insurance, and future suits will be brought on these contracts.

Very truly yours,

JULIUS C. MARTIN,
Director, Bureau of War Risk Litigation.

EXTENSION OF REMARKS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a radio address delivered by my colleague the gentleman from Ohio, Hon. THOMAS A. JENKINS.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a letter which I have written to Mr. Rose of the Country Gentleman.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

LOAN TO PUERTO RICO

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to call attention to an article in the Star of February 8, Twenty-Million Puerto Rican Loan Has Been Drafted.

TWENTY-MILLION PUERTO RICAN LOAN PLAN DRAFTED

Territories' officials said yesterday the administration was drafting legislation to create a $20,000,000 reconstruction and loan authority in Puerto Rico.

The initial $20,000,000 appropriation to be sought would provide immediate loans for the island's agriculture, industry, and commerce.

BOLÍVAR PAGÁN, Resident Commissioner from Puerto Rico, discussed the proposed legislation in detail during conferences with Interior Department and Budget Bureau officials.

I want to say that a loan was made to Puerto Rico 8 or 10 years ago by this Government. The present Secretary of the Interior is now trying to collect that loan. We are paying $25,000 a year for collection and have collected about seven or eight thousand dollars a year; this has been going on for 5 or 6 years at this rate, with the exception of this last year when we collected $43,000. They are asking for an appropriation of $30,000 for this year.

The Secretary of the Interior said yesterday at our hearings he wondered whether the Puerto Ricans were ever going to try to pay it, and I am wondering if they have any intention of paying their obligations.

I think this is no more nor less than a racket by somebody who is trying to get $20,000,000 for Puerto Rico. I ask you where and from whom are you going to get the money? If they are not going to try to live up to their obligations, I think the Members of Congress ought to be very careful when we make another loan of $20,000,000 to these people. If you do make the loan, with what kind of money will they repay the loan?

[Here the gavel fell.]

HON. LOUIS LUDLOW

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, on day before yesterday Butler University, at Indianapolis, Ind., celebrated its ninetieth anniversary. Fourteen college presidents were amongst the guests. At that time Butler University conferred a signal honor upon a Member of this House, the gentleman from Indiana [Mr. LUDLOW]. [Applause.]

By giving to him the degree of doctor of laws it at the same time, in my opinion, conferred an honor upon itself, because the gentleman from Indiana [Mr. LUDLOW] is not only an able and distinguished writer, but he is a sound-minded, courageous, and conscientious Representative in this body. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, I appreciate the very gracious remarks of the gentleman from New York about our esteemed colleague the gentleman from Indiana,

LOUIS LUDLOW, and I wish to concur heartily in his estimate of this very distinguished gentleman.

The gentleman from Indiana, LOUIS LUDLOW, by his long experience in Washington as a newspaperman preceding his experience in the House of Representatives has had a perspective of the legislative situation that is not enjoyed by many of us Members of Congress. I know of no Member of the House, and certainly no member of our Appropriations Committee, who is more diligent, more conscientious, and more sincere in his efforts to serve his district and the country than the gentleman from Indiana, LOUIS LUDLOW. I did not know that he was present, but I see he is here, blushing in his accustomed modesty.

I believe this university has honored itself as well as having honored the gentleman from Indiana, LOUIS LUDLOW, in conferring this degree upon him, and I am sure the Members of the House will appreciate the honor that has also been conferred upon this body. [Applause.]

Mr. LUDLOW. Mr. Speaker, I respectfully ask the indulgence of the House to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Speaker, the very beautiful encomiums which my friends have paid to me here today are as much a surprise as was the conferring of this degree. When word came that Butler University had chosen me to receive the honorary degree of doctor of laws, I said to my helpmate that I thought it was a case of mistaken identity—that I could not imagine I had ever done anything to deserve such an honor.

There are times when the tongue cannot, just simply cannot, speak the language of the heart, and that is the fix I am in at this moment. My faltering tongue does not permit me to give expression to the deep appreciation that is in my heart for the kind tributes of these two great men with whom I have had the honor of being associated in committee work and in the daily proceedings of the House. To them and to the many others who have encouraged me with their warm handclasps today I can only say, simply and sincerely and truly, I thank you. [Applause.]

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects:

First. To insert in the Appendix of the RECORD Westbrook Pegler's article in the Washington Post of February 8.

Second. To insert a letter from Joseph Cadden, executive secretary of the American Youth Congress, to John Hamilton, chairman of the Republican National Committee, under date of February 6.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Augusta Times Dispatch dealing with the farm-tenant problem.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution which I have received from the board of supervisors of the North Crowley Ridge soil-conservation district in Clay and Greene Counties, Ark.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DELEGATION OF CERTAIN FUNCTIONS BY SECRETARY OF AGRICULTURE

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1955) to authorize the Secretary of Agriculture to delegate certain regulatory functions, and to create the position of Second Assistant Secretary of Agriculture, further insist on the House amendment, and agree to the conference asked by the Senate.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. JONES of Texas. This was originally a Senate bill which authorized the Secretary of Agriculture, in assigning duties to various officers, to designate someone above a certain rank to conduct hearings. It is physically impossible for all the hearings to be conducted by the Secretary. The Senate bill not only provides for that, but it created an additional office. The House refused to create the additional office.

Mr. MARTIN of Massachusetts. Has this bill been before the gentleman's committee?

Mr. JONES of Texas. Yes; this was before my committee; and as the Senate bill was amended, it was reported favorably. Our committee struck out all of the Senate bill and substituted its own.

Mr. MARTIN of Massachusetts. Has the gentleman from Kansas been consulted about the matter?

Mr. JONES of Texas. Yes; I talked to the gentleman from Kansas about it, but I did not say that I was going to call the bill up today. I may say that the bill originally passed the House by unanimous consent.

Mr. MARTIN of Massachusetts. Does the gentleman from Kansas know that the bill was to be called up today?

Mr. JONES of Texas. I did not tell him it would be called up today. I talked the matter over with him, however, and he seemed to have on objection.

Mr. MARTIN of Massachusetts. In view of the fact that the gentleman from Kansas is not here, I hope the gentleman from Texas will withdraw his request.

Mr. JONES of Texas. Certainly, I will withdraw it, for I have not the slightest desire or intention of taking advantage of anyone. My only reason for calling it up was to dispose of it. As I say, I had talked to the gentleman from Kansas, and he did not express any objection.

THE AMERICAN YOUTH CONGRESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the American Youth Congress, which is holding its meetings here in Washington, has, through several of its affiliated organizations, attacked the National Youth Administration and Aubrey Williams for his order directing that, wherever requested, lists of project workers were to be made available to Army recruiting officers, so that information could be sent to the youth concerning enlistment in the Army.

When I read in the press of the protests made by some of the affiliated organizations of the American Youth Congress, I made a request for a copy of the protests and of the reply or replies sent thereto, which I have received.

I feel it a privilege to insert in the RECORD Mr. Williams' reply, in which he takes sharp issue with the American Youth Congress in this matter and declares that youth on projects of the National Youth Administration have the same right as all other citizens to have information concerning enlistment in the Army as well as information concerning the work and activities within the Army.

I want to commend Aubrey Williams for the stand that he has taken in this matter, and commend the National Youth Administration again for the fine work that it is doing for American youth.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain letters and telegrams.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

The letters and telegrams referred to follow:

NEW YORK, N. Y., *February 5, 1940.*

MR. AUBREY WILLIAMS,
National Youth Administration, Washington, D. C.:

Strongly protest action your office turning over list N. Y. A. workers to Army recruiting service. This gross violation of purpose of National Youth Administration. We propose Congress expand N. Y. A. program by appropriation of $250,000,000 to provide jobs at decent wages and end all effort to subordinate N. Y. A. to war preparation. We want to work for humanity with our education, not destroy it by bullet and bayonet.

AMERICAN YOUTH CONGRESS JOBS COMMISSION.

FEBRUARY 8, 1940.

Jobs Commission, American Youth Congress, 8 West Fortieth Street, New York, N. Y.

GENTLEMEN: I am in receipt of your telegram protesting the National Youth Administration's making available to the Army lists of its project workers.

I find it very difficult to agree with your position in this, as I think every citizen in the Nation has a right to have information with respect to enlistment in its armed forces, and I see no good reason why the project workers of the National Youth Administration should not have this information along with all the other young people in the country. In addition to their right to have this information, there is the factor of occupational opportunities available within the Army that they have a right to know about.

I can see no possible harm to any young person in the receiving of this information, for he is still a free agent under our democratic form of government to choose what career he will follow, and there is not the slightest coercion, either implicit or explicit, in our furnishing such lists to the Army.

Sincerely yours,

AUBREY WILLIAMS,
Administrator.

Copy to Congressman MCCORMACK.

NEW YORK, N. Y., *February 5, 1940.*

AUBREY WILLIAMS,
National Youth Administration, Washington, D. C.:

One thousand delegates representing youth organizations meeting in New York City on Saturday, February 3, unanimously condemn use of N. Y. A. lists by Army, and oppose all steps toward increasing Army control over C. C. C. or recruiting through N. Y. A. rolls.

NEW YORK CITY COUNCIL AMERICAN YOUTH CONGRESS.

FEBRUARY 8, 1940.

New York City Council American Youth Congress, 8 West Fortieth Street, New York, N. Y.

GENTLEMEN: I am in receipt of your telegram protesting the National Youth Administration making available to the Army lists of its project workers.

I find it very difficult to agree with your position in this as I think every citizen in the Nation has a right to have information with respect to enlistment in its armed forces, and I see no good reason why the project workers of the National Youth Administration should not have this information along with all the other young people in the country. In addition to their right to have this information, there is the factor of occupational opportunities available within the Army that they have a right to know about.

I can see no possible harm to any young person in the receiving of this information, for he is still a free agent under our democratic form of government to choose what career he will follow, and there is not the slightest coercion, either implicit or explicit, in our furnishing such lists to the Army.

Sincerely yours,

AUBREY WILLIAMS,
Administrator.

Copy to Congressman MCCORMACK.

THE UNITED STATES GOVERNMENT PAY ROLL

Mr. BENDER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. BENDER]?

There was no objection.

Mr. BENDER. Mr. Speaker, I think it was Thomas Jefferson who said that the Government that governs least governs best. The most important item in today's newspaper is a story headed "United States Pay Roll Hits 987,500—An All-Time High." In the story there is this paragraph:

> The records also show that the pay roll has forged steadily ahead under the reorganization plan which was advanced in the interest of economy. It has added 101,772 employees to the pay roll.

With all of the conversation we have had on the floor of the House and elsewhere regarding the accomplishments of the New Deal, may I say that after 7 years of New Deal experimentation, we find our Federal pay roll up to almost a million employees. The New Deal refuses to compromise. America's voters must write the compromise of 1940 for them.

For 7 years the Democratic Party has held complete control of the legislative and executive policies of the Nation. During these years, our national administration has undertaken to control more activities of the people of this country than any other government in the previous history of our land. Regulation has become the rule rather than the exception in dozens of industries. A conception of interstate activity has risen in Washington which makes virtually every major undertaking in the Nation part and parcel of a Federal program. The business of America has come more and more to be regarded as the direct concern of official Washington. Bureaus designed to delve into the operations of every factory, shop, store, have been established at the expense of the taxpayer.

Vast expenditures have been demanded by the Democratic chieftains in the name of the New Deal. Gigantic projects have been conceived to furnish labor with opportunities to work. Agriculture has been subsidized as never before in the history of our Nation. Pressure groups of every description have seized the moment to assert their claims upon the purse of the country. And yet, despite the greatest steady outpouring of funds in the history of mankind during times of peace, the problems which we have sought to meet remain completely unsolved. The New Deal has sought the advice and counsel of thousands of economic experts. It has conscripted men to pit their brains against the heart-chilling depression in which we have floundered for 6 years, to no avail.

The unemployed 10,000,000 who were with us in 1933 are with us still. Worse than this, there is nothing whatever in the minds of the New Dealers today which offers us any hope that this condition will change. Like dried-up fruit, the "brain trust" has squeezed its collective intelligence completely dry, and there is neither juice nor life remaining. It is fit only to be cast aside, reduced to pulp, and abandoned.

There are none, even now, who can deny the fundamental soundness of our national economy. We are the greatest producers of goods in the world today. Our people live more comfortably than those of any other land on the surface of the globe. Our destiny, no matter how poorly our leaders may administer it from time to time, is linked ineradicably with the iron in our hills, the coal in our mines, the oil in our earth. Abundance is here for us to take. The New Deal has merely forgotten the simple elements of physical engineering.

To bring us the riches lying within our great soil men must have reason to desire them. They must know that for their efforts they are to be rewarded. They must believe that the more they work, the harder they labor, the more they plan, the greater will be the fruits of their toil. Remove from them this incentive to struggle, crush their hopes, and they cease to battle. Let them suspect for one moment that the longer they work the more they will be compelled to give up to others and the greatest treasure in the world might lie beneath their feet untouched.

Here is the basic fallacy of the New Deal. They have remembered America's tremendous natural resources, her potential wealth, but they have forgotten the nature of human beings. They have failed to remember that men are finite, interested in helping others, of course, but primarily concerned with reaping the wheat they have sown for themselves. To call upon the farmer to plant his crop, to protect it, to harvest it, and then to give it up is to ignore human nature.

Here in America we have boasted, "To each according to his due." When we refuse to heed this unchangeable maxim we achieve nothing.

Unemployment continues in our Nation unchecked, because the Democratic Party refuses to stimulate employment. A doctor summoned to treat a sick man would not remain in the confidence of his patient for 6 years if the patient had remained in bed every day of the treatment. Yet the national physicians of the Democratic Party have been prescribing medicines almost daily for the ailing Nation, and we are still prostrate upon our couches. The desperate condition in which we find ourselves needs little description.

With conditions improving, the National Industrial Conference Board tells us that we are even today only one-third better off in terms of unemployment than we were at the bottom of the depression. There are still over 10,000,000 men and women completely unemployed, according to the statistics compiled by the Board.

What is there for us to do about it? Prophecy is always hazardous; yet it must be attempted if ever we are to rise from the rut in which we are floundering.

The Republican proposals are simple. We urge the Nation to alter its present course. We ask our people to change doctors, to try a new treatment which can surely be no more disastrous in its results than the one from which we are now suffering. The philosophy of the New Deal is based upon a belief in a strongly centralized government. We ask the abandonment of that theory. The New Deal conceives its task to be the organization of our economic life upon a blue print of prescribed activities rigidly controlled by Executive supervision. We urge the reinstatement of those conditions under which private initiative built America to its greatest peaks.

Here in our United States 1 man of every 13 is out of work. In England, when things were darkest in 1932, only 1 man out of every 16 could find no employment. In Germany, one of the factors contributing to the rise of Nazi supremacy was the unemployment of 1 man in every 11. Our proportions are almost as bad today. We shall not willingly permit these conditions to give rise to dictatorship, but they must give rise to an earnest and speedy effort to correct them.

The issue in America is simple. Our Democratic leaders came to the people of this country promising gifts. They promised to achieve a rebirth of prosperity. They have been tried and found wanting.

We know that we must change our leadership if there is to be a change in our policies. The Republican Party is pledged to accomplish no miracles. We can offer no panacea for the many ills in which we find ourselves. Yet we are convinced that under our direction the chronic unemployment of 10,000,000 men and women, which constitutes a menace to our economic, social, and political health will be checked.

A sober program which will restore business confidence in the outlook for the future, a soundly rooted sense of the complete interdependence of labor and capital, are the stock in trade of the Republican Party today. Millions of American citizens are coming daily to the conclusion that these tools must become the stock in trade of our entire Nation tomorrow.

EXTENSION OF REMARKS

Mr. RANDOLPH asked and was given permission to extend his own remarks in the RECORD.

STATEMENT OF MRS. ROOSEVELT

Mr. DUNN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. DUNN]?

There was no objection.

Mr. DUNN. Mr. Speaker, a few days ago Mrs. Roosevelt invited a number of United States Senators and Representatives to the White House to meet a delegation representing the American Youth Congress for the purpose of ascertaining the policies of that organization.

Mrs. Roosevelt has been unjustly criticized because of a statement she is alleged to have made regarding a number of young Communists who belong to the American Youth Congress. I was one of the men who was present at the conference. I did not hear Mrs. Roosevelt say that she believed in communism—in fact, she said the opposite. Other Members will verify this fact. She made the statement that youths should have the right to express their opinions regarding the program in which they are interested.

It is my belief that the Communists, Socialists, Nazis, Fascists, and the people of all political parties and religious beliefs should have the right of expressing their opinions. To deny a person the right of freedom of speech is very undemocratic. I believe it is dangerous to our Government to prevent freedom of speech.

Mrs. Roosevelt is deserving of a great deal of commendation because of her broad-minded, progressive, and humanitarian views. [Applause.]

[Here the gavel fell.]

MEETING OF A SUBCOMMITTEE OF THE DISTRICT OF COLUMBIA COMMITTEE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on Monday next a special subcommittee of the District of Columbia Committee may be permitted to sit during the session of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. EBERHARTER]?

There was no objection.

YORK COUNTY AGRICULTURAL EXTENSION ASSOCIATION

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, yesterday the farm extension association of my county, York County, Pa., held its annual meeting. Everywhere throughout the meeting it was evident that the farmers in my county are interested in larger yields, heavier dairy production, and better farming, which is contrary to the curtailed production advocated by the Department of Agriculture.

It was also stated that the 7,000 farms in my county last year had an income of $11,000,000, and $5,250,000 of this came to the dairy farmers.

[Here the gavel fell.]

CALL OF THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 19]

Allen, La.	Drewry	Jensen	Reece, Tenn.
Andrews	Durham	Johnson, Ind.	Robsion, Ky.
Arnold	Elliott	Kefauver	Sandager
Ball	Evans	Kleberg	Sasscer
Barden	Faddis	Knutson	Schiffler
Barnes	Fernandez	Lambertson	Schwert
Barton	Fish	Landis	Seger
Bates, Mass.	Fitzpatrick	Lanham	Short
Bell	Folger	LeCompte	Steagall
Blackney	Ford, Thomas F.	Lemke	Stearns, N. H.
Bland	Fulmer	McAndrews	Sumner, Ill.
Bloom	Garrett	McArdle	Sutphin
Brewster	Gehrmann	McDowell	Taylor
Bulwinkle	Gilchrist	Maas	Thorkelson
Burgin	Gillie	Magnuson	Treadway
Byrne, N. Y.	Grant, Ind.	Martin, Ill.	Vreeland
Byron	Hall, Edwin A.	Mason	Wadsworth
Chapman	Halleck	May	Warren
Clark	Harness	Mitchell	Welch
Coffee, Wash.	Hart	Murdock, Utah	Wheat
Culkin	Hendricks	Nelson	White, Idaho
Darrow	Hope	Norton	White, Ohio
Dies	Hull	O'Day	Winter
Dirksen	Jacobsen	Patman	Wolcott
Ditter	Jarrett	Patrick	Wolfenden, Pa.
Dondero	Jeffries	Pierce	Wolverton, N. J.
Douglas	Jennings	Powers	

The SPEAKER pro tempore. Three hundred and fifteen Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I asked for this time merely to ascertain, if I can, the program for next week.

The SPEAKER pro tempore. Monday will be District Day, of course.

Mr. MARTIN of Massachusetts. Will any business other than that in order on District Day be transacted on Monday?

The SPEAKER pro tempore. No. On Tuesday we expect to begin general debate on the naval appropriation bill, and probably general debate on that bill will continue on Wednesday after one committee has been called on the calendar. It is the hope that we will complete the consideration of that bill during the week.

Mr. MARTIN of Massachusetts. It is not expected that any other legislation will be considered next week except that?

The SPEAKER pro tempore. None is contemplated at the present time.

LEAVE OF ABSENCE

Mr. HILL. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Washington [Mr. COFFEE] may be granted leave of absence for today on account of official business.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a brief statement of the loyal services of Sam Hardy, who today has completed 32 years of service as an employee of the Committee on Ways and Means.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The statement referred to follows:

SAM HARDY, AN ABLE AND EFFICIENT EMPLOYEE

Mr. Sam Hardy, the courteous, able, and efficient messenger to the Ways and Means Committee of the House of Representatives, completes 32 years of service to that committee on February 9, 1940. During this period he has served under the following eight chairman: Hon. Serena E. Payne, of New York; Hon. Oscar W. Underwood, of Alabama; Hon. Claude Kitchin, of North Carolina; Hon. Joseph W. Fordney, of Michigan; Hon. William R. Green, of Iowa; Hon. James W. Collier, of Mississippi; Hon. Willis C. Hawley, of Oregon; Hon. Robert L. Doughton, of North Carolina.

Sam's exceptional knowledge of the public documents relating to matters within the jurisdiction of that committee makes his services to the committee almost invaluable.

In his 32 years of service he has made his work unique. It is the general opinion that he is principally responsible for the Ways and Means Committee having the finest set of records and documents of any committee at the Capitol, neatly and orderly kept, accumulated over a number of years. He is thoroughly familiar with this storehouse of material, as the office of the legislative counsel, Members of Congress, and the staffs for which he works unanimously will testify. They further testify that, no matter what the pressure of his immediate task, he is unfailingly courteous and prompt when called upon. By his work he saves an incalculable amount of time for members of the staffs and others, as well as the public.

Mr. FLAHERTY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial in the Boston Evening Transcript advocating the extension of the Reciprocal Trade Agreements Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program today I may be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENDING THE CLASSIFIED EXECUTIVE CIVIL SERVICE OF THE UNITED STATES

Mr. RAMSPECK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 960) extending the classified executive civil service of the United States.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 960, with Mr. MCLAUGHLIN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RAMSPECK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill had two titles. Title I deals with the extension of the civil-service law and title II deals with the extension of the Classification Act to employees outside of the District of Columbia, or what we generally call the field service. I do not think there is any controversy about title II. The only thing it does is to give permission to the President to extend the Salary Classification Act to our employees back in our home States who at the present time are not covered by that law, although some of them are paid in accordance with that law. I cannot see any reason myself why the employees outside of Washington should not have the benefit of that act just as those in the departmental service here in Washington do. So I am going to confine my remarks primarily to title I of the act, which undertakes to do only one thing, and that is to restore to the President the general authority he would have under the Civil Service Act of 1883 to bring into the classified service excepted positions by Executive order, provided the employees occupying those positions now qualify in a noncompetitive examination.

I call your attention to the report filed by the committee on this bill, in which we set out a historical record of the action of each President of the United States since 1883 as to bringing employees under the classified civil service by Executive order. You will find there that every President has exercised this authority, and that in every case, except that of the Coolidge administration, where a small group in the Prohibition Enforcement Unit was brought in by competitive examination, every other President except Franklin D. Roosevelt has brought them in by Executive order without any examination whatsoever.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I am sorry I cannot yield at this time.

We will hear a lot of pious talk over on the left here about competitive examinations. The Republican national convention of 4 years ago and the Democratic convention of 4 years ago pledged the two major parties to an extension of the civil service. This bill carries out the pledge of both parties. It carries out the request of the President of the United States, made repeatedly to this Congress, that he be given authority to extend the classified service upward, outward, and downward to include all positions except those of a policy-determining nature; and that is what this bill would give him the authority to do. It includes not only the newer agencies, but it also includes many employees of the older agencies, some of whom have been in the employ of the Government for as long as 20 years, such as deputy collectors of internal revenue and other employees of that type.

Now, I shall not have the time during this general debate to read excerpts from the testimony delivered before this committee, but the hearings are available here to any Member of Congress who wishes to read them, and they show that the Civil Service Commission itself, and various organizations of labor and of public citizens interested in the welfare of the Federal Government, all testified that this bill was the only practical way in which these present employees' positions could be brought under the classified civil service.

There is one witness' testimony that I want to refer to briefly. Mr. H. Elliot Kaplan, the executive director of the National Civil Service Reform League, who for more than 25 years has been engaged solely in the promotion of civil service, with headquarters in the city of New York, testified that it was his opinion—and you will find it on page 94 of the hearings—that this bill provided the only practical

method of bringing these positions under the classified service.

He testified that it was the history of civil service under all parties and in all jurisdictions that extensions had been made by classifying employees already on the job, generally without any examination whatever, but this measure provides for a noncompetitive examination, which, as I stated on yesterday, in its contents is the same as a competitive examination.

I also call your attention to the fact that a representative of the National League of Women Voters, Mrs. Louisa G. Baldwin, its first president, made practically the same statement in support of this bill. That organization is in support of the measure.

I also call your attention to the fact that a representative of the Federation of Business and Professional Women's Clubs, Miss Mary T. Denman, testified practically to the same effect.

I mention these three organizations because they represent people who have no interest in this except the interest of the public and of the general welfare.

In addition to this, Mr. Fred B. Linton, the Washington representative of the United States Junior Chamber of Commerce, testified in support of this bill, representing that fine group of young men throughout the country whose ages are between 21 and 35, in 550 local communities having a membership of over 100,000.

This bill has the endorsement of the American Federation of Labor and of every one of its constituent bodies. It also has the endorsement of every organization of Federal employees, both affiliated and nonaffiliated, and of the Congress of Industrial Organizations.

In addition to this, I want to refer to the fact that I have a letter here which I shall put in the RECORD from Mr. Leo E. George, president of the National Association of Post Office Clerks, which I refer to specifically because you will find in the hearings a few communications from locals of the organization opposing this bill; but the organization as a whole has endorsed it, and is wholeheartedly supporting H. R. 960.

I also have in my hand a letter from the Secretary of the Navy which I want to read to you.

In effect this letter says that the Navy Department has found the services of the Civil Service Commission to be satisfactory, especially so during the present period of great expansion of the force of the Navy Department.

I have in my hand a letter from the American Association of University Women, the National Federation of Women's Clubs, and the National League of Women Voters, the National Women's Trade Union League, addressed to Congress on the date of February 7, 1940, in which they endorse the bill.

I have a letter from J. M. Carmody, Administrator of the Federal Works Administration, calling attention to the fact that he asked the Appropriations Committee just this session to extend the civil service to all employees in his agency, and since that committee declined to do so, he has written me asking that legislation be enacted for that purpose.

I have a letter dated January 23, 1940, from Leonard D. White, former Republican member of the Civil Service Commission, advocating the passage of H. R. 960, which I shall put into the RECORD.

I have a letter from James B. Burns, president of the American Federation of Government Employees, advocating the passage of this bill.

I refer to the fact that the Secretary of the Interior, Harold L. Ickes, on January 14, 1937, made a speech at the Town Hall meeting in New York City, with reference to the civil service, in which he stated his conviction that the Civil Service Commission and the civil-service law are the proper methods of employing persons in the public service. He also makes a very significant statement with reference to his operations in employing persons outside of the civil service, as provided by Congress under the P. W. A., and states that in effect he set up a "little civil service" commission in his own office and followed the procedure and technique of the Civil Service Commission, even going to the extent of borrowing from the Civil Service Commission some of its experts to aid him in setting up that office, which indicates a duplication of efforts and expense, where we leave employees outside of the civil service.

There is a statement in the Appendix of the RECORD, page 90, made by Mr. Burlew, Assistant Secretary of the Interior, which you will find on page 232 of the RECORD of that date, in which he outlines the procedure used in that Department.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. RAMSPECK. Mr. Chairman, I yield myself 5 additional minutes. I call attention to the fact that the National Civil Service Reform League, at the present time headed by Mr. Samuel H. Ordway, another former Republican member of the Civil Service Commission, is actively engaged in a campaign to secure support for H. R. 960, advocating its adoption with the noncompetitive examination, which, they say, is the only practical method of bringing these employees under the civil service.

I point out to you that in the debates yesterday reference was made to some criticism of the Civil Service Commission by J. Edgar Hoover, Director of the Federal Bureau of Investigation. I have not the time to read it, but I have in my possession a statement by the Commission giving the facts with reference to that controversy, and I have a letter here in my possession from Mr. Hoover himself outlining his objections and the answer of the Commission in detail, which I shall be very glad to show to any person interested enough to read it. The facts are that Mr. Hoover does not believe in civil service, and we are not attempting, at least I am not personally attempting, to bring in the agents of the Federal Bureau of Investigation. Mr. Hoover made an agreement with the Commission that he would do the investigating of persons tentatively certified to him, and the record shows that of some 700 persons to whom he objected, the Commission sustained his objections in 500 cases, even though he would not disclose to the Commission the results of his investigation. So I say that his statement is made in bad faith and does not reveal the facts.

I also have in my possession a letter from the Commission with reference to the post-office examination referred to by our colleague the gentleman from Pennsylvania [Mr. MOSER] and the facts are that that certification has been held up pending further investigation, but the facts reveal that the person to whom the gentleman from Pennsylvania [Mr. MOSER] objected was a member of an organization which had been criticized by some persons and which has been designated by some as being a communistic front organization.

The investigation made first by the Commission showed great support for this applicant by the citizens of the city in which the post office was located, and the Commission said that they are not in a position, with the present evidence, to disqualify her simply because she belonged to an organization which in itself was not criticized as being communistic, but has been referred to by some persons as being a part of the united front, which is being criticized. The Commission said in its letter that they do not like to see anybody in the Government service who could be criticized as having radical tendencies, but that they must follow the law, that the duty rests on Congress to write the law, and if we fail to say by law that a person who belongs to an organization charged with being communistic cannot be employed in the Government service, then Congress ought to exercise its prerogative and make such a law to guide the Commission.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. COX. Would the gentleman object to writing into the act a provision that no one who embraces a communistic doctrine or who has been associated with that organization shall be eligible to be covered into the civil service?

Mr. RAMSPECK. I do not think that question ought to be injected into this bill, I may say to my colleague from Georgia, but I do think that Congress has the duty of passing on the eligibility of people who work for the Government, and legislation ought to be brought in if we are to circumscribe the present language of the act.

Mr. COX. Mr. Chairman, will the gentleman yield for another question?

Mr. RAMSPECK. I yield.

Mr. COX. Of course, I think all of us concede that the bill covers into the civil service the type of worker that ought never to have been in the employ of the Federal Government. Would the gentleman object to writing into the act a proviso that it shall not take effect until the Civil Service Commission shall have complied fully with the quota provision of the original act?

Mr. RAMSPECK. Well, I cannot agree to an amendment of that sort. An amendment will be offered with reference to the quota system which I may be in a position to agree to, but I do not think we should go to the extent the gentleman suggests, of withholding application of the law until that was done. That would disrupt the services of the Government if we undertook to immediately bring about equalization under the quota system.

Mr. COX. Should there not be compliance with the quota provision?

Mr. RAMSPECK. There is compliance with the quota provision. The reason the quota is out of balance is due to conditions which arose during the World War, but the quota law does not apply to dismissals from service.

Mr. DUNCAN. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. DUNCAN. Is there anything in this bill that would permit the Civil Service Commission to write regulations as to basic requirements—say, educational requirements—that would eliminate many persons who have been in the service for a great many years and otherwise qualified?

Mr. RAMSPECK. There is nothing in this bill that changes their present power along that line.

Mr. DUNCAN. Does not the gentleman think that those who have rendered service should be permitted to take the examination?

Mr. RAMSPECK. They will be. This bill does give that right to all employees in the agencies to be covered to come under the law.

Under authority given to extend my remarks, I include herewith brief extracts from the testimony of H. Elliot Kaplan, executive director of the National Civil Service Reform League; Mrs. Louisa G. Baldwin, first vice president of the National League of Women Voters; Miss Mary T. Denman, national legislative chairman of the National Federation of Business and Professional Women's Clubs, Inc.; and Fred B. Leonard, Washington representative of the United States Junior Chamber of Commerce.

Excerpt from testimony of H. Elliot Kaplan, executive director, National Civil Service Reform League:

The CHAIRMAN. I personally do not know anybody who has had more experience and given more study to the question of the merit system over a period of at least 25 years than you have. In your judgment, is it practically possible to bring these positions under the civil-service system in any other way than the one proposed by this bill, taking into consideration the political as well as other factors?

Mr. KAPLAN. I am looking at this from a realistic and an idealistic standpoint. Undoubtedly, if you gave the Civil Service Commission a few years within which to do the job and millions with which to hold these examinations, and make them as practical and as real as possible, in order to determine actual ability and potential capacity to perform the work, and if you could get the political organizations on both sides to agree to it, I would say that open competitive examinations would be the ideal way to handle this matter. I have lost my long hair of reform long ago, and I try to view this problem of civil-service reform and extension practically. The history of civil-service reform and extension and the history of the extension of the classified service from exempted to competitive positions, whether in the Federal Government, city government, or State government, has been made almost exclusively by our having to sacrifice the ideal of open competitive examination in order to get an extension of the civil-service going. We have more or less accepted that principle realistically for the reason that if we did not the political party in power, generally having control over the appointees at the time, was utterly reluctant to sweep the incumbents out of office; and unless they could cover them in by qualifying examinations or no examinations at all, we have not gotten anywhere in an effort to extend the civil-service principles.

The only instance in the Federal service that I can recall where the Congress has required open competitive examinations for positions that have been filled by incumbents was in connection with the Prohibition Unit. The reason for that was that the National Civil Service Reform League and others had published a study of the appointees of the Prohibition Unit, which report showed conditions to be so scandalous that even the Congress itself could not see fit to cover in the incumbents; and as a means of meeting public clamor and demand for a sweeping change, and in order to bolster confidence in the integrity of the Prohibition Unit, the Congress itself required that all positions in the Prohibition Unit must be filled by open competitive examinations. That is the only instance I recall.

Later Mr. Kaplan said:

Mr. KAPLAN. After all, as we view this whole problem, we believe that the matter of extending the competitive service for the future is more important than whether these persons come in this or that way.

Statement of Mrs. Louisa G. Baldwin:

We should like to comment on the method proposed for giving civil-service status to incumbents of positions brought into the classified service for the first time. In our opinion the giving of civil-service status after the passing of a noncompetitive examination given by the Civil Service Commission and on the recommendation of the head of the agency in which the individual is employed is the best method of meeting this problem.

Noncompetitive examinations conducted by the Civil Service Commission are adequate to determine whether incumbents of such positions have the necessary qualifications to keep the positions they hold. Furthermore, the giving of noncompetitive examinations is a less cumbersome and less expensive process than the giving of open competitive examinations. When new agencies are established and new positions created, we believe that such positions should be filled through open competitive examinations. When agencies are already operating, however, the giving of noncompetitive examinations to incumbents of positions brought within the classified service seems the most satisfactory method of transferring personnel to the classified civil service.

Statement of Mary T. Denman:

As for the achievement of classified status by present incumbents of positions, the bill's provisions seem to us to offer the only practicable way of dealing with so large a number of employees without considerable disruption of the services affected. We are aware that open competitive examinations offer a proper method for the selection of public personnel in most circumstances, and point out that even present incumbents to advance their status will usually be required to take competitive examinations.

The passage of this bill is an essential step in developing a permanent public-career service.

Statement by Fred B. Linton, Washington representative of the United States Junior Chamber of Commerce, for Henry Reining, Jr., chairman of the National Committee on Public Personnel Standards:

Mr. LINTON. I appear before this committee at this time to reaffirm the support of the United States Junior Chamber of Commerce for legislation such as H. R. 960, now before the committee. I say "reaffirm" because I appeared before the committee 2 years ago and stated at that time the interest of the junior chamber in the establishment and the extension of the merit system in public employment.

The United States Junior Chamber of Commerce is an organization of young business and professional men between the ages of 21 and 35 in over 550 local communities, with an active membership of well over 100,000. A great many of the State and local organizations have committees which are actively engaged in extending the civil-service movement.

There is also included letters from Leo E. George, president, National Federation of Post Office Clerks, affiliated with the American Federation of Labor; the Honorable Charles Edison, Secretary of the Navy; the American Association of University Women and others; the Honorable John M. Carmody, Administrator, Federal Works Agency; Dr. Leonard D. White, of the University of Chicago, who is a former Republican member of the United States Civil Service Commission; James B. Burns, national president of the American Federation of Government Employees; an excerpt from the Annual Report of the National Civil Service Reform League, now headed by Samuel H. Ordway, a former Republican member of the Civil Service Commission; a statement from the United States Civil Service Commission relative to statements of J. Edgar Hoover, Director of the Federal Bureau of Investigation; a letter from the United States Civil Service Commission, bearing upon statements made by the gentleman from Pennsylvania [Mr. MOSER] on yesterday; and a letter from the United

States Civil Service Commission relative to the procedure followed in noncompetitive examinations and the recent results of such examinations.

NATIONAL FEDERATION OF POST OFFICE CLERKS,
Washington, D. C., May 8, 1939.

Hon. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: May I not at this time extend to you my sincere congratulations upon the progress of H. R. 960, which has been reported favorably to the House of Representatives.

You will recall that when your committee had before it a similar bill in the Seventy-fifth Congress, hearings were held and I appeared there and expressed to the committee the views of the National Federation of Post Office Clerks which were, briefly, that we favor strongly the extension of the classified civil service to embrace all positions in the Federal Government service except those that are in fact policy forming. Also that our organization was definitely on record as being opposed to recruitment into classified civil-service positions through noncompetitive examinations.

At that time, I also expressed the hope that the committee would so amend the bill as to include within its scope the clerks in third-class post offices and special-delivery messengers in the Postal Service. I regret that such provisions have not been included in H. R. 960.

In respect to established services, of which clerical positions in third-class post offices and special-delivery messengers would be examples, it would be palpably unfair to throw such positions open to competitive examination without suitable provision for credits for service and experience.

In any extension of the classified civil service to additional groups the first and most potent reason for doing so, namely, the improvement of efficiency and the public service, must be given first consideration. It is obvious, therefore, that employees already employed and rendering satisfactory service should be given every reasonable opportunity for retention. It is recognized that open competitive examinations for thousands of positions now held by employees rendering satisfactory service would seriously disrupt those services and also work a serious injustice to thousands of faithful employees.

In the development and expansion of the classified civil service it has been customary to classify groups of positions and to blanket into the civil service all incumbents. I believe that your bill, H. R. 960, offers the fairest and most practicable method of extending the merit system and hope that favorable action will be taken by Congress at an early date.

I am appending herewith a copy of the resolution adopted by the convention of the American Federation of Labor, October 13, 1938. This resolution was introduced by the organizations of civil-service employees affiliated to the American Federation of Labor.

Sincerely yours,

LEO E. GEORGE, *President.*

EXTENSION AND IMPROVEMENT OF UNITED STATES CIVIL-SERVICE SYSTEM

Whereas we believe an equitable merit system for all Government employees, as exemplified by the classified civil service, to be the only system guaranteeing efficient and loyal service to the Government and just employment conditions to employees: Therefore be it

Resolved, That the American Federation of Labor in this its fifty-eighth annual convention, reaffirm its unqualified endorsement of the extension of the merit system to all employees of the United States Government except those in positions which the President may determine to be policy-determining in fact; and be it further

Resolved, That the executive council be instructed to continue cooperation with the affiliated organizations of Government employees in their efforts to secure through legislation and Executive orders such extension of the classified civil service.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, January 15, 1940.

Mr. JAMES B. BURNS,
President, American Federation of Government Employees,
900 F Street NW., Washington, D. C.

MY DEAR MR. BURNS: Replying to your letter of January 5, 1940, in which you invite me to appear at your meeting on Wednesday, January 17, I regret that, owing to a previous engagement, it will be impossible for me to be there. Referring to the request for a brief statement from me to be read before a mass meeting of Government employees in observance of National Civil Service Week, I submit the following comments:

At this time, when the civilian personnel of the Navy Department in all the various categories is being rapidly expanded by virtue of the requirements of the naval building program and the recruitment of this personnel is of such vital importance, the Department is in an unique position to comment regarding the civil-service system, particularly in its relation to employment.

The increase of Navy Department personnel, which during recent months has assumed almost unprecedented proportions, has necessitated such constant and urgent demands upon the facilities of the Civil Service Commission as would clearly demonstrate the practicability and effectiveness of the merit system.

To meet this situation the Civil Service Commission has been required to announce a multiplicity of examinations and to determine the eligibility of vast numbers of applicants. In many instances, due to the comparative scarcity of persons qualified for certain phases of shipbuilding work, it has been necessary to announce some of these examinations repeatedly and to give studied consideration to the means of providing and maintaining adequate registers of eligibles.

The Civil Service Commission has been constructively cooperative, has given sympathetic consideration to the Navy Department's personnel problems generally, and has displayed a most commendable attitude. It is most gratifying to me to be able to attest that under these unusual circumstances the civil-service system has been highly satisfactory.

Sincerely yours,

CHARLES EDISON.

FEBRUARY 7, 1940.

To Members of Congress:

Enactment of the Ramspeck bill (H. R. 960) will be an important milestone in the development of the merit system in the Federal civil service. The bill authorizes extension of the civil-service system to positions now exempt by law and extension of the Classification Act to the field service.

Employees holding the positions that will become part of the classified service under the terms of the bill will be required to meet tests to determine their eligibility for a classified status. If they fail to meet such tests, they will have to be dismissed. This is a fair and practical solution of the problem that always arises when the civil-service system is extended to positions once exempted. In no similar extension of the civil-service system has there ever been provided such careful tests to determine the ability of the persons holding the positions. In previous extensions the incumbent achieved classified status automatically with the job.

The undersigned organizations support the Ramspeck bill. They urge you to support it. It will go a long way toward freeing Congress from the burden of patronage. Extension of the merit system in the Federal civil service should result in greatly improved governmental administration.

American Association of University Women, 1634 I Street, Washington, D. C.; National Council of Jewish Women, 1819 Broadway, New York City; National Federation of Business and Professional Women's Clubs, 1819 Broadway, New York City; National League of Women Voters, 726 Jackson Place, Washington, D. C.; National Women's Trade Union League, Machinists Building, Mount Vernon Place NW., Washington, D. C.

FEDERAL WORKS AGENCY,
Washington, January 20, 1940.

Hon. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

MY DEAR MR. RAMSPECK: When I submitted to the Bureau of the Budget an estimate of appropriations for my office as Federal Works Administrator I suggested that there be included in the language to be submitted by the President to the Congress through the Bureau of the Budget a provision that would authorize the application of the civil-service laws to the personnel here employed.

The Director of the Bureau of the Budget and the President agreed with these suggestions and they were transmitted to the Congress in the Budget for 1941 on page 158, the language as follows:

"* * * *Provided further*, That 6 months after the date of the approval of this act, notwithstanding any provisions of law to the contrary, all persons employed in the Office of the Administrator shall be appointed by the Administrator in accordance with the civil-service laws and the Classification Act of 1923, as amended: *And provided further*, That all such persons, 6 months after the date of the approval of this act, regardless of the method by which they were appointed, who do not have a competitive classified civil-service status shall acquire such a status upon recommendation by the Administrator and certification by him to the Civil Service Commission that such persons have rendered satisfactory service in said establishment for not less than 6 months and upon passing such suitable noncompetitive tests as the Civil Service Commission shall prescribe."

In its report to the House of Representatives the Committee on Appropriations eliminated this language and made the point that in its opinion such provision should be made by other legislation and not in the appropriations act. The statement of the committee may be found in its Report on the Independent Offices Appropriation Bill for 1941 at page 15.

I take no position on the method by which the application of the civil-service laws to the personnel of my office should be accomplished, except that it should be done and I respectfully refer the matter to you for such action as you may think is proper in the premises to accomplish the result.

Respectfully yours,

JOHN M. CARMODY,
Administrator.

THE UNIVERSITY OF CHICAGO,
DEPARTMENT OF POLITICAL SCIENCE,
January 23, 1940.

The Honorable ROBERT RAMSPECK,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN RAMSPECK: I am taking the liberty of writing to you as a former member of the United States Civil Service Com-

mission to express the earnest hope that H. R. 960 will be favorably acted upon by the House of Representatives and by the Senate. Its passage would open the way for action by the President by means of Executive order to place within the competitive classified service those permanent employees who are now by law required to remain in the exempt class. The enactment of this law is the principal step which now needs to be taken in support of the platform pledges of both the Democratic and Republican Parties. Furthermore, it is the practical way of insuring the maintenance of high standards of character, competence, and impartiality which are associated with the permanent civil service of the Federal Government.

With best personal wishes, I am,

Very sincerely yours,

LEONARD D. WHITE.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
Washington, D. C., February 9, 1940.

The Honorable ROBERT RAMSPECK,
House of Representatives, Washington, D. C.

MY DEAR MR. RAMSPECK: As you know, the American Federation of Government Employees has been most ardently supporting H. R. 960 ever since its introduction by you in the House. In fact, our national executive council, which is composed of members from all parts of the country, appeared before the House Civil Service Committee 2 years ago favoring similar legislation.

We are extremely interested in the passage of this bill, as we have consistently favored enactment of such a measure since the inception of our organization, and its enactment into law will be an occasion for deep satisfaction on the part of the American Federation of Government Employees.

Of course, we realize that there are some positions of a confidential or policy-making nature which probably ought to remain in the exempt class, but we strongly feel that extension of the merit system to hundreds of thousands of positions now exempt is of the utmost importance to the public welfare and to good administration.

We fully recognize the necessity for holding a noncompetitive examination following the enactment of H. R. 960, as this will insure adequate qualifications on the part of any employees who will be retained in their positions. The American Federation of Government Employees strongly favors competitive examinations for Government positions under ordinary circumstances, but the cost and inconvenience in this instance would be prohibitive.

The importance of this measure is that it will fulfill completely the aim of the President to extend the merit system upward, outward, and downward, and we sincerely hope that this bill will be enacted into law and thus afford Government employees a real career service.

Respectfully yours,

JAMES B. BURNS,
National President.

The 1939 annual report of the National Civil Service Reform League states the following about H. R. 960:

"The Ramspeck bill, which will be before the Congress at the coming session, has been approved for passage by the House Civil Service Committee. It is the only practical plan for the extension of the classified service which has been endorsed by the platforms of both parties. It should have the approval of Republicans and Democrats alike. Its adoption will prove a boon to both major political parties in relieving them of the pressure of patronage claims which neither party can ever hope to satisfy. Failure of adoption of the Ramspeck bill early in the next session of the Congress will make the 300,000 unclassified positions a prize or a grab bag for the professional politicians after the 1940 election."

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., February 8, 1940.

MR. RAMSPECK: The United States Civil Service Commission has noted the testimony of Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, before the Appropriations Committee of the House of Representatives relative to the inclusion of positions in his Bureau under the Federal classified civil service.

This is not, of course, the first time that Mr. Hoover has given expression to his views relative to civil service. The Civil Service Commission is glad, therefore, to present its side of the matter so that the country will clearly understand the facts in the case.

In his testimony Mr. Hoover states that he is "as strong a champion of the merit system as, I believe, any official of the Government."

Obviously the principal difference between Mr. Hoover and the Civil Service Commission is that Mr. Hoover wants to operate a civil service personally and without regard to the democratic principles of (a) open competition and (b) equal opportunity which the American people, through Congress, have insisted should be a part of the Federal merit system.

The Civil Service Commission, on the other hand, is not only bound by law to operate a merit system in conformity with the principles laid down by Congress but, in addition, believes wholeheartedly in those principles not only as an ideal but also as a practical method of operation in a democratic society.

The conflict between the Bureau of Investigation and the Civil Service Commission is the age-old conflict between those who believe that the best interests of society will be served by placing all power in the hands of a single individual in the name of efficiency, and those who believe that such a practice is not only dangerous but that, in the final analysis, democratic processes will produce the best results whether one applies to them the test of efficiency or the test of bringing the people to the point where they have implicit confidence in the fairness of their Government.

The Federal Bureau of Investigation has shown a complete unwillingness to work with the United States Civil Service Commission in an effort to demonstrate that the democratic methods of selecting personnel for the Federal Government can be made to work.

Mr. Hoover complains to the Appropriations Committee concerning the character of certain individuals certified to him by the Civil Service Commission for student fingerprint classifier. Applicants for these positions were not investigated by the Commission, because Mr. Hoover's Bureau assured the Commission that it could make these investigations promptly. In fact, the Bureau of Investigation stated that even though the Commission did make such investigations they would also investigate the persons certified.

Under these circumstances, the Commission agrees with the following statement taken from a recent letter of Mr. Hoover's:

"In those cases where the Civil Service Commission does conduct investigations a duplicate expenditure of money is involved, because the Federal Bureau of Investigation has always insisted and must insist upon its own investigation of an applicant prior to appointment, for the reason that its experience in the past has shown in many cases that information highly derogatory to applicants has been developed by the Bureau by its own investigators. The Bureau's contention has always been that the investigation of Bureau applicants must be made by officials cognizant of the Bureau's individual problems and needs."

But then Mr. Hoover, in commenting on certain cases while testifying before the Appropriations Committee, says, "Cases of that kind should not have been certified. They should have been investigated and examined by the Civil Service Commission before they were sent to us for appointment."

Obviously, this is an unfair and unwarranted observation. If Mr. Hoover had not been in a position to investigate these persons who were to work in a law-enforcement agency, the Commission would have done so in conformity with its usual practice in connection with law-enforcement positions.

Also, in connection with the subject of character investigations, Mr. Hoover says, "We have been advised with regard to Communists that unless we could find something other than their communistic views or tendencies we must accept them."

The policy of the United States Civil Service Commission on this point is clear. The Commission has not had and could not have the slightest sympathy with any group or person which seeks to overthrow or undermine the United States or its present form of government, and is opposed to having any such persons actually enter the employ of the Federal Government.

The Commission refuses, however, to place any individual or group of individuals in this category until it has evidence which would justify its action. In days such as these, it is very easy for situations to develop whereby individuals are "labeled" without any justification for the label. The Commission, like every other branch of the Government, should do everything within its power to prevent United States citizens from being subjected to such unjust treatment.

Whenever it can be established that any individual believes in or advocates the overthrow of our constitutional form of government in the United States, the Commission will disqualify him for Government employment no matter what political party or organization he may or may not belong to. It demands facts, however, before it takes drastic action of this kind.

In the case of persons investigated by Mr. Hoover, however, the Commission finds it difficult to obtain the facts in view of the fact that the Federal Bureau of Investigation has refused to permit inspection by the Commission of reports obtained by its investigators, but is willing only to acquaint the Commission with excerpts and with the investigators' conclusions. This sometimes means that the Commission must reinvestigate cases already investigated by Mr. Hoover.

In other words, if Mr. Hoover were in sympathy with the Federal merit system as it has been established by Congress, and if he were willing to work with the agency charged with its administration, he would find, just as the heads of other law-enforcement agencies have found, that there would be no difficulty at all in obtaining persons of the highest character.

In this connection it is interesting to note that Mr. Hoover's Bureau is unwilling to cooperate with the United States Civil Service Commission in its effort to keep out of other Government agencies persons of poor character. The Bureau has recently, in violation of a rule of the President of the United States, refused to open up personnel files of its former employees to investigators of the Civil Service Commission who were in the process of conducting character investigations to determine whether or not those employees should be certified to other agencies.

In his testimony Mr. Hoover also says: "It is almost physically impossible to devise any all-covering written examination which would secure the services of persons meeting our peculiar needs in the matter of qualifications and personal characteristics."

The Civil Service Commission agrees with Mr. Hoover. Furthermore, in testing for investigative positions, it does not and would not confine itself to a written test. It would include an oral examination and a character investigation, and Mr. Hoover's Bureau could designate some of its skilled persons to cooperate with the Commission in the holding of such examinations.

The issue is clear. The Civil Service Commission believes in operating a merit system based on the democratic standards of

open competition and equal opportunity for all. Mr. Hoover believes in a merit system which is operated by one individual. Because of his beliefs Mr. Hoover has refused to give the system on which the American people have placed their stamp of approval a fair chance to operate and, in an effort to remain aloof from it, has indulged in misrepresentations regarding that system.

The American system of open competition could and would select persons of the highest character and competence for Mr. Hoover's Bureau just as it has for such agencies as the Intelligence Unit of the Internal Revenue Bureau, the Secret Service, the Customs Service, the Post Office Inspection Service, and the Immigration and Naturalization Service.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., February 9, 1940.

Hon. ROBERT RAMSPECK,
House of Representatives.

DEAR MR. RAMSPECK: Reference is made to your request which was received last night for information concerning the third-class postmaster examination for West Leesport, Pa.

Let me say that the Civil Service Commission believes in a vigorous enforcement of section 9 of the Hatch Act. The Commission has not had, and could not possibly have, the slightest sympathy with any person or group of persons seeking to overthrow or undermine the United States or its present form of government, and is opposed to the appointment or retention in the service of any such person. The Commission refuses, however, to place any individual or group of individuals in this category until it has evidence which would justify such action.

An examination was held for the position of third-class postmaster at West Leesport, Pa., and the investigation was made by the confidential inquiry system. Three eligibles were certified to the Post Office Department, among them Mrs. Verna G. Phillips, whose name stood No. 2 on the list. Shortly thereafter, Congressman GUY L. MOSER complained of Mrs. Phillips' suitability for the position of postmaster, and transmitted with his letter photostat copies of documents sent to him in connection with pending legislation, some of which were signed personally by Mrs. Phillips and others of which are in the form of a petition signed by Mrs. Phillips and others. One of these documents is a telegram signed by Mrs. Phillips, representing the Farmers' Educational and Cooperative Union, Centerport and Mount Pleasant Locals, and three other persons, stating that the Berks County delegation to the American Congress for Peace and Democracy requests the Congressman to do everything in his power to lift the embargo against Republican Spain; to place it on Germany, Italy, and Japan, and to support President Roosevelt in his struggle to preserve democracy.

The second document is a printed circular signed by Mrs. Phillips. This circular is addressed to "Mr. Congressman," requesting him to support the President's request for an additional W. P. A. appropriation and indicating that, if he does not, the signer will hold him personally responsible if W. P. A. workers are laid off, if business suffers, and recovery is crippled in the district which the Congressman represents.

The third document is signed by Mrs. Phillips, representing the American League for Peace and Democracy, and urges the Congressman to oppose various bills which have been introduced designed to increase restriction on the civil rights of foreign-born.

The fourth and last document is signed by Mrs. Phillips, in company with others, and urges the Congressman to support the repeal of the then existing Neutrality Act to place an embargo on aggressor nations and to support the so-called Thomas amendment.

Upon receipt of Congressman MOSER's complaint, the Commission directed that personal investigation be made of the character and suitability of all applicants for the position of postmaster at West Leesport, Pa. During the investigation a large number of representative patrons of the West Leesport office were interviewed. These included representative business and professional people, representatives of labor groups, and women's organizations, and others. An effort was made to obtain a good cross section of public opinion regarding the qualifications and suitability of all the applicants. The testimony was, on the whole, favorable to Mrs. Phillips, and a great majority of the persons interviewed felt that she was qualified and suitable for appointment. As a result of this investigation, Mrs. Phillips's name, together with the names of two other eligibles, was recertified to the Post Office Department.

Subsequently, Congressman MOSER again complained with respect to Mrs. Phillips's suitability for appointment; and after a careful review of the case the Commission recently decided that, while there was some evidence which would make advisable further investigation, the Commission would not be justified in removing Mrs. Phillips's name from the register on the basis of the evidence thus far secured. It was therefore decided to make a further investigation of the case with special reference to certain organizations with which Mrs. Phillips has been affiliated, concerning which there is very meager evidence before the Commission. A short time ago the Post Office Department was requested to withhold action on the certificate issued for postmaster at West Leesport, Pa., until the Commission could make additional inquiry into the case.

I shall be very glad to advise you further concerning this case as soon as additional investigation has been made and final action taken as to Mrs. Phillips' suitability for appointment.

Sincerely yours,

HARRY B. MITCHELL, *President.*

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., February 9, 1940.

Hon. ROBERT RAMSPECK,
House of Representatives.

DEAR MR. RAMSPECK: The Commission appreciates greatly your defense of the merit system before the House yesterday. In order that there may be no question raised as to your statement as reported in the CONGRESSIONAL RECORD, page 1258, as to the content of the Commission's noncompetitive examinations, I would point out that on page 38 of the hearings before your committee on H. R. 960 last March, it is stated that the Commission had decided some time before that in noncompetitive examinations experience would be considered as a factor and be given a relative weight of at least 25 percent. In the noncompetitive examination where a written test is given such test is very similar to the written test in the open competitive examination.

You will also be interested to know that, based on a total of 20,496 cases considered for classification during the period from July 1938 to December 1939 (1½ years), 14,603 were allowed and 2,283 disallowed, with 3,610 not recommended for classification by the heads of the respective offices but recommended for retention without acquiring a classified status. In this group there is included a total of 4,548 cases in the Postal Service divided—4,426 allowed and 122 disallowed.

Eliminating the 3,610 cases not recommended for classification, the percentages are 13.5 percent failures including the Postal Service, and 17.5 percent failures excluding the Postal Service. If consideration is given to the 3,610 cases not recommended for classification the percentages are increased to 28.7 percent of failures including the Postal Service and 36.1 percent of failures excluding the Postal Service.

Very sincerely yours,

HARRY B. MITCHELL, *President.*

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I have asked for 3 minutes in order to ask the chairman of the committee two or three questions if he will be kind enough to answer them.

The distinguished gentleman from Georgia, who is promoting this bill, which I may vote for, as much as I dislike it and as distasteful as it is, because I think the chairman has gone far afield in opening this up by the covering of these employees without competitive examination, two or three times has made the remark that this will cover into the civil service employees who have been with the Government for several years, such as revenue agents, and employees of that type. In the gentleman's opinion, how many of these two or three hundred thousand employees are old employees? How many of them have 5 years' service or more?

Mr. RAMSPECK. I will say frankly to the gentleman that the vast majority of them are people with not more than 6 or 7 years of service; but there are quite a number—I do not know the exact number—deputy collectors of internal revenue, for instance, who have been in the Government service and have been in civil service and out two or three times by operation of acts of Congress, but who have been retained because of their ability and knowledge of the tax laws, who would be covered under this bill.

Mr. CRAWFORD. I know that to be a fact, but I was interested in the great number there must be of those outside who have not been with the Government very long. Would the chairman have any objection to an amendment, which I understand will be offered to this bill, to the effect that all of these employees will be taken care of up until January 1, 1941, and that subsequent to that time they must submit to competitive examination?

Mr. RAMSPECK. Yes; I would object to that, because I have been convinced by the testimony before our committee that to apply competitive examinations to large groups of employees already in the service would disrupt the service.

Mr. CRAWFORD. That kind of an amendment would allow at least a year for them to adjust themselves. But let us go a step further. Would the gentleman object to that being applied as of January 1, 1942? In other words, I want to find out if the gentleman is really interested in a genuine civil-service bill or does he want to blanket these people in under civil service?

Mr. RAMSPECK. Of course, neither the gentleman from Michigan nor I can by our own statements convince anybody about that. For 10 years I have been a member of the Civil Service Committee and have advocated extension of the civil

service. I have voted against exemptions from the civil service on every opportunity that arose.

I introduced the first bill. I was convinced by the testimony, not only of the members of the Civil Service Commission but of Mr. Elliot H. Kaplan, of the National Civil Service Reform League, the representative of the League of Women Voters, the Business and Professional Women, and others, that it was not practical to bring in agencies already created and in existence, and that it never has been followed by any administration as a policy. Not only that, but it has not followed in the States and cities where existing agencies were brought in.

Mr. CRAWFORD. Mr. Chairman, this bill goes far afield from the bill which we should have before us. Why the committee has moved away from competitive examinations is something that, in my opinion, can never be explained satisfactorily to our people, who want real civil service to apply to Government employees. But we face the reality that the committee will not bring a real civil-service proposal to this floor. We further face the fact that those who are really studying the question in the majority want a civil-service law; and, further, we hope this proposal can be amended in a manner that will provide for competitive examinations. If the country is in the final analysis dissatisfied with this measure in the form in which it is enacted into law, the Congress can at some future date make such amendments in the law as will meet popular support. I shall support the motion to recommit the bill for the inclusion of the Rogers amendment in the hope that competitive examinations can be made to apply. Finally, I shall support the bill and hope that before it becomes law the Congress will make it a better measure than it is in the form in which it is here presented.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself 7 minutes.

The CHAIRMAN. The gentlewoman from Massachusetts is recognized for 7 minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I hope the chairman of the committee is listening, because he made the statement yesterday that the Committee appointed by the President, known as the President's Committee for Civil Service Improvement, did not take up all branches of the civil service; that it only took up the employment of lawyers. After further and full investigation I found out, just as I thought, that the President's idea was to have that Committee consider the improvement of all branches of the civil service.

Mr. RAMSPECK. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield, although the gentleman from Georgia would not yield to me yesterday.

Mr. RAMSPECK. I think the gentlewoman misunderstood me. I said yesterday that the Reed committee was not to investigate the desirability of bringing in these new agencies. I did say they were to make recommendations as to the technique of procedure.

Mrs. ROGERS of Massachusetts. That, of course, includes the other. I cannot yield further; I am very sorry. I will yield later if I have time.

Mr. Chairman, I am going to introduce later on an amendment which will allow everyone, who wants to, to vote to promote the merit system in the civil service; in other words, it will provide that these 250,000 or 300,000 people shall have a chance—more than even chance—with people on the outside to take an open competitive examination and to pass it.

I draw the attention of the Committee for the moment to the extremely shameful treatment of those already on the civil-service register. There are on the civil-service registers today nearly 1,000,000 people eligible for employment in the Government service but not employed; yet 300,000 people have been appointed to Federal positions without examination. Permit me also, Mr. Chairman, to call the attention of the membership to the fact that many hundreds of people who are paid through W. P. A. funds and other funds are now working in the departments side by side with civil-service workers; some of the non-civil-service employees in the lower brackets are paid a lower wage than the civil-service employees, but in the higher brackets some of the non-civil-service employees working side by side with the civil-service employees in many instances receive higher salaries than do the civil-service employees.

So much lip service has been paid to the merit system by this administration, but the right hand does one thing and the left hand does another. I feel most strongly that we owe a duty to those we have asked to take civil-service examinations, people who in many instances have worked hard to qualify themselves for the examination and passed it. I feel we have a very sacred duty to see that their rights are protected.

If we have a merit system, if we have a civil service, let us abide by it. England has a real merit system, a real civil service. We hear no complaints from anyone in England about their civil-service system. For 20 centuries China has had an excellent merit system. The Government employees of China must pass examinations. They are well trained, well informed, and do excellent work.

Many of those in the Government service today on civil service do not dare complain about this bill which will blanket in some 300,000 people. Mr. Mitchell testified that only 25 percent of the non-civil-service employees of the Government could pass an open competitive civil-service examination. It seems to me it is clearly a subterfuge to blanket in political appointees. I am just as critical of the Republicans who did that sort of thing as I am of the Democrats. I deplore the fact that the Republican administrations did not always follow the merit system; but I bring to your attention the fact that in no instance before did either the Republican or Democratic Party try to blanket in 300,000 people. Permit me also to state that no party before, neither Democrat nor Republican, ever abused—and I call it abuse—so many persons on the civil-service register. No party before ever gave the Civil Service Commission the work to do, underpaid, understaffed as it is, that this administration has. Do you realize that as a result of one examination alone held over a year ago 272,000 persons have not yet received their ratings? I think that was an examination for inspectors. In another instance an examination held a year ago was rated only the 3d of January of this year, an examination for stenographers, and 70,000 who took it are waiting to be appointed to civil-service jobs.

Mr. MILLER. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. MILLER. Would the gentlewoman care to inform the House as to the effect this bill would have on veterans' preference legislation? Is it a fact that it means that over 300,000 people being frozen in the service, that in connection with these positions the veterans' preference laws of the country have been completely ignored?

Mrs. ROGERS of Massachusetts. That is absolutely true, they have been ignored. Under this bill the veterans will be given no preference. It is also a fact, however, that the veterans have been ignored in many ways before under civil service because, though having been granted their civil-service preference, they have not been preferred in receiving positions.

Mr. RAMSPECK. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. SMITH].

CIVIL SERVICE BY PRECEDENT AND BY STATISTIC

Mr. SMITH of Illinois. Mr. Chairman, while many of the honorable Members on the left are on their way to do deference in various parts of the country to the memory of the great national saint from my State, Abraham Lincoln, we Democrats today are preparing, in the quietude of our admiration, to celebrate also Lincoln's all-American spirit. I would like to call your attention, in the gracious mood of his birthday, to a diagnosis by one of Lincoln's friends as to what it was that made this son of Illinois so great.

LINCOLN'S WISDOM COMMENDED AS EXAMPLE ON CIVIL SERVICE

It was Leonard Swett who said that Lincoln succeeded in politics—

By ignoring men and * * * all small causes, but by closely calculating the tendencies of events and the great forces which were producing logical results. * * * The whole world to him was a question of cause and effect. * * * His tactics were to get himself in the right place and remain there until events would find him in that place.

I commend those tactics to my Republican friends and to my Democratic friends alike. We are heirs of intelligence to understand the great force of politics in our country at this time. It is good tactics to have foresight enough to get ourselves in the right places and to wait there, as Lincoln waited, for events to overtake us. We have a chance today to get right with history on a matter of great importance to our Nation. I am going to leave here on the table a document so every speaker can cast his eye on it if he is tempted to get off-sided as touching forthcoming events. A glance at these photostats may save some of us from appealing to individual cases as though they were typical, or from resorting to gossip as significant in a world where cause and effect does reign supreme as Lincoln knew.

What are the tendencies with reference to the civil service? Here is a photostatic copy of a document which indicates in curves the line of growth since 1883. You will see that while there are zigzags in terms of this year or that, the total course of national events has been to take out of the hands of us politicians what scrupulous minds would long ago have foregone. Since the civil service is our collective effort, and the only one, to improve the administrative service, we are estopped from criticizing it until we have completed its scope, supported its budget, or have developed some better alternative. Promotion by pull and demotion by push is no alternative to civil service. This chart shows that the movement has been upward and onward without substantial recession. Look at these curves of progress and stifle any extravagant remarks.

PARTY PROMISES AS SYMBOLS OF PROGRESS

I have here also photostatic copies of the platform promises of both our great parties since the year 1900. I am glad to observe that the Republican platform got the jump on us that year. Let that be a symbol of the wisdom of the Republicans jumping on the band wagon today. In opposite columns you will see the drift of things in terms of the maintenance of the integrity of the parties at the level of promises.

DEMOCRATIC PLATFORM	REPUBLICAN PLATFORM
1900	
Kansas City, Mo., July	Philadelphia, Pa., June
No resolution.	We commend the policy of the Republican Party in maintaining the efficiency of the civil service.
1904	
St. Louis, Mo., July	Chicago, Ill., June
The Democratic Party stands committed to the principles of civil-service reform, and we demand their honest, just, and impartial enforcement. We denounce the Republican Party for its continuous and sinister encroachments upon the spirit and operation of civil-service rules, whereby it has arbitrarily dispensed with examination for office in the interests of favorites and employed all manner of devices to overreach and set aside the principles upon which the civil service was established.	The civil-service law was placed on the statute books by the Republican Party, which has always sustained it, and we renew our former declarations that it shall be thoroughly and honestly enforced.
1908	
Denver, Colo., July	Chicago, Ill., June
The law pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion, rather than services rendered to a political party.	We reaffirm our former declarations regarding the civil-service law.
1912	
Baltimore, Md., June–July	Chicago, Ill., June
The law pertaining to the civil service should be honestly and rightly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party; and we favor a reorganization of the civil service, with adequate compensation commensurate with the class of work performed, for all officers and employees; we also recommend the extension to all classes of civil-service employees of the benefits of the provisions of the employers' liability law; we also recognize the right of direct petition to Congress by employees for the redress of grievance.	We reaffirm our adherence to the principle of appointment to public office based on proved fitness, and tenure during good behavior and efficiency. The Republican Party stands committed to the maintenance, extension, and enforcement of the civil-service law, and it favors the passage of legislation empowering the President to extend competitive service so far as practicable. We favor legislation to make possible the equitable retirement of disabled and superannuated members of the civil service, in order that a higher standard of efficiency may be maintained. We favor the amendment of the Federal employers' liability law so as to extend its provisions to all Government employees, as well as to provide a more liberal scale of compensation for injury and death.
1916	
St. Louis, Mo., June	Chicago, Ill., June
We hold that the life, health, and strength of the men, women, and children of the Nation are its greatest asset, and that in the conservation of these the Federal Government, wherever it acts as the employer of labor, should both on its own account and as an example, put into effect the following principles of just employment: 1. A living wage for all employees. 2. A working day not to exceed 8 hours, with 1 day of rest in 7. 3. The adoption of safety appliances and the establishment of thoroughly sanitary conditions of labor. 4. Adequate compensation for industrial accidents. 5. The standards of the uniform child-labor law wherever minors are employed. 6. Such provisions for decency, comfort, and health in the employment of women as should be accorded the mothers of the race. 7. An equitable retirement law providing for the retirement of superannuated and disabled employees of the civil service, to the end that a higher standard of efficiency may be maintained. We reaffirm our declarations for the rigid enforcement of the civil-service laws.	The civil-service law has always been sustained by the Republican Party, and we renew our repeated declarations that it shall be thoroughly and honestly enforced and extended wherever practicable. The Democratic Party has created since March 4, 1913, 30,000 offices outside of the civil-service law, at an annual cost of $44,000,000 to the taxpayers of the country. We condemn the gross abuse and the misuse of the law by the present Democratic administration and pledge ourselves to a reorganization of this service along lines of efficiency and economy.
1920	
San Francisco, Calif., June–July	Chicago, Ill., June
We advocate * * * a reclassification of the Federal civil service free from discrimination on the ground of sex. We commend the work of the joint commission on the reclassification of salaries of postal employees, recently concluded, which commission was created by a Democratic administration. The Democratic Party has always favored and will continue to favor the fair and just treatment of all Government employees.	We renew our repeated declaration that the civil-service law shall be thoroughly and honestly enforced and extended wherever practicable. The recent action of Congress in enacting a comprehensive civil-service retirement law and in working out a comprehensive employment and wage policy that will guarantee equal and just treatment to the army of Government workers and in centralizing the administration of the new and progressive employment policy in the hands of the Civil Service Commission is worthy of all praise. The principle of equal pay for equal service should be applied

DEMOCRATIC PLATFORM—CON.	REPUBLICAN PLATFORM—CON.
	throughout all branches of the Federal Government in which women are employed.
1924	
New York, N. Y., June–July	Cleveland, Ohio, June
We pledge the Democratic Party faithfully to comply with the spirit as well as the regulation of civil service; to extend its provisions to internal-revenue officers and to other employees of the Government not in executive positions, and to secure to ex-service men preference in such appointments.	The improvement in the enforcement of the merit system both by legislative enactment and Executive action since March 4, 1921, has been marked and effective. By Executive order the appointment of Presidential postmasters has been placed on the merit basis similar to that applying to the classified service. We favor the classification of postmasters in first-, second-, and third-class post offices and placing of the prohibition enforcement field force within the classified civil service without necessarily incorporating all the present personnel.
1928	
Houston, Tex., June–July	Kansas City, Mo., June
Grover Cleveland made the extension of the merit system a tenet of our political faith. We shall preserve and maintain the civil service.	The merit system in Government service originated with, and has been developed by, the Republican Party. The great majority of our public-service employees are now secured through and maintained in the Government-service rules. Steps have already been taken by the Republican Congress to make the service more attractive as to wages and retirement privileges, and we commend what has been done as a step in the right direction.
1932	
Chicago, Ill., June–July	Chicago, Ill., June
We advocate the spread of employment by a substantial reduction in the hours of labor; the encouragement of the shorter week by applying that principle in Government service.	The merit system has been amply justified since the organization of the civil service by the Republican Party. As a part of our governmental system, it is now unassailable. We believe it should remain so.
1936	
Philadelphia, Pa., June	Cleveland, Ohio, June
For the protection of Government itself and promotion of its efficiency, we pledge the immediate extension of the merit system through the classified civil service—which was first established and fostered under Democratic auspices—to all non-policy-making positions in the Federal service. We shall subject to the civil-service law all continuing positions which, because of the emergency, have been exempt from its operation.	Under the New Deal, official authority has been given to inexperienced and incompetent persons. The civil service has been sacrificed to create a national political machine. As a result, the Federal Government has never presented such a picture of confusion and inefficiency. We pledge ourselves to the merit system, virtually destroyed by New Deal spoilsmen. It should be restored, improved, and extended. We will provide such conditions as offer an attractive permanent career in Government service to young men and women of ability, irrespective of party affiliations.

The only substantial competition between the parties, as regards promises, is, as you will observe, the counterclaim by each as to which one started the civil service and which of them has been its best friend. The Republicans assert twice that they began it and the Democrats assert it once. I do not care who began it, but it is time for us both to unite upon its completion. We as individual politicians come and go, but this great Government of ours goes on, we hope, forever. Its permanent service must be a matter of merit, not of gossip, not of grievance, not of narrow party loyalty or sectional quota pride. We vote today upon whether we shall turn over personnel problems to those who study them, know about them, and are constituted to solve them—or whether we continue to commit "the civic turpitude of political partisanship in matters administrative."

A PHONY QUARREL

When you attend to the quarrel now raging as to the noncompetitive nature of our proposed examination, you do well to keep perspective by consulting the record. Only two Republican Presidents ever arranged for any examinations at all for those blanketed in. Calvin Coolidge brought in about 2,000 by noncompetitive examination and Herbert Hoover about 200. That is all there is in the precedent of Republicanism to give body to the cries heard here today from that side of the House. Behold the mountain of verbal virtue labors and only a little mouse of merit is historically born.

Practically speaking, it is, therefore, a petty quarrel, it is a partisan quarrel—sometimes a personal quarrel. There might be a question as to whether we shall proceed to merit down the criminal path marked by the Hatch bill or down the civil path marked by this Ramspeck bill. But there is really no practical quarrel other than that. We are all for merit. But we Democrats are for it today the way it can be extended; the Republicans are for it but not by the only route it can be extended, or ever has been extended by them. They offer no precedent of competitive examinations when they were in power, and precious little precedent that reaches the level we propose today of noncompetitive examinations.

Since the Hatch bill deprives us all of the fruits of our political vices, why not through the Ramspeck bill grasp the fruits of our virtue?

Mr. KELLER. Will the gentleman yield?

Mr. SMITH of Illinois. I yield to the gentleman from Illinois.

Mr. KELLER. Why not put those photostats in the RECORD as a part of your remarks?

Mr. SMITH of Illinois. I shall be very happy to put them in the RECORD and I shall ask unanimous consent to do so. [They have been inserted above for logical convenience.]

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. SMITH of Illinois. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does it not seem to the gentleman that it would be extremely helpful if the majority today would do better than the Republicans and have a full competitive examination, perhaps giving those not already in the service a slight advantage, the 300,000, by not holding an examination? You will be making a record for yourselves if you do that.

Mr. SMITH of Illinois. I have a second-rate enthusiasm for what I regard as second-rate proposals. The gentlewoman also knows that in appealing from Republican bad practice, we are appealing to Republican principles of precedent, though this precedent has been established by Democrats and Republicans alike.

History becomes the worst enemy of our progress, time makes ancient "uncouth" good. The gentlewoman knows there is no earthly possibility now nor when she wins, as she hopes to in 1940, to extend the civil service of the United States except by noncompetitive examinations or worse—no examinations at all—as the Republicans have taught us.

Mrs. ROGERS of Massachusetts. I believe that the country and the Republic as a whole are becoming awakened to the fact that the civil-service employees who have taken examinations have been dealt with unjustly, nearly 1,000,000 of them.

Mr. SMITH of Illinois. That remains to be shown. I do not myself concede the charge. Indeed, I hesitate to yield my time to Members who may say something that a hundred years from now, if they were here, they would be sorry they said at all in the light of these curves that are up and onward.

EMPTY QUARRELS AND MEDIEVAL KINGS

I am indeed reminded by this attempted quarrel over the noncompetitive examination of the story told of two medieval kings who had lived in amity and peace, side by side like Republicans and Democrats, for many a year. One day one

of them had unexpected company. He sent a hurriedly scribbled note over to the other one, "Send me a blue pig with a yellow tail or—" scribbling off unintelligently in his haste.

When the other king got his note he was insulted by it. He looked at it and he looked again. Finally he said, "Well, I will send him as good as he sends me," and he sent back this reply, "I have no blue pig with a yellow tail, and if I did have," blank, blank, blank.

The first king was angry and declared war. The second king arose to defend his national honor and his territorial integrity. They fought and they fought until their ships had been sunk and their armies exhausted. Meeting at the conference table at last, as all such foolish ones must, the one said to the other, "Why did you send me that insulting note? We had been friends for a long time." The other said, "I did not send you an insulting note, but you did send me an insulting reply. I said, 'Send me a blue pig with a yellow tail, or, if you do not have that kind of a pig, send me any kind you have. I am in need of some meat.' " The other said, "Well, if that is what you meant, my reply was not insulting at all. I meant I had no blue pig with a yellow tail, but if I did have I would very gladly send it to my fellow sovereign, and my neighbor."

Similarly fictitious, from a practical point of view, is the quarrel we are staging here over the noncompetitive examination. I wish we might have competitive examinations myself; but I am not God, and I am not the director of the Democratic Party, and I am not responsible for the long precedent of the Republican Party. The truth is that the only way we ever have advanced the civil service, will now advance it, or shall in the future advance it in the competition of demerit between the two great parties, is by giving some advantage to the party in power. That most disinterested and knowledgeable organization, the League of Women Voters, knows this. It and the many other fine organizations indicated are therefore for this bill as the only way actually to advance from patronage to merit.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 3 additional minutes to the gentleman from Illinois.

Mr. SMITH of Illinois. Lucky is the day when we can turn from personal predilections and prejudices to the Civil Service Commission to further, as I hope from this year forward, a scientific determination of personnel policies.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Illinois. I am sorry, I cannot yield. I have something here that I feel I ought to get in during the remaining 3 minutes.

FROM PRECEDENT TO A STATISTIC OR TWO

I have been arguing from a precedent, to which we all must subscribe, since it springs from both our parties. I will give you a statistic or two now that I have here in my hand. I do not really know whether I ought to do it or not. I know there is some criticism of the Central Statistical Board, and I know that some Members of the House object to things going into the RECORD that cannot be certified as true. I admit that I do not know whether these statistics are true or not, but I do suggest that—what is much more important in politics and especially in this kind of debate—they are interesting. I beg your permission, therefore, to insert them. As to their source, I say only this: They do not derive from my fine old sea captain, of the Principality of Excelsioriana.

These statistics have to do with the incidence upon Government employees during recent administrations, from Harding down, of three diseases—nervous break-downs, gastric ulcers, and hiccups. Nervous break-down, you know, is the disease that comes from work, or rather from worry about work, to those who are in the upper brackets. Gastric ulcers is the same disease that comes to the middle-income group, if they can afford it. Hiccups, however, although you may not know it, is a sort of galloping, garrulous form of gastric ulcers overtaking those who get the lowest pay.

I do not say this doctrine of disease comes from the allopaths and I do not say it comes from the homeopaths, and I am not certain whether it comes from the——

Mr. SCHAFER of Wisconsin. Psychopaths.

Mr. SMITH of Illinois. Psychopaths; yes; it may come from the psychopaths. Whether allopaths or homeopaths or psychopaths—all these "paths," like the path of glory, lead but to the grave. Whatever the source of my putative medical insight, I have statistics that show that under Harding's regime, when there was neither too much honesty nor too much efficiency, one one-thousandth of 1 percent suffered from nervous break-down—though the morals of many more broke down—one-tenth of 1 percent from gastric ulcers, and one-half of 1 percent from hiccups.

Under Coolidge's regime, when there was honesty but not too much efficiency, the employees suffered nervous breakdowns one-hundredth of 1 percent, gastric ulcers one-fifth of 1 percent, and hiccups two-thirds of 1 percent.

Under Hoover's administration my statistical chart indicates wide prevalence of "the grouches." My chart does not further break down that gloomy classification.

Under the Roosevelt administration, this present administration, however, 1 whole percent of the higher incomes have suffered from nervous break-downs, 3 percent—mark that increase—from gastric ulcers, and 10 percent of the poorly paid employees intermittently from nervous hiccups.

THE MORAL IS CIVIL SERVICE

So what? So this, Mr. Chairman. If we can give security to our Federal employees we shall stop the ravages of these diseases. Persons who carry on the permanent work of our National Government are entitled to psychological conditions which turn idealism into service rather than into senseless worry, waste, illness.

The fact is that under the New Deal there have come into the service of the Nation a great many idealistic persons, young and older. The Republicans admit this, indeed, charge it; but they say that idealists are not good administrators. No; not with hiccups or gastric ulcers. Not good administrators—these idealists so anxious about their work, so solicitous to do a good job, but suffering from the same type of insecurity—without our thick skin—that we politicians suffer from, because they are our satellites.

Detach them from our insecure patronage, give them merited tenure; and you will bring to the Federal Government the most devoted group of workers that has ever been inducted into the civil service. Earnest, able, idealistic, our Federal workers need only the added touch of security offered by this bill to convert them into a noble phalanx of efficiency for the perpetuity of our democratic state. [Applause.]

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. I am very much interested in the statement of the gentleman from Illinois, that the President and this administration are willing to follow what they say is precedent in this matter of blanketing in instead of blazing the trail for open, competitive examinations. The administration has boasted that it does not follow precedent. This administration has far excelled in politically freezing persons into the Government Service. The spoils system has run riot in this administration. However, I do not like the spoils system in any party. I yield 15 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman——

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. For a brief question, yes.

Mr. HOFFMAN. Just explain, if you will, why these officeholders are sick of this administration. The country at large is and now you tell us, if you know, why the officeholders are.

Mr. REES of Kansas. I was very much interested in the statement of the gentleman from Illinois who has just left the floor who told us about the number of those in charge of the work of the administration who are having gastric trouble and such things. I could not understand why he wanted to tell us about that in such a complaining manner.

Mr. Chairman, as I said yesterday, we are discussing, I think, one of the most important pieces of legislation that has come up on the floor of the House for many years.

I would like to answer first, briefly, some of the questions that have been put before us by our distinguished Chairman. I have the highest regard for him. I have the highest regard for his opinion on questions involving civil service, but I

want to call your attention to two or three things now, if I may.

The distinguished Chairman said that he could not get much help or much assistance in getting the bill (H. R. 2700) out on the floor of the House, and therefore he did not produce it. Let me suggest to the gentleman that he has not yet asked my assistance or the assistance of the members of the minority party on that Committee to help him with that bill on the floor of the House. I will tell the gentleman here and now that before we are through with this bill I expect to offer an amendment to the bill proposing his own bill (H. R. 2700) as a substitute and I hope he will go along and support that measure. [Applause.]

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I cannot yield now, because I do not have the time. The gentleman himself has charge of half of the time.

I would like now to call attention to one or two other matters. The gentleman talks about certain groups that are in support of this measure. I would like to call his attention to a statement made on behalf of the American Federation of Labor at the hearings on the bill H. R. 2700, that provides, if you please, for competitive examinations; and over on page 23 to a statement made by Col. Charles I. Stengle, president of the American Federation of Government Employees, who at that time made a statement and said a number of those who concurred with him in various labor organizations, stated:

> Mr. Chairman, it so happens that this bill embodies to a very large extent one of the outstanding planks in our own legislative program. We are happy indeed to know it is not only in conformance with our program but it seems there is harmony, a most unusual harmony, between the President's program, your program, and our program.

That was H. R. 2700. It proves for competitive civil-service examinations.

Then going a little further along in the hearings on the same bill, H. R. 2700, we find that Mr. Kaplan, who represents himself as speaking on behalf of the Civil Service Reform League, states, "The Ramspeck bill now before you for consideration is a proposal that our National League has advocated for a long time."

Now, I realize and appreciate the fact that these gentlemen have now come along and said, "Well, if we cannot have H. R. 2700, then we will go along with you and take this bill, H. R. 960."

The chairman of the committee himself will recall that he made a statement to the committee which, in effect, was something like this. He thought he would have a lot of difficulty in getting the majority of the Democrats of this House to support his bill, H. R. 2700.

Mr. Chairman, I believe Members of Congress and the people of this country should be given to understand definitely that the measure before us today—known as the Ramspeck bill—is not a real civil-service measure; that it is not in the interests of a competitive civil-service merit system. In discussing civil-service problems, I believe people think about measures which provide for open, competitive examinations, that will give any qualified person a chance to compete for any of the thousands of positions in the executive department of government. We have always taken it for granted that civil-service appointments are nonpolitical, and that those securing such appointments get them because they are qualified for the job and have earned it in competition with others who have applied for it. Political influence was not involved.

This bill H. R. 960 cannot be justified under these terms. Let it be understood that the purpose of this bill is to permit approximately 325,000 politically appointed employees—now in Government service—to attain civil-service rating in preference to the hundreds of thousands of qualified men and women who ought to be entitled to compete for them. These 325,000 employees who will be given preference under this bill may or may not be fitted for their jobs. In most instances I assume they are qualified, but the fact remains that they received their appointments under political patronage in preference to others who were also qualified.

I am not criticizing them for securing their jobs in that way. Not for a minute. But I do not think it is fair for Congress at this time to say to these people, in effect, "Now that you have secured your jobs by political patronage, we are going to see that you keep them. We are going to put you under civil service. We will give you the same status and similar advantages afforded to those who earned their positions as a result of competitive examinations under a merit system." I do not think it is right for the Democrats to do it, or for Republicans to do it. You do not, either. The very principle of the thing is wrong. Sponsors of this bill are going to tell you that sometime in the past similar action was taken by the administrations in power. If it did happen, even on a small scale—I am not here to justify it. You will find, however, upon investigation, that during the entire history of our Government and since our civil-service law was enacted there has never been, under any administration, or all of them, such an attempt at wholesale blanketing in of politically appointed employees as we have under this measure.

During the past 3 years 60,000 or 70,000 jobs, possibly more, have been placed under civil service by Executive order, without competitive examination. It just hapens that it takes an act of Congress to put the positions affected by this bill under civil service—otherwise an order from the President might have taken care of all of them.

Mr. Chairman, the question before the House this afternoon is whether or not you are in favor of an honest, fair, open, competitive civil-service merit system for your Government. Or do you favor a subterfuge which provides that persons now holding positions by political appointment may take what is known as a noncompetitive examination and be "frozen in" the service and given the same status as those who got their jobs on a competitive basis?

In March 1933 there were approximately 560,000 Federal employees outside of the Army, Navy, and diplomatic corps. Eighty-three percent of them were under civil service. According to a report from the Civil Service Commission on June 30, 1939, that number has grown to an all-time high of 920,310. Five hundred and sixty-two thousand nine hundred and nine, or only 66 percent, were under civil service. During the last 6 months of 1939 we added 67,000 more to that number, making a total on January 1, 1940, of 987,538. We added Government workers to the pay roll last year at the rate of 11,000 per month. We will soon have more than a million Federal employees on the pay roll.

Right here I want to call your attention to the expense of this Federal pay roll. Our distinguished chairman of the Committee on the Civil Service on the floor of the House the other day told us that the largest single item of the normal cost in operating the Government is the payment for personnel service. He said it amounts to more than a billion and one-half dollars annually, and uses up the largest single proportion of the tax dollar of the Federal Government. Surely the American taxpayer is entitled to the best service than can be provided by his tax dollar.

Mr. Chairman, I would like to direct your attention to another important phase of this question. In the acts creating the new bureaus and commissions, Congress deliberately exempted their employees from civil service. Congress made it specific that the appointments would be political and would not come under the direction of our civil-service program. Today the sponsors of this bill are the same persons who inaugurated that program. They are asking Congress to protect their politically appointed employees by making their positions secure and permanent. If that is the democratic way of doing things, I do not know it. I just do not see how you can justify your action if you vote for this bill.

We are told that there are more than 4,000,000 young men and women—high-school and college graduates—who have never had regular jobs. Is there any reason why they should not be entitled to compete for these positions and be appointed to hold them if they can show themselves qualified? I want to be just as fair as anyone else to the employees now on the Government pay roll. Certainly, they should have no objection to competing against someone on the outside for the jobs they hold by political patronage. Furthermore, the

very fact that they are now holding these jobs gives them a distinct advantage by reason of their experience over those who may compete against them. If they can show themselves better qualified to hold the jobs than those who compete with them, all right; but if there are others on the outside who have prepared themselves for such positions, and who can show themselves better fitted to hold them, then they are entitled to have the jobs. And we, as taxpayers of this country, are entitled to their employment. I do not see how you can get around the fact that this Government is entitled to the most competent employees that can be found. If this is true, then why do you adopt a policy such as is provided under this bill? If you pass this measure, you may as well forget the question of competitive civil service altogether.

Let us stop a moment and see how this situation is to be handled. Under this proposed legislation, noncompetitive examinations will be given in the various departments of Government; that is, nobody will compete with the present employees. Some of the examinations will be oral and some of them written. If the employee is able to make a passing grade of 70 percent, he stays on the job. If there is somebody on the outside who could have passed the same examination with a grade of 80 percent or 90 percent, that does not make any difference; just so the person now in the position makes 70 percent on whatever kind of examination is provided, he keeps his place against any outsider. Do you think such a method is fair to the unemployed competent young men and women of this country?

Furthermore, Mr. Chairman, there are thousands—yes; I think they run into the hundreds of thousands—of persons who are already on the eligible registers who have passed similar examinations, and who have a position on the register according to their grades. They are not entitled to be given any consideration for these places, under this bill, although they have already shown themselves qualified.

Here is another thing to which I want to call your attention very definitely. After these people have been in their positions for as long as 6 months and have acquired civil-service rating—then they will have priority over the persons now on the eligible registers in the event they are dropped from the service because they are not needed. Let me put it another way: After they receive the civil-service rating you are giving them under this bill, they will then be eligible to take similar jobs where vacancies occur in other departments of government now under civil service, having a preference over those people now on the elegible registers who think they are going to have a chance for such vacancies. You may just as well throw away practically all of the eligible registers now existing and tell the people who have taken the competitive examinations that there will not be any chance for them for years to come.

If you believe in a fair, competitive system, and if you believe in securing the most competent employees to fill these positions, you certainly are not in favor of this bill. If you believe a man or woman who has fitted himself or herself for such positions is entitled to an even break, you cannot support this measure.

In the past 2 or 3 years, under Executive order, some 60,000 or 70,000 positions have been blanketed in under civil service without competitive examinations. If you approve this bill, you add about 325,000 more. The proponents of this measure say it would take too much time, and to conduct such competitive examinations for all these positions would be extremely complicated. Personally I do not care if it takes a little time. If this Congress had started 6 years ago to remedy this situation, the problem would not confront us this afternoon. Assuming it would take 1, 2, or even 5 years, it would be better to do that than to adopt an unfair practice such as the one we are about to follow in dealing with this bill. As a matter of fact, nearly all the examinations necessary to fill such positions would be similar to the ones that are now being conducted by the Civil Service Commission for the thousands of other Government jobs.

They have told us that the Civil Service Commission does not have sufficient funds. I do not seem to be able to get much information from those in authority. But common sense will tell us that the great majority of these jobs are similar in character to those positions now being held in other departments of Government under civil service and for which examinations are being conducted right along. Certainly it would not be a great effort to conduct examinations for positions of this kind. Right now we have the names of thousands of men and women on eligible registers who have qualified as stenographers, typists, file clerks, and so forth, under competitive examinations. The least we could do is to let those who hold similar jobs outside of the civil service take similar examinations in competition with them.

Mr. Chairman, I wish you would tell me from what source comes the demand for this kind of legislation. Who is pressing for the passage of this particular bill? So far as I can find out, the pressure comes mostly from those who will benefit by the bill and not from many groups on the outside who represent the general public, including the taxpayers.

I know there are groups who have given their support to this bill. They think it is a civil-service measure; but those same groups also gave their support to H. R. 2700—that provided for fair, open, competitive examinations.

Mr. Chairman, you have waited about 6 years, and now, all at once, you have made a determined drive to put this legislation through. About 2 years ago the President of the United States appointed a committee known as the Commission for Civil Service Improvement. On that committee are such distinguished persons as Justice Stanley Reed—he is chairman; Justice Felix Frankfurter, William H. McReynolds, Leonard D. White, and Gen. Robert E. Wood. They were advised and directed to study the entire problem. That committee has not reported. They have given it a lot of careful study. I am informed it will be some weeks before their report will be available. Would it not be consistent for us to at least wait a few more weeks and have the benefit of their experience—the investigation and findings of this committee?

Mr. Chairman, I do not believe the sponsors of this bill, or any one of you who vote for it, can justify your action in asking the people of this country to accept this legislation. It is undemocratic and manifestly unfair. It is in direct opposition, I believe, to a fair, efficient civil-service system. I have profound respect for our distinguished chairman. Only 2 years ago he introduced a measure providing for a fair competitive civil-service system. He was for it then, and I think he is in favor of it now. I just do not see why he should take the position he does this afternoon, if he is still in favor of the best and most efficient service that can be provided for our Government.

Mr. Chairman, at the proper time I shall offer an amendment to this bill providing for open, competitive, civil-service examinations to fill these positions. I trust that in fairness to our civil-service merit system, and in fairness to the thousands of people throughout the country who are entitled to compete for these jobs, and in fairness to the taxpayers of this country who are entitled to the most efficient service obtainable, that you will support my amendment.

Mr. Chairman, this bill is not in the best interests of the principles of the civil-service merit system. It does not promote efficiency in the affairs of government. It is undemocratic and should be defeated. I believe competitive examinations are efficient and economical in selecting qualified personnel to carry on the business of our Government. If we are going to maintain a civil-service merit system, the public is entitled to the very fullest extent to the opportunity of competing for Government positions. Mr. Chairman, we have done a lot of things in the name of emergency in the past few years. This is one more step in that direction. This is not a civil-service bill. It is lip service. It ought to be defeated.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. REES of Kansas. I yield for a brief question.

Mr. SCHAFER of Wisconsin. Is it not a fact that this bill is a political spoils system, anti-civil-service merit system proposition of the rankest and most sordid kind?

Mr. REES of Kansas. The gentleman can draw his own conclusions, but it is at least a spoils system in the first

place, and then we are coming in by subterfuge and making the so-called spoils system a civil-service system, so-called.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. ENGEL. Does this cover into the civil service the present temporary agencies, such as the N. Y. A., the C. C. C., and these others?

Mr. REES of Kansas. They are all in there. I think they are going to take out the W. P. A. after a while.

Mr. ENGEL. Will this not be the first step toward making permanent those temporary agencies?

Mr. REES of Kansas. Oh, I do not know. You cannot tell. I expect a great many of them probably will be. Perhaps some of them should be or should not be, as far as that is concerned; but it is a step toward making permanent those people's jobs as against the 4,000,000 people that I have just been talking about and against the folks who are on the rolls who have passed these examinations and who are qualified. I do not think there can be any question about that.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. For a brief question only.

Mr. CRAWFORD. At what time in the proceedings did a majority of the committee shift from this original bill to which the gentleman has referred, to the bill that is now before us, bringing about this great change?

Mr. REES of Kansas. Oh, I can hardly tell you. We held hearings on H. R. 2700. Then all at once we quit holding these hearings. Then, when the next session began, H. R. 960 was brought in all streamlined. The committee brought in some people from the departments and also some people who represent these organizations that were mentioned, but what I am saying is that the people out in the country do not understand what they are doing when they approve legislation like this.

Mr. CRAWFORD. They have the impression that you are dealing with the original bill?

Mr. REES of Kansas. I do not know that that is true. I think probably they know there are noncompetitive examinations, but I do not think they understand we are blanketing in this whole outfit.

Do you know it was testified in our committee that the bill as it stands, when you come to discharge these folks if they do not pass the examination, suppose they fail to get 70 percent, they are not discharged from their jobs. They stay right on. They are just not under civil service. That is all. They do not lose their jobs. They just are not under civil service. I believe the chairman of the committee has an amendment that will take them out of their jobs some way, if this bill is passed, because that is the rankest kind of injustice. You and I know that the taxpayers are entitled to a little consideration at the hands of the Congress. [Applause.] Let me say again this is not civil service. It is lip service.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I will take just a moment to say to the gentleman from Kansas [Mr. REES] that failure to pass this bill will not help any of those on the list.

With reference to the question asked by the gentleman from Michigan [Mr. CRAWFORD] as to why H. R. 2700 was dropped, the fact is that the President's reorganization plan came in just about that time and it provided for noncompetitive examinations. The jurisdiction of the Civil Service Commission was practically taken away from it by the special committee on reorganization. That is why it was not followed up.

With reference to the employees who do not make a passing grade, the gentleman from Kansas ought to know that this bill carries an amendment adopted by the committee providing that they must be separated within 6 months after making the failure.

I now yield to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, the Government of the United States is committed to the principle of the merit system for its employees. The system was adopted at the time of the original Civil Service Act of 1883. Repeatedly since that time both of the major political parties have proclaimed by resolution and platform provision their belief in and friendship for the civil service. Public opinion throughout the United States predominates in favor of the merit system over the spoils system.

Fifty-seven years after the adoption of this policy we would naturally expect to find all of the civil employees of the Government under the provisions of the system. On the contrary, the record reveals that at this time, of approximately 861,000 employees, but approximately 582,000 are in civil service, and the remainder, approximately 279,000, are not under civil service. We should not be interested in the reason for this condition. Rather should we attempt to remedy it. I am frank to say that I do not approve of the policy which organized all of these bureaus and functions of government without reference to the requirements of civil-service laws and regulations. They should have been organized under civil service, and, I am sure, they could have been. Nevertheless, they were not. The proper thing to do now is place them under civil service in the most practical manner available.

Some might suggest that competitive examinations be held and all of the positions filled from the registers thus established. There are three major objections to that procedure, and each of them renders it impractical. In the first place, such procedure would completely upset each of the organizations and most likely would require the reorganization thereof with entirely new staffs, resulting in a period of readjustment and inefficiency. Further, the giving of these examinations would prove to be a task overtaxing the Civil Service Commission and entailing an enormous expenditure of money. And, finally, would disregard the rights of those employees now in the service of these agencies who have rendered and are now rendering valuable and efficient service.

The only practical solution of the question is the one provided in this bill. That is, render it possible for these employees to be covered into civil service by Executive order. This is no new procedure. It has been resorted to on many occasions by Presidents of both parties. The record shows that since the adoption of the Civil Service Act of 1883, 120,912 Government employees have been blanketed into civil service by Executive order of Republican Presidents, while less than half that number, or 55,509, have been brought in by the order of Democratic Presidents. Hence we see that this bill constitutes no new departure, but carries out a policy established by both political parties. This bill—H. R. 960—requires a protection not generally provided in placing employees in civil service. That is, each employee will be subjected to a noncompetitive examination, and any employee failing to pass that examination must be discharged within 6 months.

This is the first title of this bill. To my mind that provision is of vital importance. Of still more importance is the second title of the bill; that is, the portion of the bill which extends the Classification Act of 1923 to the field service of the Government. The passage of that act was occasioned by the necessity for such provisions in the public service. The same principle has been reiterated on several occasions since that time by the passage of classification acts for individual services. This is notably true in the case of the Postal Service and inspectors of the Immigration and Naturalization Service.

All who have given attention to the problems of the Government employee agree that the policy of the Government must be to pay its employees the same pay scale for doing the same kind of work, regardless of where the positions are located and regardless of the name by which the positions are called in various departments. This principle is recognized and enforced by the classification act and by the special acts covering individual services and likewise by those agencies which adhere to the classifications of the act. This has been found to be a satisfactory policy. It operates with justice to the employees. It increases the morale and efficiency of the employees.

Classification under the act of 1923 is restricted to the District of Columbia and does not apply in the field. I submit that its provisions are more important in the field than in the departmental service. In the departments in Washington the employees are in closer touch with the officials in charge of the agencies. It is easier to supervise and manage their duties and responsibilities. These employees are within easy reach of the Classification Division of the Civil Service Commission and near the entire commission and its personnel. Adjustments in duties and pay are much easier in Washington.

In the field frequently the employees are segregated into small offices far from the centers of activity of the agencies of which they form a part. Control and supervision of their duties is much more difficult. The responsible head of the bureaus and agencies must rely completely upon those in charge in the field. Misassignment of employees, injustices, and inequalities are much more difficult to apprehend. Therefore, every reason which prompted the Congress to extend the benefits of classification to the departmental service applies with more force to the field service.

A rank injustice exists in those agencies in which an attempt is made to vary wage scales by resort to some bureau chief's idea of the cost of living in various communities. This has resulted in ridiculous conditions. Communities having approximately the same climatic conditions and living conditions as others are classified as greatly in excess of the cost of living in that other. In some offices within the same department and bureau of the Government we find beginners drawing higher salaries than section heads and foremen in other offices of the same bureau. When an employee is transferred from one of the lower paid offices he is required to take a reduction in his grade so as to bring his grade down to the salary previously received. Again, men have been transferred from a higher paid office to a lower paid one and found themselves drawing a great deal more money than the boss of the section to which they were transferred. All of this leads to discontent, lowering of morale, loss of the better employees, and finally to inefficiency. In the interest of the Government itself this feature of the bill should be adopted.

There is no more loyal, intelligent, efficient, or hard-working body of employees in the world than the Federal employee. I bespeak for him justice in his relations with his employer. Pass this bill and make it possible for him to secure the benefits of efficiency, seniority, and faithful service.

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. ALLEN].

Mr. ALLEN of Pennsylvania. Mr. Chairman, we have often heard it said that the comparative inefficiency in a democracy is the price we pay for our liberty and freedom. While true, those words present a constant challenge to those who are interested in the preservation of free government. In my opinion, there is nothing which impedes the efficiency of government or obstructs orderly processes more than the pernicious spoils system. We all know that under this system inefficiency and burdensome expense have crept into our Government in geometric progression in recent years.

It has reached the point where it is malodorous to the people of this country, and those of you who have followed the recent polls of public opinion know that the overwhelming sentiment is in favor of a strong, efficient civil service.

I believe that patronage is a curse to the Members of this House. In the first place, it divides our attention at a time when our efforts should be devoted to those perplexing problems which confront us. We are laggard in our duty when we take time out from our daily work to go jobseeking in return for political favor rendered by some individual. It will be a happy day for the Members of this House, as well as for the people of this Nation, when we can devote our entire time to statesmanship instead of acting the part of glorified employment agents as many of us are forced to be under the present system. No political party about which I have ever read or heard has perpetuated itself on the strength of patronage alone. We know from the experience of the past that the best way to serve our party is to serve the people of this country. This can best be done by inaugurating and instituting a strong civil service and eliminating the spoils system. Our people today are sick of seeing appointments made on the basis of political prestige or on the basis of the vote-getting ability of the applicant rather than qualifications for the job itself.

The question for us to decide today is not whether this bill is 100-percent perfect or whether it is entirely satisfactory to us personally. Obviously this is not the case. No bill of this kind will ever be 100-percent satisfactory to each individual Member of this House. I believe the question we must honestly ask ourselves is, Does the Ramspeck bill now under consideration offer some improvement over existing conditions? Will it improve the civil service? Will it strengthen the merit system in government? An honest perusal of its provisions seems to indicate that it will in every respect. It is an improvement over existing conditions—maybe not perfect in every respect, but certainly preferable to what we now have. I submit that Members on both sides of this aisle are pledged to support civil-service reform. Those who ran on the platform of their respective parties in 1936 and in 1938 pledged civil-service reform to their constituents, and only those who openly opposed that plank in their platforms have the right to oppose this measure.

This measure has the support of large groups interested in civil-service reform and also enjoys the approval of the Civil Service Commission itself. The Civil Service Commission is a bipartisan body. We must make our decision this afternoon regardless of the merits of a competitive or noncompetitive examination. I favor a competitive, and a highly competitive, examination for these important offices.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. Under existing circumstances, however, it seems to me that the delay the dislocation and the expense involved warrant our accepting the non-competitive-examination feature of this bill. Certainly acceptance of the noncompetitive feature is preferable to scuttling the bill altogether. To show that the noncompetitive features have been carried out effectively in recent months let me state that under the first reorganization bill and the President's Executive order of June 24, 1938, 18 percent of those examined have been rejected; 2,300 out of 12,500 employees who have been examined have been rejected. This indicates to me that an honest effort to obtain Government employees of greater efficiency and ability is being exercised by the Civil Service Commission under the noncompetitive system; and I sincerely hope that the Members of this House will pass this bill this afternoon. [Applause.]

[Here the gavel fell.]

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I have personally regretted very greatly that this bill should come up at the present time for this very simple reason: For 2 years I have been discussing with the chairman of this Civil Service Committee, at intervals, the possibility, if not the advisability, of getting a new idea into the civil service of this country. Let me point out to you that most of the positions under civil service are purely clerical.

Many of the positions under civil service are purely clerical. There is no question about that. Most of them become strictly routine. I think it is the experience of every man who has studied the subject that a routine position wears people out more quickly than any other kind. I see no reason why we should not give greater opportunity, especially to the young people of this country than I feel civil service gives them at the present time. What I would do is this: When a young man or young woman passes a civil-service examination let him or her be appointed for 5 years only. If during this 5-year period he or she shows especial usefulness or ability, let him or her serve for another period.

If they do not show special ability let them go back home where they ought to go, marry, raise their families, and be-

come a part of the American people. I do not want to encourage the mistake that I think is made here so often, that is, that many of the fine women who come into the civil service, remain and grow old in it, because it is a sure thing; because it provides against poverty with absolute certainty; no fear of starvation nor want to the very end of life. Because many of them feel obliged to send money home to their families, they therefore deny themselves the opportunity of marriage, and the opportunity to raise their own families. I see them here constantly in these departments. Many of them ought to be home attending to and enjoying their grandchildren. Most of them would be much happier and much better off. They not only have a perfect right to be doing that but they have the duty to do so.

Mr. Chairman, at the next session of the Congress, if I come back here, I am going to present a bill providing for this 5-year limit on civil-service employees for the consideration of the Congress. I shall point out to you some of the things it will serve. First, during the first 5-year period here the ambitious ones, the worthwhile ones would go through some college and get a degree; then go back home and be much more useful citizens than they can be without the 5 years' experience here. If they show that they are especially fitted for administrative positions or for some special work, give them another period, and when they have demonstrated the unusual ability for the higher work then and then only make their appointment permanent. By that means we can get those who are best fitted for administrative work and those who are best fitted for work along special lines, for the very best service, and at the same time send back into every locality in America from 10,000 to 50,000 young people every year with college degrees, who will be of great benefit to this country.

It will also give their neighbors an opportunity of communicating with them. It will make them leaders back home. I do not know of any other thing that would be better for this country. If the high-school boys and girls were shown that every year 10,000 of them would have a chance at 5 years in Washington, it would create a glorified revolution in American education.

And since much of the work in civil service is clerical, these young men and young women would in a month's time be doing as good work and more of it than those who had been there 20 years.

No one has any inherent right to a Government job. And no one has any right to hold a Government job unless he has earned it by superior service. There are no lifetime jobs provided for in the Constitution except for men who have shown their superior qualification, character, and special ability to judge between their fellow men—the Federal judges. Let us leave the gate to the most acceptable opportunity wide open. I repeat, I am going to present this bill at the next session of the Congress, if I am back here. I ask the Members today to think it over. I am also going to ask the Civil Service Commission to work with me, so that we may learn what proportion of these jobs are largely clerical and what proportion are not. I want to find out where we can gain something, because unless we gain something by giving lifetime jobs we have no right to give lifetime jobs. I am against lifetime jobs except as the Constitution provides, and I think we ought to recognize that, especially in this great civil service of ours. Personally, I am for the merit system, but for a merit system that gives the very greatest opportunity to the young people of this country to serve their country to the best possible advantage.

Mr. HOUSTON. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Kansas.

Mr. HOUSTON. I would like to know, does this bill cover the Congressional Library? If it does not, will the gentleman support an amendment to that effect?

Mr. KELLER. I understand it does.

Mr. HOUSTON. It covers the Congressional Library?

Mr. KELLER. Yes.

Mr. HOUSTON. The gentleman is in favor of the merit system and we appreciate his vote for the bill.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, although I come from one of the great cities of the United States, St. Louis, ever since the day I entered this body I have been in favor of extending the merit system. I have always advocated the promotion of career employees, even to the highest posts in the various departments and agencies. I have thought Presidents of the United States could inspire the judiciary if, when vacancies occurred, they would have appointed to our courts of appeals, United States district judges who have shown by their service they were entitled to recognition. I have likewise felt that Presidents would be inspiring the judges in our various courts of appeals if now and then one would be appointed to the highest court in the land, the Supreme Court of the United States.

Mr. Chairman, I have not been entirely satisfied with the administration of our civil-service laws. I have not been pleased with the present administration and I have not been satisfied with past administrations. I have complained, and I complain now, that the requirements making one eligible for examination deny to the practical man and woman the same opportunity that is given the college graduate. I say that a college education should not be required of a man or woman to hold a Government position if otherwise qualified. Practical men and women have proven time and again to be more efficient than those who have been fortunate enough to graduate from colleges.

I have complained about the age limit and on numerous occasions I have succeeded in having the age limit changed on an examination even after it had been announced. Only 3 weeks ago I had an age limit changed in connection with a position of garage man in the Post Office Department.

The first time I was asked to make a recommendation for a major appointment, I was requested by a Republican Postmaster General about 12 years ago, to make a recommendation for postmaster of the city of St. Louis, a $10,000 position. I recommended a man long employed in the Postal Service, and while I know my recommendation alone did not result in his appointment I am very happy to say he did get the position and he was postmaster of the city of St. Louis until he reached the age of retirement, one of the best that the city ever had.

I cannot bring myself to the point where I feel excellent laws passed by the Congress are going to be a success unless properly administered. It is needless for me to tell you of the criticism levied against the administration of some of our laws in recent months. That can and will be corrected by efficient personnel.

Had the civil service covered appointments to some of these agencies, it is my firm belief there would have been less criticism.

You will find many people in the classified service who have charge of the administration of laws that we pass who bring credit upon you by the manner they administer those laws.

Reference was made to deputy collectors of internal revenue. I can remember as far back as 1916 when efforts were advanced to put those employees under civil service. The argument was made then they were under bond to the collector and not under bond to the Government. It is mighty easy to change that and provide that they shall be under bond to the Government instead of to the collector. They belong in the classified service and will be classified under this bill. Men and women cannot understand our income-tax laws overnight. They must be thoroughly schooled.

In my city, St. Louis, there are Republicans as well as Democrats not in the civil service who have worked in the collector's office for years, no matter what party was in power. Why? Because of their efficiency and knowledge of the revenue laws. It was absolutely necessary to retain them. They have no rights under the retirement laws, and they work alongside civil-service employees who have. The same applies throughout the country. Seldom is a new collector sufficiently informed of the duties to enable him to run the office without assistance. He must rely on the old and efficient men who break in the new deputy collectors when there

is a change of administration. The businessman who calls at the office to make out his return is entitled to the service of one thoroughly advised of income-tax laws. These employees should long since been given a civil-service status.

A noncompetitive examination does not mean that every employee is going to pass. I have known many times where an old employee has not been able to pass the noncompetitive examination. There is an opportunity here to weed out inefficient employees who would otherwise be retained on the pay roll through influence.

Ask yourself how many non-civil-service positions you have secured. Take an inventory. Then find out how many have been appointed by officials and those not in Congress, or in an official position. You will find for every one a Member of Congress appoints there will be four who will get their place without your aid. If they are all under civil service, then your constituent and mine will have equal opportunity, and the Government will secure more efficient help.

The administration, as well as you and I, will get the credit when laws are efficiently administered. Do not be deceived, the spoils system is going, the people demand it, and if we set the example here the States and cities will follow. Patronage has defeated many an able Member of Congress. It has been a thorn in your side, and will continue to be until eliminated.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 2 additional minutes to the gentleman from Missouri.

Mr. COCHRAN. There is one other matter I want to speak about, and I know all are aware it has been in my mind for a long time, as I have talked about it so often; that is the so-called family affair in Government positions. I was the author of the married-woman clause in the Economy Act, which unfortunately was repealed. Some day it will go back on the statute books. I do not believe in a married woman working when her husband can and does earn a living sufficient to support the family. I honestly believe we have one job for almost every family in the United States today if the jobs are properly spread. If businessmen and Government, city, State, and Federal officials, would discontinue appointing relatives to office, you would find that you would have a position for almost every family in this country. You are not going to have happiness in this country when you have four or five people in one family on one side of the street employed and on the other side of the street a man with four or five little children and no one in the family employed.

Those conditions must be adjusted. Business itself is going to help meet them, because until you put the unemployed to work in this country, businessmen, the people who are best able to pay, are going to pay the bill so long as the Government comes to the aid of the unemployed. The sooner the businessmen and the public officials spread the jobs among families instead of putting relatives to work the better conditions will be, and when they do that the cost of government will decrease gradually. In Washington you have hundreds and hundreds of cases where husband and wife are working for the Government and thousands where several in the same family living under the same roof are employed by the Government. When reductions must come, as they will, they should go first.

I hope this bill passes, and by a large majority. If it does, there will be something for the youth of the country to look forward to. As vacancies occur they will be filled from civil-service registers when necessary.

I further express the hope that the Civil Service Commission, in administering the law, will give the practical man and woman the same opportunity to gain a position with this Government as the college graduate. [Applause.]

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I believe that in the discussion of this bill probably many of those who are speaking, both for and against the bill, are talking about the same thing by a different name. Insofar as I am concerned, if the operation of the present civil-service law under the Civil Service Commission meant the carrying on of a merit system, I would be for it; but I submit that the operation of the present civil-service law is not a merit system, because I know that if it were a merit system there would not be literally thousands of Government employees working in agencies throughout the Government who are not worth the salaries they are drawing.

I say to you, and I submit in all fairness, that you cannot maintain a merit system unless you have some means by which you can test the efficiency of the people who are holding the particular jobs. Under the present operation of the civil service a man or woman is given an examination, either competitive or noncompetitive, before he is given employment, and then he is forgotten for all practical purposes, the provisions of the law to the contrary notwithstanding. I am talking about the operation. Nothing ever happens after that time to test the efficiency of that man or that woman. There is never any other examination, never any test given him to determine whether he is as well equipped to handle the job 15 years from the time he was appointed or not. Until that is done it is not a merit system, and calling it a merit system will not make it that.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Very briefly.

Mr. COX. Will the gentlewoman from Massachusetts yield more time to the gentleman so he may answer a question for me?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 1 additional minute to the gentleman from Oklahoma.

Mr. COX. I am very glad the gentleman has taken the floor against this bill because I think it is thoroughly bad. I am glad he has taken the floor because I would not like to see party lines drawn on the measure. I expect to vote against the bill, and I want to feel that I am voting with the people of America, against whose interests the bill operates, rather than with the Republican Party. I want to join the gentleman in his condemnation of the Civil Service as it is operated. It is a racket, and every Member of this Congress knows in his heart that that is just exactly what it is.

Mr. NICHOLS. I thank the gentleman; and I want to say along that line, insofar as the politics of this thing is concerned, that if it were purely a political consideration I would be voting for the bill. Resolutions have been passed against me by civil-service organizations up and down the length and breadth of this country. There is no selfish political consideration in this thing for me. I am interested in the Government and the best interests of those who support it.

Civil service is not handled fairly, anyway. Every State has a quota, and the great Civil Service Commission, as is its wont to do on many things, pays absolutely no attention to the State quotas. Eleven States in the United States and the District of Columbia are far over their quotas. Does the Civil Service Commission stop appointing people from those States and the District of Columbia until other quotas are met? No. They go glibly on their way.

Let me read you some figures. The District of Columbia has a quota of 197. How many civil-service employees do you suppose there are now on the pay roll from the District of Columbia? Eight thousand eight hundred and thirty-seven, and the quota is 197 under the operation of the great Civil Service Commission which is so often held up to me as being more holy than thou.

Let us go a little further. Maryland, with a quota of 659, has 2,065 employees under civil service—this great holier-than-thou Civil Service Commission which can do no evil.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman from Oklahoma 2 additional minutes.

Mr. NICHOLS. When we get back into the House, I am going to ask unanimous consent to insert this table in the RECORD.

Apportionment (as of Jan. 31, 1940)

IN ARREARS

State	Positions entitled	Positions occupied
Virgin Islands	9	0
Puerto Rico	624	45
Hawaii	149	16
California	2,294	807
Alaska	24	9
Texas	2,354	949
Louisiana	849	400
Michigan	1,957	927
Arizona	176	93
New Jersey	1,633	915
South Carolina	703	403
Mississippi	812	490
Ohio	2,686	1,631
Alabama	1,069	660
Oklahoma	968	599
Arkansas	749	471
Georgia	1,175	774
New Mexico	171	113
Kentucky	1,057	704
North Carolina	1,281	898
Tennessee	1,057	815
Illinois	3,084	2,387
Wisconsin	1,188	953
Connecticut	649	551
Indiana	1,309	1,149
Nevada	37	33
Delaware	96	86
Oregon	385	352
Idaho	180	168
Florida	593	554
New Hampshire	188	178
Wyoming	91	87
Washington	632	611
Missouri	1,467	1,433
Pennsylvania	3,892	3,812
New York	5,087	5,034
Colorado	419	415
Massachusetts	1,717	1,710
Maine	322	321

QUOTA FILLED

State	Positions entitled	Positions occupied	Gain or loss since July 1
West Virginia	699	699	+1

IN EXCESS

Montana	217	219	−14
Vermont	145	147	
Kansas	760	794	−28
Rhode Island	278	297	−10
North Dakota	275	295	−16
Utah	205	222	+18
South Dakota	280	309	−4
Minnesota	1,036	1,146	−35
Iowa	999	1,119	−23
Nebraska	557	687	
Virginia	979	2,034	−9
Maryland	659	2,065	+15
District of Columbia	197	8,837	−49

Gains: By appointment, 228; by transfer, 31; by reinstatement, 4; by correction, 9—total, 272.

Losses: By separation, 83; by transfer, 41—total, 124. Total appointments, 50,423.

NOTE.—Number of employes occupying apportioned positions who are excluded from the apportionment figures under section 3, rule VII, and the Attorney General's Opinion of August 25, 1934, 16,078.

You will find there are only 11 States which are over their quota, and all the rest of them are under their quota. Gentlemen from Ohio may be interested to know that their State has a quota of 2,686, but there are employed only 1,631 persons from that State; and so on right down the line.

Mr. COX. Mr. Chairman, will the gentleman yield to me for just one second?

Mr. NICHOLS. I yield.

Mr. COX. Will not the gentleman sponsor an amendment to the bill to the effect that it shall not go into effect until the quota provision of the law is complied with?

Mr. NICHOLS. The gentleman from Oklahoma would certainly support such an amendment, and I would hope that some man with greater influence than I might sponsor it.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Will the gentleman give me some more time?

Mr. RAMSPECK. I have no time available, but I yielded to the gentleman yesterday, and I know the gentleman wants to be fair.

Mr. NICHOLS. The gentleman knows I want to be fair, but will he not yield me a minute if he is going to ask me a question? I yield for a question.

Mr. RAMSPECK. I just want to call the gentleman's attention to the fact that in the time from January 30, 1937, to February 28, 1939, the number of employees from the District of Columbia was reduced over 200.

Mr. NICHOLS. The gentleman has an hour; why does he not use his own time to do that? I have only 2 minutes.

Mr. RAMSPECK. I wanted the gentleman to know the facts about that.

Mr. NICHOLS. I was very much interested in the statement of the gentleman from Illinois [Mr. SMITH], who points out that one good that can flow from the extension of the civil service under this bill is that it will cure gastric ulcers and hiccoughs. [Laughter.]

That is one of the finest arguments I have heard for the passage of this bill, and if you think that hiccoughs are caused by diet in the lower strata of life rather than the idea that I have always labored under that for the most part they were caused from excessive participation in spirit fermenti, probably that is a good reason to support the bill. [Laughter and applause.]

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. NICHOLS. On yesterday my distinguished friend from Georgia, the able chairman of this committee, took Mr. J. Edgar Hoover to task because Mr. Hoover had dared to suggest that there was a better way of selecting employees for his department, in his judgment, than through the process of civil service, and then he said that it was a dastardly thing—so said my friend from Georgia—that Hoover would now point out that the Civil Service had sent him one person to be employed who was later adjudged to be demented, and he said it was a cowardly thing for Mr. Hoover to point out that the Civil Service had sent him two other employees whom he could not use at all, one of them having been convicted, I think, of communism or something, and the other having been convicted of some other infraction of the law.

I submit to you in all fairness that this bill should be by you defeated. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. FAY].

Mr. FAY. Mr. Chairman, I voted in favor of the rule to bring this bill before the Committee. I am going to vote for the bill today.

For 4 years prior to my assuming office in Congress I was chief field deputy of the third district of New York city—the largest internal-revenue district in our country. I had under my supervision over 200 men and women as deputy collectors. I saw the type of work they performed. They have given fine service—so much so that the record of production has increased over 100 percent from 1932 until today. They have made this work their career, and I urge upon the Members of the House, as a further incentive to them to do greater work for our country, to adopt this bill and pass it today. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I want to take just a moment to call attention to the fact that under the quota tables as shown on June 30, 1937, as compared with those on February 28, 1939, which is a little less than 2 years, the State of Oklahoma, whence the gentleman who recently spoke comes, increased its number of employees by 196, while the District of Columbia, under the operation of that same law, lost 234 employees, which indicates that the Commission is enforcing the quota law to the advantage of the gentleman's own State.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield for just a second?

Mr. RAMSPECK. I am sorry I cannot yield now. I yielded to the gentleman.

Mr. NICHOLS. I just want to point out that I was talking about the report of 1940.

Mr. RAMSPECK. I do not yield to the gentleman further.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania [Mr. MOSER].

Mr. MOSER. Mr. Chairman, much as I dislike to talk partisan politics in the House of Representatives, I will preface my remarks by saying that my Democratic background cannot be challenged by anybody. When I was a rather young man, W. D. Jamieson, a former Member of this House, asked me to assist him by preparing something on the subject of civil service, to be used in the campaign of 1912. I prepared for him a statement and compilation from a history of the United States by James Schouler and carried forward by Julian Hawthorne, giving full credit to the administration of Grover Cleveland for the establishment of the civil service. It has been my pride to point to that rather frequently as time has gone on, as a progressive accomplishment of the Democratic Party. I cleave to that act as I decry its circumvention and scuttling.

I want to say something now with reference to apportionment. I do not know of anyone who has been a more ardent advocate of adherence to the apportionment law or who has been more zealous in his discussion and support of it than the distinguished chairman of the Committee on the Civil Service, the gentleman from Georgia [Mr. RAMSPECK]. He is equally familiar with the fact that Mr. Vipond testified that with the enactment of this legislation, automatically the people who are now in the Federal service, if they are blanketed into the classified civil service and given noncompetitive examinations, will be frozen into their positions, irrespective of the quotas of the different States. Thus the District of Columbia, with 47 times its quota, 8,759 positions; Maryland, with 3 times its quota, 1,884 positions; Virginia, with 2 times its quota, 1,940 positions, may be contrasted to California, with one-third its quota, 777 positions occupied.

That is the testimony before the committee, and that is exactly what will happen.

The chairman of the committee a while ago, having talked with the Civil Service Commission, made reference to the remark I made yesterday, and much to my satisfaction said that the Civil Service Commission proposed to make further investigation into the qualifications with respect to business training and experience of the person to whom I alluded yesterday as one representing every communistic front organization in my district, being interested in the petitions and resolutions which were referred in the House of Representatives to the Committee on Foreign Affairs. I am happy to learn that. I personally took this up with the Civil Service Commission and was informed the correspondence investigation disclosed four of six responses attested to the communistic activities and associations of this applicant for appointment as postmaster. Letters attesting to this have been written to me by indignant constituents. Letters were also written to the Post Office Department, and that Department asked me recently about my position, having previously apprised me of the adamant position of the Commission declining a recertification. I told them that I would stand fast in my position despite the Civil Service Commission's determination this applicant's name must remain in the original position on the roster.

Another instance of the Commission's adamant and unjustifiable position involves the certification of three, one of whom is definitely proven to avoid payment of just debts to municipal government, though already in the classified civil service and previously under morality charges resulting in dismissal from a prior public-service position, and yet another in previous public service but culpable of concealment or immorality involving adultery on the part of one, and fornication on the part of a second classified employee, both of whom were dismissed. This manifest prejudice to eligibility, on being presented to the Commission, brought an expression of hope no personal investigation had been made. A review brought the assertion that these matters had been considered in the ratings. Another angle of contract, the assertion of initial attention being directed thereto, and a final report that everything was considered in original determination of eligibility. Regardless of who presents what evidence of error, the autocratic bureaucracy within the Commission will permit of no correction on the part of those employees whose integrity can no more be challenged than questioned.

As a former post-office inspector, I have first-hand knowledge of character investigations jointly made by post-office inspectors and representatives of the Commission. The arrogance and adamant position of the bureaucratic Civil Service Commission has stopped these investigations, and I personally know the uncomfortable and insecure feeling on the part of classified employees of the Post Office Department. There are those who know that I know what they know they once did by way of public duty, but are now cowed and timid, shunning admissions or freedom of expression, while policy-creating posts have occupants attesting to the browbeating and domination of the Department by the Commission, as evidenced in the case of a recommendation by our late lamented colleague from Ohio, Mr. Ashbrook, involving a postmaster appointed at Nankin, Ohio.

President Mitchell has been press-quoted that he would have the Comptroller General stop payment of this postmaster's salary. On learning the postmaster pays himself his own salary from receipts of the post office, his next approach was to have the Comptroller General withhold approval of the accounts rendered by the postmaster. Blocked again in an overzealousness to make someone cringe, latest advices today, from within the Post Office Department, is that President Mitchell, smarting under his successive rebuffs, is now determined to have the case thrashed out in court.

Verily, bureaucracy cannot err and confesses no error.

Exampling the Commission's smarting under criticism is the statement published in the Washington Post this morning, and broadcast over the radio last evening, manifestly as a result of the debate under the rule in this House yesterday afternoon. As J. Edgar Hoover's position toward the Civil Service Commission was both extolled and condemned on the floor of the House yesterday, the Civil Service Commission has seen fit to give out an attack on Mr. Hoover and the position he has taken, without identifying the individual issuing it.

I have here Mr. Hoover's answer to the Commission, which, with the indulgence of the Committee, I shall read:

> In resisting efforts to place the Federal Bureau of Investigation under civil service I have been motivated solely by the desire to maintain the Bureau upon the highest plane of efficiency and accomplishments. The method of selecting personnel employed in the Bureau and the merit system which it has developed are demonstrably superior to the civil-service system and I do not want the Bureau bogged down with misfits and incompetents or by persons possessing communistic beliefs.
>
> Since 1924 the only persons in the F. B. I. under civil service have been technical employees in fingerprint work. The difficulties experienced through selecting such personnel under civil service rules have been costly and have produced results reflecting inefficiency. I have contended that until and unless the Civil Service Commission can provide a system applicable to the F. B. I. which is at least as good as we now have, I would be recreant to the trust imposed upon me if I did not protest to the utmost of my ability against the red tape, cumbersome and inept methods of appointment which have been clearly shown in the Bureau's experience with the Civil Service Commission.
>
> It should be clearly understood that it is not the principle of civil service nor the statutes provided for the control and extension of this principle by Congress to which I object in any manner. I am strongly in favor of the civil-service principle and its extension wherever and whenever possible. I have objected, and do still object, however, to the inefficient and utterly inadequate administration of the civil-service statutes which have been manifested so clearly in the functioning of the Civil Service Commission, at least so far as its contacts with this Bureau are concerned.
>
> It is correct that the F. B. I. is not willing to accept civil-service eligibles on the basis of character investigations conducted by the Commission. The reason is that the investigative staff of the Commission is not conversant with this Bureau's problems and definitely could not provide employees of the type secured by the Bureau itself.

In a letter dated June 7, 1938, I advised the Commission that the Bureau intended to conduct its own character investigation of eligibles, but that I did not desire to request that the civil-service investigations be not made, since this was a matter which the Civil Service Commission should pass upon. In the same letter a statement was made that the F. B. I. would be pleased to receive any information concerning the character of any eligibles certified for appointment which might have come to the attention of the Commission. At no time has the Civil Service Commission seen fit to furnish to the F. B. I. any reports of investigations which may have been made by the Commission.

The statement made by the Commission that it sometimes reinvestigates cases already investigated by the F. B. I. is apparently contradictory to its statement that if the F. B. I. "had not been in a position to investigate these persons who were to work in a law-enforcement agency, the Commission would have done so * * *."

With regard to the reference made by the Civil Service Commission to the effect that if the F. B. I. had not investigated its applicants the Civil Service Commission would have done so and therefore there would have been no duplication and additional cost, I desire to emphasize the fact that the reason the F. B. I. insisted upon conducting its own investigations was because I was definitely of the opinion that the Civil Service Commission was unable to properly perform this task. This opinion was based upon the unfitness displayed by the Commission in providing us with inferior personnel.

According to a press statement in January 1940 Civil Service Commissioner Arthur S. Flemming publicly stated, "We haven't been able to do as much as we should on character investigation. This would save money for the public by doing away with later costs of eliminating undesirables in the service * * *." This would appear to be a very significant admission on the part of the Civil Service Commission that it is unable to properly investigate applicants for law-enforcement agencies. Presumably law-enforcement agencies, under this statement, would have to appoint persons with undesirable records because of the inability of the Civil Service Commission to make character investigations.

The records of the F. B. I. show that during the period from January 1936 to November 1939 5,109 names of student fingerprint classifier eligibles were certified for appointment by the Commission. Of these, only 363 were found to be suitable. It is conservatively estimated that the cost of these F. B. I. investigations of applicants is not less than $100 per applicant. On the basis that it is necessary to investigate practically all eligibles certified, it will be seen that the cost to the Bureau is tremendous. It should be noted that under the appointive system of the F. B. I. a large percentage of these eligibles would never have been investigated and, consequently, there was an absolute waste of Government money on the part of the F. B. I. in being forced to give detailed attention to the eligibles who were not appointed.

Another difficulty which has been experienced by the F. B. I. in connection with filling technical fingerprint positions has been in securing names of eligibles from the Commission. Indicative of the delays experienced in securing such eligibles, the records show that a request was made for a student fingerprint classifier register on August 17, 1937, and the first eligibles were not certified to the F. B. I. until August 25, 1938, over 1 year later.

The statement has been made to the effect that "The principal difference between Mr. Hoover and the Civil Service Commission is that Mr. Hoover wants to operate his civil service personally and without regard to the democratic principles of (A) open competition and (B) equal opportunity." This statement is false. I know of nothing more democratic and I know of no more competition so sweepingly comprehensive as that afforded by the F. B. I. to applicants for appointment. The applicants come from every section of the country, they are afforded the most rigid tests, and appointments are made on a basis of efficiency solely.

The Commission states that "The American system of open competition could and would select persons of the highest character and fitness for Mr. Hoover's bureau, just as it has for such agencies * * *." The American system of open competition would doubtless, if properly administered, be able to bring this about. However, the Civil Service Commission has utterly failed over a period of years in applying its selection methods to one section of the F. B. I.

With regard to the policy of the F. B. I. in the matter of its refusal to appoint persons with communistic views, I desire to admit the truth of any charge of this kind that may be made. These individuals do not belong in the ranks of the F. B. I. or any other law-enforcement agency. It is noted that the Civil Service Commission does lip service to this ideal.

The Civil Service Commission is apparently bound by certain technical requirements which necessitate that it be definitely proven that an appointee be a member of the Communist Party or that some such technical disqualification be found. The investigation made by the F. B. I. is of such a character to establish beyond a shadow of a doubt the known attitude and statements of these individuals, and action is taken in accordance.

With regard to the statement of the Civil Service Commission to the effect that the F. B. I. refuses to open its personnel files on former employees to C. S. C. investigators, the facts are that in such instances full and complete information is made available to the Civil Service Commission. However, the files are not turned over to the Commission for the reason that they contain much information which has been furnished to the F. B. I. in strict confidence and it is the desire of the F. B. I. to maintain in confidence not the information itself but the identity of those furnishing it.

The controversy between the F. B. I. and the Civil Service Commission is not one between arbitrary power and democracy, but it is the ancient battle between red tape and efficiency.

I leave it to the perspicacity of the Members of the House of Representatives to determine the contrast between the attitude toward the Federal Bureau of Investigation by the Commission, where all but one class of employees are outside the classified civil service, and the Post Office Department, where all are within the classified civil service except policy-making heads. Mr. Hoover and his agents are free to exercise their constitutional right to freedom of speech, but classified employees are muzzled to a degree of resentment, to which I can attest from experience.

The enactment of this bill will only spread the extent of the empire, wherein the monarch and his court cannot err, and never admit error.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. RUTHERFORD].

Mr. RUTHERFORD. Mr. Chairman, I am opposed to this bill. I have always been in favor of an honest and fair competitive system of examinations for those who desire to enter the Government service and am in favor of some system of examinations, from time to time, for those who have entered the service, in order to maintain proper efficiency. However, the bill under consideration is not conducive to the improvement of our civil service, and I am opposed to it and will vote against it. This bill proposes to blanket into the civil service some 300,000 politically appointed persons. Persons who have obtained their jobs not because of any special ability, but because they had friends in Washington who were able to secure positions for them. Is it a fair thing to give these political appointees a preferred status? What about the other 800,000 persons in the United States who have already taken and passed their civil-service examinations and are now eligible for Government employment and who are still unemployed? What are the Members of Congress who vote for this bill going to say to those already eligible? To my mind it is certainly most unfair treatment. It seems to me that the least that could be done by the committee in charge of this bill is to propose a committee amendment which would provide for a real competitive examination. The argument against such a proposition seems to be that not more than 30 percent of the politically appointed persons intended to be blanketed in by this bill could pass such an examination. If that be so it is all the more reason why real competitive examinations should be held. If we are going to have civil service for Government employment, let us have a real merit system, not a make-believe such as this bill provides. Every friend of the merit system should vote against this bill, and then the committee could bring in one which provides for a competitive civil-service merit system. I am not in favor of giving political employees a life job, so, as I stated before, I will vote against this bill.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I take these 3 minutes to acquire information from the chairman of the committee, if I can have his attention. I refer to the veterans' preference in the Civil Service Act. I have several letters from veterans who are on the civil-service list, and have been for years, and they are repeatedly urging that they are fast approaching an age when they cannot be employed. If this bill is passed, what will be the situation with respect to the veterans' preference? Suppose this bill passes and it covers into the civil service 300,000 positions which are now occupied and those people are frozen into their positions, what about the people having veterans' preference?

Mr. RAMSPECK. I would say that it is estimated that about 25 percent of these people would be disqualified on a noncompetitive examination, and the veterans would then have preference in appointment to those vacant positions, if they are on the eligible list. If this bill does not pass, they have not a chance to get any of these jobs.

Mr. MILLER. Will those on the eligible list at the present time be considered for appointment, as replacements?

Mr. RAMSPECK. Yes; wherever the Commission has an eligible list suitable for the position which may be vacant.

Mr. MILLER. There is one other question. In title II of the bill, page 11, I ask the gentleman to qualify for us the following sentence:

Nor shall anything in this act be construed to prevent the application of the existing veterans' preference provisions in civil-service laws, Executive orders, and rulings.

Mr. RAMSPECK. Title II deals with the Classification Act and has nothing to do with title I. It extends the Civil Service Act. It protects the veterans' preference in the application of the classified salaries.

Mrs. ROGERS of Massachusetts. If all of these people are blanketed in, the veterans will have no preference. These examinations are noncompetitive.

Mr. RAMSPECK. And may I say to the gentlewoman that they will be given the same treatment that they are now receiving in competitive positions. If they qualify, of course, they will get their points as they would in any other position.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I now yield to the gentleman from New York [Mr. LEONARD W. HALL].

Mr. LEONARD W. HALL. Mr. Chairman, the fundamental question posed by the bill under consideration is whether or not its enactment will promote the civil-service merit system. That is its declared objective, and that is the question we must test.

The proponents of this measure are advocating it on the ground that we must take this step if we are to bring the positions under the bill from out of the patronage rule. And, to fortify their position, they point to what they ascribe as precedents under former administrations.

In addition, certain organizations, some of them earnestly and sincerely devoted to extension of the civil service and the elimination of patronage control, view this proposal with favor, although with, perhaps, some misgivings. They know they will get far from perfection under this bill, but seemingly persuaded by the expediency of the situation, they are willing to compromise.

These organizations, and thousands of people throughout the country who have fought consistently for the civil service, are necessarily stanch advocates of the open competitive principle as the foundation stone of the civil-service system. And, naturally, they urge that they would like to see this open competitive principle obtain with reference to bringing into the civil service the 300,000 or more positions that are said to be covered under the Ramspeck bill. However, notwithstanding that the bill does not provide the open competitive principle, and because of the way the bill has been brought before us, some of them are willing, in order to bring these positions under the civil service, to compromise the open competitive principle and to take instead, as the next best thing, the procedure of noncompetitive examination.

This is not compromise. This is sabotage.

To bring in 300,000 patronage appointments under the civil service means that we are sabotaging the entire civil-service structure. And besides being asked to scuttle this principle, we are asked to shut our eyes to the rightful claims of millions of our people; millions who are willing and anxious to subscribe to the open competitive test, and who are desirous of taking their place in the Government, in a truly career service.

Today we have roughly 600,000 persons in the classified service. This bill would give the President authority, whenever he sees fit—there is nothing mandatory about it, mind you—to blanket in an additional 300,000 persons who will attain a classified status provided they meet two small requirements: (1) That they are recommended by the head of their particular agency; and (2) that they pass such noncompetitive test as the Civil Service Commission may prescribe. And, parenthetically, if they do not pass the first noncompetitive test, let us remember, they will be given further opportunities to try again.

Here we are asked, in one fell swoop, to extend the civil service, under the guise of advancing the merit rule, by bringing in a number of persons equalling 50 percent of the present number of classified employees. And we are asked to do this on the basis of no open competitive test and on the basis of denying millions of persons in the country at large the equal opportunity of securing these appointments. And this is the sort of compromise that we are asked to accept in the place of holding fast to the true principle underlying the merit system—the open competitive examination.

It seems to me that when we begin to compromise by violating the true principle of the civil service to the extent of 50 percent that, instead of compromising, we are really sabotaging the civil service.

We should try to remember just what factors were present which induced the growth of an army of 300,000 patronage appointments. The answer lies in the fact that this administration has refused, from the beginning of this tremendous growth in the extra civil service, to take even the most feeble step forward in advancing the merit system. In practically every case the organic law creating these agencies specifically exempted the positions from the civil service.

The record will bear out the statement that in the drafts of many of these bills there was included provision after provision specifically exempting these positions from the civil service. And where these recommendations cannot be specifically charged to the administration, nevertheless, when these bills became law there was found in them the usual provision that these positions "shall not be subject to the Classification Act of 1923"—meaning that they were earmarked purely and wholly as jobs which the political paymaster could fill.

And this practice of specifically putting these positions outside of the civil service was strenuously opposed by the Civil Service Commission, and in every case by the Republican minority in the Congress. Not once did the Civil Service Commission fail to object and to urge that the personnel covered by the acts should be taken from the civil-service rolls.

It has been argued that the emergency upon emergency decreed by Mr. Roosevelt made impracticable the filling of these positions under normal civil-service procedure. It was held out, although in a lame way, that the exigency of the times was such as to make it necessary to suspend the merit system in order that the positions might be filled promptly. In other words, the claim was made that the civil-service system, as a matter of practical administration, could not speed its register-providing machinery. The information was broadcast that it was impossible for the Commission to give the various agencies the necessary registers with the names of qualified men and women. But remember, in this connection, the consistent objection by the Civil Service Commission to the statutory exemption of these positions from the classified rule.

Against these Roosevelt emergencies, let us recollect the emergency of the World War. Certainly no one will seek to argue that we had more opportunity during the days of the World War to be leisurely in the selection of personnel. Yet the records of the Civil Service Commission will show that outside of a few inconsequential classification groups all of the personnel gathered together during those World War days for service at the seat of Government and also in the field, were certified under regular civil-service procedure and under the cardinal principle underlying the merit system—the principle of the open competitive examination. And the records of the Civil Service Commission will show that they contain expressions of commendation and congratulations from various Government departments testifying to the extraordinarily fine job done by the Commission during the World War in making available the personnel to prosecute the needs of the war in the administrative field.

Reflection on this comparison will point to the conclusion that the difference in procedure during the World War emergency and the perpetual Roosevelt emergencies has been one simply of practical politics, and nothing else.

The procedure under the Ramspeck bill, in my estimation, simply continues the sabotaging of the civil service which has been done continuously since the first day of the Roosevelt administration. This bill is now brought out in 1940, a Presidential election year. All of a sudden it is made to claim our attention as an indispensable item of legislation. But so far it has not been called emergency legislation. If it were, there would be both rhyme and reason for such a title, because it is obviously intended to meet an emergency in the fortunes of the New Deal party, which hopes, by this scheme, to hold together for its support this group of more than 300,000 persons.

As touching very directly on what previous administrations have done in the matter of so-called blanketing of positions into the civil service, I should like to call attention to an article by Mr. George D. Riley, appearing in the Washington Times-Herald of February 4, 1940, under the heading "Roosevelt blanketed as many as all (Presidents) combined since 1900." Mr. Riley, I think it is generally conceded, is one of the best-posted editors on the civil service that we have in this country. His devotion to the civil service and the merit system comes pretty nearly being fanatical. What he says will, of course, have to speak for itself.

I am not willing to leave matters as they are. I am anxious to meet this situation but in a way that will recognize the keystone of the merit system. The report of the Civil Service Committee, on page 2, says that the committee has given much consideration to the advisability of competitive examinations for these positions and that its recommendation for the noncompetitive procedure is based on testimony presented to it that if competitive examinations were to be demanded large appropriations would be required and that a disruption of service in many of the agencies would occur.

Nowhere in the report is there any break-down of the classification groups in which these 300,000 or more positions fall. For instance, we do not know how many of these people are stenographers, typists, bookkeepers, clerks, messengers, auditors, various mechanical machine operators, and so forth. Such information would, of course, be enlightening and I regret very much that the committee did not include it in its report. I think it is a fair guess that if we were to break down this total group of 300,000 that the major classifications, in number, would fall preponderantly into nonexpert groups; that the vast number would be embraced in clerical and other groups for which the Civil Service Commission has always had ample registers.

My alternative plan, and I advance it for most serious consideration, is that we hold fast to the open competitive principle and yet meet the universal desire to bring these positions into the classified service. And, as a guide to the mechanics of how such an end could be obtained, it is my suggestion that the positions under the Ramspeck bill be brought into the classified service, but that each person be required to engage in an open competitive examination, when and as the Civil Service Commission normally holds its periodic tests for comparable positions.

This procedure would wipe out all of the objections that to attempt to give open competitive examinations for these people at any one time would burden us with large expenditures of funds, and at the same time work a severe disruption in the examining machinery of the Civil Service Commission.

Under my plan, the Ramspeck group would be left alone, undisturbed; these positions would be brought under the civil service but the personnel itself would be required to participate in open competitive examinations, I repeat, when and as the Civil Service Commission holds its periodic tests for comparable positions. Especially in the lower classified lists the Civil Service Commission holds its tests at more or less frequent intervals. These tests are open to every person who meets the requirements.

The Commission must take all of the applicants who have the qualifications. There is no way by which it can reduce the application lists. The expense incurred is inelastic. It must meet whatever is made necessary. To the number applying from the country at large would simply be added those who now hold positions in the exempt group. Under this plan there would be no extra expense, no disruption of the examining machinery, and the principle of the open competitive system would be retained. Nothing has occurred in the last 6 months that makes vitally necessary the immediate examination of these exempt personnel. Under the Ramspeck bill, as drawn, no one knows when the President may bring them into the classified services, or when, after that is done, the Civil Service Commission may hold the noncompetitive examinations which are provided.

In those positions which are above clerical classifications my plan also presents no difficulties. At the present time the Civil Service Commission in conducting tests for so-called experts or specialists, does not hold assembled examinations, but rather bases its tests on qualifications and experience. Certainly it would be an easy matter—or it should be—for the experts and specialists in the present exempt group to compete favorably with the country at large. As a matter of fact, they have everything in their favor.

My plan would not scuttle, would not sabotage the merit system, and yet I believe it can easily serve as a means of accomplishing what many of us earnestly desire—the extension of the civil service and the elimination of the spoils system. It does not compromise this principle as does the Ramspeck bill, but holds to it fast, and yet provides a practical way of meeting our objective.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, under the guise of a wholly commendable civil-service extension, the Ramspeck bill is actually an effort to freeze into permanency the thousands of appointees employed by New Deal agencies.

Through the device of noncompetitive examinations, the established heads of governmental departments would be able to extend civil-service classification to those employees who have served 6 months immediately prior to the inclusion of the job within the classified service. Hundreds of Federally owned corporations whose indefinite continuation has been a vigorously contested issue, would become permanent bodies under this proposal.

There can be no doubt of the wisdom of civil service in governmental positions of established and unchallenged permanence. But the extensions contemplated in this bill are still untested. This kind of legislation reflects the growing conviction that the New Deal is on the way out. It seeks to foist upon a new administration an army of Federal employees who will attempt to carry on the program which our Nation is ready to repudiate.

To saddle a National Government with the burden of vast expenditures permanently added to the Budget by such measures as this, is to deny the will of our people. Many of these agencies were created to meet emergency needs. They were not intended to become permanent additions to the taxpayers' burden.

I urge Congress to defer the passage of this bill until such time as we have tested the wisdom of its provisions in the light of experience.

Mr. Chairman, I have received many letters from women's organizations and other organizations in support of the Ramspeck bill, but the bill they are thinking about is not the bill now under consideration. These organizations never had in mind the idea of a noncompetitive examination, or freezing 300,000 employees into the Government service without having them submit to competitive examination. If an amendment is offered to provide for competitive examinations, I will vote for such an amendment and vote for the bill when so amended.

When former Governor Davey, of Ohio, knew he was on the way out he ordered noncompetitive examinations and froze thousands of employees into the State service. When Governor Bricker came in under an economy program he found it difficult to get rid of many of these employees because they were frozen into the service.

Somehow or other, when one is on the public pay roll, and even though he is of the opposite political faith, there are those in your own party who want to keep him on the pay roll. I say to you that in the light of the remarks I made

earlier today, with our Government pay roll of almost a million employees, with our economic condition as bad as it is after 7 years of New Deal experimentation, with hundreds of thousands of new employees on the pay roll, this is no time to freeze these individuals into Government service against the best judgment of the people of this country. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SMITH].

Mr. SMITH of Connecticut. Mr. Chairman, I expect to support this legislation not because it makes the civil service perfect. Admittedly it does not. The civil service can still stand improvement, but it does take a long step toward taking Government positions into civil service.

We all know that once they are in they will not be removed without a great deal of resistance from all those in the country who are interested in civil service. I will agree that there are valid arguments against blanketing in, but there are valid arguments for it. In any event, once it is done, those positions, which are more important than the individuals who may at any time hold them, have come under civil-service regulations and civil-service laws, and they will stay there. It is a permanent advance in the civil service.

At this time I would like to read an excerpt from a letter which I have received from one who is very much interested in the civil service and who cannot be accused of having any political interest in this argument. The excerpt follows:

> I am informed by Mr. Kaplan that the Ramspeck bill (H. R. 960) is on the calendar of the House of Representatives and will soon come up for a vote. Its adoption would be so tremendous a reform in the Government service that I feel moved to express the strong hope that you and the rest of the Connecticut Representatives will vote for it and fight for it.
>
> I am confident that if the bill becomes a law the President will make use of the authority given him and extend the merit system to cover a tremendous number of offices.
>
> As to the noncompetitive qualifying test, it seems to me that that is going as far as practical. The main thing is to take those offices out of politics and "freezing in" present employees will do it.

This is signed "Sincerely yours, Horace D. Taft."

That expresses, I think, a fair, nonpolitical view of the situation and of the fact that this step will bring in these offices to the permanent civil-service law and advance the civil-service principle in the country. For that reason, as well as the reason that it is in fact helpful to many who have shown efficiency already in the service, but primarily because it is an advance for the civil-service principle, I expect to support this legislation. I hope that we may all look at the facts of the matter and not political prejudice for or against it and pass this legislation.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. RAMSPECK. Is the letter which the gentleman read from a brother of former President Taft?

Mr. SMITH of Connecticut. I think everyone knows who the gentleman is. It is not a political question. I think it is a question of the advancement of the civil service.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. HOUSTON. I am supporting this legislation because I believe in the merit system. The Republican Party today has said that this is nonpolitical. They are for the merit system, but not in its present form. They talk about not bringing politics into it, and what the New Deal has done about the civil service. In my State, when the Republican Party came into power, in order to get rid of a Democrat on a bipartisan board, they consolidated the board and set it up under some other title. In other words, Hitler liquidates them, but the Republican Party consolidates them to get rid of them. [Laughter.]

Mr. SMITH of Connecticut. Apparently there are political considerations in favor of this bill as well as against it. I do not contend that there is no political consideration whatever on the part of anyone who favors the bill. I do contend that there is political consideration among those who oppose it. I believe that regardless of politics, it is still a desirable measure, because it will bring these offices permanently under the merit system where we think they should be.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. GIFFORD. Will the gentleman tell me, if he were a Republican, could he vote for this bill?

Mr. SMITH of Connecticut. I hope I could see my way clear to do it.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the balance of the time to the gentleman from New York [Mr. HARTER].

Mr. HARTER of New York. Mr. Chairman, the last speaker said that we want to look at the facts. I only wish I had sufficient time to look at the facts, because if you get down to the basic facts in this case you will all be convinced that the bill you should vote for here today is the one which will be offered in place of this bill, that is, H. R. 2700, which was originally offered by the chairman of the committee.

I am sure that every one of us, if we are sincere in our desire to keep away from politics, will wholeheartedly support the amendment substituting that bill when it is offered here. I do not believe there is anyone who will come into the Well of the House and say he is not in favor of the merit system. Just how sincere are we when we say we are in favor of the merit system? I say the test is whether we will vote for H. R. 2700 or H. R. 960. If we are really for the merit system, I say to the chairman of the committee, the gentleman from Georgia [Mr. RAMSPECK], that he and others on his side of the aisle, as well as those on our side of the isle, will support the bill he originally introduced. Why it did not come out of the Committee on the Civil Service at that time, and why it was not brought before this House for action, I cannot understand, because today everyone, on both sides of the aisle, and primarily on my right, get up here and urge support of the merit system. Is it merit system to come in her and blanket in 300,000 employees who received their appointments through political prestige? Is that a merit system? And have in mind, if you please, that the balance of the civil service, something over 500,000, do not look at the future complacently—those who are in the civil service through competitive examination. And may I ask what is the hope of the million who are on the eligible list through competitive examination and desire appointment? You and I know they will almost never have a chance to be appointed to any job if H. R. 960 passes.

A number of amendments will be offered which will test the sincerity of your statements and prove whether you really and truly sponsor and stand for the extension of the civil service on a merit basis. I hope that every Member who is sitting through this debate will have definitely in his mind his own statement or his colleagues' statements that they support the merit system when these amendments are offered. I, too, have received letters saying that the writers were in favor of H. R. 960. I particularly went before four Federal civil-service groups in my district and talked to them concerning this bill. Had they analyzed the bill? When they did, these four groups of civil-service people who had actually sweat through examinations, and been appointed from the eligible list as a result, opposed 960.

What is going to happen to our quotas? We hear a lot of talk about their being out of balance. If you live in a State where the quota is out of balance to your disadvantage, how will you feel when you have to go back home and tell the folks you voted to blanket these political appointees in, something which will put the quota out of balance that much more? Are you not going to be a little bit shamefaced when you go home and admit that you voted to put your quota that much more out of balance? An amendment is going to be offered which will provide that nothing contained in the bill shall be so construed to put the quota further out of balance.

If you will give your sincere attention to the reading of this bill and the amendments that are offered you will have plenty to think about, because this bill is probably one of the

most important pieces of legislation that has come before this body in years affecting—and I say affecting advisedly—the merit system of our civil service. I am only sorry that the gentleman in charge of this bill, the fine chairman of our committee, could not see his way clear to ask that H. R. 2700 be reported out of the committee so that each and every one of us could have an honest test here on the floor of the House through a committee-recommended bill as to whether we truly believe in the merit system. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, every institution in human history passes through three stages. The first is the stage of inception, of beginning, when it is just an idea trying to gain acceptance in the minds of a few people. The second stage is that of establishment, when a struggle is going on actually to build the institution into the fabric of human life. The third stage is the stage of recognition, when it is taken for granted as being a part of the machinery of the way people get along together. The merit system in Government is attempting today to pass out of the second stage into the third. Until this time comes, until it is accepted as a really necessary, proper, and recognized institution of government you cannot effectively talk of improvements in the system because you will always have a conflict between those who really would destroy it if they could on the one hand and its friends upon the other. [Applause.]

Until the question of whether we shall have a merit system or not is finally settled we cannot face effectively the question of its improvement.

I submit to you in the brief moment at my command that not yet in my experience in this House have I heard extended debate of any sort on the question of what we could do to improve the civil service. Obviously it can be improved; but in my judgment one obvious trouble is that the Civil Service Commission has never had enough money given to it to give the kind of examinations for some of the Government positions which they ought to give, I mean an examination going beyond the mere writing of answers to questions. Having passed this bill all the matters of improvement of the Government service will be before us and for the first time we will be able earnestly to consider them on their merits.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, ever since I can remember I have heard the English Government held up as an ideal in providing opportunity for competent persons to enter a career in the Government service. I feel that such an ideal is one toward which we ought to be tending. Perhaps we are a long way from it, but I think that this bill now before us, H. R. 960, tends in that direction.

I, too, favor highly competitive examinations for practically all employees in the administrative branch of our Government because the public service exists not for the benefit of a public employee but rather for the purpose of serving the public. It is not our purpose in carrying on Government work to give employment but, rather, we ought to seek the very best employees to carry on this public service. For these reasons I ordinarily favor highly competitive examinations.

However, that does not mean that in this case I hesitate in regard to the provision of the bill which provides for noncompetitive examinations. I cannot see how you can throw all of these 300,000 people into a competitive examination in a limited time and arrive at any just or fair conclusion. The Civil Service Commission right now is loaded to the guards. I cannot find out how some of my constituents came out on examinations taken 6 months ago. The gentleman from California was correct when he said we have not been giving the Civil Service Commission enough money or force to carry on the great, intricate, complicated, and scientific task which we have imposed upon it.

It seems to me impossible, as well as unfair, to demand competitive examinations now of those employees in the new Federal agencies, and I think the noncompetitive examinations will serve the purpose adequately. It may be that there are incompetent individuals now in the Federal employment. I would like some check upon them, and I believe the noncompetitive examination provided for in this measure will weed out those who ought to be weeded out. Granted that we can, by this means, eliminate incompetent individuals and retain the great bulk of Federal employees who are competent, I would wish to extend the benefits of security and tenure and all other benefits of civil-service classification to those who stand the test and show that they are both able and willing to carry on Uncle Sam's work.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, first I want to say to my friends on the Republican side, who have been so much concerned as to why H. R. 2700 was not pursued, that they well know that at about the time we completed hearings on that bill the President's reorganization plan came in. The Rules Committee created a special committee, taking jurisdiction of civil-service matters and placing it in the hands of that committee, making their legislation privileged on the floor. As a result, they brought in a bill introduced by Mr. MEAD of New York, who is now the junior Senator from that State, and his bill in substance was the same as the bill which we are considering here today.

The evidence taken before the committee in the investigation of H. R. 2700 of the Seventy-fifth Congress was almost exclusively opposed to the competitive method and while I have not the time to go into details, the testimony of Mr. Kaplan, of the Civil Service Reform League, very clearly indicates that although he believed the competitive system was the ideal system, the practical method and the one that would have to be used was the noncompetitive system.

We have heard a lot about the quota here today. The quota system does not apply to all positions in Washington. It does not apply to dismissals from the service, and during the World War it was necessary to suspend it. After the World War, the District of Columbia, as I recall it, had some 15,000 positions. It has gradually been reduced over the years, and is gradually being reduced, until today it is down to 8,000 plus.

As I pointed out a while ago, it has been reduced 234 in the past 2 years, while the State of Oklahoma had a very substantial increase during that same time. The Commission is doing everything in its power to bring about an adjustment under the quota system and unless you want to discharge a lot of people who are in the Government service it cannot be done more quickly.

With reference to this cry that we hear over here on our left that while the Republicans did blanket in a lot of people when they were in power, this is a bigger blanket that we are proposing here, and, as a matter of fact, it is not a blanket; the facts are that in the Taft administration—and I commend him for it—President Taft blanketed in without any examination 58,318 persons, which was 25 percent of the total Federal service approximately.

So I say to you that that was just as big a percentage as we are proposing today, because it is estimated that out of the employees affected by this act probably 200,000 to 250,000 will be brought in, and we have today over 900,000 Federal employees on the pay roll. Therefore, we are not proposing to do any worse than President Taft did in his administration, and I commend him for it because the only way the Republicans then in power could get anybody under the civil service was by writing an order and putting them under it.

The real purpose back of this fight by the Republican Party today is to keep these jobs out from under the civil service until 1941 in the vain hope they may elect a President and be able to replace them. [Applause.] I predict they will not do that. They will not keep them out and they will not elect a President in 1940 either, because we are going to win with our candidate in 1940 and we are going to put these people under civil service. [Applause.]

The CHAIRMAN. All time has expired.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—EXTENSION OF CIVIL-SERVICE ACT

That notwithstanding any provisions of law to the contrary, the President is authorized by Executive order to cover into the classified civil service any offices or positions in or under an executive department, independent establishment, or other agency of the Government: *Provided,* That in the case of any federally owned and controlled corporation organized under the laws of any State, Territory, or possession of the United States (including the Philippine Islands), or the District of Columbia, the President is authorized to direct that such action be taken as will permit appointments to offices or positions in any such corporation to be made in accordance with the civil-service laws, consistently with the laws of any such State, Territory, or possession, or the District of Columbia, or with the charter or articles of incorporation of any such corporation.

With the following committee amendment:

Page 2, at the end of line 6, change the period to a colon and insert the following: *"Provided further,* That the provisions of this section shall not apply to any positions in or connected with the Works Progress Administration."

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that the wording of the committee amendment be changed to read, "Work Projects Administration", the name of this agency having been changed since the amendment was reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

Mr. RAMSPECK. Mr. Chairman, may I say in reference to the amendment that at the time the Committee acted upon this amendment the House had recently excluded from Executive orders issued by the President employees of the W. P. A. The committee felt that the House having recently acted upon that matter, the committee was following the expressed will of the House in eliminating any possibility of putting under the classified civil service the administrative staff of the W. P. A.

Mr. HARTER of New York. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. HARTER of New York. Why not also exclude by this amendment the P. W. A. and National Resources Committee?

Mr. RAMSPECK. I do not believe we should do so.

Mr. HARTER of New York. When will that be extinguished? In June of this year?

Mr. RAMSPECK. I see no reason why we should deny to those employees who have given faithful service the benefits of this legislation.

Mr. HARTER of New York. Even though their administration leaves the Government at that time?

Mr. RAMSPECK. That is right. If they can be reinstated somewhere else later I should be glad to see them do it.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from California.

Mr. HINSHAW. I have an amendment at the desk which would exempt from title I of this bill all employees in any agency for which there is a date of expiration of its functions or its authority. Perhaps this amendment would be included in the other; if the gentleman would be interested in the other amendment I would be glad to have it read.

Mr. RAMSPECK. I may say to the gentleman I would not be in favor of his amendment because one of the reasons I am in favor of this bill is that I believe these people who have rendered faithful service ought to be given civil-service status, and if some of these agencies later go out of business then we ought to have available for the benefit of the Government the experience these persons have gathered as Government employees.

Mr. RANDOLPH. Will the gentleman yield?

Mr. RAMSPECK. I yield to my friend from West Virginia.

Mr. RANDOLPH. Mr. Chairman, I am certain that passage of this bill will be a real step in the direction of a better merit system for the Government.

Mr. RAMSPECK. The gentleman from West Virginia is absolutely correct.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I suppose the gentleman knows that on February 6 the President by Executive order authorized the Civil Service Commission to confer a competitive classified civil-service status upon some 40 employees assigned to the Wage and Hour Division of the Department of Labor, including employees of the former Works Progress Administration, the former Federal Emergency Administration of Public Works, the former National Emergency Council, and the office of the Commissioner of Accounts and Deposits of the Treasury Department. They are assigned to the Wage and Hour Division. That is another blanketing in of employees not in the civil service—another nonmerit order.

Mr. RAMSPECK. I am quite sure a noncompetitive examination was required.

Mrs. ROGERS of Massachusetts. They were blanketed in noncompetitively by Executive order.

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLS. May an amendment which proposes to strike out all after the enacting clause and insert other matter be offered at any time during the process of the reading of the bill, or must it be offered at some particular point in the bill?

The CHAIRMAN. It may be offered at the conclusion of the reading of the first section, with notice that if it is adopted, motions will be made as subsequent sections are read that they be stricken out.

Mr. NICHOLS. Does the Chair mean by that statement that an amendment offered at the close of the reading of the first section to strike out all after the enacting clause would not be in order?

The CHAIRMAN. It can be done after the reading of the first section, as soon as the committee amendment is disposed of.

Mr. NICHOLS. Could not that also be done at the close of the bill, after the reading of the entire bill?

The CHAIRMAN. It may be done at the conclusion of the reading of the bill for amendment.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. Is it the intention of the Chair to have all amendments submitted before any amendments are voted on, or to vote on each one as it is offered?

The CHAIRMAN. Each amendment will be disposed of as it is offered.

Mr. HINSHAW. In its turn.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, the purpose of this bill is to bring under the civil service employees of the Government who are not now under it. We have heard a lot about alleged politics in the W. P. A. and elsewhere. I am against it, and I can prove it by my voting record on various measures and amendments that I have offered myself. But I cannot understand why, if we really want to get rid of politics in W. P. A. or elsewhere, you should exclude this agency from the terms of this bill. The only exception to the provisions of this bill is in the case of the W. P. A. I think that exception is out of harmony with the general purposes of the legislation.

I have no doubt that the inclusion of this amendment is due to a feeling of hostility on the part of some Members toward some of the officials or employees who at the present time or in the past have been connected with the W. P. A. I have a great deal of confidence in the people that are now responsible for this agency.

I believe it should be borne in mind that the bill before us seeks to bring positions into the classified service and the occupants of those positions, in order to acquire civil-service

status, must first be recommended by the head of the agency where they are now employed, and this must be done within 1 year after such positions are brought within the classified service. If this is not done, then such an employee cannot acquire competitive civil-service status.

The head of the agency must also certify that this employee has performed satisfactory service for the 6 months immediately preceding the time that he is entitled to civil-service status, and then the employee must qualify through examination. Of course, in the event the employee fails to pass this examination it is provided that he must be dropped from the service within 6 months. This process affords ample opportunity for weeding out any occupants of positions who are not suitable for permanent retention. Furthermore, contrary to what I believe is the popular conception, even when brought into the competitive classified service an employee can be removed upon the preferment of charges without undue technicalities or delay.

Any public agency whose personnel is recruited in any other way than through the civil service procedure must naturally expect to be the target of complaint and criticism. The only way that a public service can be maintained on a businesslike basis is to maintain a civil-service system and, even if the criticisms directed against the personnel of the W. P. A. were all valid, which I am certain they are not, the only effective way to eliminate the cause of such criticism is to bring all positions within that agency within the terms of the competitive classified service.

For these reasons, Mr. Chairman, I am opposed to the committee amendment and propose to vote against it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: Mr. REES of Kansas moves to strike out the first section of title I and insert in lieu thereof the following, and gives notice that if this amendment is adopted he will move to strike out each succeeding section of title I:

"That, notwithstanding any provision of law to the contrary, the President is authorized by Executive order to cover into the classified civil service any position or group of positions in the executive branch of the Federal service which may now or may hereafter be exempted by statute from the provisions of the Civil Service Act of January 16, 1883 (22 Stat. 403).

"SEC. 2. The provisions of this act shall be held equally applicable to positions and employees in any corporation created under authority of an act of Congress which is controlled or owned by the United States Government, whether or not the employees thereof are paid from funds appropriated by Congress.

"SEC. 3. The incumbent of any permanent position which is affected by any Executive order which may be issued under authority of this statute, who does not already have a classified status, may acquire such a status in his position only upon receiving a new appointment as a result of an open competitive examination held by the Civil Service Commission for filling the position."

Mr. REES of Kansas. Mr. Chairman, this amendment is the bill H. R. 2700. It is the bill of the distinguished chairman of this committee, which has been discussed this afternoon. It is not exactly the bill I would like to pass, but at least it does provide for a competitive civil service.

The distinguished chairman left the floor a moment ago after making a political speech. He told us that the Republican side of the House did not want to put this measure through today because they were afraid that the majority party would blanket in some 300,000 employees, and the Republicans would not have a chance at them. Far be it from me to join him in that view—certainly not. As I tried to explain at the beginning of the debate, I am still in favor of a fair, honest, competitive system for the employment of these people. Let us employ the very best people we can find. They are employed by the taxpayers of your country, your Government and mine, and let us not have to go back and tell the folks at home the best we could get Congress to pass was a bill that would blanket in 300,000 employees that you have already appointed, and you are going to let them stay there without qualifying in a competitive examination. Let us not do that. I do not see how in the world you can explain that kind of vote if you do such a thing this afternoon.

All you really want, I think, is the best service you can get. So let us put in an honest and as fair a competitive system as we can get, and let us not shut out the million people who are now on the register and who cannot get jobs and who will not get jobs if you pass this measure, because, as I told you a while ago, as soon as these employees are dismissed from any branch of the Government service, they stand the first chance to get the places for which they seem to have qualified because of their political appointments.

Mr. Chairman, let us be fair about it. Let us support the amendment that I am submitting to you. Let us cast aside our politics and let us not talk about how many the Democrats appointed and how many the Republicans appointed or anything of that kind. Before I leave the floor this afternoon let me tell you again that you are going to give the President more power and authority, when you pass this bill, than has ever been given any President in a long time, in matters of this kind. This is one of those great authorities you pass over to the President and you say to him, "If you want to—you are not compelled to—you can blanket in these 300,000 people and they can keep their positions as long as they want."

A moment ago our distinguished Chairman said it would be unfair to these people who are now working in the branches of the Government about to go out of existence not to give them a civil-service status now, while they are still in the service, because they may be out in 2 or 3 or 5 or 6 months from now, and for that reason let us give them civil service now in order that they might have first chance on the jobs when they come up. Mr. Chairman, I hope the members of the Committee will see fit to support this amendment.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Chairman, the amendment offered by the gentleman from Kansas is the identical language contained in the bill (H. R. 2700) of the Seventy-fifth Congress. It would subject these positions to competitive examination, which would mean that the present incumbents of the positions would have to compete with people on the outside and would have to make a grade high enough to be one of the three highest in each case in order to have any chance of retaining their positions.

In addition to this, it means that the Civil Service Commission would be saddled with the responsibility of holding examinations for 300,000 positions for which there would probably be 3,000,000 applicants, which would cost $6,000,000 or more, and for which they have not the funds or an adequate staff at the present time. It is for this reason, Mr. Chairman, that I changed my mind about the method of bringing these people in. It is impracticable, it is impossible of accomplishment in my judgment, and would disrupt the present service of the agencies affected, because it has been estimated by the Commission that at least 75 percent of the employees now occupying positions would fail to be reappointed under that method.

In addition to that, I call the attention of the gentleman from Kansas to the face that his amendment would not separate from the service a single employee now holding those positions, unless the President issued an order separating them after they fail to qualify in a competitive examination. The gentleman will recall that there was considerable testimony in the committee to the effect that H. R. 2700 had no provision for separating employees who fail to make a certain grade, even with a noncompetitive examination, and neither

did H. R. 960 until the committee wrote it in. So the gentleman's proposal upon which we are about to vote would simply leave those people in the position and would not make it necessary to discharge them, no matter what was done about the examination.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. VORYS of Ohio. As I understand it, 75 percent of this help now is so incompetent that it could not pass a competitive civil-service examination.

Mr. RAMSPECK. I did not make any such statement. I said it had been estimated that 75 percent of them would fail of appointment, because others outside would make a higher grade, and some others would have veterans' preference over these people, and other things might contribute to it.

Mr. VORYS of Ohio. The outsiders would be more competent under the civil-service rules. Then why require the keeping on of these people who are estimated to be 75 percent incompetent under the civil service?

Mr. RAMSPECK. The gentleman does not understand. They are not said to be incompetent at all, but the people who get the jobs as the result of a competitive examination are the people who make the highest grade in relation to others who take the examination.

Mr. VORYS of Ohio. And that is the heart of the civil service?

Mr. RAMSPECK. That is a part of it, not necessarily the heart of it. I never have believed myself that it makes any difference whether you select them from the top three or from all who qualify so far as the civil service is concerned. I do not believe there is any sanctity about the fact that one man may make 100 and another 99. The man who makes 99 may be just as good an employee as the man who makes 100.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mrs. ROGERS of Massachusetts. Then why refer to this as a merit bill?

Mr. RAMSPECK. Of course, the gentlewoman from Massachusetts and I do not agree about what is a merit bill. I think H. R. 960 is a merit bill and I think we will get results on this and I do not think we would under the proposal of the gentleman from Kansas. Of course, a competitive examination would disregard the experience of these people, most of whom have been in the service 4, 5, or 7 years. Some have been in it as long as 20 years.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, it seems to me that anyone who cannot pass an examination after 4 or 5 or 6 years of experience ought not to hold the position. There are other positions outside that they might get. We want well-qualified people in our Government, and those already on the civil-service register should be protected.

Mr. RAMSPECK. I agree with the gentlewoman from Massachusetts, but the amendment of the gentleman from Kansas does not provide for separating them from the service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. REES of Kansas) there were—ayes 62, noes 103.

So the amendment was rejected.

Mr. CREAL. Mr. Chairman and members of the Committee, especially on the Democratic side—the Republicans may listen if they want to or they can take a walk. Because the Republicans are somewhat cocky about winning the election in 1940 is no particular reason for panic or fright, or that we should abdicate all legislation to them, as we have done a considerable portion of it already during this session. On all bills heretofore introduced and passed saying that appointments may be made regardless of the civil service, I voted for them in order that the heads of these departments might select them without regard to the civil-service rules. I want now to point out the inconsistency to those Members who were so vitally opposed to the civil service that they voted with me on that position. They said by their vote this other method was better than the civil-service method. These men got into these jobs under the methods that were selected by the Members at that time. They went into the jobs under a method that the Members said by their votes was a better method than the civil-service method. Now some of these same fellows are proposing to expose them to the ax in the event that there should be a storm in November 1940. I am going to tell the truth here. I would not say that there is a good deal of hypocrisy on both sides of this House, because that would be an uncomplimentary remark, but I do say that it is remarkably strange, when we are seeking under patriotic motives the best there is in Government service, with no other motive in mind except the good of the Government, that all of the Republicans see it one way, and one way only.

I want to endorse everything that has been said here in condemnation of the shortcomings of the Civil Service Commission. Down in my country they think the definition of civil service is a law whereby Republicans can get into office and stay there when we come into power. [Laughter.] It is more or less true. I have even known instances where three Democrats headed the list, and they froze that appointment for 6 months and then gave another examination. Nobody but a Republican ever got a job under civil service in my country when the Republicans were in power.

The only kind of merit system is one top man. If that were true, we would get our share of these places.

While I have very little to say about naming these men under these New Deal appointments—because the Senators name most of them—I recognize that some of the Congressmen have been a little peeved because they did not have a voice in them. But 95 or 98 percent of them are Democrats, and I say to you that that is my chief reason for voting for this bill. The Republicans have sponsored and catered and clamored so much about civil service that I want to give them some of the stuff they have been talking about. They will get them out, of course, but it will take them 2 or 3 years to do it. They will have to bring charges of one kind or another, and it will take them some time to do it.

Now, if this measure were proposed just at the start of the administration, I would oppose it, in order that we might have a wider field to choose from. But at this time I want to know whether or not these people that you call Democrats that are going about over your country, whether they are your kind or of your conviction; whether you are willing to go back and face them and say you had an opportunity to put him under the dry before this storm came on, but you did not do it, and you had exposed him. Now, after you get the merit system, suppose you do, if we leave it as the Republicans want it, they will not even have to go through the camouflage of sending these investigators out to fire these Democrats. It will be just as easy to fire them right now. But after we put them under, how many Democrats do you suppose will get a job, if you put them under civil service? You can count them on the fingers of one hand. [Applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mr. NICHOLS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: On page 1, line 3, strike out all after the enacting clause and insert the following:

"That a special joint committee of three Senators, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, is authorized and directed to make a full and complete investigation of the administration of the civil-service laws of the United States.

"It shall be the function of the special joint committee to conduct said legislation with the view of reporting to the Congress its recommendation for legislation which will reorganize said Commission and install a strict merit system for Government employees.

The special joint committee shall select a chairman from among its members and shall report to the Congress at the earliest practicable time the results of its study and investigation, together with its recommendation.

"For the purpose of this resolution the special joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjournment periods of the Seventy-sixth and succeeding Congresses; to employ such clerical and other assistance; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of the stenographic expenditure to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman."

Mr. RAMSPECK. Mr. Chairman, I make a point of order that the gentleman's amendment is not germane.

Mr. NICHOLS. Will the gentleman withhold that for a moment?

Mr. RAMSPECK. I will reserve the point of order if the gentleman desires to make a statement.

The CHAIRMAN. The gentleman from Georgia reserves a point of order against the amendment. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. NICHOLS. Mr. Chairman, I am frank to say that it is my opinion that a point of order will be sustained. But I wanted to take this opportunity to advise the House of what I think should be done. This amendment cannot be carried because it is not germane, but I certainly think there should be an investigation of the civil-service administration of the civil-service law, and that that law should be amended to do the thing that we are continually told it does do, to wit, install for the Government a system which will compel that employment not only be given, but be maintained upon a merit system. It seems to me it would be perfectly simple that there be a constant line of efficiency provided for, that must be lived up to, and that when you have gone a certain distance below that line of efficiency, the employee should be automatically discharged from service, and as you go above the constant line of efficiency, the right to promotion and salary advance should be determined. I think until you do that you do not have a merit system, and of course I do not think that the system we are working under even closely approaches the merit system.

Something has been said about the fact that we should pass this bill in order to protect the rights of some Government employees. I did not know that the civil-service law was passed to protect the rights of any individual. I thought the civil-service law was passed to protect the Government and to insure the Government that it would have a high type and a high standard of personnel.

I do not understand that Government employees have any vested right to any job. If they have, they should not have. Why should they have more of a vested right to a job than does the bank clerk, or a clerk in a grocery store, or a drug clerk, or a mechanic, or a millworker, or a miner, or a plumber who has to hold his job upon the basis of whether or not he renders service and upon the basis of whether or not he is qualified to do the job? I see many people in the gallery who are employed under this protective law. I do not think even the people holding jobs under civil service would have the audacity to say that they had any vested right in the job. Certainly these gentlemen do not mean what they say when they say this bill should be passed in order to protect Government employees who are now working for the Government but do not have civil-service status. I am not afraid of the people in my congressional district who hold Government jobs without civil-service status. If that is bad politics, all right; but they have no right to the job they hold unless they are discharging the duties of the job as they should be discharged. When the people get to the place where they do not do the job as it should be done they should be discharged. This is one of my complaints about civil service, for if an employee becomes inefficient in Government employment he should be discharged; if he has around him the cloak of civil service he will be retained despite the fact he is not worth the money he is drawing. For this reason I believe the House should consider long before it blankets in every Government employee who now has a job. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I insist on the point of order.

Mr. NICHOLS. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. RAMSPECK. Mr. Chairman, I would like to see if we could not reach an agreement as to time on this section.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

SEVEN LONG YEARS

Mr. RICH. Mr. Chairman, the newspaper headlines state, "United States employees' pay roll hits 987,538, an all-time high."

Mr. Chairman, there are more employees on the Government pay roll today than ever before in the history of the Nation and the pay roll the largest. Seven long years ago the President of the United States said he would reduce bureaus, consolidate departments, and cut down the expenses of government. For 7 long years, however, his administration has been traveling the road to bigger and more burdensome departments, added bureaus, more employees, greater expenses. In 7 long years you have more than doubled the national debt. In 7 long years you have almost doubled the number of employees. When you came into office on March 4, 1933, there were 563,847 Government employees. You have increased that number by 423,691. Is that Government efficiency? Since last summer, when you promised efficiency in government, you have added 101,772 employees. Is this Government efficiency and economy?

Seven long years after you promised economy in government, what do we find you doing? We find you trying to freeze into office all these people you have added to the Federal pay roll—good and bad alike. It seems to me 7 long years is time enough to wait for promises to be fulfilled. Yet very few promises have been kept.

For 6 long years out of the 7 I have been asking: "Where are you going to get the money?" To date no one has been able to answer the question, and I find that now I must change it on account of the great Government burden of debt and instead ask, "With what kind of money are you going to pay these employees?" [Applause.] With what kind of money are you going to pay for the operations of the Government? With what kind of money are you going to handle the affairs of this Nation? A terrible, horrible thought for any American.

I warn you, gentlemen of the New Deal party, that if ever there was a serious time in the history of this Nation, that time is the present. You cannot deny it. I am sure the majority of the Members of the House feel about this as I do; yet you go along and enact legislation of which you are absolutely ashamed, legislation of which some can, and many would like to, go back to their constituents and say, "I am glad I did not have a part in it. I wish I had not voted for such legislation."

For my part I am mighty glad I opposed most of this legislation. The day is coming when you will rue it, you will regret it. The time has come, after 7 long years, when we ought to try using a little common sense and realize that the precarious situation of Government affairs is such that we must stop this wild upward spiral of inflation, and get back to earth. One of the worst things you ever did was to grant the President of the United States unlimited power and a fund

of $4,880,000,000, telling the people of the country to come and get a hand-out. You destroyed the minds of too many of our citizens. The time has come when we should once again let the component parts of this Government, the municipalities, counties, and the States, begin to function as it was intended they should. The time has come when we should stop putting the Government further into business, stop leading the people of this country to believe the Government is going to support them. The people should support the Government. In 7 long years we should have learned our lesson. We ought to say to the people of America that we have gone far enough, that we, as Members of Congress, are going to turn over a new leaf and get back to home rule, put the power of government back into the hands of the Congress, and take it away from the President. [Applause.]

[Here the gavel fell.]

Mr. HINSHAW. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: Page 1, line 8, after the word "Government" and before the colon, insert: "special officers or positions in or under departments, independent establishments or other agencies of government, the authority for or the functions of which may expire by limitation of law or which are not specifically authorized by law".

Mr. HINSHAW. Mr. Chairman, a few moments ago the amiable gentleman from Mississippi made a few remarks which were directed specifically to his own side of the House and perhaps I may be pardoned if I address a remark to my side of the House. He spoke for a moment about the desirability of selecting the No. 1 man from the civil-service list to receive an appointment regardless of his political affiliation. Of course, if they always selected the No. 1 man on the list he would probably be a Republican.

Mr. Chairman, there are a number of agencies in the Government for which authority is limited definitely by law and unless they are extended or made permanent they will expire. I have checked a number of them, and they are as follows, and I do not guarantee this list to be perfect, but I think it is pretty close to being perfect.

The Reconstruction Finance Corporation; Disaster Loan Corporation; Public Works Administration; Civilian Conservation Corps; Petroleum Conservation Division, Interior Department; Federal Surplus Commodities Corporation; Golden Gate International Exposition; World's Fair Exposition; Works Progress Administration, or Work Projects Administration; National Youth Administration; National Resources Committee; and the National Emergency Council.

Mr. Chairman, if the employees and officers under these administrations are blanketed into the service by this bill and in the future by virtue of expiration of their function by limitation of time, the functions of these offices are abandoned, then, as I understand the civil-service procedure—and the chairman of the Committee on the Civil Service will correct me if I am wrong—the employees who would be let out on account of the abandonment of these bureaus and organizations would have priority on the civil-service list in their own classification for selection in other departments. Is that correct?

Mr. RAMSPECK. It is not entirely correct. If they served a certain length of time they have eligibility in other agencies. They do not have any right of reinstatement. It is a matter of discretion.

Mr. HINSHAW. They have priority on a list, if there is a list offered to another agency from which to make selections?

Mr. RAMSPECK. They do not go on any list. They have to find a vacancy and persuade the employing officer that he should reinstate them instead of taking somebody off an eligible list.

Mr. HINSHAW. They are nevertheless in competion directly with those on the eligible list by virtue of examination; is that not correct?

Mr. RAMSPECK. They have the right of reinstatement, or that privilege, if the appointing officer sees fit to employ them.

Mr. HINSHAW. These agencies have been created as temporary agencies by the majority side of the House, and I believe the minority side has largely concurred. It may be some will be favored as permanent agencies in the Government; however, until these agencies are made permanent it would appear to me to be the part of wisdom on both sides of the House to refrain from including them under the terms of this act. When and if they are made permanent, if they are to be so made, is time enough to blanket those employees directly into the service.

That might be done this year in the remaining months of this Congress or it may be done at some future time. I assure you I am not interested in the political angles involved in this, but I am primarily and basically interested in the civil service itself and I desire for the United States Government the best help in accomplishing its business that can be found, regardless of where it may be found.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Of course, these workers would have priority and they would have tenure of office. Some of the others on the eligible list have never held office or have never been employed in the Federal service. If they had ever held office, of course they would have priority.

Mr. HINSHAW. Mr. Chairman, if 25 percent of the present unclassified employees who may be blanketed into the civil service under this act would be eliminated by a noncompetitive examination, and 75 percent would be eliminated by competitive examination, as has been acknowledged by speakers on this question, that would leave in the service 50 percent of inferior types of employees who would be blanketed into the service should this act pass without suitable amendment. At least half of these employees are admitted to be inferior to the type of employee now obtained under civil-service competitive examination procedure. It would appeal to me that this bill, without a competitive-examination feature resolves itself into a huge political racket.

If my amendment is adopted it will protect other agencies of government from an avalanche of inferior employees, on the average, when a temporary agency goes out of business, and give a greater opportunity to those qualified people who really can pass an examination, and who are fully entitled to get the positions.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall be happy to vote for the pending bill providing amendments are incorporated which will remove the vicious spoils antimerit system provisions and substitute real civil service merit system provisions for them.

What does the bill do? Several hundred thousand employees have been appointed to positions in agencies of the Federal Government which were created by the New Deal which now sponsors this bill. The legislation under which these jobs were created specifically prohibited the agencies from selecting these new employees under the civil service merit system.

Now, anticipating what is just around the corner, after the November 1940 election, these same new dealers ask us to perpetuate their political spoils system horde of new Federal Government pay rollers in office for life, and in order to do so bring in a political spoils system bill, such as this Ramspeck bill, H. R. 960, dressed up and camouflaged in the clothes of a civil service merit system. You propose to cover into the civil service about 200,000 New Deal political-spoils appointees. For instance, let us take a stenographer who makes a grade of 70 in a noncompetitive examination under this bill. You propose to cover her into a lifetime civil-service position and deny every other stenographer in the United States the opportunity to even compete. There are now on the civil-service eligible list many stenographers who have obtained an average of 95 and 98 in a competitive civil-service examination. Is that a merit-system proposition? That might be an example of a New Deal merit system. The New Deal proponents of this spoils-system bill can claim that a stenographer who can only make a grade of 70 is better qualified than

a stenographer who can make a grade of 95 or 98 in an examination. I do not agree with this New Deal philosophy. Millions of people have taken civil service competitive examinations and are now on the eligible lists. Under this bill, you are going to deny them the opportunity of obtaining on their merits any of the 200,000 positions which under the pending bill are to be given to New Deal political appointees for life provided they make a passing grade of 70 in a noncompetitive examination. Under this bill you are going to deny all the people of the United States except 200,000 New Deal political spoils-system appointees the opportunity to compete for 200,000 Government positions. You will find that you will have a political roarback, my New Deal Democratic brethren. You pass this vicious political spoils system legislative monstrosity clothed in the robes of a civil service merit system bill, and when you get out and try to sell this legislative baby to the public the camouflage will be torn off, and, like Banquo's ghost, your vote in favor of this iniquitous measure will never die.

It will rise to haunt you in the future. When the facts are known throughout the country—and they will be known—your 200,000 political spoils system appointees might be satisfied, but the rest of the people will not be, particularly those who are discriminated against and those who believe in a real civil service merit system for public employment.

Mr. Chairman, the District of Columbia now has many thousands of employees in excess of its quota under the apportionment system of the classified civil service. The States of Virginia and Maryland and a number of other States are away over their quotas. We find that most of the States, in fact 39 of the States and Territories, are below the quota of which they are entitled. Under this bill you are going to increase the excess number of employees from the District of Columbia, from Virginia, from Maryland, and a few of the other States, and make it impossible for the citizens of 39 States and Territories which are now under their quota to have their quotas filled.

Mr. Chairman, I shall be very happy to support this bill if it is amended so as to put some merit-system teeth in it, remove some of the camouflage, and make it a real civil service merit system bill. This can be done if the bill is amended so that it requires that all Government administrative positions be placed under the competitive civil service and that the person highest on the eligible list receive the appointment to vacant positions.

Mr. Chairman, covering into civil service for lifetime positions 200,000 political appointees who make a grade of but 70 in a noncompetitive examination, and denying all of the other people in the country the right to compete for these positions, including many who can make a grade of 95 and 98, is political spoils of the rankest kind. I do not believe you will fool the American people. If you enact this iniquitous measure, the people will see to it that its ghost will never die. Like Banquo's ghost, it will rise to haunt you in the future. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, in my judgment, this bill could be improved—and I hope it may be before we have finished it—but if none of the amendments are accepted or if the motion to recommit is defeated, I intend to vote for the bill as the best measure that can be secured, because it means a step forward.

The history of the measure has not been completely disclosed. In order that any reader of the RECORD may know what has taken place, I crave your indulgence for these few minutes to recall that about 6 years ago when one of these new agencies was established—I think it was the Home Owners' Loan Corporation—Senator NORRIS secured from the Senate an amendment providing that the appointees of this agency should be selected under the merit system.

Mind you, the other branch approved that idea. It came over to the House and in the Committee on Banking and Currency, of which I was and continue to be a member, a vote was taken in the late afternoon rejecting the proposal. We were afterward informed that the President had sent to the committee a letter asking that the proposal be accepted. It reached the committee chairman on the night that the Democrats of the committee had voted against it. The committee was not called to order to reconsider the matter and the proposal came before the House without the merit system in it. In a rather heated debate in which I took part I pleaded with the House to accept the view of the President, accept the view of the Senate, and adopt that provision. The Democrats of the House, in power, voted it down.

I thank heaven that they have seen the light. "While the lamp holds out to burn, the vilest sinner may return." I thank the Democrats for remembering that adage. I thank them for now reversing the position they took 6 years ago. I thank them for being for the right.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Certainly.

Mrs. ROGERS of Massachusetts. The provision to which the gentleman referred applied only to certain persons on the eligible register who had civil-service status. That was not a blanketing in of many persons by means of noncompetitive examinations.

Mr. LUCE. I am not talking about detail, I have been talking about principle. Again I say, I thank the Democrats for coming to their senses and being for civil-service reform. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, there is no reason why we should adopt an amendment of this kind, which undertakes to apply a different rule to certain employees because the life of the agency in which they are working has a definite termination date. I happen to know right now of a man who has rendered 6 years of very fine service to one of these agencies but who has been furloughed because the agency is being liquidated. If he had been brought under civil service by an act like this, he would now be eligible for appointment in another agency I know of which is increasing its legal staff, but he does not have civil-service status and, therefore, is not eligible for employment under that agency.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from California.

Mr. HINSHAW. Would it not be true that this man could take the competitive examination and if he were capable of handling the job he could get it?

Mr. RAMSPECK. He could take the examination, but where he would land on the eligible list is one thing and this is another.

I believe there is a great deal to be said for the value of the experience these people have had in learning the Government technique and so-called red-tape procedure as it exists in every governmental agency, whether we like it or not. Certainly, I can see no reason for discrimination between these agencies mentioned in the gentleman's amendment and the other agencies, which his amendment does not cover. Therefore, Mr. Chairman, I hope the amendment will be voted down. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HINSHAW].

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 73, noes 88.

So the amendment was rejected.

Mr. BOREN. Mr. Chairman, I offer a privileged motion.

The Clerk read as follows:

Mr. BOREN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BOREN. Mr. Chairman, there have been many amendments offered here today to point out the necessity of change in this departmental bill. All of you know the many faults that should be corrected before this bill becomes law, and this

proposal gives you an opportunity to send the bill back to the committee and make the committee come back in here with provisions that ought to be put in it.

Using this Mother Hubbard method to blanket in all employees of the bureaus not now under civil service grants lifetime tenure to incompetency as it may now exist and closes the door of opportunity to everyone not now on the pay roll.

Without a system of apportionment rigidly adhered to there can be no equality of opportunity. The people in the distant States are discriminated against in favor of those residing in or near the District of Columbia.

An impartial and analytical study of this great and sordid system which propagandizes the Nation to the glorification of bureaucracy under the guise of building a wall for the protection of merit, shows that it discredits and destroys the fundamental theory of representative government. My State and your State should have equal opportunity for representation on every commission and in every bureau of the Government.

The civil service leaves the door open for Communists to enter the Government and fosters and perpetuates the growth of communism within the bureaus by preventing any direct or indirect responsibility to the electorate on the part of Government personnel.

I do not want to control the employment of any individual in the Government service beyond the secretaries in my own office. I just want equal opportunity for every American. The present system is full of discrimination. It is the old patronage system in the hands of agents not responsible to the people. The bureaucrat has become the spoilsman. His greed for power knows no limit. I defy anyone to produce a single example where any Government bureau has ever voluntarily relinquished a power, voluntarily curtailed its expenditures, or voluntarily reduced the number of its personnel. They all want lifetime tenure for themselves. They all want the guaranty that nobody can disturb their security, regardless of public interest or welfare. It is a class system. It establishes a third estate. Self-interest is the only motive behind their demand for lifetime tenure and behind their wish to avoid competitive examination. Remove just one of these employees from the job he now holds and he would cry the loudest for at least a competitive opportunity to get it back again. We have already too many bureaucrats at the public feed trough. Let us not chain any more in the saddle of lifetime tenure. The public's back has saddle sores now.

I want to say for myself that I am greatly concerned about the constant enlargement of a third estate of people responsible to no one that threatens in the historical future of this country to destroy it by breaking its back with its ever-increasing burden. The entire history of democracy makes it clear that democracy has been a constant battle against people who held the reins of government for a lifetime and who during that lifetime are not at any period directly responsible to the people whose affairs and whose destinies they controlled.

I may say further, Mr. Chairman, that if there is any man on the floor at this time who believes that this bill that starts off in its first sentence by saying that irrespective of all law the President shall have power to do so and so, that this bill, which expands and perpetuates the system already in force—if there is any gentleman here who believes that it is fair to his State, fair to his people, and renders justice in opportunity to the individuals he represents, I would like to have him stand up at this juncture that I may present to him the statistics as they affect his State.

Mr. Chairman, I see no gentleman arise. I will not embarrass the individual Members here by pointing out to them what the condition is as it affects their people. The Congress of the United States is organized on the theory that every part of the country should be represented. If there is any agency of government in which all of the people from all of the sections of the country should not have a representative to indicate and protect their viewpoint, their background, and their experience I do not know what that agency could be.

I want to repeat, Mr. Chairman, that I hold in my hand the evidence that under this system—and I would believe in a merit system if we could find one—the people in your districts are ruled incapable, your State is discriminated against, and the selections are made many times, in my judgment, on the basis of race prejudice, on the basis of personal prejudice, on the basis of relationship, either blood or other ties, and the civil-service system has grown up to be a third estate within its own organization more corrupt than any patronage system we have ever had.

I would like to see this Committee send this bill back to the committee that wrote it with the understanding that we would like to see them bring something in here that would be a real merit system, that would see every nook and corner of the United States of America have an equal chance to be represented in the administrative branch of the Government.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. BOREN. I yield to the gentleman from Georgia.

Mr. RAMSPECK. If the quota system has operated as the gentleman seems to believe, how does he account for the fact that in the last few years Oklahoma has gained 196, while the District of Columbia has lost 234?

Mr. BOREN. I will say to the gentleman that if the State of Oklahoma has gained 196, the State still has only 60 percent of what it is entitled to.

Mr. NICHOLS. And the District of Columbia is more than 3,000 percent over its quota.

Mr. BOREN. The gentleman is correct and I appreciate that contribution to my remarks; and may I point out that the State of Georgia, which the gentleman represents, has about 50 percent of the employees that it is entitled to in the administration of the Government despite the fact that the gentleman brought this bill in and is the chairman of the Civil Service Committee.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BOREN. I yield.

Mr. MAY. I would like to have the figures for Kentucky.

Mr. BOREN. Kentucky is short of its pro rata share. They have approximately 35 percent of what they are entitled to.

[Here the gavel fell.]

Mr. BOREN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. RAMSPECK. Mr. Chairman, I hope the gentleman will not make that request. There are many people here who are anxious to conclude the consideration of this bill, and we want to wind the matter up. I shall have to object, Mr. Chairman.

Mr. BOREN. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes.

Mr. RAMSPECK. I shall not object to that request.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOREN. Mr. Chairman, may I say here that time will not permit me to give all of these figures, but I wish it were possible for every one of you to examine carefully the situation as it affects your State.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. BOREN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Will the gentleman give us the figures for Minnesota and Nebraska and also for Alabama?

Mr. BOREN. Minnesota has its just share. [Laughter.]

Mr. AUGUST H. ANDRESEN. I thank the gentleman. That is a good Republican State.

Mr. BOREN. I might add that most of the States that have their just share are Republican States.

Mr. STEFAN. How about Nebraska?

Mr. BOREN. The State of Nebraska is not under quota.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BOREN. I yield to the gentleman from Michigan.

Mr. DINGELL. How does the State of Michigan stand in the line-up?

Mr. BOREN. The State of Michigan has approximately 40 percent of what it is entitled to.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. BOREN. Mr. Chairman, I ask someone on my right if they want to perfect a system which would be more than

fair to approximately 9 States and far less than fair to the 39 other States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BOREN. I yield.

Mr. AUGUST H. ANDRESEN. I am sure that the Members on this side of the aisle want fairness to all States under a strictly merit system, and not a noncompetitive proposition.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. BOREN. Yes.

Mr. HAWKS. Does the gentleman say that all but two States in the list he has there have their quota, and that they are Republican?

Mr. BOREN. I said that most States that have in excess of their quota are Republican States.

Mr. HAWKS. I thought Jim Farley said that we had only two States.

Mr. BOREN. Mr. Chairman, I quote from section 2, paragraph 3, of the civil-service law of 1883, as amended:

> Third, appointments to the public service aforesaid in the departments at Washington shall be apportioned among the several States and Territories and the District of Columbia upon the basis of population as ascertained at the last preceding census. Every application for an examination shall contain, among other things, a statement, under oath, setting forth his or her actual bona fide residence at the time of making the application, as well as how long he or she has been resident of such place.

Despite this provision of the law, only 49,000 of the many thousand civil-service employees have ever been placed under any apportionment system, and an analysis of that 49,000, according to the Commission's own figures, indicates no serious effort to follow the intent of the law.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. The question is on the motion of the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. BOREN) the motion was rejected.

The Clerk read as follows:

> SEC. 2. The incumbent of any office or position which is covered into the classified civil service under the provisions of section 1 of this act shall not thereby acquire a classified civil-service status, except (1) upon recommendation by the head of the agency concerned within 1 year after such office or position has been covered into the classified civil service, and certification within such period by such head to the Civil Service Commission that such incumbent has served with merit for not less than 6 months prior to the date such office or position was covered into the classified civil service; and (2) upon passing such suitable noncompetitive examination as the Commission may prescribe:

With the following committee amendment:

> Page 2, line 17, after the word "months" insert the word "immediately."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the other committee amendment.

The Clerk read as follows:

> Page 2, at the end of line 20, strike out the period, insert a colon and the following: "*Provided*, That any such incumbent who fails to pass the noncompetitive examination provided in his case shall be separated from the service not later than 6 months after the Commission advises the appointing officer that such employee has failed."

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer the following amendment to the committee amendment which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mrs. ROGERS of Massachusetts to the committee amendment: At the end of page 2 add the following: "*Provided further*, That no such incumbent shall continue to have a classified status after January 1, 1941, unless he shall have passed an open competitive examination for such position and have been appointed in accordance with the Civil Service Act and rules."

Mrs. ROGERS of Massachusetts. Mr. Chairman, this is a very simple amendment. It allows for the taking into the civil service of these two or three hundred thousand if they pass a noncompetitive examination, but if within a year thereafter they are not able to pass an open competitive examination they lose their civil-service status. That does not put them out of their position, but they lose their civil-service status. It seems to me that the chairman of the committee ought to be willing to accept this amendment. It is a real merit amendment and yet it gives quite a little advantage to those already in the various Government departments about to be taken in noncompetitively. It will give them a year's time in which to learn how to pass an examination if they are not already qualified to do so. It seems to me that the people should not have a civil-service status if, after the experience they have already had, plus another year in the work of their department they cannot pass a competitive examination. I am heartily in favor of the merit system. I have supported every merit bill. I use the system myself. I practice what I preach. I take the top men in the post-office examinations and in every other appointment I have made I always do the same thing. It helps your employed people now who have no civil-service status, and yet it is fair to those already on the rolls. It will make for very much better administration in the departments. You will then have well-qualified people who can do their work, and under this bill you have 300,000 who may be taken in noncompetitively, as against a million workers all over the country now on the civil-service list. I earnestly hope the amendment will be adopted.

Mr. TABER. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. TABER. What are those who vote against the gentlewoman's amendment going to say to the young men and women who have obtained high ratings on open competitive examinations and cannot get a job because of the passage of this bill and the holding of the job by one of the 75 percent who could not pass a competitive examination?

Mrs. ROGERS of Massachusetts. I think that it will be extremely awkward for them. I remind them that a million people are scattered all through their districts now who are asking that question. They are already asking why the people who did not take the trouble to pass a competitive examination are given advantage over them, and they are extremely bitter. I believe, in view of the tremendous unrest, even at home, we should be very careful of the type we take into our permanent Government employ.

Yesterday I called the attention of the House to the necessity of a careful investigation of applicants for Government employment. Since then I have obtained more data concerning this very important subject. That it has been uppermost in the minds of the Civil Service Commissioners is indicated by the remarks of Commissioner Arthur S. Flemming in his talk before the Federal Bar Association, when he said:

> We haven't been able to do as much as we should on character investigation. This would save money for the public by doing away with later costs of eliminating undesirables in the service. But I realize it isn't easy to dramatize preventive measures, as it is to dramatize corrective actions taken later. Studies have shown that 20 percent of applicants for law-enforcement agencies are disqualified by investigation.

As it is constituted today, with the small amount of funds available and at its disposal, the Civil Service Commission is unable to take care of these investigations. From data in my possession, it is shown that during the first 6 months in 1939 the Commission had an arrearage in its investigations division of 1,053 cases. During the first 6 months of 1940—fiscal year—it had an arrearage of 2,782. This means that the Commission is behind in some of its districts on investigating work as much as 7 months. Something should be done to remedy this situation, which is fraught with the greatest danger to our Federal Government. Many of the persons to be investigated are in key positions in the Government, positions in which valuable data and most confidential data are entrusted to the incumbent.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and amendments thereto close in 2 minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I object.

Mr. RAMSPECK. The committee amendment and all amendments thereto.

The CHAIRMAN. Is there objection?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I object. I think there are a number who want time. We were only allowed 2 hours of general debate on this matter.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Mr. RAMSPECK. I would like to have the last 2 minutes reserved for the committee, Mr. Chairman.

Mr. GIFFORD. Mr. Chairman, I ask for recognition for 1 minute.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. GIFFORD. Mr. Chairman, several have spoken expressing sympathy for the million young people who will be deprived of opportunity by the passage of this bill; what will they think of this proceeding? In line with what the gentleman from Pennsylvania [Mr. RICH] stated about the public debt, I wish to remark that when our young people do learn about the huge public debt placed upon them and about what you have done here today "it will be the end of ancestor worship." [Laughter and applause.]

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think it is most unfair that debate on this amendment be limited to 10 minutes. It is not sufficient time. We have here a proposition that determines the question whether or not you are in favor of a bill that would allow at least a year for these employees to come under competitive civil service. You should support this amendment. I do not see how in the world you can explain your vote if you do not vote in favor of the amendment offered by the gentlewoman from Massachusetts. All in the world the amendment seeks to do is to provide that after the expiration of 1 year, next January, 1941, if these people are unable to pass a competitive civil-service examination they will not be civil-service employees and they will not have a civil-service status. That is all there is to it. They are not necessarily dismissed from the service. You certainly should be willing to vote for that sort of an amendment. [Applause.]

[Here the gavel fell.]

Mr. VORYS of Ohio. Mr. Chairman, this amendment prevents blanketing in 171,000 employees who are incompetent according to civil-service standards. It is admitted that only 18 percent would be dropped through noncompetitive examinations and that 75 percent would be dropped by competitive examinations. This means that the Ramspeck bill proposes to hold in the Federal service 171,000 who are not as good as those outside the service who are eligible to take competitive examinations. It will require the passage of the Rogers amendment to keep this a civil-service bill and prevent it from being a "fizzle service" bill, such as we had in effect out in Ohio. If your purpose is to get and hold competent help in the Government service, you should vote for this amendment. If your purpose is to freeze in incompetent employees, to hold them in after their party leaves, and to have a "fizzle service" instead of a civil service, then you should vote against this amendment. If your purpose is to vote for the merit system, you should vote for this amendment.

Much is said about the quota system. At the present time, I am reliably informed that the only knowledge as to the quota situation—the State residence—of these 300,000 employees is in Farley's office. Nobody can tell how they will fit into the quota system. If you want a real civil-service system instead of this hypocritically misnamed bill before us, vote for this amendment and you will then make a bill that provides civil service. Discretion to cover employees is solely in the hands of the President under section 1, which has already been adopted, and therefore with this amendment the system can be extended just as far as the President wants to extend real civil service, as the people understand it, under competitive examinations.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, we have already voted upon the substance of this amendment in the amendment offered by the gentleman from Kansas [Mr. REES], which would have provided for a competitive examination. We voted that amendment down. This is an attempt to do by indirection what was attempted to be done by direction. The people who are familiar with the testimony before the committee know that it will cost $6,000,000 to hold these examinations, and they cannot be held within 1 year. The Commission is now behind at least a year in its work. So the only effect of it would be to declare these positions vacant, and I say let us vote down the amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment to the committee amendment, offered by the gentlewoman from Massachusetts [Mrs. ROGERS].

The question was taken; and on a division (demanded by Mrs. ROGERS of Massachusetts) there were ayes 82 and noes 101.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HARTER of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARTER of New York: Page 2, line 13, after the word "concerned," strike out all of that page from there on, and insert:

"and certification to the Civil Service Commission that such incumbent has served with merit for not less than 6 months immediately prior to the date such office or position was covered into the classified civil service; and (2) then only being certified by the Civil Service Commission as a result of an open competitive examination held by the Commission for filling such position, except that all such incumbents taking the examination shall be allowed 10 points for experience by the Civil Service Commission in addition to their earned rating in the examination for entrance to the classified service: *Provided*, That any such incumbent who fails to qualify for appointment into the classified service shall be separated from the service not later than 6 months after the Commission announces the result of the examination: *And provided further*, That no person shall be certified to fill such position who advocates, or who is a member of an organization that advocates the overthrow of the Government of the United States through force or violence.

"2–A. The examination referred to in section 2 of this act shall be held within 1 year from the date the office or position therein referred to is covered into the classified civil service under the provisions of section 1 of this act."

Mr. HARTER of New York. Mr. Chairman, I wish the Members would listen to this amendment. It is a rather long amendment, but I think perhaps I can boil it down a bit.

This amendment is aimed at doing the following: It is aimed at putting these jobs on a competitive examination basis. The chairman of the Civil Service Committee has brought out the point many times that those in service have gained valuable knowledge, that should not be lost to the Government. So having that in mind, I have provided in this amendment that those holding those jobs should have a 10-point preference, so that will give them that much more of an advantage.

Then, in addition to that, I have provided that no one can be appointed who belongs to an organization whose policy is to overthrow the Government by force.

Mr. RAMSPECK. Will the gentleman yield?

Mr. HARTER of New York. I yield.

Mr. RAMSPECK. Is not the gentleman aware that section 9 (e) of the Hatch Act goes further than the gentleman's proposal and makes it unlawful to employ any person who advocates the overthrow of the Government either by force or not?

Mr. HARTER of New York. That is in the Hatch Act and should apply to this too. We have the additional advantage here. These people would be put under oath to support the Constitution of the United States, and the burden is put upon the department heads in selecting these people to see that they are not inclined toward overthrowing our form of government.

Then, answering the question the gentleman from Georgia I am sure will raise about the insurmountability of conducting these examinations, I have provided that the examinations shall be held within 1 year from the date that the President shall put the positions under civil service, according to section 1 of this act. The President does not have to put them all under at one time, but can cooperate with the Civil Service Commission so that the examinations can be worked out over a period of years.

If this has got to be done, of course, before January 1, 1941, then my amendment should not be adopted, but if extension of the merit system is something that we all believe in, this accomplishes that purpose by having a competitive examination and giving credit to those who are in these jobs by your appointment. May I say to the gentlemen on my right, at the same time we will be working with the Civil Service Commission so that we need not have a great expense tacked on us at one time. Thus the examinations can be conducted at various times in the years to come, and in the meantime your people are still in the jobs. This is an attempt to get something approaching a merit system while at the same time giving you people a chance to keep your appointees in the jobs until they have a chance to pass the examinations. Further than that, it gives them 10 points credit for their experience in the Government service.

If you really want to extend the civil service on a merit basis, I repeat, this is your chance. In view of the fact that you turned down the amendment which sought to substitute H. R. 2700 for the pending bill, your next best bet is to vote for this amendment. To my mind, if you do not support it, it shows your lack of sincerity in attempting to support the merit system.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. HARTER of New York. I yield.

Mr. MASSINGALE. I am just wondering if the effect of the language employed by the gentleman in his amendment would not be to destroy the purpose to give the ex-service men an advantage?

Mr. HARTER of New York. No. The gentleman from Oklahoma, and I am sure the chairman of the committee, too, will agree if he will read the balance of the bill as it now stands, the veteran would still have his advantage with my amendment adopted. The veteran would be entitled to 20-percent credit instead of 10 if he is now working in one of the jobs and takes the competitive examination. I hope this amendment is adopted.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 2, at the end of the page insert a colon and the following proviso:

"*Provided further*, That no further appointments shall be made hereunder except on the basis of the apportionment and quotas provided by law and the rules and regulations that have been adopted by the Civil Service Commission pursuant thereto."

Mr. REES of Kansas. Mr. Chairman, this covers the much discussed and debated problem that has been mentioned during the afternoon, the principal objection being that a great many of these people who have been put on the pay roll are from the District of Columbia. Here is your chance to take care of this situation if you want to.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. RAMSPECK. I may say to the gentleman from Kansas that I have no objection to his amendment.

Mr. REES of Kansas. I thank the gentleman, but before I relinquish the floor I do want to say that I was astonished that no one on the majority side of the House was willing to go along with the gentlewoman from Massachusetts and support her amendment. She certainly was more than fair, because all in the world she asked you to do was to provide that after 1941 if these people could not pass a civil-service examination they would not have a civil-service status. They would even be dismissed from the service.

Mr. Chairman, I yield back the balance of my time.

Mr. KELLER. Mr. Chairman, I offer a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLER as a substitute for the amendment offered by Mr. REES of Kansas: Page 2, line 9, after "SEC. 2.", insert "(a)"; and after line 25, insert the following:

"(b) Notwithstanding any of the provisions of subsection (a), no person shall be appointed, transferred, or promoted to any position covered into the classified civil service under the provisions of section 1 of this act if such person is from a State whose quota of positions in the classified civil service is more than filled unless and until the quota of all States whose quota of positions in the classified civil service is unfilled has become filled. As used in this section the term 'State' includes the Territories and the District of Columbia."

Mr. KELLER. Mr. Chairman, I simply want to call attention to the fact that we desire to modify and correct the fact that there is a very great discrepancy between the number of civil-service employees from the various States. It is a misfortune that the civil service has not wiped that out heretofore. I have taken this matter up with the drafting committee, and the amendment which I have offered is the result of that conference. At the same time I took the matter up with the chairman of the Committee on the Civil Service, and he requested that I take it up with the Civil Service Commission, which I did. The amendment as read is acceptable to the Civil Service Commission as well as to the chairman of the Committee on the Civil Service.

Mr. RAMSPECK. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I would like to verify the gentleman's statement. The Civil Service Commission has no objection. It affects the filling of vacancies in these positions or transfer of these people to other places.

Mr. KELLER. I believe it is the best thing to do and I believe it will correct a bad situation. That is the reason I have offered it.

Mr. NICHOLS. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Illinois [Mr. KELLER.]

The Clerk read as follows:

Amendment offered by Mr. NICHOLS to the amendment offered by Mr. KELLER as a substitute to the amendment offered by Mr. REES of Kansas: After the word "be" in line 2 of the amendment, insert "covered into civil service."

Mr. NICHOLS. Mr. Chairman, my amendment to the Keller amendment simply means that these employees cannot be covered into civil service until the quotas of all States have become full. If we are going to straighten out this quota proposition we better straighten it out. If we permit them to be blanketed into civil service, the Keller amendment does not mean anything, because it says they shall not be appointed, employed, and so forth. Why, they are already employed and if you blanket them in they are under the tent.

If you want to do this thing right, if you want to really balance the quota proposition, vote for my amendment, because if the amendment will accomplish what I think it will, they cannot be blanketed in until the quotas have adjusted themselves. Let me tell you the States that will be affected by this amendment, and there are 33 of them in number. They are: California, Texas, Louisiana, Michigan, Arizona, New Jersey, South Carolina, Ohio, Mississippi, Oklahoma, Alabama, New Mexico, Arkansas, Georgia, Kentucky, North Carolina, Tennessee, Illinois, Wisconsin, Connecticut, Indiana, Delaware, Oregon, Nevada, Florida, Idaho, New Hampshire, Pennsylvania, New York, Maine, Massachusetts, Utah, and West Virginia.

In fairness, I should say that the last seven States have quotas over 90 percent. I mean, they are within 10 percent of their quota, but above them the quotas are very low.

The chairman of the Committee on Civil Service has accepted the Keller amendment. I do not presume he will accept my amendment, because my amendment will make it necessary for quotas to be adjusted before these employees are blanketed into the civil service. The Keller amendment is ineffective, and I do not mean to criticize the gentleman from Illinois [Mr. KELLER] because it uses the words "employment," "appoint," and so forth. They have already been employed and appointed and if they are blanketed in, they are under the tent.

Mr. REES of Kansas. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. As far as I am concerned, I am willing to go along with the gentleman from Oklahoma on his amendment.

Mr. NICHOLS. I thank the gentleman from Kansas.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. RAMSPECK. Mr. Chairman, the amendment offered by the gentleman from Illinois has been submitted to the Civil Service Commission, and I think it has been carefully considered and is workable. The amendment which the gentleman from Oklahoma offers will do something that none of us can foresee. There is no proof of the statement which he makes, and which I am sure he believes, that it will help adjust the quota system. As a matter of fact, it might bring about a greater loss to his own State than a gain, because we have no figures here to show where the employees who are affected by this bill come from.

Mr. NICHOLS. That is all right with me.

Mr. RAMSPECK. Mr. Chairman, we do not know whether we would be penalizing the States he named or helping them to balance the quota provisions in this bill. No one can tell. Therefore I think the wise thing to do is to adopt the amendment which the gentleman from Illinois has offered which applies the quota system to these jobs hereafter.

Mr. NICHOLS. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. The gentleman will admit, will he not, that if a State's quota is under 100 percent, representing the full quota for the State, my amendment would certainly help that State to the extent that its quota would have to be filled before States who were over their quotas could have their people blanketed in?

Mr. RAMSPECK. No; I do not admit the correctness of the gentleman's statement, because the State may have more people in these agencies not under civil service than it takes to fill its quota; therefore some of the people now employed from the gentleman's State might be kept out of the civil service in order to fill the quota of some other State that is farther away from 100 percent than his. Frankly, I do not know how it would operate.

Mr. NICHOLS. If it is necessary for Oklahoma to take some loss in order to play fair with the rest of the States, I am one gentleman from Oklahoma who would be willing to punish Oklahoma a little in order to see that all States got exactly the same treatment.

Mr. RAMSPECK. Mr. Chairman, if the Committee agrees to any amendment, I hope it will agree to the amendment offered by the gentleman from Illinois.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. NICHOLS] to the substitute offered by the gentleman from Illinois [Mr. KELLER] for the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 62, noes 73.

Mr. RAMSPECK. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. NICHOLS and Mr. RAMSPECK.

The Committee again divided, and the tellers reported that there were—ayes 114, noes 77.

So the amendment to the substitute amendment was agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Illinois [Mr. KELLER], as amended, to the amendment offered by the gentleman from Kansas [Mr. REES].

The substitute amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Kansas as amended by the substitute amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The Clerk read as follows:

TITLE II—EXTENSION OF CLASSIFICATION ACT

SEC. 3. (a) Subject to the limitations contained in this section, whenever the President, after such classification and compensation surveys or investigations as he may direct the Commission to undertake, and upon consideration of the Commission's resulting reports and recommendations, shall find and declare that an extension of the provisions of the Classification Act of 1923, as amended, to any offices or positions in the agencies of the Government is necessary to the more efficient operation of the Government, he may by Executive order extend the provisions of the Classification Act of 1923, as amended, to any such offices or positions not at the time subject to such provisions: *Provided*, That in the case of any federally owned and controlled corporation organized under the laws of any State, Territory, or possession of the United States (including the Philippine Islands), or the District of Columbia, the President is authorized to direct that such action be taken as will permit the compensation of such offices or positions to be fixed in accordance with the Classification Act of 1923, as amended, consistently with the laws of any such State, Territory, or possession, or the District of Columbia, or with the charter or articles of incorporation of any such corporation.

(b) Whenever the President, upon report and recommendation by the Commission, shall find and declare that one or more officers or positions to which the Classification Act of 1923, as amended and extended, is applicable, may not fairly and reasonably be allocated to the professional and scientific service, the subprofessional service, the clerical, administrative, and fiscal service, the custodial service, or the clerical-mechanical service, as described in the Classification Act of 1923, as amended, he may by Executive order prescribe and define such additional classification services and grades thereof as he may deem necessary and shall describe, and fix the ranges of compensation for, the grades of such services within the limits of the Classification Act of 1923, as amended, so that they shall be comparable, as nearly as may be, with the grades in said act, as amended, for offices or positions that are comparable as to duties, responsibilities, qualifications required, and other conditions of employment.

(c) Whenever the President, upon report and recommendation by the Commission, shall find and declare that the rates of the compensation schedules of the Classification Act of 1923, as amended, are inadequate for any offices or positions under such act, as amended and extended, he may by Executive order establish necessary schedules of differentials in the rates prescribed in such compensation schedules, but the differentials in the compensation of any such office or position shall not exceed 25 percent of the minimum rate of the grade to which such office or position is allocated under such compensation schedules: *Provided*, That the provisions of this subsection shall be applicable only to such offices or positions having the following characteristics:

Offices or positions which are located at stations that are isolated, remote, or inaccessible when compared with stations at which offices or positions of the same character are usually located, or which involve physical hardships or hazards that are excessive when compared with those usually involved in offices or positions of the same character, or which are located outside the States of the United States and the District of Columbia: *Provided further*, That nothing herein contained shall preclude the Commission from taking the factor of isolation, hardship, hazard, or foreign service into consideration in allocating a given class of offices or positions to a service and grade under the Classification Act of 1923, as amended, if such factor is uniformly involved in each office or position in the class, in which event no differential is authorized under this section.

(d) Except as Congress may otherwise provide by law, the power granted to the President by this section shall not apply to the following:

(i) Offices or positions in the Postal Service the compensation of which is fixed under an act of Congress approved February 28, 1925 (43 Stat. 1033), as amended;

(ii) Offices or positions of teachers, librarians, school-attendance officers, and employees of the community-center department under the Board of Education of the District of Columbia, the compensation of which is fixed under an act of Congress approved June 4, 1924 (43 Stat. 367), as amended;

(iii) Offices or positions in the Metropolitan Police, in the Fire Department of the District of Columbia and in the United States Park Police, the compensation of which is fixed under an act of Congress approved July 1, 1930 (46 Stat. 839);

(iv) Commissioned officers and enlisted personnel in the military and naval services and the Coast Guard, and commissioned

officers in the Public Health Service and the Coast and Geodetic Survey, the compensation of which is fixed under an act of Congress approved June 10, 1922 (42 Stat. 625), as amended;

(v) Offices or positions in the Government Printing Office the compensation of which is fixed under an act of Congress approved June 7, 1924 (43 Stat. 658);

(vi) Offices or positions of foreign-service officers in the Foreign Service of the United States the compensation of which is fixed under an act of Congress approved May 24, 1924 (43 Stat. 140), as amended;

(vii) Offices or positions of clerks in the Foreign Service of the United States the compensation of which is fixed under an act of Congress approved February 23, 1931 (46 Stat. 1207);

(viii) Offices or positions of commercial attachés, assistant commercial attachés, trade commissioners, and assistant trade commissioners in the Foreign Commerce Service of the Department of Commerce, the compensation of which is fixed under an act of Congress approved March 3, 1927 (44 Stat. 1394), as amended;

(ix) Offices or positions of verifiers-openers-packers, clerks, guards, inspectors, station inspectors, and laborers in the Customs Service of the Treasury Department the compensation of which is fixed under an act of Congress approved May 29, 1928 (45 Stat. 955), as amended;

(x) Offices or positions of inspectors in the Immigration and Naturalization Service of the Department of Labor the compensation of which is fixed under an act of Congress approved May 29, 1928 (45 Stat. 954), as amended;

(xi) Offices or positions the duties of which are to serve as an officer or member of the crew of a vessel, except that the President may by Executive order extend the provisions of the Classification Act of 1923, as amended, to offices or positions in the Bureau of Lighthouses; and

(xii) Offices or positions the duties of which are to perform the work of an apprentice, helper, or journeyman in a recognized trade or craft, or other skilled mechanical craft, or the work of an unskilled, semiskilled, or skilled laborer, except that whenever such offices or positions involve work in the regular custody, operation, or maintenance of a Government building, or other Government property, or work which is subordinate, incidental, or preparatory to work of a professional, scientific, or technical character, the President, upon a finding that the characteristics and working conditions of such offices or positions render them substantially the same as comparable offices or positions in the District of Columbia included within the Classification Act of 1923, as amended, may by Executive order extend the provisions of such act to include them.

SEC. 4. The President is authorized, after suitable investigation by the Commission, which shall include consultation with representatives of the heads of executive departments and independent agencies, in or under the jurisdiction of which the offices or positions hereinafter designated are located, and upon a finding that such action is necessary to the more efficient operation of the Government, to exclude, by Executive order, from the provisions of the Classification Act of 1923, as amended and extended under this act—

Offices or positions on work which is financed jointly by the United States and a State, Territory, or possession of the United States (including the Philippine Islands), or political subdivision thereof, or cooperating persons or organizations outside the service of the Federal Government, and the pay of which is fixed under a cooperative agreement with the United States; offices or positions, none or only part of the compensation of which is paid from funds of the United States; offices or positions filled by inmates, patients, students, or beneficiaries in Government institutions; offices or positions outside the States of the United States and the District of Columbia filled by natives of Territories or possessions of the United States (including the Philippine Islands) or foreign nationals; emergency or seasonal offices or positions in the field service, or other field offices or positions, the duties of which are of purely temporary duration, or which are required only for brief periods at intervals; and offices or positions filled by persons employed locally on a fee, contract, or piece-work basis who may lawfully perform their duties concurrently with their private profession, business, or other employment and whose duties require only a portion of their time, where it is impracticable to ascertain or anticipate the proportion of time devoted to the service of the Federal Government.

SEC. 5. When any extension of the Classification Act of 1923, as amended, becomes effective under this act—

(a) The allocations of offices or positions to services, grades, and classes shall be made as set forth in section 4 of the Classification Act of 1923, as amended, and in accordance with a uniform procedure to be prescribed by the Commission; and

(b) The initial compensation of the incumbents of the offices or positions to which the provisions of the Classification Act of 1923, as amended, are extended under this act, shall be fixed in accordance with section 6 of the Classification Act of 1923, as amended, except that if an officer or employee is receiving compensation in excess of the maximum rate prescribed for the appropriate grade, no change by reason of this fact shall be made in his existing compensation so long as he continues to occupy the same office or position, but the office or position shall be correctly allocated and when it becomes vacant the compensation attached thereto shall be brought within the compensation schedule, in accordance with existing law.

SEC. 6. Nothing herein contained shall be construed to prevent the promotion of an officer or employee from an office or position in one class to a vacant office or position in a higher class at any time in accordance with civil-service laws, and when so promoted the officer or employee shall receive compensation according to the schedule established for the class to which he is promoted. Nor shall anything in this act be construed to prevent the application of the existing veteran-preference provisions in civil-service laws, Executive orders, and rulings.

SEC. 7. Section 9 of the Classification Act of 1923, as amended (42 Stat. 1490; U. S. C., 1934 ed., title 5, sec. 669), is hereby further amended by adding at the end thereof the following paragraph:

"Under such regulations as may be prescribed by the Civil Service Commission with the approval of the President—

"There shall be established in each Department one or more boards of review, each of which shall be composed of three or more members, the chairman to be designated by the Civil Service Commission and the other members to be designated by the head of the Department concerned. The boards of review shall meet at the call of their respective chairmen for the purpose of considering and passing upon the merits of such efficiency ratings assigned to employees as may be submitted to such boards of review as hereinafter provided. Any employee shall, upon written request to the chairman of the appropriate board of review of his department, be entitled, as a matter of right, to a hearing and a review by such board of review of his efficiency rating. After any such hearing, the board of review may make such adjustments in any such efficiency rating as it may find to be proper."

Mr. WOODRUM of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time in order to ask the chairman of the committee, the gentleman from Georgia, to explain briefly, if he will be kind enough to do so, just what effect the amendments and the substitutes which have just been voted on have on the bill which is before the Committee for consideration.

Mr. RAMSPECK. My understanding of the effect of the amendments is that, because of the amendment offered by the gentleman from Oklahoma, no person who comes from a State that is in excess of its quota or has its quota can be covered under civil service as a result of the passage of this bill. I am very much opposed to this because I do not know exactly how it will operate. I believe we ought to extend equal privileges to everybody under this bill.

Mr. WOODRUM of Virginia. Mr. Chairman, I favor the quota system. This may sound like an unusual statement, because the State of Virginia is over quota, the State of Maryland is over quota, and the District of Columbia is over quota. This situation has been explained many times by the Civil Service Commission, who are now trying to put into effect as best they can the quota provisions of the civil-service law.

The great over-quota status of the States of Virginia and Maryland and the District of Columbia arose out of the fact that during the World War period, when it became necessary for the Government overnight to recruit people into the Federal service, many of them in low-priced positions and many of them in the purest temporary status, when they were advertising and begging people to come and take these jobs necessary to run the war, they were glad to get people from the District of Columbia, Virginia, and Maryland, who could live in the adjoining counties of Virginia and Maryland and work in Washington cheaply. These people were glad to have these jobs. Your constituents at far distances were not interested in coming to Washington and taking these purely temporary positions where the positions would not be guaranteed for longer than a month or two. They were not interested in coming and taking these positions on a purely temporary basis. As a result, Virginia, Maryland, and the District of Columbia became very much over quota.

However, as the gentleman from Georgia has so well pointed out, in recent years under repeated declarations of the policy of the Congress, the quota system has been observed.

What do you undertake to do here today? You take a citizen of Virginia or Maryland or the District of Columbia, who may have been working in one of these departments for 10 or 15 or 20 years in an unclassified status, and you say to him, arbitrarily, that until some distant State fills its quota he cannot profit by this merit system. What kind of a rule of logic or reason is that? What kind of fair play is it? These people are working for the Government, and they are working for the Government because we permitted them to be employed. If the merit system is right for the State of Oklahoma, why is it not right for these people from Virginia who are working there; and what kind of a rule is it?

I saw my good friends over here on the left voting solidly for the Nichols amendment. I am surprised at you. I am surprised at the House for doing it, and I do not believe the House understood the full import of it.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Michigan.

Mr. DINGELL. Did not these people from Maryland, Virginia, and the District of Columbia take the jobs at that time as a matter of patriotic duty?

Mr. WOODRUM of Virginia. Many times they did.

The Civil Service Commission will tell you today, if you will ask them, that when they advertise a temporary appointment for a junior stenographic position and send out invitations to the persons on the civil-service register in distant States and tell them the appointments are only temporary appointments, those persons almost invariably write back saying they are not interested in the positions and do not want them.

These are the facts, and I submit to the Committee that the action just taken is very unfair to people who are in the Government service and who are just as much entitled to have the benefit of this bill. If it is good for one it ought to be good for all.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. These nine States probably have thousands of employees on the pay roll now, and some of them have worked for the Government for 20 years. Every one of the employees from those nine States will suffer an unjust discrimination, through no fault of his own, by reason of the action of this House this afternoon.

Mr. WOODRUM of Virginia. If this action stands, it will; but I am confident when we get in the House the action will not stand. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this title and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. NICHOLS. Mr. Chairman, I trust I will be pardoned for taking this time. I would not have asked it had not my good friend the gentleman from Virginia [Mr. WOODRUM] employed a pro forma amendment in order to advise the House of his views. I certainly do not want that anyone should have supported the amendment offered by me under misapprehension, and the gentleman from Georgia has stated it well. The Nichols amendment simply provides that those people from States who are above the quota of that State cannot be blanketed into civil service until those States which are below their quota have been brought up to the quota.

Now, I think it was grand that Maryland and Virginia so nobly responded to the call in 1917 and 1918 that they gave themselves as a sacrifice in service to the Federal Government under the protection of civil service. I do not want to see a single one of those boys, men, or women lose their jobs. If they have civil service, I am perfectly willing that Virginia should have 209 percent above her quota. I am perfectly willing that Maryland should have 313 percent above her quota. I am perfectly willing that the District of Columbia should have 4,578 percent above its quota. I am willing for them to go on above that, if they will just wait until the rest of us boys catch up [applause], not to where they are but just to our quota; and after all is said and done, that is the effect of the Nichols amendment. [Applause.]

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. KELLER. May I not call the gentleman's attention to the fact that the amendment which I offered contained, until I cut it out, a provision that might have endangered the present positions of these people who will not be taken under the civil service, but under this amendment not a one of them will lose his present job, but they will not get any civil-service status until all the States have been treated fairly and no man will lose his job.

Mr. NICHOLS. That is right.

[Here the gavel fell.]

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. MCLAUGHLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill (H. R. 960) extending the classified Executive civil service of the United States, pursuant to Resolution 217, he reported the same back to the House with sundry amendments adopted in Committee.

The SPEAKER pro tempore. Under the rule the previous question is orderd.

Is a separate vote demanded on any amendment?

Mr. WOODRUM of Virginia. Mr. Speaker, I demand a separate vote on the Rees amendment, as amended.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment; if not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment upon which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. KELLER as a substitute for the amendment offered by Mr. REES of Kansas, as amended by the amendment offered by Mr. NICHOLS: On page 2, line 9, after section 2, insert "(a)", and after line 25, insert the following:

"(b) Notwithstanding any of the provisions of subsection (2), no person shall be covered into the civil service, appointed, transferred, or promoted to any position covered into the classified civil service under the provisions of section 1 of this act, if such a person is from a State whose quota of positions in the classified civil service is more than filled, unless and until the quota of all States whose quota of positions in the classified service is unfilled has become filled. As used in this section, the term "State" includes a Territory and the District of Columbia."

The SPEAKER pro tempore. The question is on the adoption of the amendment.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 141, noes 56.

So the amendment was agreed to.

Mr. WOODRUM of Virginia. Mr. Speaker, I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from Virginia demands the yeas and nays. Those in favor of taking this vote by the yeas and nays will rise and stand until counted. [After counting.] Thirty-two Members have arisen, not a sufficient number.

So the yeas and nays were refused.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. ROGERS of Massachusetts. I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. ROGERS of Massachusetts moves to recommit the bill to the Committee on the Civil Service with instructions to report the same back forthwith with the following amendment: At the end of page 2 add the following: "*Provided further*, That no such incumbent shall continue to have a classified status after January 1, 1941, unless he shall have passed an open competitive examination for such position and have been appointed in accordance with the Civil Service Act and rules."

Mr. RAMSPECK. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 112, nays 213, answered "present" 2, not voting 95, as follows:

[Roll No. 20]

YEAS—112

Alexander	Ditter	Johns	Rockefeller
Allen, Ill.	Dworshak	Johnson, Ill.	Rodgers, Pa.
Andersen, H. Carl	Eaton	Jones, Ohio	Rogers, Mass.
Anderson, Calif.	Elston	Kean	Routzohn
Andresen, A. H.	Engel	Kunkel	Rutherford
Angell	Englebright	Lambertson	Schafer, Wis.
Arends	Fenton	Lewis, Ohio	Seccombe
Austin	Flaherty	Luce	Shafer, Mich.
Ball	Gamble	McLean	Simpson
Bender	Gartner	McLeod	Smith, Maine
Bolles	Gearhart	Marcantonio	Smith, Ohio
Bradley, Mich.	Gerlach	Marshall	Springer
Brown, Ohio	Gifford	Martin, Iowa	Stefan
Carlson	Graham	Martin, Mass.	Sumner, Ill.
Carter	Gross	Michener	Taber
Case, S. Dak.	Guyer, Kans.	Miller	Talle
Chiperfield	Gwynne	Monkiewicz	Thill
Church	Hall, Leonard W.	Mott	Thomas, N. J.
Clason	Hancock	Murray	Tibbott
Cluett	Harter, N. Y.	O'Brien	Tinkham
Cole, N. Y.	Hawks	Oliver	Van Zandt
Corbett	Hess	Osmers	Vorys, Ohio
Costello	Hinshaw	Pittenger	Wheat
Cravens	Holmes	Reed, Ill.	Wigglesworth
Crawford	Hook	Reed, N. Y.	Williams, Del.
Crowther	Horton	Rees, Kans.	Wolcott
Culkin	Jenkins, Ohio	Rich	Wolfenden, Pa.
Curtis	Jenks, N. H.	Risk	Woodruff, Mich.

NAYS—213

Allen, Pa.	Eberharter	Kocialkowski	Richards
Anderson, Mo.	Elliott	Kramer	Robertson
Barry	Evans	Larrabee	Robinson, Utah
Bates, Ky.	Fay	Leavy	Rogers, Okla.
Beam	Ferguson	Lemke	Ryan
Beckworth	Flannagan	Lesinski	Sacks
Bland	Flannery	Lewis, Colo.	Satterfield
Boehne	Folger	Ludlow	Schaefer, Ill.
Boland	Ford, Miss.	McCormack	Schuetz
Boren	Ford, Thomas F.	McGehee	Schulte
Boykin	Fries	McGranery	Scrugham
Bradley, Pa.	Fulmer	McKeough	Secrest
Brooks	Gathings	McLaughlin	Shanley
Brown, Ga.	Gavagan	McMillan, Clara G.	Shannon
Bryson	Geyer, Calif.	McMillan, John L.	Sheppard
Buck	Gibbs	Maas	Sheridan
Buckler, Minn.	Gore	Maciejewski	Smith, Conn.
Buckley, N. Y.	Gossett	Magnuson	Smith, Va.
Burch	Grant, Ala.	Mahon	Smith, Wash.
Burdick	Green	Maloney	Snyder
Byrns, Tenn.	Gregory	Massingale	Somers, N. Y.
Byron	Griffith	May	South
Caldwell	Hare	Merritt	Sparkman
Camp	Harrington	Mills, Ark.	Spence
Cannon, Fla.	Hart	Mills, La.	Starnes, Ala.
Cannon, Mo.	Harter, Ohio	Monroney	Sumners, Tex.
Cartwright	Hartley	Moser	Sutphin
Casey, Mass.	Havenner	Murdock, Ariz.	Sweeney
Celler	Healey	Myers	Tarver
Chapman	Hennings	Nichols	Tenerowicz
Claypool	Hill	Norrell	Terry
Cochran	Hobbs	O'Connor	Thomas, Tex.
Coffee, Nebr.	Houston	O'Day	Thomason
Cole, Md.	Hunter	O'Leary	Tolan
Colmer	Izac	O'Neal	Vincent, Ky.
Connery	Jarman	O'Toole	Vinson, Ga.
Cooley	Johnson, Luther A.	Pace	Voorhis, Calif.
Cooper	Johnson, Lyndon	Parsons	Wallgren
Courtney	Johnson, Okla.	Patman	Walter
Cox	Jones, Tex.	Patrick	Ward
Creal	Kee	Patton	Weaver
Crosser	Keefe	Pearson	Welch
Crowe	Kefauver	Peterson, Fla.	West
Cullen	Keller	Peterson, Ga.	Whelchel
Cummings	Kelly	Pfeifer	White, Idaho
D'Alesandro	Kennedy, Martin	Pierce	Whittington
Darden	Kennedy, Md.	Plumley	Williams, Mo.
Delaney	Kennedy, Michael	Poage	Wood
Dempsey	Keogh	Polk	Woodrum, Va.
DeRouen	Kerr	Rabaut	Youngdahl
Dingell	Kilday	Ramspeck	Zimmerman
Disney	Kitchens	Randolph	
Duncan	Kirwan	Rankin	
Dunn	Kleberg	Rayburn	

ANSWERED "PRESENT"—2

Doughton Smith, Ill.

NOT VOTING—95

Allen, La.	Brewster	Dies	Fernandez
Andrews	Bulwinkle	Dirksen	Fish
Arnold	Burgin	Dondero	Fitzpatrick
Barden	Byrne, N. Y.	Douglas	Ford, Leland M.
Barnes	Clark	Doxey	Garrett
Barton	Clevenger	Drewry	Gehrmann
Bates, Mass.	Coffee, Wash.	Durham	Gilchrist
Bell	Collins	Edmiston	Gillie
Blackney	Darrow	Ellis	Grant, Ind.
Bloom	Dickstein	Faddis	Hall, Edwin A.
Halleck	Knutson	Murdock, Utah	Smith, W. Va.
Harness	Landis	Nelson	Steagall
Hendricks	Lanham	Norton	Stearns, N. H.
Hoffman	Lea	Powers	Sullivan
Hope	LeCompte	Reece, Tenn.	Taylor
Hull	McAndrews	Robsion, Ky.	Thorkelson
Jacobsen	McArdle	Romjue	Treadway
Jarrett	McDowell	Sabath	Vreeland
Jeffries	Mansfield	Sandager	Wadsworth
Jennings	Martin, Ill.	Sasscer	Warren
Jensen	Mason	Schiffler	White, Ohio
Johnson, Ind.	Mitchell	Schwert	Winter
Johnson, W. Va.	Mouton	Seger	Wolverton, N. J.
Kinzer	Mundt	Short	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of Indiana (for) with Mr. Bell (against).
Mr. Darrow (for) with Mr. Byrne of New York (against).
Mr. Powers (for) with Mr. Gehrmann (against).
Mr. Vreeland (for) with Mr. Durham (against).
Mr. Harness (for) with Mr. Barnes (against).
Mr. Dirksen (for) with Mr. Smith of Illinois (against).
Mr. Short (for) with Mr. Drewry (against).
Mr. Grant of Indiana (for) with Mrs. Norton (against).
Mr. Gillie (for) with Mr. Collins (against).
Mr. Treadway (for) with Mr. Doughton (against).
Mr. Winter (for) with Mr. Bloom (against).
Mr. Jennings (for) with Mr. Burgin (against).
Mr. McDowell (for) with Mr. Sasscer (against).
Mr. Hoffman (for) with Mr. Schwert (against).
Mr. Blackney (for) with Mr. Mitchell (against).
Mr. Mundt (for) with Mr. Warren (against).
Mr. Andrews (for) with Mr. Steagall (against).
Mr. Edwin A. Hall (for) with Mr. Coffee of Washington (against).
Mr. Mason (for) with Mr. Dickstein (against).
Mr Kinzer (for) with Mr. Bulwinkle (against).
Mr. Robsion of Kentucky (for) with Mr. Faddis (against).
Mr. Halleck (for) with Mr. Sullivan (against).
Mr. Jeffries (for) with Mr. Fitzpatrick (against).
Mr. Fish (for) with Mr. McAndrews (against).
Mr. Barton (for) with Mr. Mansfield (against).
Mr. Douglas (for) with Mr. Barden (against).

General pairs:

Mr. Allen of Louisiana with Mr. Wolverton of New Jersey.
Mr. Sabath with Mr. Seger.
Mr. Taylor with Mr. Dondero.
Mr. Mouton with Mr. Clevenger.
Mr. Romjue with Mr. Bates of Massachusetts.
Mr. Smith of West Virginia with Mr. Knutson.
Mr. Lea with Mr. Landis.
Mr. Arnold with Mr. LeCompte.
Mr. Clark with Mr. Reece of Tennessee.
Mr. Nelson with Mr. Sandager.
Mr. Dies with Mr. Schiffler.
Mr. Martin of Illinois with Mr Gilchrist.
Mr. McArdle with Mr. Hull.
Mr. Johnson of West Virginia with Mr. Hope.
Mr. Doxey with Mr. Jensen.
Mr. Edmiston with Mr. Wadsworth.
Mr. Ellis with Mr. Thorkelson.
Mr. Fernandez with Mr. Stearns of New Hampshire.
Mr. Garrett with Mr. Leland M. Ford.
Mr. Jacobsen with Mr. Hendricks.

Mr. SMITH of Illinois. Mr. Speaker, I am paired with the gentleman from Illinois, Mr. DIRKSEN, who would have voted "aye" if he were present. I voted "no." I withdraw my vote and answer "present."

Mr. DOUGHTON. Mr. Speaker, I have a pair with the gentleman from Massachusetts, Mr. TREADWAY. If he were present, he would have voted "aye." If permitted to vote, I would vote "no."

The result of the vote was announced as above recorded.

Mr. WHITTINGTON. Mr. Speaker, my colleague the gentleman from Mississippi, Mr. COLLINS, is absent. If present, he would have voted "no."

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, a parliamentary inquiry. Is it in order to announce after a roll-call vote how a Member would have voted if present?

The SPEAKER pro tempore. Only by unanimous consent.

Mr. CANNON of Missouri. I shall not object this time, Mr. Speaker.

Mr. WHITTINGTON. I renew the request, Mr. Speaker.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. RAMSPECK. Mr. Speaker, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The question was taken; and there were—yeas 215, nays 110, answered "present" 2, not voting 95, as follows:

[Roll No. 21]

YEAS—215

Alexander	Evans	Larrabee	Rankin
Allen, Pa.	Fay	Lea	Rayburn
Andersen, H. Carl	Ferguson	Leavy	Richards
Anderson, Mo.	Flaherty	Lemke	Robinson, Utah
Angell	Flannery	Lesinski	Rogers, Okla.
Barry	Ford, Miss.	Lewis, Colo.	Routzohn
Bates, Ky.	Ford, Thomas F.	Luce	Ryan
Beam	Fries	Ludlow	Sabath
Beckworth	Fulmer	McCormack	Schaefer, Ill.
Boehne	Gathings	McGehee	Schuetz
Boland	Gavagan	McGranery	Schulte
Boykin	Geyer, Calif.	McKeough	Secrest
Bradley, Pa.	Gibbs	McLaughlin	Shafer, Mich.
Brooks	Gore	McLeod	Shanley
Brown, Ga.	Gossett	McMillan, Clara G.	Shannon
Bryson	Grant, Ala.	McMillan, John L.	Sheppard
Buck	Green	Maas	Sheridan
Buckler, Minn.	Gregory	Maciejewski	Smith, Conn.
Buckley, N. Y.	Griffith	Magnuson	Smith, Maine
Burdick	Gwynne	Mahon	Smith, Wash.
Byrns, Tenn.	Hare	Maloney	Snyder
Caldwell	Harrington	Marcantonio	Somers, N. Y.
Camp	Hart	Martin, Iowa	South
Cannon, Fla.	Harter, Ohio	Massingale	Sparkman
Cannon, Mo.	Hartley	Merritt	Spence
Cartwright	Havenner	Miller	Starnes, Ala.
Case, S. Dak.	Healey	Mills, Ark.	Stefan
Casey, Mass.	Hennings	Mills, La.	Sumners, Tex.
Chapman	Hill	Monroney	Sutphin
Church	Hobbs	Murdock, Ariz.	Sweeney
Claypool	Houston	Myers	Talle
Cochran	Hunter	Norrell	Tarver
Colmer	Izac	O'Day	Tenerowicz
Connery	Jarman	O'Leary	Terry
Cooley	Johnson, Luther A.	Oliver	Thomas, Tex.
Cooper	Johnson, Lyndon	O'Neal	Thomason
Corbett	Johnson, Okla.	O'Toole	Tinkham
Courtney	Jones, Tex.	Pace	Tolan
Crawford	Kean	Parsons	Vincent, Ky.
Creal	Kee	Patman	Vinson, Ga.
Crosser	Keefe	Patrick	Voorhis, Calif.
Crowe	Kefauver	Patton	Wallgren
Cullen	Keller	Pearson	Walter
Cummings	Kelly	Peterson, Fla.	Weaver
Delaney	Kennedy, Michael	Peterson, Ga.	Welch
Dempsey	Keogh	Pfeifer	West
DeRouen	Kerr	Pierce	Whelchel
Dickstein	Kilday	Pittenger	White, Idaho
Dingell	Kirwan	Plumley	Whittington
Disney	Kitchens	Poage	Williams, Mo.
Duncan	Kleberg	Polk	Wood
Dunn	Kocialkowski	Rabaut	Youngdahl
Eberharter	Kramer	Ramspeck	Zimmerman
Elliott	Kunkel	Randolph	

NAYS—110

Allen, Ill.	Darden	Jenks, N. H.	Rockefeller
Anderson, Calif.	Ditter	Johns	Rodgers, Pa.
Andresen, A. H.	Dworshak	Johnson, Ill.	Rogers, Mass.
Arends	Eaton	Johnson, W. Va.	Rutherford
Austin	Elston	Jones, Ohio	Satterfield
Ball	Engel	Kennedy, Martin	Schafer, Wis.
Bender	Englebright	Kennedy, Md.	Seccombe
Bland	Fenton	Lambertson	Simpson
Bolles	Flannagan	Lewis, Ohio	Smith, Ohio
Boren	Ford, Leland M.	McLean	Smith, Va.
Bradley, Mich.	Gamble	Marshall	Springer
Brown, Ohio	Gartner	Martin, Mass.	Sumner, Ill.
Burch	Gearhart	May	Taber
Byron	Gerlach	Michener	Thill
Carlson	Gifford	Monkiewicz	Thomas, N. J.
Chiperfield	Graham	Moser	Tibbott
Clason	Gross	Mott	Van Zandt
Cluett	Guyer, Kans.	Murray	Vorys, Ohio
Coffee, Nebr.	Hall, Leonard W.	Nichols	Ward
Cole, Md.	Hancock	O'Brien	Wheat
Cole, N. Y.	Harter, N. Y.	O'Connor	Wigglesworth
Costello	Hawks	Osmers	Williams, Del.
Cox	Hess	Reed, Ill.	Wolcott
Cravens	Hinshaw	Reed, N. Y.	Wolfenden, Pa.
Crowther	Holmes	Rees, Kans.	Woodruff, Mich.
Culkin	Hook	Rich	Woodrum, Va.
Curtis	Horton	Risk	
D'Alesandro	Jenkins, Ohio	Robertson	

ANSWERED "PRESENT"—2

Doughton Smith, Ill.

NOT VOTING—95

Allen, La.	Bates, Mass.	Burgin	Coffee, Wash.
Andrews	Bell	Byrne, N. Y.	Collins
Arnold	Blackney	Carter	Darrow
Barden	Bloom	Celler	Dies
Barnes	Brewster	Clark	Dirksen
Barton	Bulwinkle	Clevenger	Dondero
Douglas	Harness	McDowell	Schwert
Doxey	Hendricks	Mansfield	Scrugham
Drewry	Hoffman	Martin, Ill.	Seger
Durham	Hope	Mason	Short
Edmiston	Hull	Mitchell	Smith, W. Va.
Ellis	Jacobsen	Mouton	Steagall
Faddis	Jarrett	Mundt	Stearns, N. H.
Fernandez	Jeffries	Murdock, Utah	Sullivan
Fish	Jennings	Nelson	Taylor
Fitzpatrick	Jensen	Norton	Thorkelson
Folger	Johnson, Ind.	Powers	Treadway
Garrett	Kinzer	Reece, Tenn.	Vreeland
Gehrmann	Knutson	Robsion, Ky.	Wadsworth
Gilchrist	Landis	Romjue	Warren
Gillie	Lanham	Sacks	White, Ohio
Grant, Ind.	LeCompte	Sandager	Winter
Hall, Edwin A.	McAndrews	Sasscer	Wolverton, N. J.
Halleck	McArdle	Schiffler	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Coffee of Washington (for) with Mr. Edwin A. Hall (against).
Mr. Bell (for) with Mr. Johnson of Indiana (against).
Mr. Byrne of New York (for) with Mr. Darrow (against).
Mr. Gehrmann (for) with Mr. Powers (against).
Mr. Durham (for) with Mr. Vreeland (against).
Mr. Barnes (for) with Mr. Harness (against).
Mr. Smith of Illinois (for) with Mr. Dirksen (against).
Mr. Drewry (for) with Mr. Short (against).
Mr. Norton (for) with Mr. Grant of Indiana (against).
Mr. Collins (for) with Mr. Gillie (against).
Mr. Brewster (for) with Mr. Jarrett (against).
Mr. Doughton (for) with Mr. Treadway (against).
Mr. Bloom (for) with Mr. Winter (against).
Mr. Burgin (for) with Mr. Jennings (against).
Mr. Schwert (for) with Mr. Hoffman (against).
Mr. Mitchell (for) with Mr. Blackney (against).
Mr. Warren (for) with Mr. McArdle (against).
Mr. Steagall (for) with Mr. Andrews (against).
Mr. Bulwinkle (for) with Mr. Robsion of Kentucky (against).
Mr. McAndrews (for) with Mr. Fish (against).
Mr. Mansfield (for) with Mr. Barton (against).
Mr. Barden (for) with Mr. Douglas (against).
Mr. Mason (for) with Mr. Faddis (against).
Mr. McDowell (for) with Mr. Kinzer (against).
Mr. Fitzpatrick (for) with Mr. Jeffries (against).
Mr. Mundt (for) with Mr. Edmiston (against).
Mr. Stearns of New Hampshire (for) with Mr. Seger (against).

General pairs:

Mr. Allen of Louisiana with Mr. Bates of Massachusetts.
Mr. Lanham with Mr. Clevenger.
Mr. Romjue with Mr. Dondero.
Mr. Smith of West Virginia with Mr. Carter.
Mr. Taylor with Mr. White of Ohio.
Mr. Celler with Mr. Wolverton of New Jersey.
Mr. Folger with Mr. Wadsworth.
Mr. Garrett with Mr. Thorkelson.
Mr. Sullivan with Mr. Schiffler.
Mr. Hendricks with Mr. Reece of Tennessee.
Mr. Sachs with Mr. Lecompte.
Mr. Nelson with Mr. Gilchrist.
Mr. Murdock of Utah with Mr. Jensen.
Mr. Martin of Illinois with Mr. Hope.
Mr. Arnold with Mr. Landis.
Mr. Clark with Mr. Sandager.
Mr. Dies with Mr. Hull.
Mr. Ellis with Mr. Mouton.
Mr. Scrugham with Mr. Jacobsen.
Mr. Fernandez with Mr. Doxey.

Mr. SMITH of Illinois. Mr. Speaker, I am paired with the gentleman from Illinois, Mr. DIRKSEN. I voted "yea." The gentleman from Illinois, if present, would have voted "nay." I therefore withdraw my vote of "yea" and vote "present."

Mr. SECREST changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

ANNOUNCEMENTS

Mr. WHITTINGTON. Mr. Speaker, my colleague the gentleman from Mississippi, Mr. COLLINS, was unavoidably absent. Had he been present he would have voted "yea" on final passage of the bill.

The SPEAKER pro tempore. Without objection, the announcement will be recorded.

There was no objection.

Mr. McGRANERY. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. SACKS, is unavoidably absent. If present, he would have voted "yea" on final passage of the bill.

The SPEAKER pro tempore. Without objection, the announcement will be recorded.

There was no objection.

Mr. HART. Mr. Speaker, my colleague the gentlewoman from New Jersey, Mrs. NORTON, is necessarily absent. Had

she been present she would have voted "yea" on final passage of the bill.

The SPEAKER pro tempore. Without objection, the announcement will be recorded.

There was no objection.

Mr. HILL. Mr. Speaker, my colleague the gentleman from Washington, Mr. COFFEE, is necessarily absent. Had he been present he would have voted "nay" on the motion to recommit and "yea" on final passage of the bill.

The SPEAKER pro tempore. Without objection, the announcement will be recorded.

There was no objection.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and to include therein certain excerpts from hearings and from letters.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole today and to include therein certain excerpts.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and to include therein tables showing the percentages of quotas in States.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain excerpts.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a newspaper article which contains statements made by the President of the United States.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by the Postmaster General, Hon. James A. Farley, on January 22, 1940.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I submit a privileged resclution.

The Clerk read as follows:

House Resolution 381

Resolved, That JOHN EDWARD SHERIDAN, of Pennsylvania, be, and he is hereby, elected a member of the standing committee of the House of Representatives on World War Veterans' Legislation.

The resolution was agreed to.

ADJOURNMENT OVER

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a table on employment released by the United States Civil Service Commission.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho [Mr. DWORSHAK]?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York, Mr. COLE, may be allowed to extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

Mr. PATMAN assumed the chair as Speaker pro tempore.

HON. JOSEPH J. MANSFIELD

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

Mr. RAYBURN. Mr. Speaker, even after this long, hectic day, I do not think the day ought to be allowed to pass without calling attention to the fact that it is the seventy-ninth birthday of one of the grandest men who ever served in the House of Representatives. I refer to Judge J. J. MANSFIELD, of the State of Texas. [Applause.] His life is now, and through its maturity has been an inspiration to every human being it has ever touched. Long may he live to serve his country and give joy to his thousands of friends. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I rise at this late hour, not because I want to but because I have to. It is necessary for me to take the floor at this time rather than wait until Monday, because by then this matter will have become cold. I hope at least the press will carry my side of the controversy that was raised yesterday by the gentleman from Wisconsin [Mr. KEEFE]. I regret exceedingly he is not here, although I told him this afternoon I would seek time today in order to answer him. I understand he had to leave because of an important engagement.

It has come to pass now, in Washington, that it is very dangerous to accept invitations to meet with our colleagues because you might be charged with engaging in a subversive plot. In fact, it has become so dangerous to accept invitations that when one receives an inviation from even the White House one accepts with a great deal of trepidation because some Member of the House, acting as a Sherlock Holmes, may investigate, explode it, and give it certain implications that are nonexistent.

In this particular case I think the gentleman from Wisconsin [Mr. KEEFE], acting as a Sherlock Holmes, and playing detective in this matter, made an error in his findings, because his statement, contained on page 1237 of the RECORD, is based on a distortion of facts and a distortion of the truth.

I would like to take up, item for item, what has been said in his speech.

First he stated:

I believe it is to the everlasting credit of the Senators and Representatives who were invited to this meeting that, with the exception of the gentleman from New York [Mr. MARCANTONIO], those

who did express themselves at this meeting, I know authoritatively, went on record definitely against the infiltration of the Young Communist League into the American Youth Congress.

That statement is doubly untrue. First of all, there was no question of any infiltration of the Young Communist League into the American Youth Congress. The subject of the discussion was simply whether or not, now that the Young Communist League is and has been in the American Youth Congress, the American Youth Congress should expel these young people. I took the position then, which I have always taken publicly, that the American Youth Congress is modeled along the lines of our American Government. Its structure is based on the Bill of Rights and that Bill of Rights has no ifs and buts in it. The American Youth Congress is entirely within its rights and in keeping with the best American traditions in putting into practice the Bill of Rights of the Constitution of the United States of America.

Secondly, the statement is again incorrect and untrue because I was not the only one who took this position that night. I am not going to mention any names, because it is not my practice to mention names. There are Members on the floor of the House this evening who can speak for themselves. I am sure there were at least four, if not more, who took the same position I did that night at the White House with reference to the American Youth Congress and with reference to the statement I have just made.

Mr. DUNN. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Pennsylvania.

Mr. DUNN. I was one of those men who were present and I made a statement on the floor this afternoon. I am going to continue to make that statement the balance of my life.

Mr. GEYER of California. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from California.

Mr. GEYER of California. I was also there and I agree absolutely with what the gentleman has said so far. I certainly express myself as agreeing with the First Lady of the Land as to what she had to say.

Mr. McGRANERY. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. I concur in what the gentleman has said with respect to what transpired there. The gentleman from Wisconsin [Mr. KEEFE], if he were doing a Sherlock Holmes job——

Mr. MARTIN of Massachusetts. Mr. Speaker, I raise the point of order that the gentleman cannot refer to a Member of the House in that way.

Mr. McGRANERY. The gentleman from Wisconsin [Mr. KEEFE] did a very poor job of Sherlock Holmesing. If he was there to report or to investigate the happenings of that meeting, he has made a mistake, because he has included the names of two of my colleagues from the State of Pennsylvania who were not there. He has included others who were not there.

So far as I noticed in the RECORD—I was not here when he spoke yesterday—he included the majority leader of this House, who was not there. So that, I take it, is an irresponsible statement made by the gentleman from Wisconsin without having had knowledge of what actually transpired at that time. The gentleman from New York has stated exactly the position taken at that meeting. [Applause.]

[Here the gavel fell.]

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker—and I shall not object to the extension at this time—may I say that we have had a long day and I shall object to any other Member addressing the House after the gentleman from New York concludes his statement.

The SPEAKER pro tempore (Mr. RAYBURN). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. I am not going to defend Mrs. Franklin Delano Roosevelt. She does not need any defense from me. In my opinion she is a person who has earned a great place in the history of America. She is the First Lady of the Land not only by virtue of being the wife of the President of the United States but, in my opinion, she is the First Lady of the Land in fact because of her deeds, because of her courageous Americanism, and, above all, because of her lack of demagoguery.

With regard to these young people here, why raise a "red" scare? Only a very small portion of that membership happens to belong to the Communist Party. They have come here with a program; they have come here with an appeal, and what do we find? The same old reactionary tactics—a "red" smokescreen is raised in order to conceal the real issues that are presented by these young people. There are 4,700,000 of them unemployed; what are you going to do for them. They come here with a program of peace, jobs, and civil liberties. What answer does Congress give? A solution? No; a "red" scare.

I am sick and tired of people setting themselves up as self-constituted paragons of Americanism. The same brand of Americanism which in 1929 offered red apples to American youth to sell is now offering a "red" scare to American youth to execute. I say it is shameful, whether the person who attacks this Youth Congress be a Republican or a Democrat, whether he be chairman of a national committee or not, to try to hide the real issues that are raised by American youth with a "red" scare. Give American youth jobs, give them an American opportunity, guarantee the peace of our country, and you will not have to fear any "isms" nor will you have to fear any attacks on our fundamental institutions. [Applause.]

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SASSCER, indefinitely, on account of illness.

To Mr. STEARNS of New Hampshire, indefinitely, on account of illness.

To Mr. LANHAM (at the request of Mr. LUTHER A. JOHNSON), for today, on account of illness.

To Mr. ROMJUE, for 10 days, on account of illness in his family.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 4532. An act to make effective in the district court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 13 minutes p. m.), under its previous order, the House adjourned until Monday, February 12, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, February 14, 1940, at 10:30 a. m., for the public consideration of H. R. 8023 and H. R. 8292.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, February 13, 1940:

H. R. 1780, to amend section 7 of the act of June 19, 1886, as amended (U. S. C., 1934 ed., Supp. III, title 46, sec. 319),

relative to penalties on certain undocumented vessels and cargoes engaging in the coastwise trade or the fisheries, and for other purposes.

H. R. 5837, to amend section 221 of the Shipping Act, barring certain aliens from participating in the benefits thereof.

H. R. 6770, to amend Revised Statutes 4311 (U. S. C. 251).

H. R. 7694, to amend section 4311 of the Revised Statutes of the United States.

H. R. 8180, to require that not less than 75 percent of the crew of any fishing vessel of the United States be citizens of the United States.

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collector of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 14, 1940, at 10 a. m., there will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary on the bill (H. R. 8016) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (municipal compositions). The hearing will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 6877, to protect the United States in patent infringement suits; and S. 547, to amend section 23 of the Copyright Act.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1383. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation "That in probate matters under the exclusive jurisdiction of the Secretary of the Interior, no person shall be recognized as an heir of a deceased Indian by virtue of an adoption"; to the Committee on Indian Affairs.

1384. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 19, 1939, submitting a report, together with accompanying papers on a preliminary examination of Cumberland River and tributaries in vicinity of Clarksville, Tenn., authorized by the Flood Control Act approved August 28, 1937; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CELLER: Committee on the Judiciary. H. R. 7018. A bill to amend section 289 of the Criminal Code; with amendment (Rept. No. 1584). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. H. R. 7019. A bill to amend section 1 of the act providing punishment for the killing or assaulting of Federal officers; without amendment (Rept. No. 1585). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. H. R. 7020. A bill to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions; without amendment (Rept. No. 1586). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 8390. A bill to provide for the construction of three vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

By Mr. ENGEL:

H. R. 8391. A bill to provide for the acquisition and preservation of Ferry farm in Spotsylvania County, Va.; to the Committee on the Public Lands.

By Mr. FERGUSON:

H. R. 8392. A bill to make permanent the lending powers of the Farm Security Administration; to the Committee on Banking and Currency.

By Mr. HARRINGTON:

H. R. 8393. A bill to amend the Fair Labor Standards Act of 1938 with respect to its application to certain employees; to the Committee on Labor.

By Mr. LUDLOW:

H. R. 8394. A bill to provide for suitable recognition of the voluntary services of civilian nurses with the Army during the influenza epidemic; to the Committee on Coinage, Weights, and Measures.

By Mr. ENGEL:

H. R. 8395. A bill to provide for the disposition of surplus real property under the control of any Federal agency, adjoining or wholly or partially within any area previously transferred to any State for public purposes; to the Committee on Public Buildings and Grounds.

By Mr. LEONARD W. HALL:

H. R. 8396. A bill to provide for a statutory award of $35 per month in addition to any compensation payable to a World War veteran for the loss of the use of one or more feet or hands; to the Committee on World War Veterans' Legislation.

By Mr. PITTENGER:

H. R. 8397. A bill to extend the time for commencing and completing the construction of a bridge or bridges across the St. Louis River at or near the city of Duluth, Minn., and the city of Superior, Wis., and to amend the act of August 7, 1939, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROMJUE:

H. R. 8398. A bill amending acts extending the franking privilege to widows of ex-Presidents of the United States; to the Committee on the Post Office and Post Roads.

By Mr. SUMNERS of Texas:

H. R. 8399. A bill to prohibit the receipt, possession, or disposition of money or property feloniously taken from a bank organized or operating under the laws of the United States or any member of the Federal Reserve System; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. R. 8400. A bill to reduce rental, building, and equipment expenditures by establishing unified control of office space, furniture, and equipment; to the Committee on Public Buildings and Grounds.

H. R. 8401. A bill to amend the Social Security Act wherein repayment may be required from recipients of old-age assistance and to prevent requiring the same; to the Committee on Ways and Means.

H. R. 8402. A bill granting pensions and other benefits to veterans and former service men, and for other purposes; to the Committee on Invalid Pensions.

By Mr. HORTON:

H. R. 8403. A bill to convey certain lands to the State of Wyoming; to the Committee on Agriculture.

By Mr. O'CONNOR:

H. R. 8419. A bill for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation Mont.; to the Committee on Indian Affairs.

By Mr. TINKHAM:

H. J. Res. 454. Joint resolution to discontinue participation of the United States in the Interparliamentary Union; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 8404. A bill to place Herbert L. Lee, formerly a captain in the Field Artillery, United States Army, on the emergency officers' retired list; to the Committee on Military Affairs.

By Mr. CARLSON:

H. R. 8405. A bill for the relief of George Lins; to the Committee on Claims.

By Mr. CASE of South Dakota:

H. R. 8406. A bill granting a pension to Johanna Reese; to the Committee on Invalid Pensions.

By Mr. GERLACH:

H. R. 8407. A bill granting a pension to Daniel Z. Thomas; to the Committee on Pensions.

By Mr. GORE:

H. R. 8408. A bill for the relief of the Lebanon Woolen Mills, Inc.; to the Committee on Claims.

By Mr. GREGORY:

H. R. 8409. A bill for the relief of the estate of Less Everett, deceased; to the Committee on Claims.

By Mr. HALLECK:

H. R. 8410. A bill granting an increase of pension to Mary E. Miller; to the Committee on Invalid Pensions.

By Mr. KEAN:

H. R. 8411. A bill granting a pension to Mary Averbeck; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Maryland:

H. R. 8412. A bill to amend the act approved May 24, 1938, entitled "An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama," and for the relief of Jose Antonio Sossa D.; to the Committee on Claims.

H. R. 8413. A bill for the relief of Dorothy Crossing; to the Committee on Claims.

H. R. 8414. A bill for the relief of Charles E. Molster, former disbursing clerk for the Department of Commerce and the National Recovery Administration; J. L. Summers, deceased, former chief disbursing clerk, division of disbursement, Treasury Department; and Guy F. Allen, chief disbursing officer, division of disbursement, Treasury Department; to the Committee on Claims.

By Mr. JOHN L. McMILLAN:

H. R. 8415. A bill for the relief of Clarence W. Flowers; to the Committee on Claims.

By Mr. OSMERS:

H. R. 8416. A bill for the relief of Asmus C. Erickson; to the Committee on Claims.

By Mr. SCHUETZ:

H. R. 8417. A bill for the relief of the firm of the American Wrecking Co., of Chicago Ill.; to the Committee on Claims.

By Mr. VINSON of Georgia:

H. R. 8418. A bill for the relief of Marijo McMillan Williams; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6437. By Mr. BOEHNE: Petition of W. H. Reese and A. N. Duncan, of Evansville, Ind., and sundry others; to the Committee on Ways and Means.

6438. By Mr. FAY: Memorial of the Central Trades and Labor Council of Greater New York and Vicinity, urging Federal aid in financing of public work, housing projects, and similar types of construction to create employment through a Public Works Administration program; to the Committee on Appropriations.

6439. Also, memorial of the Central Trades and Labor Council of Greater New York and Vicinity, urging the reestablishment of prevailing rate of wage on Works Progress Administration projects by amending emergency relief law to so provide; to the Committee on Appropriations.

6440. By Mr. GAVAGAN: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, to reinstate and reestablish the prevailing rate of wage on Works Progress Administration projects by amending the emergency relief law so as to provide therefor; to the Committee on Appropriations.

6441. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, to provide generously for Federal aid and assistance in the financing of public work, housing projects, and similar types of construction to the end that employment may be created, essential facilities afforded to our people in their various communities, and that there be added to our national wealth and possessions such valuable permanent improvements as will result through a Public Works Administration program; to the Committee on Appropriations.

6442. By Mr. GROSS: Resolution of the Sherwsbury Farmers' Guild, adopted January 22, opposing the reenactment of the Reciprocal Trade Agreement Act; to the Committee on Ways and Means.

6443. By Mr. HANCOCK: Petition of Reinhold T. Anderson and 96 other residents of Syracuse, N. Y., protesting against the levying of excise or any other form of processing taxes on bread; to the Committee on Ways and Means.

6444. By Mr. JOHNSON of Illinois: Petition of 114 residents of the Fourteenth District of Illinois, urging the placing of an embargo on all war materials to Japan; to the Committee on Foreign Affairs.

6445. By Mr. LUTHER A. JOHNSON: Petition of the Bryan National Farm Loan Association, Bryan, Tex., urging that the Farm Credit Administration be restored to the status of an independent bureau, similar to that governing the Federal Reserve bank system, and that its operations be under the supervision of a bipartisan board appointed by the President for fixed terms with the advice and consent of the Senate; to the Committee on Agriculture.

6446. By Mr. KEOGH: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, favoring the prevailing rate of wage on Work Projects Administration projects and amending the emergency relief law so as to provide therefor; to the Committee on Appropriations.

6447. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, favoring Federal aid and assistance in the financing of public work, housing projects, and similar types of construction; to the Committee on Appropriations.

6448. By Mr. LUDLOW: Petitions of residents of the States of New York, New Jersey, Massachusetts, and Arizona, requesting consideration of legislation to provide for a referendum before participation in foreign wars; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 12, 1940

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. RAYBURN].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Strong Son of God, who dost share the world's burden and pain, create and make in us new and contrite hearts.

It nobly becomes us in increasing reverence to preserve the memory of the heroes and martyrs who have made possible our national greatness. By common impulse we wait at the altar of prayer and supplication in memory of an immortal public servant whose labors and character will remain undimmed, vital in courage, and vibrant in inspiration for all time. As he reached the heights of truth and integrity, he left those footprints that will live forever in the annals of human endeavor. We praise Thee that he touched the wilderness cabin and took away its curse; he touched poverty and blessed it with simple yet beautful humanity; he sauntered along the woodland's lanes and turned them into a college of wisdom. O God, grant that his spirit may live and be the inspiration of future generations; may it live as the master architect of our expanding Republic; may it live in the songs of the toilers as they vision a glorious future; may it live world-wide as prophet, priest, and king; may it live until not a human foot in all the earth shall walk with bowed head beneath a tyrant's heel. In the name of the Christ, our Elder Brother. Amen.

The Journal of the proceedings of Friday, February 9, 1940, was read and approved.

The SPEAKER pro tempore. Allow the Chair to make a brief statement. This being Lincoln's birthday, the Chair thinks it would be appropriate first to recognize Members who desire to say a word about his life, character, and public service.

The Chair recognizes the gentleman from Illinois [Mr. SMITH].

LINCOLN, OF ILLINOIS

Mr. SMITH of Illinois. Mr. Speaker, no man made great by death offers more hope to lowly pride than does Abraham Lincoln, for while living he was himself so simple as often to be dubbed a fool. Foolish he was, they said, in losing his youthful heart to a grave and living his life on married patience; foolish in pitting his homely ignorance against Douglas, brilliant, courtly, and urbane; foolish in setting himself to do the right in a world where the day goes mostly to the strong; foolish in dreaming of freedom for a long-suffering folk whom the North was as anxious to keep out as the South was to keep down; foolish in choosing the silent Grant to lead to victory the hesitant armies of the North; foolish, finally, in presuming that government for the people must be government of and by the people.

Foolish, many said; foolish, many, many believed.

This Lincoln, whom so many living friends and foes alike deemed foolish, hid his bitterness in laughter, fed his sympathy on solitude, and met recurring disaster with whimsicality to muffle the murmur of a bleeding heart. Out of the tragic sense of life he pitied where others blamed, bowed his own shoulders with the woes of the weak, endured humanely his little day of chance power, and won through death what life disdains to bestow upon such simple souls—lasting peace and everlasting glory.

How prudently we proud men compete for nameless graves, while now and then some starveling of Fate forgets himself into immortality.

[Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Kansas [Mr. GUYER].

Mr. GUYER of Kansas. Mr. Speaker, on the one hundred and thirty-first anniversary of the birth of Abraham Lincoln we rejoice to see the world still at the feet of our great hero and martyr. It speaks worlds for his fame that friend and foe revere him.

The State of Kansas has always idolized him, for the same tragedy that made Kansas a free State placed Lincoln among the immortals.

It is little known that just before destiny embraced him, Abraham Lincoln spent a week in Kansas. Lincoln had a cousin, Mark Delahay, living and practicing law in Leavenworth, who in conjunction with Col. D. R. Anthony, the brother of Susan B. Anthony and father of our late colleague, Hon. Daniel Anthony, persuaded Mr. Lincoln to come out to Kansas and deliver several speeches in the Territory of Kansas.

The Hannibal and St. Joe railroad had just been completed, so Lincoln came over from Springfield to Hannibal, thence to St. Joseph on the new railroad. Mr. Web Wilder, a Kansas historian of the early times, met Lincoln at St. Joe, took him across the Missouri River in a skiff into Kansas, and thence to Atchison, Kans., where he spoke first. There was not a foot of railroad in Kansas at that time. The next night he spoke at Troy, the county seat of Doniphan County. The night of December 1, 1859, he spoke in Leavenworth in a small room, but only about 200 could get in and it was such a great speech that Anthony and Wilder decided that all the people of Leavenworth must hear him on the 3d since he was to speak at Doniphan the night of December 2, upon which date John Brown was hung at Charlestown, Va., now West Virginia.

On the afternoon of December 2, Wilder drove with Lincoln to Doniphan in an open carriage, which is still preserved at Leavenworth. On that cold afternoon Wilder froze his right hand driving as it was the coldest first week in December ever known in Kansas. As they drove over the prairie they met a man driving a team of mules with a load of buffalo robes, which were very common at that time. When the driver of the mules discovered Mr. Lincoln in the carriage he exclaimed, "My God, Lincoln, you are the last man in the world I would have looked for in the wilderness!" Lincoln untangled his long legs from the surrey in which he was riding, got out on the ground to meet the man, and after looking down into the bewhiskered face, replied, "Why Henry Villard!" It was Henry Villard, who had been with Lincoln and Douglas in their debates in the fall of 1858. James Gordon Bennett, of the New York Herald, had sent Villard overland to investigate the gold rush at Leadville, Colo., and Villard was on his way back via Fort Leavenworth.

Villard saw that Mr. Lincoln was very cold, so he gave him two buffalo robes and told him that if he did not bring them back to Leavenworth the next morning he would never again be "Honest Abe."

Colonel Anthony and Mr. Wilder, finding no adequate room, decided to have Lincoln speak from the front of the old Planters Hotel. Before the meeting a German brewer at Leavenworth brought a pitcher of a new kind of beer he had invented for Mr. Lincoln, who took a swallow and made a wry face. The D. A. R. still preserve this pitcher at Leavenworth. Villard wired the New York Herald that this was the greatest mass meeting ever held in Kansas and the greatest speech he ever heard. About 2 months thereafter the New York Tribune came to Leavenworth with Lincoln's Cooper Union speech, which, with the Brady photograph taken at the same time, was said to have secured the Republican nomination of Lincoln in 1860 at Chicago. It was the same speech that Lincoln had delivered in front of the Planters Hotel, so the old brewer claimed his beer inspired the speech that nominated Lincoln for President.

At Leavenworth Lincoln was told of the hanging of John Brown. Lincoln disapproved of Brown's methods at Harpers Ferry, for he had a high regard for law and order. He shared Brown's abhorrence of human slavery but disavowed his method of taking the law into his own hands.

But it is a long way from the Lincoln of 1859 to the Lincoln who sits enshrined in the marble palace on the Potomac where a grateful people have memorialized him as the Great Emancipator. [Applause.]

Mr. CHIPERFIELD. Mr. Speaker, Abraham Lincoln is revered by liberty-loving people throughout the world, but we of Illinois especially cherish his memory because of his many years of close and intimate association with the history of our great State.

Twenty-three years ago today my father, Burnett M. Chiperfield, then a Member of this body from the State of Illinois at large, gave an address on Abraham Lincoln. Again on February 12, 1932, as Representative of the Fifteenth Illinois District, which I now have the honor to represent, he addressed the House on the subject of the Great Emancipator.

My father has studied the life and activities of the martyred President for a period of 40 years. Because of his greater familiarity with the subject, I would like to follow in my

father's footsteps sufficiently to incorporate in the RECORD certain extracts from these speeches. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point and to include therein extracts from the speeches just referred to:

ABRAHAM LINCOLN

Mr. Speaker, many years have come and gone since the earth last saw the beloved form of the Great Emancipator.

Although now they almost equal in number the allotted span of the life of a man, not a single laurel that was placed upon his brow by the loving hands of a grateful people has been withered and not one has faded under the destroying hand of time.

The passage of the years has but added to the freshness and luster of those laurels, and his memory has become the more fixed and established, until today we again gather in reverence to do homage to the deeds and achievements of one of the Nation's greatest—Abraham Lincoln.

In the State from which I come, as well as in the other Commonwealths of the Nation, his greatness is not forgotten, nor are the deeds which he performed lost to remembrance, nor is their glory lessened; and though he has long since passed to the glorious company of the immortals, yet in truth he now lives and speaks wherever the thought of liberty finds lodgment in the mind of man.

As the gray twilight brings the day to a close on the broad prairies of Illinois, mothers draw their little ones to their knees and tell in tones of affection o'er and o'er again the entrancing story of the life of this great man. And as the tale holds the youthful listeners spellbound, they do not dwell on the battles of years gone by, but speak they rather of his humble origin, of the devoted mother who guided his childish steps, of the struggling youth, the sturdy and determined manhood, and the just and loving heart that found vast expression in the beneficent life that gave to us a most precious legacy—the memory of one of the greatest and most-loved men since the days of the Saviour of the world—the memory of the humble rail splitter of the prairies of Illinois. [Applause.]

Others may speak of Lincoln the leader, the statesman, the President, but I speak this day of Lincoln the humane, of Lincoln the man, and the life that has endeared him to all liberty-loving citizens of the world.

From the humility of his origin, the hardships and privations of his youth, the sorrows and sympathies of his maturer years, the disappointments and triumphs of his life, out of the wisdom that he acquired in this harsh school of adversity came one who was recognized by the people of his time and class as a comrade, a companion, and a friend; one with whom even yet today we can walk in the same intimate, close, and tender association.

At this day we cannot understand the severity of the struggles by which he rose or the bleak barrenness of his life, which he describes as "the short and simple annals of the poor." In after years he could not bear to speak of those days, and so far as his words are concerned they are a sealed book.

In all the length and breadth of the land today there is not poverty such as he knew. It is not accurate for men to say that his life was the common lot of the sturdy pioneer of those days, for this is not correct.

Why, I cannot tell, but so it is, that when a vast work in the affairs of nations is to be accomplished and a great man is required, the early scenes of his life are almost invariably laid amidst the humblest surroundings and in homes where love has supplied the greater part of the needs of childhood days. It was so with Gideon, David, Luther, Garfield, Webster, Grant, Edison, and many others, and so it was, although to a much greater degree, with Lincoln.

Reared in a cabin that was inferior to the shelter of the animals on the farm, housed in a structure that was for a long time without windows, doors, or a floor, and that was not even enclosed on all four of its sides, here his early years were spent. The furnishings, meager and cruelly crude, were hardly worthy of the name; his resting place was a bed of leaves laid upon a rude support of poles. Here dwelt and developed the indomitable spirit of the lad who, while his heart was ofttimes saddened, though not embittered, by the privations he experienced and the hardships he endured, suffered not his courage to fail.

Here it was that he learned the vast sympathy and the broad affection for his fellow man that a mansion or a palace does not seem to favor or create.

The church wisely reverences the humble cradle and abode of the Saviour, and the American people find inspiration in the life of the youth who, as from a chrysalis, outgrows his humble surroundings and emerges triumphant with a character glorious and beautiful.

And so the lad of poverty triumphed until at his death the world stood silent and the monarchs of the earth bowed their heads in grief and laid their tributes upon his bier as he made his last journey, silent and still, by night and by day, through the unbroken ranks of sorrowing citizens, to the old home in the heart of Illinois, where now his sacred dust reposes, a precious trust of the people of that State. [Applause.]

Between the humble home and the last imposing spectacle lay a life of love, devotion, and service. In it all is not found one day of selfish ease or idle self-indulgence. No anchorite ever lived more humbly or toiled more vigorously to attain the goal that was to be his.

To me it is a delight and a privilege to trace in imagination his triumphant, though weary, steps.

Love and service, attended with the highest devotion to duty, marked his course. His guide and counselor in those days of privation was a wonderful mother, whom he loved with all the devotion of his boyish heart, and of whom he said, "All that I am or ever hope to be I owe to my angel mother." When the summons came to the rude hut and called her from earth away, it left the lad bereft and alone, and none could bring him comfort.

It was the first staggering blow to a life that already well knew sorrow.

Father and son with their own hands hewed out the rude casket, and, winding her in her humble shroud, laid her away forever from the sight of man, to await that glorious day of awakening when, instead of being one of the humblest of the earth, she would be welcomed to the life beyond as the heroic mother of one of the world's noblest. [Applause.]

Denoting the steadfastness of his devotion and purpose and the strength of his affection, the lad grieved day by day because no words of consolation and benediction had been spoken over the last resting place of his loved one, until, learning that a man of God was at a distant point, months afterward, he trudged his weary way over hill and dale and through the lonely forest that the mother might have Christian burial and gladly brought to her grave a holy man to perform the last rites and there speak the words that brought comfort and peace to his heart.

As the Virgin Mother of God is remembered by the faithful, so is lovingly adored by the people of the land the mother of Abraham Lincoln; and in the vision of all mothers who toil and struggle in sacrifice, through poverty and hardship, that their children may start the world aright, she stands as a patron saint, a guiding light, and a glorious inspiration. [Applause.]

The struggles of his boyhood days and their biting poverty left a melancholy impress on his mind and soul.

They gave to him for his entire lifetime the sensitive heart of a child.

He could see no wrong done or hurt come to any living thing without himself being hurt.

He sorrowed with the sorrowful, and his tears fell with those who had been wounded and broken on the march of life.

His soul responded to the sufferings of the world.

Through his bitter experiences no man could better understand than he the fatherhood of God and the brotherhood of man, and this sympathetic comprehension animated and guided his every act.

In all the record of his life no mean deed is written, and in the story of his career, as orally preserved by tradition in the State from which I come, there does not remain even the suggestion that he was capable of a selfish or unworthy act.

As only a starved soul could yearn, he desired affection, and when this was given to him by Anne Rutledge it was returned with an ardor that was great. Many say that Anne Rutledge is a myth. I have visited her grave near the town of old Salem, where it is said that after her death Lincoln came often in sadness, and would not be consoled. It is repeated that at one of these times he said that the true inscription for her resting place should be, "Here lies the body of Anne Rutledge and the heart of Abraham Lincoln."

Ofttimes he was oppressed with grief, and for days he would seem to be crushed by it. At such a time he once said:

"I am now the most miserable man living. If what I feel were distributed among the whole human family, there would not be a cheerful face on earth. Whether I shall ever be better, I cannot tell. I awfully forbode I shall not. To remain as I am is impossible; I must die or be better, it seems to me."

With his sensitive nature he sought the love of those with whom he was brought in contact. Their esteem and good opinion sustained, encouraged, and supported him. Without it he was cast down and disheartened. His reward—and the only one he sought—was the approval of his countrymen. And in later years the knowledge that he was at variance with a great section of the land caused him the most poignant grief.

It is worthy of much comment that although Lincoln—as he states—had the advantage of only 6 months of school and no opportunity for what is sometimes called higher education, yet he was a man of great and profound knowledge.

Perhaps not widely versed in the details of the arts or sciences, yet he knew men. He knew their thoughts and minds and souls and the motives which animated them. He knew their strength and their weakness. He was brother and father to all mankind, and knew their sorrows and their trials. To them he could speak in simple words that touched their deepest sensibilities, and could play upon the chords of their emotion in language plain, it is true, but with words that lived and breathed; in language that stands to this day as an unparalleled example of literary style.

If you ask where he attained this power, the answer, it seems to me, is easy to give. He and his forbears were born amid surroundings where life was stern and where each day was an actual struggle for existence. Under these conditions speech was as plain as the method of life. There they employed the good old Anglo-Saxon of a century past. They stripped from their meager vocabulary all effete and soft words and left remaining only those that were strong and vigorous, and of these they did not employ many.

The Bible was almost the only book, and its influence upon their speech was marked. Lincoln used words that were dynamic in their vigor. The addition of a syllable to a sentence was to him a matter of profligacy.

Each phrase was cut to the last degree, and thought was given expression in sentences that were strong, direct, and filled with meaning.

Lincoln used the monosyllable whenever possible, and his sentences ofttimes were almost entirely made up of these elementary words. When he spoke to the people in these simple terms they listened to him gladly, as they did in days of yore to the Man of Galilee, whose words were also plain and touched the hearts of all.

In this simple style Lincoln said: "I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live up to what light I have. I must stand with anybody that stands right; stand with him while he is right, and part with him when he is wrong."

And so, again, they were employed by him in making this prediction: "The mystic chords of memory stretching from every battlefield and every patriot grave to every living heart and hearthstone will yet swell the chorus of the Union when again touched, as they will surely be, by the better angels of our nature." [Applause.]

And it was in these same words of common speech that he astonished and charmed the world when in their marvelous beauty he paid his tribute on the field of Gettysburg to the men of the land who had given their lives that the Nation might live forever. This famous speech consisted of about 300 words. Of these, 204 were words of 1 syllable.

In all of his preparation for his life work he was thorough and painstaking to the last degree. One day he was confronted with the word "demonstrate." Asking himself what it was to demonstrate, he went to his dictionary and saw that its meaning was "to make clear." He asked himself the question whether he could demonstrate and "make clear," and his answer was that he could not. Thereupon he laid aside the study of law, upon which he had commenced some months before, and took up the study of Euclid, and did not again return to the law until he had mastered the first five books of Euclid's great work.

So it was in all his acts.

Thoroughness was his rule, and upon this solid basis did he build his life.

The path that Lincoln traversed in public life was not an easy one. Probably no man who ever attained great prominence has tasted as bitterly of defeat as did he.

In 1832 he was defeated for a seat in the Legislature of Illinois.

In 1848 he was defeated for renomination to Congress, to his great discouragement.

It then seemed to him, and so he said, that he believed that his public career was forever ended and that there was to be no further public service for him.

In 1849 he was a candidate for Commissioner of the General Land Office, but was defeated because Daniel Webster cast his influence in favor of another candidate.

In 1854 he was a candidate for United States Senator, but after a time withdrew in favor of Judge Trumbull.

In 1856 he was a candidate for Vice President, but was not named by the convention.

At that time he said:

"I have the cottage at Springfield and about $8,000 in money. If they make me Vice President with Seward, as some say they will, I hope I shall be able to increase it to $20,000, and that is as much as any man ought to want."

In 1858 he was a candidate for the Senate of the United States, but was defeated by Judge Douglas, although he carried the popular vote of the State by 4,000.

His was a brave and indomitable heart.

He was not dismayed or crushed by these successive defeats, although his campaigns were made at a great sacrifice.

* * * * * * *

And after the long struggle came the great victory, and he sat in the seat of the mighty.

But this did not change a single fiber of his kindly nature. The mountain crest meant no more to him than the lowly valley.

When power came and greatness was his, he wore his honors modestly, without arrogance or ostentation, and humility and kindness marked his course.

He was to the Nation Father Abraham, and with meekness and might, affection and care, he led his children through the valley of the shadow safely into the fold of peace and tranquillity. [Applause.]

No greater tribute can be paid to the wisdom and worth of the opinion of Lincoln than is paid today by those who use him and his words as the final and supreme argument in favor of some proposed plan or movement.

It is demonstration to the minds of many when it can be said "Lincoln favored these things."

But while the tribute is great, the name of Lincoln is not always worthily employed.

Those who seek to destroy and break down the vital principles of our Government do not hesitate to invoke his name as an aid in the accomplishment of that purpose.

By the frenzied orator of the curb, who inveighs against all government, his auditors are told that Lincoln stood for absolute freedom of thought and action and that he had no regard for the limitations of law.

They are not told, however, that Lincoln stood for freedom of speech and action only under the Constitution and the law. [Applause.] They are not told that in speaking of this freedom of speech he said:

"Yes; we will speak for freedom and against slavery as long as the Constitution of our country guarantees free speech, until everywhere in this wide land the sun shall shine and the rain shall fall and the winds shall blow upon no man who goes forth to unrequited toil."

The things for which he stood and which he attempted to do were in the name of the Constitution, and to this instrument, as he construed it, he was wholly devoted.

The reckless and harebrained experiment in government possessed no attraction for him, nor was he inclined to adopt a plan merely because it was new and untried, but going hand in hand with his conservatism was the ever-present desire to so adapt the Constitution that it would respond to the changing needs and requirements of the people. [Applause.]

While regarding with reverence the precedents of the past, he also sought to be acutely conscious of, and responsive to, the economic demands and needs of the present.

As he was intensely human in all his aspects of life, so did he make a sympathetic and human interpretation of the Constitution where the rights of men were involved, which, while not always strict or entirely logical, still made for the uplifting and the welfare of the people of the land.

With such a construction of the Constitution of the United States by those in power the people of the Nation will not quarrel. It is radical changes in our forms of government not authorized by the Constitution that will be met with condemnation.

Those who find comfort in the denial of a God, or of a Supreme Being, frequently claim Lincoln as one who shared their views and approved their lack of belief.

No greater or more foul slander could be uttered against this man.

Lincoln walked hand in hand with God for many years before his death, and there is no act of his life that warrants the claims so advanced against him.

It may be that he could not define a particular creed that entirely and closely fitted his views, but his steadfast belief in a God and His divine power to guide and shape the affairs of men was touching.

There is hardly an utterance of Lincoln that has been preserved that does not speak of this belief and faith.

* * * * * * *

His state papers are filled with appeals to God and statements of his belief in a Supreme Being and of his reliance upon his aid and assistance.

His trusting faith was like that of a little child who confidingly puts his hand in that of a loving father and walks the path with a sublime trust and without fear.

One cannot fail to be impressed with the startling fact that the entire achievement of the life of Abraham Lincoln, that has caused the generations to remember him, was accomplished and performed in barely 1,500 days.

If from his life were taken the actions and deeds embraced in those days, his name would barely be known outside of the counties of Illinois where his activities had been.

When defeated for the Senate by Douglas it seemed to the doubting many that his career was done; but the defeats of the past were to him only the foundations on which he builded his future triumph.

His trials and struggles and sorrows had refined his soul until the dross was gone, and out of his bitter experience came forth a man—apparently called of God—to guide the people of the land, both North and South, out of the horrors of war to the place where, rededicated by the blood of a hundred fields, they stood a united and invincible people. [Applause.]

One lesson taught by Lincoln that may be helpful in the present day was his unfaltering determination to stand steadfast before the nations of the world for the rights of America.

Although opposed by the bravest of the brave at home, he did not fail to speak courageously for the dignity of the country when it was assailed from abroad, and in the overwhelming crisis of those days he spoke in the name of our Nation for the preservation and recognition of its fundamental rights.

Today we are in the midst of a great national crisis and confronted with and threatened by a world cataclysm which all pray may be averted.

It will be averted whenever the people of the Nation are sufficiently impressed with the importance of and need for united action.

The poet has told in inspiring lines of the response that the people of the land will make to such a situation, and it was no more true when penned than it is today.

This whole Nation will respond either in time of peace or time of war, by sacrifice and endeavor or by arms, and bear any hardship that may be imposed, no matter how severe, whenever danger assails the Republic. [Applause.]

In time of the Nation's need and peril truly it can be said:

"Up the hillside, down the glen,
Rouse the sleeping citizen;
Summon out the might of men:

"Like a lion growling low,
Like a night storm rising slow,
Like the tread of unseen foe.

"It is coming—it is nigh:
Stand your homes and altars by;
On your own free thresholds die.

"Clang the bells in all your spires;
On the gray hills of your sires
Fling to heaven your signal fires.

"O for God and duty stand,
Heart to heart and hand to hand,
Round the old graves of the land.

"Whoso shrinks or falters now,
Whoso to the yoke would bow,
Brand the craven on his brow.

"Freedom's soil hath only place
For a free and fearless race—
None for traitors false and base.

"Perish party, perish clan:
Strike together while ye can,
Like the arm of one strong man."

[Applause.]

How marvelously like the ministry of the Saviour of the world were the beneficient years of this great leader of men.

How like the passion of the Son of God was the martyrdom which he suffered, that all men might be free and, better yet, be free with the Nation united.

For him the zenith of his career had been reached, and, like Moses, he stood upon the height and viewed the land regenerated, but which he might not enter—and then, on Good Friday, the day when the Christian world was sorrowfully observing the crucifixion of the Christ, God took him, even though the evening of his life had not yet come, for his task was done.

Yea, he was taken, if it can be so said of the death of the clay that formed his body, but there was left the undying spirit of this great man to lead and protect the people of this Nation by the wisdom he displayed for many generations to come.

And then came ungrudgingly the belated acknowledgment of his greatness.

* * * * * * *

Great men have come and gone since Lincoln fell, and many have attained high places in the Nation, but seldom has one, even when his power was the greatest, attained the wonderful influence over the people of the land that has been manifested, and still continues to be manifested until this day, by the memory of Abraham Lincoln.

That influence has guided the Nation when the hand of living man has faltered, for being dead, yet he speaketh to the souls of men with power and conviction.

And so today, as a Representative of the State of Illinois, I pay a humble tribute to the life and work of her great son.

Into his hands the people gave all that was best and dearest. To him they entrusted the sacred honor of the Nation, and never did he fail that trust. In his death they honor him and preserve his memory.

In the hall of representatives at Springfield only two portraits are found.

On the one hand is that of Douglas, who in the hour of stress clasped hands with his old-time political opponent and who held up the arms of Lincoln as Aaron did those of his leader of old.

The place of Douglas is secure in the affections of the people of the Prairie State.

From the other side of the hall looks down the towering form of Abraham Lincoln, and there the people of the State come and stand with tearful eyes, gazing into the kindly face of this great man, and as they depart they take away an inspiration to discharge the duties of citizenship better and more fully.

Our State has taken his ashes, his fame, and his memory to its heart.

One it will guard, and the others it will proclaim until the Father of Waters no longer runs to the sea and until time is no more.

"Not without thy wondrous story,
Illinois, Illinois,
Can be writ the Nation's glory,
Illinois, Illinois,
On the record of thy years,
Abraham Lincoln's name appears,
Grant and Logan and our tears,
Illinois."

In one of the most beautiful parks in the city of Chicago stands a wonderful monument, erected to commemorate the life of this, one of the world's greatest men.

It is builded beside the vast inland sea, whose ceaseless surf sounds a requiem by night and by day.

The first rays of the rising sun rest upon it in rosy salutation, and here again they pause in benediction ere the night closes down.

To this spot the people come as they might to a shrine of freedom.

Here they pause and linger.

Here gather the poor, of whom Lincoln said:

"God must have loved them or else He would not have made so many of them."

At the base of the statue little children play.

Here kings and princes and rulers have sent their wreaths and floral tributes to be laid at the feet of the imposing figure that, motionless and silent, ever looks toward the great city.

In loving remembrance this memorial has been builded by the people of Illinois to honor its first citizen, Abraham Lincoln, the martyred President.

On its base, chiseled deep into the lasting granite, is one of the greatest sentences in the English language, and from its perusal we can gain the secret of the power and see the faith that animated Lincoln and gave him the courage to perform his task.

In that sentence may be found a motto by which any man can live and that can be adopted by a nation as its rule of action in its hour of need.

These are his words, noble and courageous:

"Let us have faith to believe that right makes might, and firm in that conviction let us to the end dare to do our duty as God gives us to see it."

Words of mine can add nothing to the veneration in which this wonderful character is held by the people of the land, both North and South.

He is loved and revered, and his fame grows more secure as the generations pass.

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[Prolonged applause, the Members rising.]

Mr. Speaker, may I conclude with a quotation by Lincoln which was not included in the address of my father. This quotation, in my opinion, epitomizes the life and character of Lincoln better than any mere words of mine. It is the famous address he made when he left Springfield for Washington to become President of our country:

My friends, no one not in my situation can appreciate my feeling of sadness at this parting. To this place, to the kindness of these people, I owe everything; here I have been a quarter of a century and have passed from a young man to an old man. Here my children have been born and one is buried. I now leave, not knowing when or whether I ever may return, to a task before me greater than that which rested on Washington. Without the assistance of that Divine Being who ever attended him I cannot succeed; with this assistance I cannot fail. Trusting in Him who can go with me and remain with you and be everywhere for good, let us confidently hope that all will yet be well. In that same Almighty Being I place my reliance for support, and I hope you, my friends, will all pray that I may receive that divine assistance without which I cannot succeed, but with which success is certain. To His care I am commending you, as I hope, in your prayers, you will commend me. I bid you an affectionate farewell.

[Applause.]

Mr. JOHNS. Mr. Speaker, there is a message that Abraham Lincoln gave to the people of Illinois on March 4, 1843, which we should all remember. I quote from what he said:

The question of revenue we will now briefly consider. For several years past the revenues of the Government have been unequal to its expenditures; and consequently, loan after loan, sometimes direct and sometimes indirect in form, has been resorted to. By this means a new national debt has been created, and is still growing on us with a rapidity fearful to contemplate—a rapidity only reasonably to be expected in time of war. This state of things has been produced by prevailing unwillingness either to increase the tariff or to resort to direct taxation. But the one or the other must come. Coming expenditures must be met, and the present debt must be paid; and money cannot always be borrowed for these objects. The system of loans is but temporary in its nature and must soon explode. It is a system not only ruinous while it lasts but one that must soon fail and leave us destitute. As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and, next, no one left to borrow from, so must it be with a government.

[Applause.]

Mr. HILL. Mr. Speaker—

Fourscore and seven years ago our fathers brought forth on this continent a new Nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that Nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that that Nation might live. It is altogether fitting and proper that we should do this.

But, in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people shall not perish from the earth.

To my mind, Mr. Speaker, that is the greatest speech that Mr. Lincoln ever delivered, and if we all live up to the ideals and the sentiments expressed in that Gettysburg Address, we shall have done our duty as well. [Applause.]

PERMISSION TO SIT DURING SESSIONS OF HOUSE

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Military Affairs Committee be permitted to sit during the sessions of the House on Tuesday and Wednesday of this week.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MAY. Mr. Speaker, during the last several weeks the House Military Affairs Committee has been conducting hearings on all of the bills before the committee relating to the question of tax replacement for the Tennessee Valley Authority. Tomorrow, Tuesday, the committee will be dealing with matters of national defense. I have set aside Wednesday for the convenience of Members of the House and of the Senate who desire to be heard upon the subject of replacement of taxes that have been taken out of the revenues of the State of Tennessee and other States by reason of the sale of public utilities. I am making this statement to give notice to such of my colleagues as may desire to appear, and for their convenience.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. RICH. Does the gentleman mean that the States of Alabama and Tennessee want the Federal Government now to pay them for taxes that they are going to lose because of the fact that they have the advantage of the Tennessee Valley Authority, when they are getting 5 percent of the gross revenues?

Mr. MAY. That is the principal issue involved, but there are a number of other issues with which the committee is trying to deal honestly and fairly. A great many questions are involved, and that is the reason I want to hear the Members of Congress from that section. I hope my colleagues from the States affected will take notice of this announcement of hearings on Wednesday and be prepared to make their statements, so that the hearings may be closed and the committee may finally dispose of the matter.

SECOND ASSISTANT SECRETARY OF AGRICULTURE

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1955) to authorize the Secretary of Agriculture to delegate certain regulatory functions, and to create the position of Second Assistant Secretary of Agriculture, with House amendments, insist on the amendments of the House, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. JONES of Texas, Mr. FULMER, and Mr. HOPE.

NATIONAL YOUTH CONGRESS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a short news item from the Washington Times-Herald of February 10.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I know of no more appropriate time than Lincoln's birthday to direct the attention of this House to the fact that the National Youth Congress has been in session and the further significant fact that they have been entertained at the White House and the President of the United States delivered an address to them. I commend to that group the life story and history of Abraham Lincoln, and if they will follow in his footsteps they will have a good guide.

RUSSIAN ATTACK ON FINLAND

Mr. Speaker, under date of February 10—and this is really the purpose of my remarks today—the President of the United States directed attention to the Russian attack on Finland. I now direct your attention to the fact that the Congress of the United States up to date has not passed legislation of a constructive nature that would be of aid to that Republic.

The news item to which I refer says:

President Roosevelt declared today that Soviet Russia is "a dictatorship as absolute as any other dictatorship in the world" and asserted United States sympathy is 98 percent with Finland in her resistance against Russia.

Mr. Roosevelt made his statement in an address to the American Youth Congress, which has been shot with controversy concerning its refusal to denounce the Russian invasion of Finland and charges of alleged Communist influence in its councils.

GIVES TALK IN RAIN

The President said the United States desired to aid Finland. He ridiculed suggestions that Russia might declare war on this country as a result of such aid.

The President described to the youth gathered in a drizzling rain outside the south portico of the White House his early interest in the Russian experiment and his hopes it would lead to betterment of the Russian Nation.

"That hope," he declared, "is today either shattered or put away in storage against a better day.

"The Soviet Union, as a matter of practical fact, known to you and known to all the world, is a dictatorship as absolute as any other dictatorship in the world. It has allied itself with another dictatorship and it has invaded a neighbor so infinitesimally small that it could do no injury to the Soviet Union, and seeks only to live at peace as a democracy, and as a liberal, forward-looking democracy at that."

WARNING ON SUBVERSION

Mr. Roosevelt conceded the right of young people or any Americans to "call yourselves Communists," but warned that "you have no American right, by act or deed of any kind, to subvert the Government and the Constitution of this Nation."

Mr. Roosevelt spoke to the 3,500 Youth Congress delegates after they had marched in the rain along Constitution Avenue, chanting their demand for jobs and youth opportunities just like a college football crowd pleading for a touchdown.

AID FINLAND NOW

Mr. Speaker, it is not my purpose to attack the agency of our Government that is charged with the conduct of our affairs with foreign countries. I do believe, however, that certain facts should be kept in mind and that our records should show those facts. I talk now about the delay in extending aid to Finland. Either the people of this country want to aid Finland or they want to permit Russia to carry on its brutal war of aggression. The administration should have some policy in connection with this problem and it should not be a policy of delay and there should not be so many differences of opinion as to prevent any effective aid if such aid is to be given at all.

I pointed out when Congress was in session on October 10, 1939, that Russia had evil designs on Finland and on the Scandinavian countries. I suggested at that time in some brief remarks in the House of Representatives that this Government should let Russia understand its sympathy for Finland and its hope that Russia would respect the rights of that little republic.

I submit, Mr. Speaker, that our agency of government, charged with the responsibility of dealing with foreign affairs, should have made vigorous representations to Russia at that time before Russia started its brutal attack on Finland. I regret that a vigorous policy was not pursued by the administration. The world knows that communistic Russia launched a brutal attack on Finland shortly after my talk in the House of Representatives and that that battle has been going on for the past several weeks.

When Congress convened on January 3, 1940, I again pointed out the necessity of taking a position in connection with the Russian attack on Finland. I expressed the opinion at that time that aid should be extended to Finland not only in the way of a loan, not only in the way of supplying materials, but that if necessary airplanes and munitions of war should be furnished for the help of the little republic.

I said that the time to do this was on January 3, 1940, and not at some subsequent date. I felt then and I feel more strongly now, that when Russia started to march on Finland it was the case of the communistic theory of government on one hand attacking the civilized governments of the rest of the world. I felt then as I feel now, that there was only one position—and that the interests of the people of the United States were on the side of Christianity and civilization and that in every way possible communistic Russia should be told to leave the small countries of the world alone and that communistic Russia should not be permitted to force her theory of government upon countries that were too small to resist the power and tyranny of the despots in control in Russia.

I repeated these sentiments again in remarks found in the Appendix of the RECORD, page 319, where I again urged that a loan should be made to the Finnish Republic immediately and that that loan should be adequate for the purpose of helping Finland in the fight which Russia was waging against it. I pointed out then that the failure to help Finland meant that the safety of every small country of the world was at stake and that Norway, Sweden, and Denmark would suffer the same fate if communistic Russia were successful. I said at that time that in the fight against communistic Russia we had been one people; namely, we should aid those countries that were carrying on the battle to preserve civilization and Christianity for people who believed in our institutions and in our form of government.

Let me say, Mr. Speaker, that sentiment along the lines I have indicated is growing in the United States. This is not a question of politics but a question of determining our foreign policy for the benefit of America. My opinion is that thinking people everywhere are coming to this firm point of view. We had an example of this on the floor of the House in February when the membership of the House by a vote of 105 for, and a vote of 108 against, acted upon an amendment to an appropriation bill. The purpose of this amendment was to refuse to appropriate money to pay the salary of an American Ambassador at Moscow. The fact that the administration leaders were able to defeat this motion by a margin of only 3 votes is indeed significant. This vote was the method taken by the American people to serve notice on the administration, and all the world for that matter, that the United States of America has no sympathy for Russian communism and looks upon it as a menace to civilization and the greatest danger faced by the countries of the world.

I have no reluctance whatever in saying that I was one of the 105 Members to cast a vote which would amount to the same thing as a severance of diplomatic relations with Russia. I think the time has come to serve notice on the political despots in that great empire. They should be told now that the people of the United States resent every move they have made against little Finland, and every evil design they have against Finland, Norway, Sweden, Denmark, and other small countries of the world. We resent it because the time has come to call a halt in this Russian communistic claim to dominate the world.

Incidentally the facts disclosed by the Committee to Investigate Un-American Activities in the United States show clearly a link between communism in Russia and communism in the United States. I refer to reports of the Dies committee where evidence was presented that communistic Russia was carrying on a campaign in the United States of America directed at the very foundations of our Government. Financed by communistic Russia, this movement has indeed become a menace, and one of our domestic problems now has to do with this new doctrine of communism calling for the overthrow of the Government of the United States. May I suggest to the administration in this connection that it will soon become out of fashion to have key men in governmental positions who sympathize with communistic thought and tendencies and that the vast majority of the American people have no sympathy for this radical movement.

We can note with some pleasure the fact that other countries in the world are coming to the aid of Finland. I submit, however, that it is no credit to those who handle the foreign affairs of this country that there has been a failure up to date to publicly and vigorously take steps to loan money and furnish supplies to Finland in its battle for civilization and the ideals of our kind of government. I hope that those charged with the foreign affairs of this Government will wake up before it is too late, and I again urge upon the Congress of the United States and the executive branches of the Government the need to act now and act in 1941 along the lines I have indicated. Let us place the responsibility for this regrettable delay to furnish money and resources squarely upon the shoulders of those who express admiration for Finland and then refuse to take any practical steps to carry out the friendly gesture. If the administration has fear, I would like to encourage the leadership by saying that, in my opinion, this Congress by a vote of at least 2 to 1 would go on record to furnish to the Scandinavian countries money and resources to be used in the fight against communistic Russia. I also believe that now is the time to sever diplomatic relations with Russia and serve notice that the United States will vigorously oppose the policies of that country. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a letter I received this morning dealing with reciprocal-trade treaties.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks on the life of the late Dr. John C. Fitzpatrick.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BALL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a short editorial appearing in the New London Evening Day of February 10.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a very able address delivered by Senator BRIDGES, at Muncie, Ind., on Friday, February 9.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CONSTITUTIONAL GOVERNMENT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, 7 long years ago this administration promised constitutional government, and do you know we have passed in those 7 years more than 100 laws granting power to the President, taking the power away from Congress? Do you know that we have passed laws granting power to the President whereby he can control radio stations; whereby he can control telegraph and telephone communication? He can control powerhouses, power lines, and dams. The President can control railways, water lines, bus and truck lines. He can control industrial establishments, if you refuse preference to Government contracts. The President can restrict production on farms. He can restrict the price of agricultural products. The President can manufacture goods by the Government in competition with private enterprise.

Now, since this administration will soon go out of power—and thank goodness for that—and we will have a Republican administration [laughter and applause], and we do not want to give any other President of the United States any such powers as this, I think it is time that we annulled those laws granting such unconstitutional powers to the President, because he can create business corporations. The President can further devaluate the dollar. The President can forbid the

sale of stocks and bonds for 90 days and close the exchange. He can commandeer all silver; he now has all the gold buried in Kentucky; he can do too much. Our forefathers did not intend that power should be given the President. I say it is time to cancel and annul those laws granting him so much power. Do it now. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement on sugar which I have prepared and which was published in a national magazine.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE LATE GOVERNOR GENERAL OF CANADA

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SHANLEY. Mr. Speaker, in 1937 this House extended its privileges and courtesies to the then Governor General of Canada. Today this House, the country, and the whole world are shocked by his death. Lord Tweedsmuir was a distinguished diplomat, historian, and a great friend of our democracy. He was the author of some 53 books, and was probably one of the outstanding historians of the World War.

I can say, as Shakespeare said:

> He was a scholar, and a ripe and good one;
> Exceeding wise, fair-spoken, and persuading;
> Lofty and sour to them that loved him not,
> But to those men that sought him sweet as summer.

Mr. Speaker, in the passing of John Buchan, first Baron Tweedsmuir of Elsfield, King's Governor General of Canada since 1935, our sister sovereignty across the border has suffered an irreparable loss. Distinguished in letters, a popular novelist, an eminent historian, and an equally eminent biographer, he had added a new title—able diplomat.

That the Dominion cherished his presence and considered his efforts superlatively successful in his short diplomatic career ought to be enough for our admiration and our pausing. But beyond that amazing versatility of literary taste and practical aptitudes he combined a cosmopolitan nature that won all Americans who knew him and met him.

He was most helpful in formulating the recent Canadian trade treaties with us and wherever he went in these United States he made friends. Universities honored him and my own alma mater, Yale University, proudly conferred upon him the Doctor of Laws with this citation, which, if memory serves me, came from that inexhaustible captain of apt and descriptive compliments, Prof. William Lyon Phelps:

> Brilliant historian and biographer, beloved novelist, distinguished public servant, versatile as "Richard Hannay," reliable as "Mr. Standfast," representative of a commonwealth of free peoples whom we trust, your steps have been set in "the path of the King."

He visited this country formally in 1937. The White House entertained him. He had been most hospitable to our President on the occasion of the President's 1936 visit. We in that Congress heard him say as we honored him with our privileges and courtesies:

> I have always believed that the secrets of the future of civilization lie in the hands of the English-speaking people. I want these great Nations not only to speak the same language but think along the same lines, for that is the only true form of cooperation and friendship.
>
> I think that far too much is said about my country and yours being alike. It is much more important that they should be different. The strength of an alliance between two nations lies in the fact they should be complementary to each other and each give the other something new.

May we not say with his beloved Shakespeare:

> The elements were so mixed in him
> That Nature might well stand up and say to all the world
> "This was a man!"

EXTENSION OF REMARKS

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I gave last night at Cooper Union, New York. Although it exceeds two pages, I have an estimate from the Government Printing Office.

The SPEAKER pro tempore. Are these the gentleman's own remarks?

Mr. SMITH of Illinois. They are, Mr. Speaker.

The SPEAKER pro tempore. The gentleman does not have to have an estimate from the printer to cover an extension of his own remarks.

Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by me on January 23.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered over the Mutual network on February 10.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Christian Science Monitor.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE NATIONAL YOUTH CONGRESS

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker and Members, I rise to congratulate John Hamilton, the national Republican chairman, on his refusal to send a representative of the Republican Party to speak to the Youth Congress yesterday afternoon. It is my honor to be John Hamilton's Congressman.

Mrs. Lambertson and I went to the Labor Department auditorium yesterday at 2 p. m. and asked for admission in order to hear the arguments that I expected to hear presented in favor of the Murray bill. We stayed throughout the afternoon session, ate in the dining room with the group in the evening, and stayed for the night meeting. We were there 9 hours. During all that time I never heard one argument in favor of the bill which was emblazoned on all their badges. What I did hear more than anything else was a denunciation of England, France, one denunciation of Hitler by a Hebrew girl, but not one derogatory word for Joe Stalin. When the Loyalists of Spain were mentioned they raised the roof.

Everything that John Hamilton had said that was taken from the Dies investigation in his answer to the executive secretary in declining to send a representative was more than justified by what I heard and saw.

The youth were well behaved and bore the appearance of being bright young Americans, but to say that their leadership is saturated with communism is putting it mildly. I am as strongly against war as they are, and I am even against the loan to Finland, but for an entirely different reason. Apparently their opposition to the loan to Finland is because they love Russia.

I have not taken serious stock in other years in the warnings that the gentleman from New York, HAM FISH, and others have brought to the House on frequent occasions about the "red" propaganda in our land, but I was amazed and shocked yesterday as I saw these youth, 5,000 strong, gathered here from the Pacific to the Atlantic evidencing their sympathy for the Soviet Union. The Democratic Party

was represented in the afternoon meeting by the national Democrat leader of the young women, and she appealed to them to stay within the Democratic Party, but got little enthusiasm from them; and then the chairman announced that Mr. Farley had sent his check for $50.

I say to these young people who here now fill our gallery and who have honored me with their hisses at the opening of these remarks, that the Republican Party offers the most hope for jobs in this land. Business has to supply these jobs eventually, and the Republican Party will unhalter business but will keep it regulated, and these jobs will be created like they used to be by business itself. As for peace, my party offers the best hope. The lifting of the embargo by this administration, the proposed loan to Finland, the sending of Sumner Welles now to the war zone are all steps in the direction of war. A victory of the Republican Party will do more to insure America's nonparticipation in this war than anything else, so on this anniversary of not only the great American but the first great Republican, Abraham Lincoln, I reiterate that I congratulate our national chairman for not sending a representative to a communistic-dominated Youth Congress. My party stands for jobs, for peace, and the preservation of democracy.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE NATIONAL YOUTH CONGRESS

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER pro tempore. The Chair cannot recognize the gentleman to submit such a request. The Chair will recognize the gentleman to submit a request to address the House for 1 minute.

Mr. NICHOLS. I so modify my request, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, I have asked this time only because the gentleman from Kansas who preceded me injected to a limited extent, at least, partisan issues into the things that are being done by the National Youth Congress. As a member of the majority party I wish to take this opportunity to commend those forces in the National Youth Congress which have been attempting to expel from that organization those groups and individuals who admit communistic tendencies. It is my studied opinion, Mr. Speaker, that anyone who subscribes to communistic principles subscribes to the principle that our constitutional form of government in the United States should be overthrown.

It is also my studied judgment, Mr. Speaker, that organizations in the United States which want to be known and denominated as purely American should see that none of their branches, subsidiaries, or officers advocate or countenance communism or any other "ism" which implies an overthrow of our form of government. It is up to these organizations to purge themselves of groups or officials who may offend in this respect. They should take care or take the consequences. [Applause.]

[Here the gavel fell.]

MEN ARE STILL SLAVES

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, what a farce, how childish it is, to come here, praise and pledge allegiance to the principles enunciated by Lincoln and followed throughout his political career, when we, by our acts, over a period of weeks, of months—yes, in fact, for more than 2 years—have failed to live up to and enforce those principles which we concede are essential if our Nation is to endure.

We have just listened to a recitation of the Gettysburg address. We have again been asked to pledge ourselves, to dedicate ourselves, to that duty which he so clearly pointed out when on that memorable occasion he said:

> That we here highly resolve that those dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth.

There is not a Member of this House who does not know that, if this Government is not to perish from the earth, free speech, a free press, and the liberty of the citizen must be preserved; and so, as each anniversary of Lincoln's birth rolls around, we render lip service to the ideals which beckoned him on; solemnly pledge each other to dedicate ourselves, to base our acts upon, the firm foundation stones of justice, equality, integrity, patriotism, on which he waged the fight for the preservation of our union, and faithfulness to which cost his life.

In the end, it was to make men free as well as to preserve the union that the war was carried on. Enslavement of men cost this Nation of ours 4 long years of bloody strife, untold suffering, the death of over 493,000 men. At the end of that war, the black man was free.

Today, regardless of color, of race, or creed, liberty and freedom to work is being taken from the citizens of this country and we, sworn representatives of the people, take no effective measures to prevent the destruction of the liberty of the citizen.

Do you challenge my statement? Then let me give to you this information from the press of yesterday—a news item dated February 9 from Toledo, Ohio.

This is not a statement from the much criticized Manufacturers' Association. It comes not from a chamber of commerce; an industrialist despised by the senior Senator from Wisconsin. It does not come from one who, by the Senate so-called Civil Liberties Committee, has been described as a "labor baiter." Nor is it the complaint of a politician. This information comes from a petition filed in a court at Toledo.

That petition was not filed by an employer. It was not filed by members of an independent union. It was not filed by nonunion men, opposing collective bargaining. It was not filed by men who are opposed to unions. It was filed by union men, by members of the A. F. of L. And what are they asking? They are asking for the same thing for which the Civil War was fought. They are asking for freedom. They are asking for freedom from those who have attempted by force to forge upon them shackles which would destroy their liberty of action; which would take from them the right to work, the right to support themselves and their families, until they have submitted to the dictation of a rival union.

Lincoln in his day had the privilege of splitting rails. He, without fear of molestation, might run a flatboat down the Illinois and Mississippi Rivers, and never be called upon to join some maritime or longshoremen's union. He had the privilege, as well as the right, of working in any place where he might find a job, for any man who chose to hire him. Today, the exercise of that God-given right, that right guaranteed by State and Federal Constitution, would be denied to Lincoln.

This petition to which reference was made was filed by American Federation of Labor unionists who had jobs at the plant of the Electric Autolite Co., asking the protection of the court from members of the C. I. O. who, they allege, unlawfully conspired together to bar the A. F. of L. workingmen from their jobs unless they joined the C. I. O.

The petition alleges that those belonging to the C. I. O. shot pieces of metal at the A. F. of L. members, spoiled their food, called them "rats" and "stool pigeons"; gathered together in gangs about machines, shut off the power, and finally ejected the A. F. of L. workers from the plant. All of this due, in part at least, because we have permitted to remain

upon the statute books the unfair and unjust National Labor Relations Act.

How much longer will we, pledging allegiance to the principles of Lincoln, rendering lip service to our Constitution, boldly on the floor declaring that no one shall rob the least of our citizens of the protection guaranteed to him by the Federal Constitution, follow those fair words with inaction? Is it possible that we think that words alone will suffice? Do we fear an organized labor vote? Do we fear the political retaliation of a man who thinks that a paltry $470,000 entitles him to a Presidential decree granting him a license to plunder at will?

In Toledo there are workingmen, workingmen who are unionists, seeking the aid of the courts so that they may work. Let those in the halls of Congress, if they will not give protection to the unorganized, if they will not safeguard the liberties of those who belong to independent unions, come forward now and protect the members of a union, the A. F. of L., which for 50 years or more has been the voice of organized labor.

Mr. WOODRUM of Virginia. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Virginia.

Mr. WOODRUM of Virginia. Does the gentleman think Lincoln could be the nominee of the Republicans today and be elected if he stood for the things he advocated in his day?

Mr. HOFFMAN. He certainly could not be the nominee of the New Deal party. He might be the nominee of a coalition of Republicans and conservative Democrats, to which my friend might well give aid and which would be honored by his support. And if the Republicans nominate a man who will abide by and follow in deed as well as in word the principles of our martyred Lincoln, he will be elected. [Applause.]

[Here the gavel fell.]

MINORITY VIEWS ON HOUSE JOINT RESOLUTION 470

Mr. CARLSON. Mr. Speaker, I ask unanimous consent that the minority members of the Ways and Means Committee may have permission to file their separate minority views on House Joint Resolution 407, which is the resolution dealing with reciprocal-trade treaties.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas [Mr. CARLSON]?

There was no objection.

EXTENSION OF REMARKS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend in the Appendix of the RECORD a compilation of information on veterans' statistics furnished by the Veterans' Administration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. VAN ZANDT]?

There was no objection.

Mr. GUYER of Kansas asked and was given permission to revise and extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRYSON. Mr. Speaker, at the conclusion of the legislative program in order for today, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina [Mr. BRYSON]?

There was no objection.

MOTION PICTURE—DRUNK WHILE DRIVING

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana [Mr. SCHULTE]?

There was no objection.

Mr. SCHULTE. Mr. Speaker, by direction of the Committee on the District of Columbia, and as chairman of the subcommittee on traffic, I take this opportunity to invite every Member of the House, as well as the office force of every Member, to be present in the caucas room of the old House Office Building tomorrow afternoon at 2 o'clock, at which time there will be shown a moving picture entitled "Drunk While Driving." This picture will last about an hour and a half. It is a talking picture and has been made possible through the efforts of our very dear and personal friend and colleague the gentleman from New Jersey [Mr. VREELAND] and Julius Brylawski, representing Warner Bros. theaters, who is also a close friend to practically everyone here. It is through Mr. Brylawski's generosity and cooperation that is making this possible. We want to be sure to have every Member of Congress present, as well as their office staff, tomorrow afternoon in the old House Office Building at the showing of this picture.

[Here the gavel fell.]

THE LATE THOMAS A. EDISON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that after the disposition of matters on the Speaker's table and the conclusion of the legislative program, and after the gentleman from South Carolina [Mr. BRYSON] has concluded his address, I may be permitted to address the House for 20 minutes on the ninety-third anniversary of the birth of Thomas A. Edison, one who did more for struggling humanity than perhaps any other individual who has ever lived in all the tides of time.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, with regard to the onslaught the gentleman from Michigan has been conducting against labor, particularly during this last session of Congress, I wonder if the gentleman from Michigan, being a good Republican in 1940, will go back and realize that Lincoln once did say:

> And still as an American I can say, thank God, that we do live under a system by which men have a right to strike.

I also wish to say with regard to the American Youth Congress and Lincoln that if Lincoln had been alive and had been around Washington these days he would not be throwing stones at these young people.

Instead of throwing stones, Lincoln would have been giving thought and action to the problem of 4,700,000 young people without work, and would do his utmost to provide them an American opportunity for a decent living and a fair education. [Applause.]

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I believe if it were possible for Abraham Lincoln to be here with us today and have a substantial part in this Government, there would be no demand whatever for considering the need of any Youth Congress in America.

We speak about what Abraham Lincoln would do if he were here. Abraham Lincoln lived in the days when people still looked on black as black and white as white. He lived in a time when people still regarded the old principles that men have lived by for so many years as being honorable, just, and right. He believed in thrift, he believed in preserving savings, he believed in those principles that, if we had protected and followed them in this country, would have made conditions such that there would be no Youth Congress today.

BOARD OF VISITORS OF THE UNITED STATES MILITARY ACADEMY

The SPEAKER pro tempore. The Chair lays before the House the following communication from the chairman of the Committee on Military Affairs.

The Clerk read as follows:

FEBRUARY 10, 1940.

The Honorable WILLIAM B. BANKHEAD,
Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: Pursuant to the act of May 17, 1928 (U. S. C., title 10, sec. 1052–a), I have appointed, during the remainder of the third session of the Seventy-sixth Congress, the following members of the Committee on Military Affairs of the House as members of the Board of Visitors of the United States Military Academy: Hon. A. J. MAY, Kentucky; Hon. R. EWING THOMASON, Texas; Hon. DOW W. HARTER, Ohio; Hon. CHARLES I. FADDIS, Pennsylvania; Hon. WALTER G. ANDREWS, New York; Hon. DEWEY SHORT, Missouri; and Hon. L. C. ARENDS, Illinois.

Very sincerely yours,

A. J. MAY, *Chairman.*

DISTRICT OF COLUMBIA

The SPEAKER pro tempore. This is District of Columbia Day. The Chair recognizes the gentleman from West Virginia [Mr. RANDOLPH].

AMENDMENT OF SECTIONS 798 AND 800 OF THE CODE OF LAW FOR THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 186) to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree. A similar House bill, H. R. 1807, has been reported by the Committee on the District of Columbia and is on the calendar.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 798 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901 (31 Stat. 1189), be amended to read as follows:

"SEC. 798. Murder in the first degree: Whoever, being of sound memory and discretion, kills another purposely and either of deliberate and premeditated malice or by means of poison, or kills another in perpetrating or in attempting to perpetrate any offense punishable by imprisonment in the penitentiary, is guilty of murder in the first degree."

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. RANDOLPH: Strike out all after the enacting clause and insert in lieu thereof the following:

"That sections 798 and 800 of the act entitled 'An act to establish a Code of Law for the District of Columbia,' approved March 3, 1901 (31 Stat. 1189), be amended to read as follows:

" 'SEC. 798. Murder in the first degree: Whoever, being of sound memory and discretion, kills another purposely, either of deliberate and premeditated malice or by means of poison, or in perpetrating or attempting to perpetrate any offense punishable by imprisonment in the penitentiary, or without purpose so to do, or kills another in perpetrating or in attempting to perpetrate any arson, as defined in section 820 or 821 of this code, rape, mayhem, robbery, or kidnaping, or in perpetrating or attempting to perpetrate any housebreaking while armed with or using a dangerous weapon, is guilty of murder in the first degree.

" 'SEC. 800. Murder in the second degree: Whoever with malice aforethought, except as provided in the last two sections, kills another, is guilty of murder in the second degree.' "

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain just what this bill accomplishes?

Mr. RANDOLPH. Mr. Speaker, in answer to the inquiry of the distinguished minority leader, may I state that the reason for this legislation is to clarify the use of the word "purposely" as it is used in the statute with respect to murder in the first degree. It has been necessary to clarify the language so as to render the word "purposely" solely a limitation on deliberate and premeditated homicides. I may say that this measure has the approval of the Bar Association of the District of Columbia, the Corporation Counsel of the District of Columbia, and the United States Department of Justice.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend sections 798 and 800 of the Code of Law for the District of Columbia, relating to murder in the first degree."

A motion to reconsider was laid on the table.

A similar House bill, H. R. 1807, was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA REVENUE ACT OF 1939

Mr. RANDOLPH. Mr. Speaker, I call up the bill, H. R. 8237, to amend the District of Columbia Revenue Act of 1939, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this merely to permit the payment of income tax in the District of Columbia in two installments?

Mr. RANDOLPH. Yes; and I think it might be well to make a brief explanation of the bill to the House.

Mr. MARTIN of Massachusetts. I thought perhaps the gentleman might do that before we give permission to consider it in the House as in Committee.

Mr. RANDOLPH. I would be pleased to do that. This legislation will permit the residents of the District of Columbia to pay their income tax in two installments, one installment prior to or on April 15 and one prior to or on October 15, and if the returns are made on the basis of the fiscal year, one installment on the 15th of the fourth month and the other on the 15th of the tenth month.

Of course, we know that the Federal Government permits installment payment of Federal income tax, and I believe that a majority of the States makes similar provision for tax payments. It would work an undue hardship in many cases on the individual to have to pay the full amount in one payment, and we believe this legislation is fair and necessary.

In order that the District may have the benefit of this money to meet obligations, permission is given to the Secretary of the Treasury to advance funds to the District so that sufficient money will be available to meet the expenditures until the installment paid in October is received, at which time the Treasury would be reimbursed. Such an authorization is now in effect but it expires on June 30 of this year.

Mr. MARTIN of Massachusetts. I am not going to object to considering the bill in the House as in Committee, and the gentleman, I am sure, will take care of the gentleman from Wisconsin who desires 5 minutes on the bill.

Mr. RANDOLPH. I shall be pleased to do that.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. COCHRAN. In view of what we have read in reference to decisions of the corporation counsel relative to the existing revenue law, which decisions, unless something is done, will require some people working in the District of Columbia to pay three instead of two income-tax bills, it seems to me this bill is the proper place to offer an amendment to clarify that situation. However, I understand that the gentleman's committee in the very near future will bring in legislation that will so amend the law as to not require, for instance, a resident of my own State of Missouri, temporarily working and domiciled in the District, while employed here, to pay income tax to the Government, to the State of Missouri, and to the District of Columbia. In other words, so amend the law so that an individual who pays a tax to the State of which he is a legal resident will not be required to pay a tax to the District of Columbia. Is that correct?

Mr. RANDOLPH. I may say, in reply to the inquiry of the gentleman from Missouri, that the matters he brings up are certainly very pertinent to the local income-tax discussion. I appreciate the fact that he will not attempt to amend the legislation we are passing today. In the District of Columbia Committee meeting this morning these situations were discussed and we conferred with the corporation counsel. It is the desire of the committee to attempt speedily to bring in measures which will alleviate the inequalities with respect to

payment of income tax in the District of Columbia in relation to the other States.

Mr. COCHRAN. In view of the explanation of the gentleman from West Virginia, I shall not offer an amendment to this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia that the bill be considered in the House as in Committee of the Whole?

Mr. RANKIN. Mr. Speaker, reserving the right to object, we will have the same right to offer amendments in the House?

Mr. RANDOLPH. Yes.

Mr. RANKIN. Then I shall not object.

The Clerk read as follows:

Be it enacted, etc., That section 18 of title II of the act entitled "An act to provide revenue for the District of Columbia, and for other purposes", approved July 26, 1939, be amended to read as follows:

"SEC. 18. All returns of income for the preceding taxable year shall be made to the assessor on or before the 15th day of April in each year, except that such returns, if made on the basis of a fiscal year shall be made on or before the 15th day of the fourth month following the close of such fiscal year, unless such fiscal year has expired in the calendar year 1939 prior to the approval of this act, in which event returns shall be made on or before the 15th day of the third month following the approval of this act."

SEC. 2. Subsection (a) of section 26 of title II of said act approved July 26, 1939, is hereby amended to read as follows:

"SEC 26. (a) Time of payment: One-half of the total amount of the tax imposed by this title shall be paid on the 15th day of April following the close of the calendar year and the remaining one-half of the tax shall be paid on the 15th day of October following the close of the calendar year, or, if the return be made on the basis of a fiscal year, then one-half of the total amount of the tax imposed by this title shall be paid on the 15th day of the fourth month following the close of the fiscal year and the remaining one-half of said tax shall be paid on the 15th day of the tenth month following the close of the fiscal year, except a fiscal year which expired in the calendar year 1939 prior to the approval of this act, in which event the tax shall be paid on the 15th day of the third month following the approval of this act."

SEC. 3. Title VI of said act approved July 26, 1939, is hereby amended by striking out "June 30, 1940" and inserting in lieu thereof the words "June 30, 1942."

Mr. BOLLES. Mr. Speaker, I move to strike out the last word.

I am heartily in favor of the purpose of this bill providing for semiannual payment of the tax. However, there is a great lack in the measure and I do not want the House to act upon it without fully understanding the implications involved.

There is no provision for any exemption in this bill for those veterans of wars who receive pensions, excluding such pensions from the income tax. In the act of 1935 this was specifically made an exemption. This bill will make it necessary, if we go ahead with it without further consideration, for every veteran who receives a pension to have it assessed as a part of his income.

While I am not objecting to this bill I do not like that part of the measure and I understand we are going to come in with another measure clarifying this situation. I want the House to fully realize that the veteran is penalized in this bill with respect to his income from a pension.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. BOLLES. I yield.

Mr. AUGUST H. ANDRESEN. Is it the understanding, then, that the pension or compensation received by a veteran from the Government, if he resides in the District of Columbia, is added to his regular income and is also subject to taxation?

Mr. BOLLES. It is, under this bill. If he gets $900 as a wage and $300 as a pension, he will pay on $1,200 as his income-tax basis.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. BOLLES. Yes; I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. We should amend this bill to give the veteran the same privilege in the District of Columbia that he now enjoys in the 48 States.

Mr. BOLLES. If we could do that on the floor, it would be acceptable to me.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. BOLLES. Yes.

Mr. AUGUST H. ANDRESEN. What is the Federal law on the subject of adding compensation and payments to veterans to their other income?

Mr. BOLLES. Under the Federal act there is no such condition. The veteran pension or benefit payment is exempted.

Mr. VAN ZANDT. They are exempt.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

Mr. RANKIN. Mr. Speaker, I offer the following amendment, which I send to the desk:

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 2, after line 25, insert the following:

"SEC. 4. Section (b) of said act (relating to exclusions from gross income) is amended by adding at the end thereof the following:

"'(10) Payments of all benefits made to or on account of a beneficiary under any of the laws relating to veterans.'"

Mr. RANKIN. Mr. Speaker, will the gentleman from West Virginia accept that amendment?

Mr. RANDOLPH. Mr. Speaker, I am not opposing the amendment. I merely want to say that the District of Columbia Committee realized at the time of the passage of the income-tax law that there were many changes which naturally would have to be made. The committee desired to take care of all of these amendments in a separate bill. We did discuss this morning the matter of benefits and compensations being exempted, but certainly I could not be put in the position of opposing the amendment offered by the gentleman from Mississippi at this time, although I would appreciate it much if we could handle it in the bill to which I have referred.

Mr. BOLLES. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. Yes.

Mr. BOLLES. If we wait until the District of Columbia Committee acts—and it is true we discussed this matter this morning—and this law is passed without amendment, the assessments that would be made to be reported on March 15 would contain the veterans' compensation, which must be reported. I am in favor of the amendment offered by the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, does the gentleman from West Virginia accept the amendment?

Mr. RANDOLPH. I gladly accept the amendment.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from Oklahoma [Mr. NICHOLS], let me say that we wrote the law so plainly that I did not think there was a lawyer in the District of Columbia who could misunderstand it.

The law which we wrote in 1935 provides:

Payment of benefits due or to become due shall not be assignable and such payments made to or on account of a beneficiary under laws relating to veterans, shall be exempt from taxation—

And so forth. But it has got to the point where it does not make much difference what laws the Congress passes, there are some attorneys in the District of Columbia who want to construe them out of the statute books. That is what they have done here. This amendment is merely to clarify the law, so that these lawyers cannot misunderstand it. It simply clarifies the law and makes it specific that this law means what it says, and that it is not repealed by implication, as they contend.

Mr. RANDOLPH. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. There was a feeling among members of the committee that we had not anticipated that the corporation counsel would rule that these pensions and compensations were taxable.

Mr. RANKIN. This corporation counsel ruled that this law had been repealed by implication by a tax law that really does not touch it. But yet we have to come here and legislate

in order to clarify it, in order to keep them from forcing some veteran to go to the Supreme Court and probably wait 2 or 3 years before his case is adjudicated.

Therefore I have offered this amendment in good faith, and I hope the gentleman will accept it.

Mr. RANDOLPH. There is no difference of opinion in the committee that there should be an exemption. We have felt that we were proceeding properly, but I will say that we agreed with the gentleman from Mississippi, and I accept his amendment.

Mr. RAMSPECK. Mr. Speaker, I move to strike out the last word.

On last Friday we had a great deal of discussion in the House about the so-called quota system applying to Federal employees in the District of Columbia, which is the apportionment system. In order to take advantage of that law an employee must maintain a legal residence in the State from which he comes. I understand the corporation counsel of the District of Columbia has ruled that notwithstanding legal residence back in a State, and the actual payment of income tax in that State, these employees will likewise have to pay a third income tax in the District of Columbia. I would like to ask the gentleman from Oklahoma [Mr. NICHOLS] whether he is favor of that system, or whether he is willing to help straighten it out so that it will not be triple taxation?

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. NICHOLS. The gentleman from Georgia well knows my feeling in that connection. I will say that I never voted for the conference report, and as chairman of the House conferees I refused to sign the conference report that brought this income-tax law here. Perhaps the gentleman will remember that I almost made myself hoarse trying to stop the House of Representatives from agreeing to the conference report for the very reason that the gentleman now states. Of course, as chairman of that subcommittee of the Committee on the District of Columbia, we now have before us amendments to this bill which we are considering, and if it is possible for the gentleman from Oklahoma to write an amendment which will clarify the situation which the gentleman mentions, so that if an employee in the District of Columbia pays income tax to his State he will then not have to pay a tax to the District of Columbia, that amendment will be written, and I then hope that the gentleman from Georgia [Mr. RAMSPECK] will be backing the gentleman from Oklahoma in his effort to have it passed, as we failed to do in the last session. I do not mean to say the gentleman failed to support me, but we failed to pass the law.

Mr. RAMSPECK. May I ask the gentleman from West Virginia how he feels about that subject, as chairman of the committee?

Mr. RANDOLPH. I feel as does the distinguished gentleman from Georgia. I believe that is the general feeling in the committee. I am sure there will be a definite attempt to bring in some such legislation as he discusses.

I might say further in this connection that the corporation counsel also ruled that the payment of an income tax in the District of Columbia would not preclude that individual from voting in the State from whence he comes.

Mr. RAMSPECK. Of course, he could not keep him from voting back in the State, but he is certainly trying to make him pay a tax that he ought not to pay. If he has to pay in the States, he ought not to pay in the District of Columbia.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. RANKIN. I wonder if that corporation counsel has gone into the reciprocal-trade agreements and passed on them yet? [Laughter.]

Mr. RAMSPECK. I do not know, I am sure.

I yield to the gentleman from Connecticut.

Mr. MILLER. I have asked the gentleman to yield in order that I may ask the gentleman from Mississippi [Mr. RANKIN] if his amendment is drawn carefully enough so that it will take in payments to widows and orphans?

Mr. RANKIN. Yes; it applies to widows and orphans.

Mr. MILLER. No lawyer can say that you did not mean orphans?

Mr. RANKIN. The amendment is specific.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

UNEMPLOYMENT INSURANCE, DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 7926) to amend the District Unemployment Compensation Act be recommitted to the Committee on the District of Columbia.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, this concludes the District of Columbia business on the calendar today.

PERMISSION TO ADDRESS THE HOUSE

Mr. GREEN. Mr. Speaker, I ask unanimous consent, at the conclusion of the other special orders today, to address the House for 15 minutes.

Mr. RANKIN. Mr. Speaker, I understand it is satisfactory for the gentleman from Florida to address the House at this time.

The SPEAKER pro tempore. Without objection, the gentleman from Florida will be recognized for 15 minutes.

There was no objection.

VETERANS' LEGISLATION

Mr. GREEN. Mr. Speaker and my colleagues, I urge your cooperation for immediate passage of legislation which will give straight service pension to all disabled war veterans. I would particularly call your attention to the provisions of H. R. 5074, which I introduced on March 15, 1939, as follows:

A bill to reenact the law providing for disability allowances for World War veterans and to restore former service-connected disability status

Be it enacted, etc., That the second and third paragraphs of section 200 of the World War Veterans' Act, 1924, as amended (U. S. C., Supp. VII, title 38, sec. 471), is hereby reenacted to read as follows:

"On and after the date of the reenactment of this paragraph any honorably discharged ex-service man who entered the service prior to November 11, 1918, and served 90 days or more during the World War, and who is or may hereafter be suffering from 10 percent or more permanent disability, as defined by the Administrator of Veterans' Affairs, not the result of his own willful misconduct, which was not acquired in the service during the World War, or for which compensation is not payable, shall be entitled to receive a disability allowance at the following rates: 10 percent permanent disability, $12 per month; 25 percent permanent disability, $20 per month; 50 percent permanent disability, $30 per month; 75 percent permanent disability, $40 per month; total permanent disability, $60 per month. No disability allowance payable under this paragraph shall commence prior to the date of the reenactment of this paragraph or the date of application therefor, and such application shall be in such form as the Administrator may prescribe: *Provided*, That no disability allowance under this paragraph shall be payable to any person not entitled to exemption from the payment of a Federal income tax for the year preceding the filing of application for such disability allowance under this paragraph. In any case in which the amount of compensation hereafter payable to any person for permanent disability under Public Law No. 2, Seventy-third Congress, and acts amendatory thereof and supplementary thereto, is less than the maximum amount of the disability allowance payable for a corresponding degree of disability under the provisions of this paragraph, then such person may receive such disability allowance in lieu of compensation. Nothing in this paragraph shall be construed to allow the payment to any person of both a disability allowance and compensation during the same period; and all payments made to any person for a period covered by a new or increased award of disability allowance or compensation shall be deducted from the amount payable under such new or increased award. The Secretary of the Treasury is hereby directed, upon the request of the Administrator, to transmit

to the Administrator a certificate stating whether a veteran who is applying for a disability allowance under this paragraph was entitled to exemption from the payment of a Federal income tax for the year preceding the filing of application for the disability allowance and such certificate shall be conclusive evidence of the facts stated therein: *Provided further*, That any World War veteran who has drawn service-connected disability compensation for any period of 12 months since his or her discharge and who is not now drawing compensation shall be automatically restored to his or her former maximum compensation status: *And provided further*, That existing service-connected disability compensation rates of World War veterans and their widows and orphans shall be automatically increased 10 percent."

SEC. 2. This act shall take effect on the 1st day of the first calendar month following the month during which this act is enacted.

This bill was referred to the House Committee on World War Veterans' Legislation and by the chairman of that committee referred to the Veterans' Administration for report. The Administration made a lengthy report on the bill, which was adverse. Among reasons for adverse report was the large expenditure which would be required by the Federal Treasury. I will not take your time to go into details of this report because I do not deem it necessary. I shall be glad to give to any of you desiring it a copy of the report. I have urged the Committee on World War Veterans' Legislation to report the bill out for a vote by the House. The committee has not done this; therefore I have introduced House Resolution 343 for a rule from the Rules Committee for the bill, but the Rules Committee has not granted the rule. I have finally been forced to place on the Speaker's desk petition No. 22, which, if signed by 217 Congressmen with me, will force a vote on this legislation. I urge every one of you to call at the Speaker's desk and sign petition No. 22 in order that we may get a vote on this bill.

There are other bills introduced on the same subject, among these bills being H. R. 7925, introduced by Chairman RANKIN, and H. R. 7980, introduced by the gentleman from Massachusetts [Mr. MCCORMACK]. These bills have been introduced subsequent to my bill but have, in the main, similar provisions. If you will sign the petition to force a vote on H. R. 5074, it will be taken up, and then during consideration on the floor amendments can be offered and the House will have an opportunity to consider provisions of all of the bills introduced on this subject. H. R. 5074 may not be a perfect bill, but it is a working basis for us to discuss, helpfully amend if advisable, and then to pass.

Relative to amendments, the House itself can decide upon same when the subject is before it, and I assure you of my agreement to any helpful amendments for the interest of all disabled ex-service men. It is my plan to offer an amendment to the bill to include the widows and orphans of disabled veterans, regardless to service connection of the death or ailment of the deceased veteran. I have a bill introduced on this subject and shall be glad to confer with my colleagues who are interested in this cause and work out with them suitable amendment to take care of the widows and orphans.

What I want is action and action now. I have no sympathy with the economy argument in connection with legislation for disabled war veterans and their dependents. Our Nation is the richest one on earth and is adequately able financially to provide for this cause. In fact, the financial condition of our country is far better than it was in 1932 and 1933 when Government financial retrenchment adversely affected the veterans of our Nation. In 1932 the total national income was a little less than $40,000,000,000, while now it is going healthily along at about $70,000,000,000 per year. This is an increase of more than 70 percent. I have every reason to believe that with continued business improvement the national income will soon reach the $80,000,000,000 annual mark.

Some of my colleagues urge that the Budget must be balanced. I for one shall never vote to balance the Budget at the expense of the war veterans and their dependents. I would like to see the Budget balanced, and we are soon going to see it balanced, but there is plenty of room among the huge appropriations which we are making, even though they are being reduced, to provide for reasonable security for our war heroes and their dependents. I am convinced concerning the justice of this and shall leave no stones unturned until this is accomplished. It is now time to give straight service pensions to all disabled World War veterans and also their widows and orphans, regardless to service connection of their disabilities. The history of soldiers' pension legislation in our country fully justifies action now for World War veterans.

PENSIONS FOR OTHER VETERANS

After the War between the States the Union soldiers and their widows received pensions from $6 to $12 per month by the act of June 27, 1890. This was about 25 years after the close of the war. Conditions then were far different to conditions now, and even though they waited 25 years after this war before receiving a pension, that time does not compare to 15 years in need and necessity in the present day. Some States of the Confederacy, I believe, gave State pensions to southern soldiers in less than 25 years.

SPANISH-AMERICAN WAR VETERANS

The Spanish-American War, as such, closed in 1899, but the Philippine Insurrection did not end until 1902. Soldiers of this cause were rightfully given pensions from $12 to $30 per month by the act of June 5, 1920. This was 21 years after the close of the Spanish-American War and 18 years after the Philippine Insurrection. The widows of this war received pensions in 1918, which was only 16 years after the Philippine Insurection ended.

The pensions which I have just referred to were, of course, for non-service-connected disabilities; in other words, they were straight service pensions.

The granting of these pensions to disabled veterans and their dependents will lessen the requirement for W. P. A. and other Federal expenditures. It is far more equitable to give veterans their just pensions than to force them on relief rolls or permit industry to exact from them labor which they are not physically able to perform. Many of the critics of pension legislation for veterans are forgetful of the sacrifices made by the veterans for their country. They served their country in time of its peril and were allowed about $1 to $1.25 per day. The Congress later allowed adjusted-service certificate or bonus for about an equal amount. During this same war period persons working in the shipyards and in industry as unskilled laborers were drawing from $5 to $15 per day. In addition to receiving small Army pay, the veterans faced all hazards of weather, disease, and the death-dealing weapons of the enemy. I cannot conceive of any fair-thinking citizen or representative Member of Congress who would now deny these disabled ones—and practically all of them are disabled—from drawing reasonable pensions from public funds.

NATIONAL DEFENSE

The hundreds of thousands of disabled veterans of our Nation cause us to think more of the eminent necessity of more adequate national defense. Thousands of veterans who are now disabled owe part of their disability to lack of preparedness on the part of our Government. The history of our Nation indicates that at all times we could have been more adequately prepared for our national defense. During these tragic times of world conflict it is imperative that our Nation should be more adequately prepared for its own defense. Some 75 percent of the world's population is actually or technically at war. Dark clouds are hovering closely over the entire world. The major powers of Europe are hourly exploding their deadly implements of war and ruthlessly slaughtering men, women, and children. Probably 40,000,000 persons in Europe are now bearing arms or are in feverish preparation for same. The air is filled with airplanes and the waters are charged with mines and infested with submarines. Battleships are anxiously patrolling the oceans for national existence of conflicting powers. Arms and ammunition factories are turning out known and unknown implements of war every hour in the day and night. Rights of minorities, creeds, and races are annihilated; in fact, nothing is able to halt the frantic onslaught of war destruction. In Asia the more than 500,000,000 members of the yellow race are in tragic conflict and slaughter for yellow imperialism.

With the modern methods of warfare and the great perfection of war machines, distances and oceans are no longer barriers to attack and conflict. In the past the Western Hemisphere has considered as its natural defense the Atlantic and Pacific Oceans. This theory now is blasted. European nations own islands in the Caribbean Sea which is just off the Florida coast. Likewise European nations claim possessions in South America and to the north and east of the United States. Alaska, our territory of the northwest, is only a few minutes' flight from Japan. From many of these points bombers can in from a few minutes to a few hours sprinkle missiles of death on persons in any part of the United States. We are not secure in the sense that we once were. The Monroe Doctrine may in fact in the future have to be defended on soil of the Western Hemisphere. Never in the history of our Nation was preparedness and adequate national defense more imperative.

National Commander Raymond J. Kelly of the American Legion recently gave the present national-defense program of the American Legion, as follows: (1) America strong enough to meet invader before arrival; (2) supplies for 1,000,000 men for 1 year; (3) Panama Canal and approaches be made impregnable; (4) Regular Army, 280,000; National Guard, 426,000; (5) more division and corps field training in Regular Army; (6) more and better training for National Guard and Officers' Reserve; (7) development and increase, R. O. T. C. and C. M. T. C.; (8) National Guard for Hawaiian Territory; (9) a navy second to none; (10) additional Navy bases—we fortunately secured one of these for Jacksonville, Fla; (11) rehabilitate privately owned shipyards; (12) an adequate Naval and Marine Corps Reserve; (13) establish citizens' naval training corps; (14) more naval R. O. T. C. units; (15) new naval training ships; (16) new naval housing at all stations, and increased facilities at the Naval Academy; (17) fund be provided for completion of present aviation program; (18) more strategic flying fields; (19) further effort to develop rigid airships; (20) no exportation of helium—I voted against the exportation of helium for any purpose; (21) enlargement of airmail facilities to increase usable airports; (22) endorse Maritime Commission for merchant-marine training; (23) merchant marine officers and men to be members of United States Merchant Marine Naval Reserve; (24) Congress to establish a national maritime mediation board.

Commander Kelly closed his address with the following:

May noise never excite us to battle, or confusion reduce us to defeat.

I stand for this American Legion program.

FOREIGN "ISMS"

The various "isms" are largely responsible for the present unrest in the world today, and for the existing wars. Communism, nazi-ism, fascism, and atheism are having their sway in the shaping of the destinies of men. From the taint of these "isms" our Nation is not free. In the Congress we are doing all possible to control and eradicate foreign "isms" in America. The Dies investigating committee has helped a great deal toward routing these "isms" and informing the American public as to their dangers. In the Dies committee report recently submitted to Congress, the committee said:

Hundreds of pages of testimony have established the fact that the Communist Party of the United States can make no more than a superficial claim that it is a political party in the sense in which the American people understand those words. It is, on the contrary, a constituent member of the Communist International, and is its agent in the United States. The Communist International in turn is completely dominated by the Communist Party of Soviet Russia. The committee is forced to conclude that in practice the Communist Party is actually functioning as a border patrol on American shores for a foreign power—the Soviet Union.

I voted and spoke for continuance of the efforts of this committee.

On February 10, while addressing the National Youth Congress of America at the White House in Washington, President Roosevelt said:

You have no American right, by act or deed of any kind, to subvert the Government and the Constitution of this Nation.

I hoped that Russia would work out its own problems and that their government would eventually become a peace-loving popular government which would not interfere with the integrity of its neighbors. That hope is today either shattered or put away in storage against a better day. The Soviet Union, as a matter of practiced fact, * * * is a dictatorship as absolute as any other dictatorship in the world. It has allied itself with another dictatorship and it has invaded a neighbor so infinitesimally small that it could do no injury to the Soviet Union.

From the very development of things about us, we see that the foreign "isms" are trying to entrench their vicious doctrine within the United States and overthrow our form of government. I favor further legislative restrictions on the activities of these various "isms." I favor imprisonment of the perpetrators of un-American activities. I favor the deportation of all aliens who are engaged in these un-American activities, and, as a safeguard, I am opposed to admission of any more foreigners to our country until those here who are entitled to naturalization have been naturalized and those not entitled to naturalization have been deported. There is no room in our great democracy of the United States for any "ism" except Americanism, and all others must be outlawed and annihilated if we are to be secure from within.

KEEP OUT OF WAR

The nations of Europe now owe the United States about $12,000,000,000 as a result of the last World War. The European nations, as such, are friendly to us only when it serves their selfish and greedy ends. As a nation we are practically without friends in the world because America is powerful and rich and is dreaded and coveted by foreign countries. These debts could have been paid, in part at least, but instead the debtors arm for the next war. The World War cost us more than $40,000,000,000 besides the loss of life, the heartaches, and the tragedies. I earnestly hope that we will not become involved in the present world conflict. I can now see no reason for such and shall do all within my power to keep our Nation out of this war. The best method to keep us out of this war, as I see it, is to adequately prepare to defend our country and to rid our Nation of foreign "isms." [Applause.]

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield.

Mr. RANKIN. I did not hear what committee the gentleman referred to.

Mr. GREEN. World War Veterans' Legislation.

Mr. RANKIN. The gentleman means this legislation is before the World War Veterans' Committee?

Mr. GREEN. Yes.

Mr. RANKIN. What is the number of the bill?

Mr. GREEN. H. R. 5074, which would reenact the disability allowance and allow a straight service pension to disabled World War veterans who have as much as 10-percent disability on up to total disability. It would allow them pensions of from $12 to $60 per month. It also would give 10-percent increase for existing service-connected compensation.

Mr. RANKIN. The idea is that the gentleman is asking the Members to sign a petition to bring that bill out of the Committee on World War Veterans' Legislation?

Mr. GREEN. That is right.

Mr. RANKIN. Why does not the gentleman from Florida come before the committee?

Mr. GREEN. I have appeared before the committee and urged the reporting out of this bill. I did this at the last session, but the bill was not reported.

Mr. RANKIN. We are holding hearings now on disability allowance and compensation for veterans whose disabilities are not service connected.

Mr. GREEN. I understood that the gentleman's committee was now holding hearings on this matter and I desire to appear before the committee.

Mr. RANKIN. I may say to the gentleman from Florida that when we bring legislation to the floor, as a rule, we bring it in under the general rules of the House, and I suppose it will come up on a Calendar Wednesday. I suppose the bill when brought up will be subject to amendment. I see no reason whatever for anyone to try the petition route when we are holding hearings for this very purpose.

If the gentleman wants to come before the committee, we will try to give him time, and he may extend his remarks in the RECORD. But it is a little beside the question to rush in here and attempt to petition legislation out of the Committee on World War Veterans' Legislation, liberal as this committee has been to respond to the will of Congress and to the wishes of the veterans' organizations.

Mr. GREEN. The gentleman from Mississippi will recall that I appeared before the committee last session on this bill. The bill was introduced in the Seventy-fifth Congress also. I appeared then. On March 5, 1939, I reintroduced the bill and added one or two other provisions to it. It seems to me, therefore, that surely a year has given the committee pretty nearly time enough to consider it; but I am encouraged by the gentleman's statement. I shall appear before the committee.

Mr. RANKIN. I do not want to excite the gentleman, but I doubt if he gets enough signatures to bring it out on the floor this session, because the veterans of the House who are extremely interested in veterans' legislation know the committee.

Mr. GREEN. I shall appear before the committee; but the chairman cannot blame a Member who is anxious to give these veterans pensions, a Member who has had this bill pending now for 3 or 4 years, he cannot blame him for resorting to the petition method. I do not approve of the petition method, and resorted to it only as an emergency to try to do something at this session of Congress to get these pensions for veterans who do not have service-connected disabilities.

Mr. RANKIN rose.

Mr. GREEN. I do not yield further right now.

I am glad the gentleman's committee is working on this, and I am encouraged to know that the chairman himself has a bill for this purpose—a good one on this subject. The gentleman from Massachusetts [Mr. MCCORMACK] also has a similar bill, and there are others pending before that committee which have good provisions. They were, I believe, introduced subsequent to March 15, 1939, and embrace in the main the substance of some of the provisions of the bill I am now discussing. I have no choice whatever as to which bill is passed, provided such bill gives a reasonable service pension to all disabled World War veterans. I am encouraged by the statement of the chairman of this committee. I am wondering if the gentleman can give us real assurance that legislation along this line will be brought out by the committee.

Mr. RANKIN. I may say to the gentleman from Florida that if any veterans' organizations want this bill brought out in this way, they have kept mighty quiet, because they have never said a word to any member of the Veterans' Committee or any veteran in the House so far as I know. For me to assure the gentleman from Florida, who has peremptorily filed a petition to bring out legislation that he knows is being considered by the Veterans' Committee, would not only be out of order but it would be presumptuous on the part of the chairman of the Committee on World War Veterans' Legislation. We will do the best we can. I want the House to know that the committee has not been derelict and is not derelict now.

Mr. GREEN. I do not censure the committee. I am trying to be helpful for this legislation now.

Mr. RANKIN. There are 21 members of the committee. If the gentleman had been half as diligent in inquiring of these members of the committee and of the veterans' organizations as he has been in placing this petition on the desk, he might have known something of the temper of the members of the committee. I can express myself, as chairman of the committee and as a Member of the House, that we are going to do the very best we can, just as we have been doing for disabled veterans and their widows and orphans, just as we were doing even before the gentleman from Florida came to Congress, but I am not going to tell him what the committee is going to do because I do not know.

Mr. GREEN. I appreciate that. My interpretation is that the committee has been slow to bring out this legislation, and that is why I have resorted to the petition method. I am earnest and sincere in getting, during the present session, pensions for these disabled World War veterans and the widows of those who died and who do not now get a pension.

Mr. CROWTHER. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from New York.

Mr. CROWTHER. Did we not have a law on the statute books providing for non-service-connection disability with a pension?

Mr. GREEN. Yes; we have for total disability.

Mr. CROWTHER. Not total disability. Was it not in percentages of 25, 50, or 75?

Mr. GREEN. Yes.

Mr. CROWTHER. What became of that law?

Mr. GREEN. We now have law for total disability.

Mr. CROWTHER. Repealed during the economy drive, was it not?

Mr. GREEN. I have referred to that as being one of the most colossal blunders of all in the legislative history of the United States.

I am glad the War Veterans' Committee is working on this subject. I know that the chairman, the gentleman from Mississippi, has worked zealously on this matter and he has secured from the committee and from the Congress all that he possibly could. He is interested in the veterans' welfare.

[Here the gavel fell.]

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for an additional 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida [Mr. GREEN]?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I want to call the attention of the gentleman from Florida to certain facts. He talks about the World War Veterans' Committee being slow. I find that he filed this petition on the 22d of July, and to date there are only nine Members' signatures on it. Three times that number of Members have died in that time. The gentleman ought to go out on the roadside and watch the terrapins whiz by if he thinks he is fast compared with the Committee on World War Veterans' Legislation. [Laughter.]

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida [Mr. GREEN]?

There was no objection.

Mr. GREEN. Mr. Speaker, there is a new petition, No. 22, now on the Clerk's desk. It was placed there after rule was requested for H. R. 5074.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Minnesota.

Mr. ALEXANDER. I believe the gentleman from Florida has some justification for the viewpoint he is expressing. As a member of the Committee on World War Veterans' Legislation I, for one, will be pleased to sign the gentleman's petition immediately. I wish the gentleman well in his movement. I believe it is something we should have done a long time ago.

Mr. GREEN. Obviously so.

Mr. ALEXANDER. The World War veterans bared their breasts to the guns, steel, and gas of the enemy in order to preserve the heritage of this Nation, and it seems to me nothing we can do is too good for such patriots to repay them for that sort of service. I believe the gentleman is justified in promoting his idea and I hope he will push it fully.

Mr. GREEN. I thank the gentleman for his cooperation. [Applause.]

[Here the gavel fell.]

Mr. GREEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein copy of H. R. 5074.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short statement by Roger W. Babson appearing in the Washington Post of today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. Under a previous special order, the gentleman from South Carolina [Mr. BRYSON] is recognized for 15 minutes.

IMPORTS OF JAPANESE COTTON GOODS

Mr. BRYSON. Mr. Speaker, permit forces, be they internal or external, to break down this Nation's established standard of living, and the lamp of democracy will suddenly grow dim in America. History, both ancient and modern, records how great democratic nations have been swept off the stage, and tragically so, as the economic essentials of democracy in those nations were either ignored or unwittingly lost.

In the more recent years of our own age we have witnessed nations of the east and west in a steady drift from democracy to dictatorship—a drift which occurs not because the men and women of those nations want it that way but because economic conditions in those nations make it that way. Lately we have come to more fully understand what it means—in terms of life, liberty, and the pursuit of happiness—for this Nation to have a high standard of living. We realize now, as never before, perhaps, how important it is for us to maintain our established standard of living if we are to preserve the American way of life which we inherited.

The Members of this House will agree with me, I am sure, when I say that no time should be lost nor effort spared in hurling back any assault on our American standard of living. I rise this morning, therefore, to take a firm stand against a foreign attack on the living standards of American textile workers which is now in progress. The current flooding of this country with Japanese cotton goods of a particular type brings to the American textile industry not only fears for the future but also problems for the present.

Although importation of Japanese cotton goods in terms of square yards was 1,500 percent greater in 1939 than in 1932, it has been claimed that Japanese imports of recent years have represented less than 1 percent of our domestic production. Hence, it is easy and tempting, even if dangerous, to draw the conclusion that since Japanese imports represent less than 1 percent of our domestic production, no problem really exists. Thus, considered in such a restricted light, the problem of increased Japanese imports appears to be one of little consequence, but go beneath the surface of this analysis and facts will be found which we can hardly afford to minimize or disregard.

First, we must not overlook the fact that Japanese competition has been concentrated on cotton goods of certain constructions rather than spread out over the entire construction range of textile fabrics. In the case of one particular construction of cotton cloth—38½-inch, 60 by 48, 6.25—the concentrated volume of Japanese imports is already proving disastrous. For instance, one of our southeastern textile mills, which was running 1,400 looms, three shifts, on this 38½-inch, 60 by 48, 6.25 construction cloth during the summer and early fall, is not running a single loom today on this number because the rising tide of Japanese imports has demoralized the market for such cotton goods.

At this point, Mr. Speaker, I should like to read certain portions of several letters which refer directly to this problem of increased importation of Japanese cotton goods:

[Letter from Pacific Mills, Lyman, S. C., January 29, 1940]

In connection with your fight on the Japanese import question and request for suggestions, I would like to point out that the Lyman division of the Pacific Mills was originally built to weave and finish wide bed sheetings and finish bleached goods woven at our Columbia division. Owing to the inroads made by the Japanese, it was necessary for us some time ago to diversify by equipping to handle dyed and printed cottons.

Lyman has grown with the help of these new facilities, but we are still terribly handicapped by having a large capacity for finishing bleached goods and unable to compete with the Japanese. I understand that Japanese imports of bleached goods for the first 11 months of 1939 were 64,920,000, which represented 95 percent of the total of Japanese piece-goods imports.

As the print-goods branch of the bleached-goods industry, which is chiefly affected, produces a yardage of about 160,000,000, it is obvious from this that the effect of Japanese imports has been very serious on this branch of the industry. By concentrating their imports in the bleached-goods classification, the Japanese are doing a great deal of harm to this branch of the industry.

We, at Lyman in particular, hope that something can be done to reduce Japanese imports of cotton cloth, or, in any event, to restrict the concentration on bleached goods.

(Signed) C. B. HAYES,
General Superintendent.

[Letter from Southern Handkerchief Manufacturing Co., Greenville, S. C., February 7, 1940]

We have noted with approval the firm stand you have taken on imports of Japanese cloth, which have so seriously jeopardized the textile industry in this country. We have been fighting this proposition for 4 years. To the best of our knowledge, there are only two handkerchief manufacturers in this country who have not used Japanese cloth, of which we are one.

We have just received full information on the imports of bleached goods from Japan for 1939, which are given on good authority as totaling 77,679,625 yards, as against 28,812,800 yards for 1938. These bleached goods comprise primarily qualities which are in direct competition with our great print-cloth industry in South Carolina.

It is logical to believe that these Japanese cloths will sooner or later do exactly what they did in 1937, when they broke the backbone of the print-cloth market and caused the most severe curtailment and loss to cotton mills and allied industries for a long time.

While 100,000,000 yards * * * is a small percentage of the total production of cotton cloths by American mills, when almost all of these imports are of a type which compete directly with print cloths, the competition is devastating.

We are with you in this fight and we stand ready to cooperate in every constructive effort to correct this competition, which is so seriously undermining our cotton mills and their employees.

(Signed) W. R. THOMSON,
President.

[Letter from Textile Fabrics Association to United States Tariff Commission, New York City, January 18, 1940]

This association is truly representative of the cotton-converting industry, and our members are large producers and converters of finished cotton piece goods. Our membership is deeply concerned with the influx of Japanese goods brought in and offered for sale in this country at prices which are radically below those of American producers.

Due to this unfair competitive situation which now exists in the domestic market, particularly for cotton bleached goods, because of the large quantities of similar Japanese goods now being imported into this country, we respectfully urge your honorable body to authorize and proceed with an investigation of American and Japanese costs of production of these goods.

(Signed) W. P. PICKETT,
President.

[Letter from the American Cotton Manufacturers Association to U. S. Tariff Commission, Durham, N. C., January 17, 1940]

The cotton textile industry in this country is gravely concerned, looking to the future, about Japanese competition. This danger has been great because of the very low cost of production in Japan and the rapid growth of the Japanese industry.

The present imports from Japan are very largely one description of print cloths, and this influx of great quantities of goods is having quite a bad effect on the status of the mills making this material, and on the market for same.

* * * Unless in some way the inroads into the textile business of this country from Japan are halted the mills will certainly be most adversely affected and lead to a great deal of curtailment and also loss of employment.

The mills are not only worried about print cloths but about the importation of all Japanese goods, which promises to show a steady and damaging increase.

(Signed) K. P. LEWIS,
President.

[Letter from the Print Cloth Group of Cotton Manufacturers to U. S. Tariff Commission, Clinton, S. C., January 23, 1940]

As director of the Print Cloth Group of Cotton Manufacturers, and as executive vice president of the Cotton Manufacturers Association of South Carolina, I wish to urge upon you the necessity of an immediate study of the critical situation resulting from the steady increase in imports of cotton textiles from Japan.

These imports, according to your records, have steadily increased and are unfortunately concentrated on one construction—38½ inch, 60 by 48, 6.25—very largely. This has brought about a demoralized state which is injurious to the entire print-cloth market.

* * * the average wage in a Japanese mill is 24½ cents a day for a 10-hour day, which brings it down to 2½ cents an hour. The girls, on the other hand, are fed and kept in dormitories, but this costs very little as they are fed on rice and dried fish On the comparison of our wages with this, we need much more protection than we have and there is no doubt if the Japanese were not timid for good reasons, they could ship into this country enormous quantities of many different varieties of cotton goods.

Another point to be taken into consideration is the fact that the yen has so depreciated in value that the Japs have a great advantage today. The par value of the yen was 84 cents. The value a year ago was 27 cents and the value today is 23½ cents. Of course this depreciation gives them a great advantage in costs which is reflected in ad valorem rates.

The tariff on bleached cotton piece goods made of print-cloth yarns is 13 percent ad valorem and, in addition thereto, for each number, thirty-five one-hundredths of 1 per cent ad valorem.

The duty on rayons is 45 cents per pound plus 45 percent ad valorem. This brings the duty on low spun rayon fabrics over 100 percent. It does seem unfair that rayon goods have so much more protection than cotton goods.

(Signed) WM. P. JACOBS,
Director.

It has been my purpose in reading these letters to furnish you with first-hand information on the gravity of the situation developing in the American textile industry as a result of unchecked increases in Japanese imports. If such imports were spreading evenly over all types of cotton goods the effect of this intensified Japanese competition would probably not be so serious; but, as already pointed out, when almost all of these imports are of a type which compete directly with print cloths, the competition is devastating.

The situation is made still more acute by reason of the fact that nearly all print cloths are manufactured in several Southeastern States. This is particularly true in the case of South Carolina, where it is estimated that fully 85 percent of our domestic print cloths are manufactured. If some foreign nation were to suddenly flood this country with a popular-priced automobile, the automobile industry in Michigan would have to absorb the brunt of that competition just as the textile industry in South Carolina is having to absorb the brunt of present Japanese competition in our domestic cotton-goods market.

Let us consider for a moment what measures might be adopted to meet this situation. Our choice in this matter lies between two alternatives of action. We may, on the one hand, equalize Japanese and American costs of production by basing the duty on Japanese imports upon American instead of Japanese costs; or, on the other hand, we may equalize Japanese and American costs of production by reducing wages and lengthening hours of work; or, to put it quite bluntly, lower the present standard of living for our American textile workers.

Having in mind the adoption of the first of the above-mentioned alternatives, I prepared several weeks ago a petition which was filed with the United States Tariff Commission on January 31. The petition reads as follows:

To Hon. RAYMOND B. STEVENS,
Chairman, United States Tariff Commission:

I

Section 336, part (a), of the Tariff Act is cited as authority for the submission of this application.

II

By this application the Tariff Commission is respectfully requested to undertake, at the earliest practicable date, a careful and comprehensive investigation of differences in American and Japanese costs of production of cotton cloth.

III

For the purpose of bringing about the proper equalization of Japanese and American costs of production (as contemplated under sec. 336 of the act), the Commission is urged to proceed in this investigation with a view to determining the necessity of either: (1) Basing the duty on Japanese imports upon American instead of Japanese costs, or (2) placing an excise duty on Japanese imports.

IV

An investigation looking to the adoption of one of the alternatives suggested in part III of this application is held advisable and necessary because:

1. Restrictions, as presently applied to Japanese cotton goods, fail to provide an adequate measure of protection for manufacturers and workers of the American textile industry, which is intended under the Tariff Act.

2. The unchecked, rapidly advancing, increase in Japanese imports is having a disastrous effect on the American textile industry.

3. For a number of other industries the problem of affording American manufacturers protection against the vicious competitive practices of foreign manufacturers and exporters; of affording American industrial workers protection against the demoralizing effects of cheap, low-wage, foreign labor; and of affording American consumers protection against the deceptiveness of inferior quality goods of foreign manufacture has been successfully met by the adoption of methods recommended in part III of this application.

INABILITY OF PRESENT RESTRICTIONS TO AFFORD AMPLE PROTECTION

In April 1936 the Tariff Commission reported to the President that existing duties fixed by statute did not equalize the differences in cost of production of cotton cloth made in this country and the same or similar goods produced in Japan. Acting on this information the President ordered certain increases in the rates of duty under paragraph 904 (b) of the Tariff Act for the purpose of equalizing production costs between the two countries.

Failure of this action to accomplish its purpose has been demonstrated by the marked increase in Japanese imports during the past several years. In this connection special attention is called to the analysis of Japanese imports furnished by the Association of Cotton Textile Merchants of New York in the supplement of this application. It is estimated that total imports for the calendar year of 1939 will probably approximate 75,000,000 square yards as contrasted with 29,000,000 square yards in 1938.

DISASTROUS EFFECT OF INCREASED JAPANESE IMPORTS ON AMERICAN TEXTILE INDUSTRY

The effect of increased Japanese imports on the American textile industry has been made more acute by reason of the fact that the foreign competition has been concentrated on cotton goods of certain constructions rather than spread out over the entire range of textile fabrics. Much of the cotton goods coming from Japan have been concentrated on one construction—38½ inches, 60 by 48, 6.25—which has been a strong factor in demoralizing the entire print-cloth market.

Furthermore the Japanese practice of concentrating on cotton goods of particular constructions has seriously affected the textile industry in certain areas of the country. Print cloth manufacturers which are suffering most from this condition are located for the most part in South and North Carolina and other Southeastern States.

MEETING THE PROBLEM BY BASING DUTY ON AMERICAN PRODUCTION COSTS

Already the duty on woolen gloves, cotton rugs, canvas shoes, and other articles is based upon American costs of production. Thus the industries producing these articles are being afforded protection which was impossible when the duty was based on declared foreign costs of production.

With respect to cotton goods the records clearly show that Japanese valuation for duty purposes has dropped to an average price of less than 3½ cents per square yard. It is understood that the Japanese Government allocates a certain proportion of the mills' production for export—probably in order to establish exchange—and the mills have to accept the return they can get for such exports. In accomplishing this the Japanese declare extremely low values on cotton goods, and there is no way of checking the valuations since such textiles are manufactured largely for export purposes.

V

The textile industry and textile workers are entitled to protection against this destructive Japanese competition. Ours is a high standard of living for the American worker which must be preserved.

The average wage in a Japanese mill is 24½ cents a day for a 10-hour day, which brings it down to 2½ cents an hour. Japanese workers are regimented as the girls are kept in dormitories and fed largely on rice and dried fish. We must protect both the American worker and manufacturer against this menace of low wages and regimentation.

VI

The Commission is respectfully urged to carefully study all letters supplementing this application. These letters are representative of the entire American textile industry and point to the great need for immediate action by the Tariff Commission along the lines recommended in this application.

Respectfully submitted.

JOSEPH R. BRYSON,
Member of Congress.

Attempts to equalize Japanese and American costs of production by basing tariff rates on Japanese costs have failed because the Japanese have utilized the device of lowering the declared value of imports. The Japanese have found that they can defeat the purpose of our tariff restrictions by simply declaring lower values, and prices in Japan cannot be checked because these goods are practically all sold for export. For example, the declared value of Japanese bleached cotton cloth dropped from 7.06 cents per square yard in 1932 to about 3.46 cents per square yard in 1939. By declaring this lower valuation on their cotton goods, the Japanese were able to ship into

America over 1,500 percent more square yards of cotton cloth during 1939 than they shipped in during 1932.

It is obvious that we shall never be able to protect the American textile industry against this viciously destructive competition as long as we accept the values on cotton goods which the Japanese declare. The only effective way to deal with this problem is to base tariff duties on known American costs of production instead of claimed Japanese costs of production. It is with this objective in view that I urge every Member of this House to carefully consider the need for an investigation such as I have requested of the United States Tariff Commission. [Applause.]

THE UNITED STATES OF AMERICA, A REPUBLIC, NOT A DEMOCRACY

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to address the House for 4 minutes, and to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. KERR). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CROWTHER. Mr. Speaker, I wish to read an article by C. S. Longacre appearing in a magazine called Liberty, published in the city of Washington. The word "democracy" has been so misused during the last few years that I believe the article is particularly valuable at this time. It reads as follows:

THE UNITED STATES OF AMERICA, A REPUBLIC, NOT A DEMOCRACY

(By C. S. Longacre)

A great deal has been said and written of late by men and women of renown and much learning about the dangers which face our American democracy. The University of Virginia, in making up its program for the Institute of Public Affairs, which it conducts each summer, lists the following topics to be discussed: Religion and our American democracy; Religion, the indispensable basis of democracy; Comparison of the individual in Germany and in the democracies; How can religion defend itself and save democracy? and Religion in a democracy.

But the University of Virginia is not alone in making a wrong use of the word "democracy" as applied to the American system and form of government. Many statesmen and modern writers have been equally guilty of making the wrong use of the word. When we entered the World War some 20 years ago we adopted the slogan, "Save the world for democracy." The writer himself confesses that inadvertently he has on several occasions fallen into the same error by force of habit and wrong example. This wrong habit is very contagious and is spreading rapidly.

When we studied American history in our youth we learned that it was improper to call our American Republic a democracy. Such terminology as "our democracy" or "our democratic form of government" was considered by our teachers and elders as being not only misleading but mischievous and dangerous as well.

TWO DIFFERENT FORMS OF GOVERNMENT

The founders of the American Republic and the framers of the Constitution of the United States were unanimous in their understanding of the difference between a republic and a democracy. There were some who advocated at the conclusion of the American Revolutionary War that a democracy should be established in America in which all the people might have a direct hand in the making of the laws and the administering of the Government. But James Madison, in the Federalist, under the title "Democracy, the Bait of Theoretic Politicians Who Err," denounced them as "schemers." He said:

"Democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the right of property, and have in general been as short in their lives as they have been violent in their deaths. Theoretic politicians who have patronized this species of government have erroneously supposed that by reducing mankind to a perfect equality in their political rights they would at the same time be perfectly equalized and assimilated in their professions, their opinions, and their passions. * * * A republic, by which I mean a government in which the scheme of representation takes place, opens a different prospect, and promises the cure for which we are seeking. * * * The true distinction between these forms is that in a democracy the people meet and exercise the government in person. In a republic they assemble and administer it by their representative agents. * * * The first question that offers itself is whether the general form and aspect of the government be strictly republican. It is evident that no other form would be reconcilable with the genius of the American people."

DEMOCRACY STUDIOUSLY AVOIDED

James Madison was secretary of the Constitutional Convention, and he was chairman of the committee which drafted the Constitution, and is said to have drafted it in its original form with his own pen. Article IV, section 4 of the Constitution provides: "The United States shall guarantee to every State in this Union a republican form of government." The phrase "democratic form of government" was studiously avoided by the framers of the Constitution. Washington, Jefferson, Hamilton, and other notable ones in that Convention joined Madison in his contention that a "republican form of government" should be adopted and guaranteed instead of a "democratic form of goverment."

During the Convention, Hamilton said: "The members most tenacious of republicanism were as loud as any in disclaiming against the vices of democracy. We are now to decide forever the fate of republican government."

After the Convention in 1803, Hamilton wrote to Pickering: "The plan of a constitution which I drew up while the Convention was sitting and which I communicated to Madison was predicated on these bases:

"1. That the political principles of the people of this country would endure nothing but republican government.

"2. That in the actual situation of the country it was in itself right and proper that the republican theory should have a full and fair trial.

"3. That to such a trial it was essential that the government should be so constructed as to give all energy and stability reconcilable with the principles of that theory."

Thomas Jefferson was one of the most ardent advocates of a republican form of government instead of a democratic. He became the leader of the young Republican Party as opposed to a democratic or an exclusive Federal Government.

In defending the republican form of government, he said:

"To preserve the republican form and principles of our Constitution and cleave to the salutary distribution of powers which that has established are the two sheet anchors of our Union. If driven from either, we shall be in danger of foundering. * * * A just and solid republican government maintained here will be a standing monument and example for the aim and imitation of the people of other countries. * * * The station which we occupy among the nations of the earth is honorable, but awful. Trusted with the destinies of this solitary Republic of the world, the only monument of human rights, and the sole depository of the sacred fire of freedom and self-government, whence it is to be lighted up in other regions of the earth, if other regions of the earth shall ever become susceptible of its benign influence. All mankind ought, then, with us, to rejoice in its prosperous, and sympathize in its adverse, fortunes, as involving everything dear to man."

George Washington in his farewell address to his countrymen warned against the dangers which threatened our country's "republican liberty" and "republican government." In his messages to Congress, he always calls the United States a "republic" and never a "democracy."

A pure democracy is a form of government "in which the supreme power is retained by the people" as "distinguished from aristocracy," says Webster. Webster further defines a "republic" as "a state in which the sovereign power resides in a certain body of the people, and is exercised by representatives elected by, and responsible to them."

FORM OF GOVERNMENT EARNESTLY DEBATED

The founding fathers who framed our form of government in the Constitutional Convention in Philadelphia in 1787 earnestly debated which form of government they should establish—a republican or a democratic—a government in which the chosen representatives of the people enacted the laws, or in which the people themselves directly made and administered them. Some were in favor of a democracy and some in favor of a republic. Hamilton opposed the establishment of a democracy. He said: "Give all power to the many; they will oppress the few. Give all power to the few; they will oppress the many. Both, therefore, ought to have the power, that each may defend itself against the other."

In speaking of the irresistible passions and furies which control the multitudes in a democratic form of government, he chided those who were advocating the establishment of a democracy as "not duly considering the amazing violence and turbulence of the democratic spirit. When a great object of government is pursued, which seizes the popular passions, they spread like wildfire and become irresistible." It appeared that some of the delegates from the New England States argued that "no good executive could be established on republican principles." But Hamilton answered that it first was essential to have a good government in order to establish a good executive. Hamilton said he saw "the Union dissolving, or already dissolved" under the democratic principles of government as manifested under the Confederation which preceded our Union, and that he saw "evils operating in the States which must soon cure the people of their fondness for democracies."

The distinction between a "democracy" and a "republic" was clearly understood by the founders of the American Republic as well as by our forefathers who succeeded them in the administration of the Government. Even the "Democratic Party," which is merely a political name, clearly understood the distinction between a "democratic form of government" and a "republican form of government." In that party's platform of 1856 we find these expressions: Dangerous to our republican institutions"; and "every future American State that may be constituted or annexed with a republican form of government." In the platform of 1864: "Brave soldiers and sailors of the Republic." In the platform of 1876: "Do here record our steadfast confidence in the perpetuity of republican self-government"; and "now reunited in one indivisible Republic and a common destiny." In the platform of 1892: "Under the Constitution as framed by the fathers of the Republic"; and "believing that the preservation of republican govern-

ment in the United States." In the platform of 1896: "The dual system of government established by the founders of this Republic of republics." In the platform of 1900: "We assert that no nation can long endure half republic and half empire"; "we are not willing to surrender our civilization nor to convert the Republic into an empire"; and "this Republic has no place for a vast military service and conscription." In the platform of 1904: "The structure of our free Republic." In the platform of 1908: "Believing with Jefferson in 'the support of the State governments in all their rights as the most competent administrations for our domestic concerns, and the surest bulwarks against antirepublican tendencies.'"

Thomas Jefferson said: "To preserve the republican form, * * * a just and solid republican government maintained here will be a standing monument."

The Honorable James M. Beck, LL. D., in his book entitled, "Constitution of the United States," says: "The framers believed in representative government to which they gave the name 'republicanism' as the antitheses of 'democracy.'" Von Holst, in his work on Constitutional Law, says: "It [the Constitution] not only promises that the Union will interpose with all its might on their behalf if internal or external causes threaten to overthrow their republican form of government, but it absolutely forbids them to adopt any other form under any condition or for any reason whatsoever."

The Journal of the Proceedings of the Constitutional Convention, the book Federalist, and the constitutional authorities, as well as the decisions of the Supreme Court of the United States, declare that the United States Government is a "Republic," based on "republican principles," "republican ideals," "republican doctrine," having "republican institutions" and "a republican form of government." The label "democracy" as applied to America is an un-American malapropism.

THE MOB HELD IN LEASH

A purely democratic form of government is subject to the passions and emotions of the multitude and frequently resorts to mob rule. Communists boast of being democratic and of favoring a democracy instead of a republic. Under a purely democratic form of government there are no property rights and no class distinctions; all things are held in common. If the multitude decides to abolish churches and clergymen, or freedom of religion, of speech, of the press, and the natural, God-given rights of the individual for the benefit of the whole, it is done under a democratic rule of government. Under a republican form of government it cannot be done so easily, for the multitude is not in control, nor does it make and execute the laws. A republic is not ruled by men, but by law. The lawmakers and the administrators are subject to the fundamental law of the land and, as the supreme authority, can exercise only such powers as are consistent with the constitution. The passions of the multitude and the mob are held in leash by the constitution in a republic. In a pure democracy in critical times everything is controlled by the impulses and the immediate will of the people as a whole, while in a republic everything is subjected to the supreme authority of the constitution, and the people choose many peers as their representatives to speak and act in harmony with the will of the people as set forth in the constitution as the fundamental law of the land.

ALL RIGHTS GUARDED

Under the American Constitution the minority and the individual have certain natural and God-given rights which no legislative or judicial power can rightfully abridge or deny, but in a pure democracy the whim of the majority controls and may nullify and override every inalienable right of the minority. The creators of our Republic and the makers of our Constitution were convinced that a democracy would not succeed and that a republic was the only kind of government under which the powers of the mob could be limited and the rights of the minority protected operating under a written Constitution.

Not only the civil, but the religious, rights of the individual which are safeguarded under our Constitution are placed in jeopardy under the dominant and arbitrary rule of a pure democracy. A written constitution which cannot be amended without careful deliberation and a fitting lapse of time to prevent quick action inspired by hasty passion on the part of the multitude is the only security of civil and religious liberty, so far as the welfare of minorities is concerned.

A REAL DANGER

We are not dealing here with an imaginary contingency which is foreign to America, but with a real danger that is facing our free republican institutions and our constitutional guaranties of human rights in these United States of America. In recent years our drift has been away from a republic toward a democracy. Many of the civil rights guaranteed to the individual under our written Constitution have already been undermined and overridden by the delegation of legislative and judicial powers to the Chief Executive and his appointive bureaus. All history testifies to the unfailing truth that after the civil rights of minority groups have been undermined very little time lapses before the religious rights of minority groups are likewise destroyed. It is this tendency under the arbitrary rule of a pure democracy that concerns this magazine. For this reason we point out the danger couched in the wrong use of the phrase, "Our American democracy." The wrong use may lead to the wrong application of laws and principles. May God save our Republic from being changed into a pure democracy.

Mr. RANKIN. Mr. Speaker, I rise to pay my humble tribute to the memory of one of America's most illustrious sons.

Yesterday was the ninety-third anniversary of the birth of Thomas Alva Edison, our country's greatest contribution to the world's list of scientific men.

He was the foremost inventive genius of the age and one of the leading benefactors of mankind. He was the greatest liberator the world has ever known. By the force of his matchless genius, aided by his tireless energy, he struck the shackles of drudgery from untold millions of human beings and lifted the world into the light of a new civilization, the like of which humanity had scarcely dreamed.

He stands in history among the leaders of the men of genius of all time—Homer, Galileo, Michelangelo, Rembrandt, Mozart, Cervantes, Shakespeare, Columbus, Jefferson, Newton, and Marconi. Towering amid that great galaxy rises the immortal figure of Edison, in glorified silhouette against the horizon of the ages, sending a glow of radiance down the centuries to come, to stir the hopes and fire the imaginations of toilers of the future who struggle for the betterment of mankind.

It is unnecessary to attempt to magnify his virtues, to minimize his vices, or to clothe him with qualities he did not have. All that is necessary to commend him to the minds and hearts of peoples of all climes is the simple story of this earnest, patient man, toiling through the silent hours of the night to make the world a better place in which to live.

He was the greatest public servant of his day; yet he held no political office, he founded no political party, he advanced no new political creeds. Therefore no array of illustrious speakers volunteer to sing his praise or use his name as a sounding board to further selfish ends.

He was one of the mightiest conquerors this world has ever seen; yet he waged no wars of human destruction, he fought no bloody battles, he stirred no fires of human hate nor pandered to the baser passions of the race. But he conquered the elements, as it were, and gave to humanity the greatest ascendancy over the forces of nature the world has ever known. He brought the dawn of a new civilization—the electric age.

He never intentionally hurt a human being. Therefore no memorial has been erected to him in his country's Capital, no monument dedicated to his name, no blazing epitaph upon these historic walls proclaim his services to the world.

I sometimes wonder if we really appreciate the services of men of genius. They scale the heights and blaze the way to those sublime achievements that mark the milestones in the progress of the race, while men of talent dig in, solidify, and hold the gains and enjoy the progress that genius makes.

Have you ever thought what would happen if we should lose all that men and women of genius have accomplished for the world? What this land would be like? It would be a different world—cold, pulseless, monotonous, and silent. Our transportation system would come to a standstill, the telephone and telegraph wires would become useless obstructions, the lights would go out, the radio would be silenced, and all the machinery of industry, as well as that of commerce would cease to move. As has been well and wisely said, if you take from the world all that genius has given, "all the niches would be empty, all the walls would become naked, meaning and connection would fall from words of poetry and fiction, music would go back to common air, and all the forms of subtle and enchanting art would lose proportion, to become the unmeaning waste and shattered spoil of thoughtless chance."

It would be useless to attempt to enumerate all the things that Edison did for mankind. His greatest contribution was the invention of the electric light,—the incandescent lamp. With that one act he did more to change the course of our civilization than has any other man who ever "lived in the tide of time." He not only lighted our halls, our homes, our streets, and our highways, but he gave us the spark that fires the gas that makes the motor machine possible.

He ushered in the electric age, and the motor age as well. He made possible the automobile, the X-ray, the airplane, the submarine, the moving picture, and the radio. He gave us a new system of overland transportation, taught us to navigate the air, and enabled us to roam with safety on the bottom of the seas. He eliminated time and space and aided us to see through objects that were formerly supposed to exclude all light.

He made possible mass production through new industrial machinery, and gave us that great multiplicity of electrical appliances that add to the comforts and conveniences of every home and every business establishment. He made necessities luxuries, and luxuries necessities, and enabled us to electrify the farm homes of America and to lift from the shoulders of burdened humanity the great weight of drudgery under which farm men and women have struggled since the beginning of time.

He tapped a source of wealth richer than the diamond mines of Golconda, more valuable than all the oil fields and all the gold and diamond mines of the modern and ancient world—a wealth that is inexhaustible, and one that will last as long as rains fall and rivers flow to the sea.

There is enough hydrcelectric power in our navigable streams alone, that throughout uncounted centuries has been running waste and wanton to the sea, to electrify every home in America, including every farm home, and then have enough left to supply every commercial establishment, if not every industry throughout the land.

His monument is in every home that turns an electric switch; his epitaph is written on every heart that beats in gratitude for the services he gave. He needs no pompous memorial to commemorate his life. He needs no monument save the eternal and indestructible substance of his own greatness to commend him to the consideration of all coming ages. His name will live and his fame will reach to the remotest times in which civilized man shall dwell upon the earth.

Someone has said that—

They are the truly great who, as the centuries slowly pass, are found by each succeeding race near to the heart of human love.

Centuries may come and go, empires may flourish and pass away, republics may rise and fall, but the work of Edison will endure.

When the monuments to lesser men shall have perished with the lapse of time, when this Republic shall have run its course and taken its place among the dead nations of the past, when in the distant lapse of ages yet to come, errant wanderers from different lands shall stand before the crumbling columns of this Capitol and look down across the ruins of the District of Columbia, the name of Thomas A. Edison will remain, unscarred by the wreck of ages and undimmed by the floods of time. [Applause.]

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. HINSHAW, for the balance of the week, on account of illness.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include two news items.

The SPEAKER pro tempore (Mr. KERR). Is there objection?

There was no objection.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on Saturday, February 10, 1940, present to the President, for his approval, a bill of the House of the following title:

H. R. 4532. An act to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 13, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, February 14, 1940, at 10:30 a. m., for the public consideration of H. R. 8023 and H. R. 8292.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, February 13, 1940:

H. R. 1780, to amend section 7 of the act of June 19, 1886, as amended (U. S. C., 1934 ed., Supp. III, title 46, sec. 319), relative to penalties on certain undocumented vessels and cargoes engaging in the coastwise trade or the fisheries, and for other purposes.

H. R. 5837, to amend section 221 of the Shipping Act, barring certain aliens from participating in the benefits thereof.

H. R. 6770, to amend Revised Statutes 4311 (U. S. C. 251).

H. R. 7694, to amend section 4311 of the Revised Statutes of the United States.

H. R. 8180, to require that not less than 75 percent of the crew of any fishing vessel of the United States be citizens of the United States.

Wednesday, February 14, 1940:

On Wednesday, February 14, 1940, at 11 a. m., the Committee on Merchant Marine and Fisheries will hold hearings on H. R. 6983, to provide for the construction of a marine tuberculosis hospital in California.

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collector of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs of the House in room 1310, New House Office Building, at 10:30 a. m., Tuesday, February 13, 1940, for the consideration of H. R. 7658, to provide for the protection and preservation of domestic sources of iron and steel.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs on Wednesday, February 14, 1940, at 10 a. m., on H. R. 8026, to establish the composition of the United States Navy, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 14, 1940, at 10 a. m., there will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary on the bill (H. R. 8016) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof

and supplementary thereto (municipal compositions). The hearing will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 6877, to protect the United States in patent-infringement suits; and S. 547, to amend section 23 of the Copyright Act.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1385. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 29, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Kings River and Tulare Lake, Calif., authorized by the Flood Control Act approved June 22, 1936 (H. Doc. No. 630); to the Committee on Flood Control and ordered to be printed, with an illustration.

1386. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, Architect of the Capitol, for the fiscal year 1940, amounting to $78,464 (H. Doc. No. 632); to the Committee on Appropriations and ordered to be printed.

1387. A communication from the President of the United States, transmitting an estimate of appropriation for the Benjamin Harrison Memorial Commission, amounting to $2,500, for the fiscal year 1940, to remain available until September 30, 1940 (H. Doc. No. 633); to the Committee on Appropriations and ordered to be printed.

1388. A letter from the Secretary of the Interior, transmitting the reclamation report on the Kings River project in California (H. Doc. No. 631); to the Committee on Irrigation and Reclamation and ordered to be printed, with illustrations.

1389. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, United States House of Representatives, for the fiscal year 1941, in the amount of $1,250 (H. Doc. No. 634); to the Committee on Appropriations and ordered to be printed.

1390. A letter from the Secretary of War, transmitting a report of the names of contractors and subcontractors who have been granted exemption by the Secretary of War from the limitation of profit owing to the contracts being for scientific equipment; to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CALDWELL:

H. R. 8420. A bill to authorize a refund of taxes on imported crude petroleum under certain circumstances; to the Committee on Ways and Means.

By Mr. CARTWRIGHT:

H. R. 8421. A bill to amend the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 28, 1938; to the Committee on Flood Control.

By Mr. CONNERY:

H. R. 8422. A bill relating to the classification of substitute driver-mechanics in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. BLAND:

H. R. 8423 (by request). A bill to amend the act entitled "An act to increase the efficiency of the Coast Guard," approved January 12, 1938; to the Committee on Merchant Marine and Fisheries.

By Mr. HILL:

H. R. 8424. A bill to authorize the Secretary of the Interior to furnish 100,000 acre-feet per annum additional water for the Wapato Indian irrigation project, Washington; to the Committee on Indian Affairs.

By Mr. MAY:

H. R. 8425 (by request). A bill to amend section 81 of the National Defense Act; to the Committee on Military Affairs.

By Mr. OLIVER:

H. R. 8426 (by request). A bill to amend section 3 of Public Law No. 262, Seventy-fourth Congress, with respect to claims of the United States; to the Committee on World War Veterans' Legislation.

By Mr. WHITE of Idaho:

H. R. 8437. A bill to amend the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes," approved March 31, 1933; to the Committee on Appropriations.

By Mr. SCHWERT:

H. J. Res. 455. Joint resolution extending time for construction of work-relief and public-works projects until January 1, 1941; to the Committee on Appropriations.

By Mr. COOPER:

H. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives, current session, on the resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended; to the Committee on Printing.

By Mr. CARLSON:

H. Res. 382. Resolution for the relief of Maude May McArthur; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 8427. A bill for the relief of Joseph Lane; to the Committee on Claims.

By Mr. DIES:

H. R. 8428. A bill for the relief of Edward Johnson; to the Committee on Military Affairs.

By Mr. HOBBS:

H. R. 8429. A bill for the relief of Maj. L. P. Worrall, and for other purposes; to the Committee on Claims.

By Mr. KING:

H. R. 8430. A bill for the relief of Gloria D. Downing and George Cornfield; to the Committee on Immigration and Naturalization.

H. R. 8431. A bill for the relief of Rinzo Takata; to the Committee on Claims.

By Mr. McKEOUGH:

H. R. 8432. A bill for the relief of Florence Chumley; to the Committee on Immigration and Naturalization.

By Mr. OLIVER:

H. R. 8433. A bill for the relief of Saverio Tanerillo; to the Committee on Immigration and Naturalization.

By Mr. SHANLEY:

H. R. 8434. A bill for the relief of Capt. Jules L. Paridaens; to the Committee on Military Affairs.

By Mr. SPRINGER:

H. R. 8435. A bill granting a pension to Mary H. Stiers; to the Committee on Pensions.

By Mr. WHITE of Idaho:

H. R. 8436 (by request). A bill for the relief of King Mayberry; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6449. By Mr. DONDERO: Petition of sundry citizens of Plymouth, Mich., protesting against the levying of excise or

any other form of processing taxes on bread and other everyday indispensable necessities of life; to the Committee on Ways and Means.

6450. By Mr. HARTER of New York: Petition of various citizens of the United States of Polish origin requesting aid for the stricken people of Poland; to the Committee on Foreign Affairs.

6451. By Mr. MARTIN J. KENNEDY: Petition of the Central Trades and Labor Council, New York City, to reinstate and reestablish the prevailing rate of wage on Work Projects Administration projects by amending the emergency relief law so as to provide therefor; to the Committee on Appropriations.

6452. Also, petition of the Central Trades and Labor Council, New York City, to provide generously for Federal aid and reestablish the prevailing rate of wage on Work Projects and similar types of construction, and to the end that employment may be created, essential facilities afforded to our people in their various communities, and that there be added to our national wealth and possessions such valuable permanent improvements as will result through a Public Works Administration program; to the Committee on Appropriations.

6453. By Mr. KEOGH: Petition of the Syracuse Production Credit Association, Syracuse, N. Y., stating that the interest of farm credit can be served by either returning the Farm Credit Administration to its original independent status or to some independent governing board; to the Committee on Agriculture.

6454. Also, petition of the Williamsburgh Manufacturers and Merchants Association of Brooklyn, N. Y., favoring legislation that will prohibit the further expansion, and if possible curtail the importation of refined sugar made in tropical islands for our markets, and thereby protect the jobs of American men and women of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

6455. Also, petition of the Ohio Chamber of Commerce, Columbus, Ohio, concerning the Logan-Walter administrative bill (H. R. 6324); to the Committee on the Judiciary.

6456. By Mr. KNUTSON: Petition of V. O. Titrud and A. E. Holmberg, of Cokato, Minn., and sundry others; to the Committee on Ways and Means.

6457. By Mr. LECOMPTE: Petition of sundry citizens of Oskaloosa, Iowa, in the interest of the Federal chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6458. Also, petition of citizens of Ottumwa, Iowa, in the interest of the chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6459. By Mr. MERRITT: Resolution of the Williamsburgh Manufacturers and Merchants Association of Brooklyn, N. Y., urging upon Congress the necessity of enacting at this session legislation that will prohibit the further expansion, and if possible curtail the importation, of refined sugar made in the tropical islands for our markets, and thereby protect the jobs of American men and women of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

6460. Also, resolution of the National Association of Letter Carriers, Branch 294, Flushing, N. Y., requesting Congress to give favorable consideration to House bill 2569, Rogers court of appeals bill, or any other court of appeals bill; to the Committee on the Civil Service.

6461. By Mr. PFEIFER: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, favoring the reestablishment of the prevailing rate of wage on Work Projects Administration projects by amending the emergency relief law so as to provide therefor; to the Committee on Appropriations.

6462. Also, petition of the League to Aid Korean Volunteers in China, concerning the placing of an embargo on the exportation of all war materials to Japan; to the Committee on Foreign Affairs.

6463. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, to provide generously for Federal aid and assistance in the financing of public work, housing projects, and similar types of construction; to the Committee on Banking and Currency.

6464. Also, petition of the Manufacturers Retail Bakers Association of the Eastern States, opposing the imposition and collection of a processing tax on wheat; to the Committee on Ways and Means.

6465. Also, petition of the Zeidler Democratic Club, Maspeth, N. Y., concerning the enactment, at the present session, legislation that will prohibit the further expansion and if possible curtail the importation of refined sugar made in tropical islands for our markets and thereby protect the jobs of American men and women of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

6466. Also, petition of the New York State League of Savings and Loan Associations, New York City, concerning the passage of House bill 6971; to the Committee on Banking and Currency.

6467. Also, petition of the Archer-Daniels-Midland Co., New York City, concerning the Dirksen bill (H. R. 7696); to the Committee on Agriculture.

6468. By Mr. TALLE: Petition of Mrs. K. A. Brunsvold and Miss Ida L. O. Hanson, of Northwood, Iowa, urging that Congress immediately give financial aid to Finland; to the Committee on Foreign Affairs.

6469. By the SPEAKER: Petition of the Society Aland, Inc., 138 East One Hundred and Forty-ninth Street, New York, petitioning consideration of their resolution with reference to Finnish relief; to the Committee on Foreign Affairs.

6470. By Mr. SUTPHIN: Petition of the United Polish Societies of Irvington, N. J., requesting that the President urge the Governments of the Union of Soviet Socialist Republics and Germany to open channels for outside relief of food, clothing, and medicine for the distressed population of all creeds and races in the occupied areas of Poland; to the Committee on Foreign Affairs.

6471. By Mr. VAN ZANDT: Petition of the Council of the City of Altoona, Pa., opposing the St. Lawrence waterway project in view of the staggering Budget that has just been presented to Congress and the resultant decrease in employment in the rail and bituminous coal industries in Pennsylvania; to the Committee on Interstate and Foreign Commerce.

6472. By Mr. WELCH: Senate joint resolution passed by the California State Legislature, relative to memorializing Congress to take action in respect to the existing emergency in the Tulelake district; to the Committee on Flood Control.

SENATE

TUESDAY, FEBRUARY 13, 1940

(Legislative day of Wednesday, February 7, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O merciful God and Heavenly Father, whose love to us is long suffering and infinitely tender: Direct our minds beyond all vain imaginings, all barriers of fear to the abiding reality of Thy presence, where falsehood, sin, and cowardice disappear. It may be that we know not what we ask, but dare we ask for less? If we have sought to serve our country relying solely on ourselves, if we have tried to slake our thirst at broken cisterns or veil the naked flame that burns within, teach us in this moment of self-examination that if we seek to know the mysteries of life we must ask for fortitude to bear the truth. Direct us to the blessed Christ that, realizing His utter sacrifice, His broken heart, we may learn to walk His way, think His thoughts, and speak with His authority, striving by word and deed to shape the destiny of the Nation and all the nations of the world, according to Thy purpose, through Him who gave His life for all mankind. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar

day, Friday, February 9, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On February 6, 1940:

S. 1820. An act to provide for the transfer of certain land owned by the United States to the State of Texas; and certain other land to the county of Galveston, Tex.

On February 9, 1940:

S. 323. An act for the relief of E. C. Beaver.

On February 12, 1940:

S. 766. An act for the relief of the Missoula Brewing Co.; and

S. 1157. An act for the relief of Roy D. Cook, a minor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 186) to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the bill (S. 1955) to authorize the Secretary of Agriculture to delegate certain regulatory functions, and to create the position of Second Assistant Secretary of Agriculture, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES of Texas, Mr. FULMER, and Mr. HOPE were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 960. An act extending the classified executive civil service of the United States; and

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	George	Lee	Russell
Andrews	Gerry	Lodge	Schwartz
Ashurst	Gibson	Lundeen	Schwellenbach
Austin	Gillette	McCarran	Sheppard
Bankhead	Glass	McKellar	Shipstead
Barbour	Green	McNary	Smathers
Barkley	Guffey	Maloney	Smith
Bilbo	Gurney	Mead	Stewart
Brown	Hale	Miller	Taft
Bulow	Harrison	Minton	Thomas, Idaho
Byrnes	Hatch	Murray	Thomas, Okla.
Capper	Hayden	Neely	Thomas, Utah
Chandler	Herring	Norris	Townsend
Chavez	Hill	O'Mahoney	Tydings
Clark, Idaho	Holt	Overton	Van Nuys
Clark, Mo.	Hughes	Pepper	Wagner
Connally	Johnson, Calif.	Pittman	Walsh
Danaher	Johnson, Colo.	Radcliffe	Wheeler
Davis	King	Reed	White
Frazier	La Follette	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Nebraska [Mr. BURKE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Ohio [Mr. DONAHEY] is unavoidably detained.

The Senator from Louisiana [Mr. ELLENDER] and the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY] are detained on important public business.

Mr. MCNARY. I announce that my colleague the Senator from Oregon [Mr. HOLMAN] is absent because of illness.

I also announce the unavoidable absence of the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. NYE], and the junior Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

OCEAN TRANSPORTATION OF AUTOMOBILES—FOREIGN SERVICE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to permit, where ocean transportation is necessary and subject to certain other limitations, the transportation at Government expense of personally owned automobiles by certain officers of the Foreign Service of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 13, 1940.*

[Enclosures: 1. Report of the Secretary of State. 2. Draft of proposed bill.]

INDEPENDENT OFFICES APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7922) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1941, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GLASS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, Mr. MCCARRAN, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

ACTIVITIES AND ACCOUNTING PRACTICES, UNITED FOUNDERS CORPORATION GROUP

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, sections 2 and 3 of chapter VI of part 3 of the Commission's over-all report on the study of investment trusts and companies—description of the activities of the United Founders Corporation group and accounting practices of the same group of investment companies, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of New York, which was referred to the Committee on Civil Service:

Whereas the problem of the unemployed middle-aged worker has been steadily increasing in severity during the past 10 years; and

Whereas the Legislature of the State of New York, recognizing the severity of said problem, has created by resolution a joint legislative committee to study the problem and suggest methods of its solution; and

Whereas it was immediately recognized that government itself was one of the major offenders in the matter of discrimination against the middle-aged worker, and that the State of New York might profitably set an example to industry to follow; and

Whereas in 1938 the committee recommended and caused to be introduced and passed a bill restricting the State civil-service commission and the various municipal civil-service commissions within the State in this regard, prohibiting the placing of arbitrary age limits as eligibility requirements for certain civil-service positions; and

Whereas not only the committee but industry, labor, and those connected with the civil service have hailed the salutary effect of this legislative restriction and have pointed out the progressive record of New York State in this regard compared to the regulations of the Federal Civil Service Commission: Therefore be it

Resolved (if the senate concur), That the Congress of the United States be, and hereby is, respectfully memorialized to enact similar legislation without delay, to the end that discrimination against

older persons in the Federal civil service be abolished, and that the work of public and private agencies in behalf of the middle-aged worker be enhanced by the good example set by the Federal Government; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, Secretary of United States Senate, Clerk of the House of Representatives, and to each member of the Senate and House Committees of the Civil Service, and that they be urged to use their best efforts to accomplish the purpose of this resolution.

The VICE PRESIDENT also laid before the Senate resolutions adopted by a mass meeting held at Chicago, Ill., under the auspices of the Polish American Council of the United States, favoring necessary appropriations to aid the people of Poland suffering as a result of the Polish invasion by the armies of Germany and Soviet Russia, which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of the Civic Forum of Warwick, R. I., praying for the adoption of the stamp plan to buy clothing for the State of Rhode Island, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the Central Labor Union of Jacksonville, Fla.; the Tri-Cities Central Labor Union of Muscle Shoals and Vicinity, Alabama; the Building and Construction Trades Council, and Union No. 901, Brotherhood of Painters, Decorators, and Paperhangers of America, both of Monroe, La., favoring the enactment of legislation to provide for the construction and completion of the Florida Ship Canal, which were referred to the Committee on Commerce.

He also laid before the Senate a resolution of the United Fishermen's Union of the Pacific, of San Pedro, Calif., favoring an increase by $350,000 in the appropriation for the so-called La Follette Civil Liberties Committee so as further to investigate the question of civil liberties on the Pacific coast, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a letter from the chairman of Lavanburg-Corner House Chapter, U. O. P. W. A. (C. I. O.), of New York City, N. Y., endorsing the aims and principles of the American Youth Congress of 1940, recently convened in the city of Washington, D. C., which was referred to the Committee on Education and Labor.

He also laid before the Senate the petition of several children of St. Francis Orphanage, Reading, Pa., praying that relief be granted to homeless and helpless European children on account of the disasters of war, and that such children be transported to America for the purpose of aiding and helping them, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the Council of the City of Chicago, Ill., favoring the enactment of pending antilynching legislation, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of the Federation of Women's Clubs of Scotts Bluff County, Nebr., favoring the adoption of the so-called equal-rights amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by Local Union No. 7237, United Mine Workers of America, of Jewell Valley, Va., favoring the calling of a national conference of labor, industry, agriculture, and Government to work out a plan to relieve unemployment, which was referred to the Special Committee to Investigate Unemployment and Relief.

He also laid before the Senate resolutions of the National Farm Loan Associations of Canton and Turkey, both in the State of Texas, favoring the restoration of the Farm Credit Administration to the status of an independent bureau and the placing of the operations of the Federal land banks, National farm-loan associations, and other units of the Administration under the supervision of a bipartisan board appointed by the President, by and with the advice and consent of the Senate, which were referred to the Select Committee on Government Organization.

He also laid before the Senate a resolution adopted by the Aland Sick Benefit Society, at Vasa Castle Hall, New York City, N. Y., extending thanks to the Government, the American Red Cross, the American press, former President Hoover, and all workers for Finnish civilian relief, for the sympathy and material aid rendered to the Republic of Finland and the Finnish people, which was ordered to lie on the table.

Mr. GIBSON. Mr. President, I have before me and now present petitions signed by 1,800 employees of the United States Government, asking consideration for Senate bill 540, which provides that civil-service employees, after serving 30 years, may apply for voluntary retirement, and request that these petitions be received and referred to the Committee on Civil Service.

The VICE PRESIDENT. Without objection, the petitions presented by the Senator from Vermont will be received and referred to the Committee on Civil Service.

Mr. CAPPER presented a petition signed by sundry members of the Presbyterian Church of Humboldt, Kans., praying for the enactment of legislation to provide an embargo on the shipment of munitions of war to China, which was referred to the Committee on Foreign Relations.

Mr. HOLT presented a resolution adopted by the West Virginia Bakers' Association, protesting against the enactment of the bill (S. 2395) to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in wheat, providing for the orderly marketing of wheat at fair prices in interstate and foreign commerce, insuring to wheat producers a parity income from wheat based upon parity price or cost of production, whichever is the higher, and for other purposes, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Regional Sportsmen's Meeting held at Morgantown, W. Va., and representing the counties of Hancock, Marshall, Monongalia, Gilmer, Preston, Ohio, Harrison, Doddridge, Brooke, Taylor, Lewis, and Marion, in the State of West Virginia, favoring the enactment of the so-called Mundt conservation bill, or similar legislation, providing it be acceptable to the Izaak Walton League of America, and opposing the enactment of so-called antipollution legislation, which was referred to the Committee on Agriculture and Forestry.

Mr. REED presented a petition of 200 citizens of the State of Kansas, praying for the enactment of the so-called Patman anti-chain-store bill, which was referred to the Committee on Finance.

He also presented the memorial of Rev. A. A. VanSickle, pastor of the North Ottawa Baptist Church, Ottawa, Kans., and 33 members of his congregation, remonstrating against the sale of munitions of war to Japan for use in the Japanese invasion of China, which was referred to the Committee on Foreign Relations.

Mr. WILEY. Mr. President, I present for appropriate reference a petition numerously signed by citizens of Manitowoc, Wis., praying for an adequate appropriation for vocational rehabilitation. I ask that the body of the petition may be printed in the RECORD.

There being no objection, the petition was referred to the Committee on Education and Labor, and the body thereof was ordered to be printed in the RECORD, as follows:

In the interest of the humanitarian work and motives of the governmental agencies engaged in the rehabilitation of the physically disabled, we wish to urge your support in the restoration of the full appropriation for vocational rehabilitation as recommended by the United States Office of Education.

Wisconsin has pioneered in work for the physically handicapped, and it is reflected in a going program in our community.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3038) to provide for the advancement of John L. Hines on the retired list of the Army, reported it without amendment and submitted a report (No. 1195) thereon.

Mr. HATCH, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 3391) providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles, reported it without amendment and submitted a report (No. 1196) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3227. A bill to enable the Secretary of Agriculture, in cooperation with official State agencies, to prevent the dissemination of pullorum and other diseases of poultry, and to improve poultry, poultry products, and hatcheries, and for other purposes (Rept. No. 1197);

H. R. 112. A bill to facilitate control of soil erosion and flood damage on lands within the Ozark and Ouachita National Forests in Arkansas (Rept. No. 1198);

H. R. 169. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif. (Rept. No. 1199); and

H. R. 2009. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif. (Rept. No. 1200).

Mr. SMITH also, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3226. A bill to facilitate and simplify national-forest administration (Rept. No. 1201); and

H. R. 2417. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior of boundaries of the Sequoia National Forest, Calif. (Rept. No. 1202).

Mr. O'MAHONEY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3136) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws; reported it with an amendment and submitted a report (No. 1204) thereon.

CONSERVATION OF WILDLIFE RESOURCES (REPT. NO. 1203)

Mr. PITTMAN, from the Special Committee on Conservation of Wildlife Resources, pursuant to Senate Resolution 246 (71st Cong., 2d sess.), providing for the appointment of a special committee to investigate matters pertaining to the replacement and conservation of wild-animal life, submitted a report, which was ordered to be printed, with illustrations.

ENROLLED BILLS PRESENTED

Mr. REED (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On February 8, 1940:

S. 1157. An act for the relief of the legal guardian of Roy D. Cook, a minor.

On February 9, 1940:

S. 2624. An act to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 3334. A bill to amend the Federal Corrupt Practices Act, 1925; to the Committee on Privileges and Elections.

By Mr. SCHWELLENBACH:

S. 3335. A bill for the relief of Adolph G. Anderson; to the Committee on Claims.

S. 3336. A bill extending the provisions of an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," to R. D. McRae; to the Committee on Civil Service.

By Mr. PEPPER:

S. 3337. A bill for the relief of the Lewis State Bank of Tallahassee, Fla.; to the Committee on Claims.

S. 3338. A bill for the relief of Alice C. Wainwright; to the Committee on Foreign Relations.

By Mr. SHEPPARD:

S. 3339. A bill for the relief of John C. Crossman; to the Committee on Claims.

By Mr. LEE:

S. 3340. A bill to provide for a 10-year program of Federal assistance to the States in providing public-school buildings and equipment determined by surveys and studies to be needed; to the Committee on Education and Labor.

By Mr. DAVIS:

S. 3341. A bill further extending the times for commencing and completing the construction of a bridge across the Delaware River between Barryville, N. Y., and Shohola, Pa.; and

S. 3342. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at a point near Wyalusing, between Terry and Wyalusing Townships, in the county of Bradford, and in the Commonwealth of Pennsylvania; to the Committee on Commerce.

By Mr. MEAD:

S. 3343. A bill to amend section 13b of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

S. 3344. A bill for the relief of Baboo Ram Teree; to the Committee on Immigration.

S. 3345. A bill to amend the service-pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service; to the Committee on Pensions.

S. 3346. A bill to require the filling of all vacancies in the position of assistant postmaster in first- and second-class post offices; to the Committee on Post Offices and Post Roads.

S. 3347. A bill to promote industrial prosperity, to increase industrial employment, and to develop and conserve the natural resources by aiding and promoting research in the engineering experiment stations connected with colleges and schools of engineering in the several State and Territorial universities and colleges, and for other purposes; to the Committee on Education and Labor.

By Mr. THOMAS of Oklahoma:

S. 3348 (by request). A bill relating to adoption of minors by Indians; to the Committee on Indian Affairs.

By Mr. GERRY:

S. 3349. A bill for the relief of Charles E. Wilson; to the Committee on Military Affairs.

By Mr. McCARRAN:

S. 3350. A bill to amend the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes," approved March 31, 1933; to the Committee on Education and Labor.

By Mr. REYNOLDS:

S. 3351. A bill for the relief of I. M. Cooke, J. J. Allen, and the Radiator Specialty Co.; to the Committee on Claims.

By Mr. SHIPSTEAD:

S. 3352. A bill to amend the act of August 27, 1935 (49 Stat. 2194), and for other purposes; and

S. 3353. A bill for expenditure of funds for cooperation with the public-school board of school district No. 5 at Onigum and Walker, Minn., for the construction, extension, equipment, and improvement of public-school facilities to be available to all Indian children in the district; to the Committee on Indian Affairs.

By Mr. GEORGE:

S. 3354. A bill for th relief of Nannie E. Teal; to the Committee on Claims.

By Mr. GILLETTE:

S. 3355. A bill to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes; to the Committee on Commerce.

(Mr. SMATHERS introduced S. J. Res. 209, which was referred to the Committee on the Library, and appears under a separate heading.)

By Mr. PITTMAN:

S. J. Res. 210. Joint resolution authorizing William Bowie, captain (retired), United States Coast and Geodetic Survey, Department of Commerce, to accept and wear the decoration of the Cross of Grand Officer of the Order of St. Sava, bestowed by the Government of Yugoslavia; to the Committee on Foreign Relations.

NATIONAL INVENTORS' DAY

Mr. SMATHERS. Mr. President, I ask unanimous consent at this time to introduce a joint resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. SMATHERS. Mr. President, on the joint resolution I should like to say that last Sunday, February 11, was the birthday anniversary of one of New Jersey's most distinguished, most useful, most outstanding citizens—one of America's great contributions to the world, Thomas A. Edison.

The inventive genius of this truly great man of yesterday contributes so much to the health, the happiness, the convenience, and the general welfare of mankind of today, that I think it only fitting and proper that the Congress of the Nation acknowledge the gratitude of humanity to this great American by adopting a joint resolution declaring his birthday, February 11, as National Inventors' Day.

Mr. President, I send such a resolution to the desk, with the request that it be read and referred to the proper committee.

The VICE PRESIDENT. Without objection, the joint resolution will be read and referred to the Committee on the Library.

The joint resolution (S. J. Res. 209) providing for the observance of National Inventors' Day, was read the first time by its title, the second time at length, and referred to the Committee on the Library, as follows:

Whereas February 11 is the birth date of Thomas A. Edison, the Nation's greatest inventive genius; and

Whereas the Nation owes a debt of gratitude to Mr. Edison and other inventors whose works have improved progress and civilization; and

Whereas the United States should encourage not only American inventive genius as expressed by the research scientists, inventors, and engineers of today, but of the future, as we march on the road to further accomplishments in science, industry, business, and commerce: Therefore be it

Resolved, etc., That February 11 of each year be designated and observed as National Inventors' Day.

SEC. 2. That the Postmaster General is requested, not later than 1941, to issue a special National Inventors' Day postage stamp and to place this stamp on sale February 11 of each year and during the ensuing week.

SEC. 3. That the President of the United States is requested each year, at a reasonable time before National Inventors' Day, to issue a proclamation asking the people of the Nation to properly observe the National Inventors' Day.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 960. An act extending the classified executive civil service of the United States; to the Committee on Civil Service.

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939; to the Committee on the District of Columbia.

CHANGES OF REFERENCE

On motion by Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred as indicated below:

S. 559. A bill to provide for the re-enrollment on the emergency officers' retired lists of certain officers of the Army, Navy, and Marine Corps; to the Committee on Finance.

S. 613. A bill for the relief of Frank A. Smith; to the Committee on Claims.

AMENDMENT OF RAILROAD RETIREMENT ACT—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 3160) to amend section 1 (b) of the Railroad Retirement Act of 1937, which was referred to the Committee on Interstate Commerce and ordered to be printed.

AMENDMENTS TO RIVER AND HARBOR AUTHORIZATION BILL

FRIDAY HARBOR, WASH.

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

MIDDLE RIVER AND DARK HEAD CREEK, MD.

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

COMMITTEE ON CONSERVATION OF WILDLIFE RESOURCES

Mr. PITTMAN submitted the following resolution, Senate Resolution 236, which was referred to the Committee on Rules:

Resolved, That the Special Committee on the Conservation of Wildlife Resources, established pursuant to Senate Resolution 246, Seventy-first Congress, second session, be and the same is hereby established as a standing committee on the Conservation of Wildlife Resources.

ADDRESS OF THE PRESIDENT TO AMERICAN YOUTH CONGRESS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by the President of the United States to the National Citizenship Institute of the American Youth Congress at Washington, D. C., February 10, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR BYRNES ON GOVERNMENT EXPENDITURES AND THE BUDGET

[Mr. LEE asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BYRNES on February 11, 1940, which appears in the Appendix.]

LINCOLN'S BIRTHDAY ADDRESS BY SENATOR VANDENBERG

[Mr. MCNARY asked and obtained leave to have printed in the RECORD an address delivered at St. Paul, Minn., on February 10, 1940, before a Republican rally, celebrating the anniversary of Lincoln's birth, which appears in the Appendix.]

LINCOLN'S BIRTHDAY ADDRESS BY SENATOR LODGE

[Mr. MCNARY asked and obtained leave to have printed in the RECORD an address delivered by Senator LODGE on February 12, 1940, at Brooklyn, N. Y., before the Associated Republican Clubs of Kings County, which appears in the Appendix.]

ADDRESS BY SENATOR MEAD ON LEGISLATIVE PROGRAM OF AMERICAN LEGION, ETC.

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address delivered by him on February 10, 1940, relative to the legislative program of the American Legion and the American Legion Auxiliary, which appears in the Appendix.]

ADDRESS BY ATTORNEY GENERAL JACKSON BEFORE AMERICAN YOUTH CONGRESS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by Hon. Robert H. Jackson, Attorney General of the United States, before the American Youth Congress in Washington, D. C., February 9, 1940, which appears in the Appendix.]

ADDRESS BY ATTORNEY GENERAL JACKSON AT BUFFALO, N. Y.

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by Hon. Robert H. Jackson, Attorney General of the United States, at Buffalo, N. Y., on the subject Should the New Deal Policies be Continued? which appears in the Appendix.]

ADDRESS BY PAUL V. M'NUTT BEFORE NATIONAL AUTOMOBILE DEALERS' ASSOCIATION

[Mr. VAN NUYS asked and obtained leave to have printed in the RECORD an address delivered by Paul V. McNutt on January 24, 1940, before the National Automobile Dealers'

Association at Washington, D. C., which appears in the Appendix.]

ADDRESS BY PAUL V. M'NUTT AT B'NAI B'RITH BANQUET, WASHINGTON, D. C.

[Mr. GREEN asked and obtained leave to have printed in the RECORD an address delivered by Paul V. McNutt on February 5, 1940, before the B'nai B'rith banquet, held at the Mayflower Hotel, Washington, D. C., which appears in the Appendix.]

DECISION OF SUPREME COURT IN CASE OF ISIAH CHAMBERS ET AL.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the opinion delivered by Mr. Justice Black on February 12, 1940, of the Supreme Court of the United States in the case of Isiah Chambers, Jack Williamson, Charley Davis, and Walter Woodward, petitioners, against the State of Florida, which appears in the Appendix.]

OPINION OF THE SUPREME COURT IN THE WATERMAN STEAMSHIP CORPORATION CASE

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the opinion of the Supreme Court of the United States, delivered by Mr. Justice Black on February 12, 1940, in the case of the National Labor Relations Board, petitioner, against Waterman Steamship Corporation, which appears in the Appendix.]

ADDRESS BY EDWARD A. O'NEAL ON THE FARMER'S CONTRIBUTION TO THE NATION'S WELFARE

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address delivered by Edward A. O'Neal, president of the American Farm Bureau Federation, on February 10, 1940, on the farmer's contribution to the Nation's welfare, which appears in the Appendix.]

RESOLUTIONS REGARDING WHEELER-LEA BILL

[Mr. OVERTON asked and obtained leave to have printed in the RECORD excerpts from resolutions adopted by various agricultural and other State and National groups regarding the Wheeler-Lea transportation regulation bill, which appear in the Appendix.]

REPORT OF ATTORNEY GENERAL'S COMMITTEE ON ADMINISTRATIVE PROCEDURE

Mr. MINTON. Mr. President, there is pending before the Senate today a bill commonly called the Logan bill, Senate bill 915. The bill has to do with administrative procedure.

A committee of distinguished lawyers was appointed by the former Attorney General to study this matter of administrative procedure. The committee is composed of Dean Acheson, chairman; Ralph F. Fuchs, Lloyd K. Garrison, D. Lawrence Groner, Henry M. Hart, Jr., Carl McFarland, James W. Morris, Harry Shulman, E. Blythe Stason, and Arthur T. Vanderbilt. For over a year the committee has been making a study of the very intricate and difficult question of administrative procedure.

On January 31, 1940, the chairman of the committee wrote to the President of the United States a letter concerning the matter, in which he pointed out that the committee had been studying the subject for a year and will be ready to make its report along in May of this year, that the problem is a tremendously intricate one upon which a report cannot be stricken off at one fell swoop, and asking the consideration of the Attorney General for time for further study.

I ask unanimous consent that the letter of Mr. Acheson to the Attorney General of the United States may be incorporated in the RECORD as a part of my remarks. I hope Senators may find it agreeable to read this very enlightening letter of Mr. Acheson.

The VICE PRESIDENT. Is there objection?

Mr. KING. Mr. President, will the Senator yield?

Mr. MINTON. I yield to the Senator from Utah.

Mr. KING. I have no objection; but I desire to say that I have read the letter, and I am so satisfied with the letter that at as early a date as possible I shall move to have the Senate take up for consideration the bill to which the Senator refers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE.

Attorney General Jackson today made public the attached report of the Attorney General's Committee on Administrative Procedure. As the report indicates, this committee has been in existence for approximately 1 year. The chairman is Dean Acheson, of Washington, D. C. The other members of the committee are Ralph F. Fuchs, Lloyd K. Garrison, D. Lawrence Groner, Henry M. Hart, Jr., Carl McFarland, James W. Morris, Harry Shulman, E. Blythe Stason, and Arthur T. Vanderbilt.

ATTORNEY GENERAL'S COMMITTEE ON ADMINISTRATIVE PROCEDURE,
DEPARTMENT OF JUSTICE,
Washington, D. C., January 31, 1940.

The honorable the ATTORNEY GENERAL.

MY DEAR MR. ATTORNEY GENERAL: On February 16, 1939, the President, acting upon the earlier suggestion of former Attorney General Cummings, requested then Attorney General Murphy to appoint a committee to investigate the "need for procedural reform in the field of administrative law." "A thorough and comprehensive study should be made of existing practices and procedures," wrote the President, "with a view to detecting any existing deficiencies and pointing the way to improvements." Accordingly, on February 24, 1939, Attorney General Murphy created this committee in order "to ascertain in a thorough and comprehensive manner" the extent to which criticisms of the administrative procedure of Federal agencies were well founded and "to suggest improvements if any are found advisable."

Since it is "the Attorney General's committee," it is eminently fitting that the committee report to you the present status of its work and ask your wishes as to its future.

When the committee met to organize and plan its program, it was faced with the fact that there was no authentic collection of information on the actual procedure and practices of the numerous Federal agencies. To undertake the initial task of assembling the facts, the committee employed as its director Mr. Walter Gellhorn, of the faculty of law of Columbia University, and a small but able staff of lawyer-investigators. The investigations of this staff into the facts of administrative procedure in the various agencies have been progressing at a constantly accelerated pace.

From the start it was clear to the committee that it could not in a short time and with a limited staff study in detail every agency of the Federal Government. It therefore decided to give its attention to those agencies which directly affect persons outside the Government, either by adjudication or by rule making; for these are the agencies which give rise to the greatest amount of litigation and discussion regarding "administrative law." This limitation excludes agencies engaged in the managerial work of the Government (e. g., Civil Service Commission, Bureau of the Budget), those engaged in "proprietary" activities (e. g., Tennessee Valley Authority), and those which are confined to lending and public-works programs (e. g., Reconstruction Finance Corporation, U. S. Housing Authority, Federal Works Agency), as well as those which are essentially of a service character (e. g., Bureau of Standards).

The committee decided that its staff should study each of the remaining agencies. Studies of 15 agencies have now been completed. They have involved extended interviews with officials and employees of the agencies involved, with members of the public affected, and with attorneys who have represented clients before these agencies. Members of the committee's staff have attended numerous hearings and other administrative proceedings as observers, and have closely examined the files of the agencies to discover the methods utilized in disposing of matters arising under the various statutes and regulations. Upon the completion of these investigations the staff has prepared for the study of the committee a preliminary report upon each agency, discussing in detail its administrative procedures. The report has been given to the officers of the affected agency for their consideration and comment. Thereafter, the full committee has met with the agency's officers to discuss with them the facts and problems disclosed by the report.

It is planned that this program will be followed with each of the remaining agencies.

When these individual studies are finished—which should be by the end of May 1940—the committee intends, in cooperation with various bar and other legal associations, to hold a series of public hearings on the administrative procedures of particular agencies and groups of agencies with full opportunity for expressions of opinion upon all procedural problems. The committee hopes that these hearings may be held during the month of June 1940, and that its final report may be made to you in the autumn of this year.

If the hearings are to be fruitful, there should be widespread understanding of the information already in the committee's possession. For that reason, the committee proposes, with your approval, to make available for public distribution copies of the studies which have been submitted to it by its staff, as revised by the staff in the light of the discussions already described. Eleven such monographs are submitted to you at this time, relating to the Division of Public Contracts, Department of Labor; Veterans' Administration; Federal Communications Commission; United States Maritime Commission; Federal Alcohol Administration; Federal Trade Commission; the administration of the Grain Standards Act, Department of Agriculture; Railroad Retirement Board; Federal Reserve System; Bureau of Marine Inspection and Navigation, Department of Commerce; the administration of the Packers and Stockyards Act, Department of Agriculture. In addition, the staff has recently completed studies of the Post Office

Department, the National Labor Relations Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency; reports relative to their procedures and practices will be submitted to you in the near future. Studies have been commenced, in some cases, and are being initiated in others, upon the following: War Department, National Mediation Board, National Railroad Adjustment Board, Tariff Commission, Department of Agriculture,[1] Bureau of Internal Revenue, Board of Tax Appeals, Bureau of Customs, Department of the Treasury, Civil Aeronautics Authority, Department of State, Federal Power Commission, Federal Home Loan Bank Board, Securities and Exchange Commission, Immigration and Naturalization Service, Bituminous Coal Division, Federal Employees' Compensation Committee, Interstate Commerce Commission, Department of the Interior,[2] Wage and Hour Division, Patent Office, and Social Security Board.

This mere list of names indicates the tremendous diversity of the subject matter and interests entrusted to these Federal agencies. Our study so far shows fully as great diversity in the facts and problems to which particular procedures must be adjusted. The committee has been increasingly impressed by the danger of premature and facile generalization. It is more than ever convinced that every theory or conclusion must be continually tested by reference to a great variety of data as they are developed, and that in this field no generalization can be safely pushed beyond territory which has been carefully surveyed and mapped. Further, the committee's experience has given it convincing proof that problems concerning notice and pleading, preliminary investigation, intervention, functions of attorneys, and rules of evidence assume greater concreteness and yield more readily to analysis when related to particular subject matters and types of proceedings than when they are stated in the form of generalizations. The same may be said of other matters of administrative procedure, such as questions with respect to oral arguments, briefs, exceptions, proposed findings of fact, proposed reports, and rehearings. Moreover, the individual studies now being made constantly add to the committee's insights by bringing to light relationships of problems and suggesting improvements in procedure which have been tested by experience.

Hence the committee believes that, with its study of the facts only half completed, no useful purpose can be achieved by attempting at this time specific judgment upon the various procedures and suggested procedures which have been the subject of its investigation. It is possible, however, to state certain probabilities raised by its study to date.

First, conscientious students of administrative procedure, both in its adjudicative and in its rule-making aspects, have been skeptical that a single formula or set of formulas can properly control the various and changing situations in which administrative action is present. Our studies have served to reinforce that skepticism. In order to maintain reasonable governmental efficiency and to afford realistic protection to affected private interests, procedural diversities are probably inevitable. The monographs already completed exhibit some of those diversities; for, as reference to those studies will illustrate, the subjects and problems encountered in the various agencies, while sometimes bearing surface resemblances, yield in the presence of facts to deeper and much more significant dissimilarities—dissimilarities which inescapably affect the techniques employed in dealing with them. The committee's inquiries have made it apprehensive that a too rigid prescription of administrative procedures would, by substituting artificial uniformity for essential variety, abolish many procedures which now fully satisfy the convenience and protect the welfare of great numbers of citizens and would defeat the substantive purposes of many congressional enactments.

Yet certain recurring issues seem to arise at least in limited areas. There is reason to hope that these issues can be resolved with a measure of uniformity, and that principles may be established for the guidance of administrative action where it affects private rights. The committee is unwilling, and indeed unable, as yet to indicate with assurance the procedural patterns which it may be able to sketch in its final report. Until detailed studies of the operations of the individual agencies have been completed, so that uniform rules can be prescribed with knowledge of their incidence on each agency, the committee believes that generalization would be premature.

Second, the committee is convinced of the need not only for generalized consideration of broad procedural questions, studied apart from the concrete situations in which they arise, but also, and perhaps even more importantly, for the intensive examination of aspects of procedure which may be peculiar to particular agencies. One commission, for example, has the problem whether or not commissioners, in order that they may more fully consider ultimate decisions, should conserve their time by delegating to subordinates greater responsibility for determining questions which occur in the preliminary stages of proceedings. Another agency has a substantial number of default cases, giving rise in that agency to special problems. Two agencies studied thus far have difficulties with respect to the reconsideration of decisions already rendered. Another is undergoing a sweeping alteration of its basic procedures in an attempt to comply with its interpretation of recent Supreme Court decisions. One bureau is confronted with the question whether the trial-examining system should be replaced by a system calling for final decisions in the field, with the right of appeal to the central office.

Altogether apart from questions of wider import, these matters call for the committee's thoughtful concern. Answers to them, if successfully developed, will constitute a significant contribution to the science of government, for they will perhaps have suggestive values beyond their immediate applications.

Third, in the course of its investigation the committee has found particular administrative procedures which can and should be improved. On such occasions it has stated its criticisms and frankly discussed the purpose and effect of these procedures with the officials of the agency concerned. In many cases these discussions have resulted in differences of opinion as to the wisdom and practicality of changes in procedure. It has not been the impression of the committee in these instances, however, that the criticized procedure was maintained because of indifference or a desire to disregard the basic values which underlie fair administration and decision.

Fourth, the committee believes that a consequence of its work of lasting value will be the stimulation of the agencies themselves toward the improvement of their own procedures. We are much encouraged by knowledge that some agencies, made conscious of procedural problems by the committee's inquiries, have already substantially altered existing practices, either as a result of their own thinking or in accordance with informal suggestions of the committee or its staff.

Fifth, because the volume of work in many agencies which adjudicate controversies has reached large proportions, there has been a growing necessity of delegating to subordinates the function of conducting hearings. In its studies the committee has encountered, in many varied aspects, problems related to the trial examiner. These problems have in the past received relatively little attention. The committee believes that among its most important subjects of investigation are the position of the trial examiner, the personnel filling that position, the limitations which the classification of the position and the resulting salaries have imposed upon obtaining qualified men, and the relationship of the trial examiner to the case which he has heard and to the agency which he has served. There was, prior to the investigations of this committee, but little, if any, information available on these questions which in many agencies go to the very heart of the adjudicative process.

Sixth, the utilization in the rule-making process of methods whereby agencies may obtain information, opinions, and criticisms from those who may be affected by their rules ought to be encouraged. The committee has encountered a number of interesting procedures now actually employed by the several agencies. Here again variety is readily understandable. Regulations governing internal procedure, specifying minimum stock market margin requirements, formulating rules for the construction of oil tankers, and prescribing bookkeeping methods of telegraph and telephone companies obviously present procedural problems to the administrator which vary with the subject matter, the number of persons affected, and the types of interests involved. It is probable that the holding of a public hearing is not the only and sometimes may not be the best method of enabling interested parties to express their views. The committee desires to develop suggestions concerning devices which may appropriately be used in varying circumstances to the advantage of the agencies and of those who are to be guided by regulations.

The progress of the committee's work may then be summarized as follows:

1. Detailed fact studies have been made of a substantial number of the agencies proposed to be studied. The resulting monographs can be made available for public consideration in the immediate future, and new studies can be published from time to time as they are completed.

2. All studies of the various agencies can be completed by the early summer of this year.

3. The committee can be ready for public hearings for the discussion of this material and to obtain the views of the public and the bar during the coming summer.

4. The committee's program contemplates submitting its final report and recommendations to you in the fall of this year.

Respectfully submitted.

DEAN ACHESON,
Chairman for the Committee.

Members of the committee: Dean Acheson, Ralph F. Fuchs, Lloyd K. Garrison, D. Lawrence Groner, Henry M. Hart, Jr., Carl McFarland, James W. Morris, Harry Shulman, E. Blythe Stason, Arthur T. Vanderbilt.

[1] Separate monographs will probably be called for in connection with the Department of Agriculture's procedures under the Perishable Commodities Act, Sugar Act, Commodity Exchange Act, Cotton Marketing Act, Agricultural Marketing Agreements Act, and perhaps others.

[2] Separate monographs may possibly be called for in connection with procedures of the General Land Office, Division of Grazing, Petroleum Conservation Division, Office of Indian Affairs, and perhaps others of the subdivisions of the Interior Department.

LOANS TO FINLAND

The Senate resumed the consideration of the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation.

The VICE PRESIDENT. Let the Chair state the question. The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHER] to the bill as amended by the unanimous-consent request submitted by the Senator from Michigan [Mr. BROWN] on Friday last.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. I should like to know what the pending amendment is. May it be stated by the clerk?

The VICE PRESIDENT. Without objection, the amendment will be stated.

The LEGISLATIVE CLERK. After the words "loans to" it is proposed to strike out "any one foreign country"; and after the word "agencies" where it twice occurs, it is proposed to insert "of any one foreign country"; and after the words "made to", it is proposed to strike out "such foreign country and."

Mr. GEORGE. Mr. President, the Senate has before it at this time a proposal to increase the capital stock of the Export-Import Bank from $100,000,000 to $200,000,000. The proposal does not undertake to extend the powers of the Export-Import Bank. It rather limits the powers of the Export-Import Bank so far as loans to any one country or to the nationals or citizens of any one country are concerned, and likewise contains a direct prohibition against loans for the exportation of arms, munitions, or implements of war as defined under the Neutrality Act or by the President in virtue of that act. It likewise contains another restriction; that is, that no loans shall be made which violate international law as construed or as interpreted by the Department of State.

There is no extension of power provided for in the bill, but there is the restriction upon the present powers of the bank to which I have already directed attention. The only thing the bill does, in fact, is, subject to these restrictions, to increase the capital stock of the Export-Import Bank from $100,000,000 to $200,000,000. The bill originally provided for an unrestricted loan to Finland in the sum of $60,000,000, but all that was changed by the Committee on Banking and Currency, and the changes made by that committee were not modified by the Committee on Foreign Relations of the Senate, save with respect to the total loans which might be made to any one nation or to the nationals thereof out of the new money provided as capital.

Mr. President, it is very difficult to discuss this matter without thinking of a loan to Finland, although the bill does not provide for any loan to Finland. As the distinguished Senator from North Carolina [Mr. BAILEY] said in the Senate, any one who favors a loan to Finland may point to the bill, if it shall be enacted into law, and say, "I voted for a loan to Finland," and anyone who does not favor a loan to Finland may point to it and say, "I merely voted to increase the capital stock of the Export-Import Bank, and whatever those in charge of the Export-Import Bank may have done is no responsibility of mine beyond the mere fact that I voted for the bill."

I think it may be said, to start with, that there is no money in the bill, to use the language of the Honorable Jesse Jones, for the purchase of arms, munitions, or implements of war for Finland, or China, or any other country. The record is clear and explicit upon that point. Mr. Jones said the Export-Import Bank had never made a loan to finance the exportation of arms, munitions, or implements of war, and would not do so. So that so far as the bill goes, it does not provide for any possible loan in this country to Finland or any other country for the purchase of arms, munitions, or implements of war.

No one wishes to oppose a loan to Finland per se. During the debate in the Senate upon the resolution offered by the distinguished Senator from Mississippi [Mr. HARRISON] calling for expeditious action upon any effort made by Finland to register her bonds for sale to the American people, I stated my position upon the broad general question involved in the conflict now waging between Finland and Russia. I trust that no one will even suggest that anyone who opposes the pending bill is lacking in sympathy for Finland. Not only did I support the resolution of the Senator from Mississippi, but many of us have been privileged, out of our very scanty personal means, to make contributions to Finland, and will repeat those contributions. But it is quite one thing for individuals to contribute to a foreign nation engaged in war, and another thing for the Government itself to make a loan to a foreign nation engaged in war. There is no objection, so far as the Senate is concerned, to individuals in the United States making loans for the benefit of Finland, and certainly there is no objection to the making of contributions for the benefit of Finland.

Mr. President, I think everyone can recall what a tide of sentiment was running in this country last July and August, how on almost every hand there were those ready to tell us that we would not be able to remain out of the war in Europe, if it should come, and it will be recalled that when war came we were admonished that we would not be able to remain out of it. Expressions of that kind could be heard in high places. One did not have to go outside of official circles in Washington to hear them, and all over the country there was a fear that we might be drawn into the European war.

There were some who then thought we ought to go into the war, and some who now think so. I respect their views. I am not making any quarrel with them at this time. They are entitled to their views. Many of my constituents have said that we should enter the war in Europe and should enter it promptly. Many others put a definite limitation upon the time when we would actually be in the war. But that is beside the question.

The Congress was called into extraordinary session in late September to consider neutrality legislation. I call the attention of the Senate now to the preamble of the Neutrality Act, over which there was a considerable controversy, not only on the floor of the Senate but in the committee of conference between the two Houses. The preamble reads:

> Whereas the United States, desiring to preserve its neutrality in wars between foreign states and desiring also to avoid involvement therein, voluntarily imposes upon its nationals by domestic legislation the restrictions set out in this joint resolution; and
>
> Whereas by so doing the United States waives none of its own rights or privileges, or those of any of its nationals, under international law, and expressly reserves all the rights and privileges to which it and its nationals are entitled under the law of nations.

And so forth. This preamble was offered and sustained at every point of controversy by the distinguished junior Senator from Texas [Mr. CONNALLY].

All the provisions in the Neutrality Act of 1939 were preceded by the declaration that the United States desired to preserve its neutrality and to avoid involvement in any war between foreign states. It likewise definitely asserted our rights and the rights of our nationals, as neutrals, under international law.

Mr. President, the United States cannot assert its rights under international law without at the same time taking upon itself those obligations which rest upon it under international law. I very well know that there are those now who say that international law has become a dead letter. If it is a dead letter, there is no guide for civilized nations, and every war, however trifling, may enlarge itself into a world conflict.

In the Neutrality Act we provided that when war existed between two foreign states, and the President so declared, or the Congress so found and declared, thereafter our ships could not carry passengers or any articles or materials to the ports of the belligerent countries, with exceptions which it is not now necessary to mention. We provided that our citizens should not even travel upon belligerent ships. We also provided that no one should solicit and receive funds in the United States for a belligerent country, save under such conditions as might be prescribed, and the only notable exception was that funds might be solicited among our fellow citizens for a belligerent state, when once a state of war had been declared to exist by the President or the Congress, for the purchase of foodstuffs, drugs, and other supplies necessary to relieve human misery, when such supplies were to be used by organizations having no connection with a belligerent state.

Mr. President, we provided that it should be unlawful, under heavy fine and other penalty, for any person to purchase, or sell, or transfer, or accept a bond or other security of a foreign state engaged in war after a state of war had been declared by the President to exist, and we went as far as we

possibly could to do precisely what the Neutrality Act in its preamble declared to be our object, namely, to protect our neutrality and to avoid involvement in the war, at the same time not relinquishing our rights or the rights of our citizens under the law of nations. Need I repeat that when a great country asserts its rights under the law of nations it takes on its shoulders the correlative obligation of meticulously abiding by the law of nations?

When the Neutrality Act was passed, and even before its final passage, when it was evident that it would be passed, the wave of hysteria in the United States began to subside. In official Washington one did not hear the date when we would go into the war. Throughout the country people lost the fear of war. They felt that the United States was taking steps that would, as the Congress itself declared, "preserve" its neutrality.

What is now the situation? Today we are listening to voices that again say that we may be drawn into the war. They are not so loud at the moment, but they may be heard all over the land. They are not so vociferous, let it be said, nor so insistent or persistent, but, nevertheless, already the feeling is growing again that we may be drawn into the European war.

That is the picture, Mr. President; that is the situation. No man can say whether we will finally be drawn into that war, and no man can forecast whether sentiment in this country may be sufficiently strong at any future date to demand our entrance into that war. I do not pretend to forecast that, and do not do so; but I assert with perfect confidence that a step in accordance with strict neutrality is a step against war and away from war. We may not always be able to avoid it even when we walk circumspectly within the letter and spirit of international law, but an unneutral step, a step against well-defined and well-understood precepts of international law, is a step in the direction of war. It may not always lead to war, but it is a step in that direction.

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Texas?

Mr. GEORGE. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator from Georgia began his remarks by pointing out that under the provisions of the pending measure war materials could not be purchased with the loan, if one should be made. Let me ask the Senator if it is not true, however, that the whole theory of the Neutrality Act and the basis upon which we passed that act, was that no discrimination could be made between war materials and ordinary articles of commerce? Does not that run all through the Neutrality Act?

Mr. GEORGE. I think the Senator is correct, and I was about to approach that phase of the discussion.

Mr. President, it is true that no state of war has been declared between Finland and Russia, or between China and Japan. It is true that the strict provisions of the Neutrality Act do not textually apply; but is the United States to violate the very essence and spirit of its own Neutrality Act, and may it do so with impunity?

It is likewise true, as the Senator from Texas brought to our attention, that under the Neutrality Act, when a declaration of war has been made, we cannot make a loan in this country, and the Government itself cannot make a sale of arms, munitions, or implements of war to any country involved in that war.

It is also true that the Neutrality Act went much further. It provided that a sale of arms, ammunition, and implements of war by a private citizen of the United States to a private citizen of another country would be conclusively held to be a sale to the country itself of which that private citizen was a national and to which the shipment was made.

So, Mr. President, while there is not a declared state of war between Finland and Russia, and China and Japan, there is an actual state of war between Finland and Russia. That is the very reason why the pending bill is here—not in its present form but as originally introduced. It was introduced to relieve Finland, which was fighting with its back to the wall. It was introduced to help Finland in her unequal struggle with Russia. There is an actual war there. Do we preserve our neutrality for the purpose of preventing our involvement in war when, merely because there has not been a technical declaration of war, we undertake to do, and propose to do, the very things that have been outlawed by the Neutrality Act which we passed last November?

Not only that, but the Secretary of War came to the Congress and made his whole plea for the change and modification of our then existing Neutrality Act, which prohibited the shipment of arms, ammunition, and implements of war at all to a warring nation, upon the basis of real neutrality. I am sure the President remembers it. The final basis of the Secretary of State's plea, adopted literally by the President of the United States when he sent his message to the Congress in extraordinary session, came down to this: That it is unneutral for this great Nation to deny to any neutral or friendly nation the right to come into our markets and buy of us anything we may have to sell. It was not claimed that we did not have the power to say, "We will not let you buy our arms, ammunition, and implements of war." They said that basically such an act was unneutral. That was the philosophy of the Secretary of State. That was the basis upon which he rested his whole plea.

It was said by those who opposed the proposal, of course, that if we changed our law in the middle of the stream, so to speak, we would enable France and Great Britain to obtain arms, munitions, and implements of war which Germany, lacking in ships and not having command of the sea, could not obtain. All good and well. But the Secretary of State said, as his statement will disclose, that down at bottom every neutral state has the right to come to another neutral state and say, "We are now engaged in war with a third party. You are violating neutrality in its deepest sense, in its truest meaning, when you deny us the power to come within your borders and buy anything that you sell ordinarily and generally to neutral countries."

Mr. President, if a state of war were declared between Finland and Russia, Mr. Hoover and no one else could even solicit funds for general purposes for either belligerent from our citizens. But it has not been declared, and funds have been solicited and are being solicited and have been contributed in no inconsequential amount. If a declaration of war were made, not a bond of the Finnish Government or of the Russian Government could be offered for sale in the United States. But we have said that Finland at least may offer her securities here for sale, and we have called on an agency of our Government to expedite the handling or the clearing of Finnish bonds if Finland should offer to sell them.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. I do not understand that the mere declaration of war between Finland and Russia would cause the Neutrality Act to become effective. There are three conditions listed in section 1, first——

Mr. GEORGE. Mr. President, I do not want to get into any argument on that point. Of course, if the President issued his proclamation the act would be effective.

Mr. JOHNSON of Colorado. Yes; if he issued it; but he does not have to issue it merely because there is a declaration of war.

Mr. GEORGE. No; I did not say that. I said, "if the President issues a proclamation declaring the existence of war."

Mr. JOHNSON of Colorado. Yes; if the President issues his proclamation. But he does not have to issue it unless he finds it necessary to do so to promote the security, or to preserve the peace of the United States, or to protect the lives of the citizens of the United States.

Mr. GEORGE. Yes. I am not quarreling with the Senator about that; but I said, if the President should issue a proclamation declaring the existence of a state of war, every line of the Neutrality Act would go into effect.

Mr. JOHNSON of Colorado. If he issued a proclamation; yes.

Mr. GEORGE. The Senator may quarrel as long as he pleases about mere language. If the President issued his proclamation or his declaration, every line of the Neutrality Act would go into effect. Now the fact is that he has not done so, although a war exists. The President probably is justified—indeed, I shall go so far as to say that, in my opinion, he is justified—in not issuing the proclamation. Why? Not because war does not exist; not because we are relieved of any obligation resting upon us as a neutral nation under international law—not at all—but solely because he does not think this particular war endangers the safety or security of our citizens, or makes it necessary for him to issue the proclamation. I believe he is right in that.

But, Mr. President, in the passage of the Neutrality Act we asserted our insistence upon our neutrality. We said we were passing the act in order to preserve that neutrality, and for the single purpose of keeping the United States out of war. A great nation cannot violate the spirit and the soul of its own action without endangering itself. No great nation can afford to do so.

Mr. President, I now come to a consideration which I wish to present to the Senate. I do not think the State Department is out of harmony with the interpretation of international law. Indeed, I do not see how it can be, because there is no ground for difference of opinion. Usually upon any question of law, domestic or international, there is the possibility of dispute. I wish to read what Mr. Hackworth, of the State Department, legal adviser to the Secretary of State, said before the Foreign Relations Committee of the Senate in answer to my question. I read from page 37 of the hearings. I said to Mr. Hackworth:

I believe that it may now be said that loans have been made directly to foreign countries, and since some of these countries are now in war, the question arises whether making these loans to belligerents is an unneutral act.

Mr. HACKWORTH. I think you want to look to the time when the loan was made to see whether the country was belligerent at that time or not. There is very strong authority for the proposition that a neutral cannot make a loan to a belligerent. However, by the convention concluded at Habana in 1928, an exception was made to that general proposition, to the effect that loans could be made by a neutral for the purchase of food supplies and raw materials.

Senator GEORGE. Yes.

Mr. HACKWORTH. That convention was approved by the Senate and has been ratified by the United States.

Senator GEORGE. Yes; I think there is no question as to that at all; loans made for ordinary peacetime purposes, for food supplies and other necessities, including drugs—I believe it included drugs.

Mr. HACKWORTH. It specifies food supplies and raw materials.

Senator GEORGE. I think it would be construed as including anything of the nature or character of a drug. Aside from that modification, we have recognized no other modification of the broad principle that an unrestricted loan to a belligerent is an unneutral act?

Mr. HACKWORTH. No; we have recognized no other qualification so far as I know.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CONNALLY. Is it not true that the Convention of Habana applied only to Latin American countries?

Mr. GEORGE. Exactly.

Mr. CONNALLY. So it does not affect the general law.

Mr. GEORGE. It does not affect the general law. I was about to make that distinction, Mr. President. It was a convention between the United States and certain Latin American countries, or countries in the Western Hemisphere. I do not believe it necessary to labor the point that the Western Hemisphere has always been considered apart from general principles of international law so far as we are concerned. We have asserted the Monroe Doctrine, and we have taken other positions which, of course, take this convention entirely out of international law.

However, I shall come back to that question a little later.

I asked Mr. Hackworth another question:

Senator GEORGE. I believe the question first arose with us during John Adams' administration, did it not?

Mr. HACKWORTH. It did, with respect to a loan to France.

Senator GEORGE. There was a very definite pronouncement then that a loan to France would be an unneutral act?

Mr. HACKWORTH. That is correct.

Senator GEORGE. That, of course, was prior to any of the embargo acts, which came along subsequently in the Jefferson administration.

Mr. HACKWORTH. The same question came up again with respect to underwriting a loan by one of the South American countries which was then in revolt against Spain, and we said that we could not underwrite such a loan.

Senator GEORGE. This bill as it stands, and with the restrictions which the Export-Import Bank has placed around its loans, confining them to foodstuffs, raw agricultural products, and processed articles other than arms, munitions, and so forth, is not, of course, on its face a violation of neutrality as we interpret it.

Mr. HACKWORTH. I do not think so.

Later, in reply to a question by the Senator from California [Mr. JOHNSON], Mr. Hackworth made a further statement.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BROWN. I think the question which the Senator has just read, which he asked Mr. Hackworth, should be clarified in one respect. The Senator said:

This bill as it stands, and with the restrictions which the Export-Import Bank has placed around its loans, confining them to foodstuffs, raw agricultural products, and processed articles other than arms, munitions, and so forth, is not, of course, on its face a violation of neutrality as we interpret it.

Mr. Hackworth said:

I do not think so.

I wish to know to what bill the Senator was referring. Was it the original bill, or was it the bill which the Banking and Currency Committee had reported as a substitute for the original bill?

Mr. GEORGE. It was the substitute bill.

Mr. BROWN. Then it is practically the bill we now have before us?

Mr. GEORGE. Yes.

Mr. BROWN. Which the Senator did not then think and, as I understand, does not now think, is a violation of our neutrality.

Mr. GEORGE. Yes. I shall be pleased to discuss that point shortly.

In reply to the question asked by the Senator from California [Mr. JOHNSON], Mr. Hackworth made this statement:

It seems to me, Senator, that the situation is safeguarded by the language that no loan shall be made in violation of international law as interpreted by the Department of State. If a loan came up it would be very appropriate for the Department of State to try to inquire into the purpose of the loan and to decide whether it would violate international law, and if the Department found that it would violate international law, I take it that the Department would oppose it.

Mr. President, let us look at the law as it actually stands. Solely for convenience I read from the American Journal of International Law, a recent compilation, as of July 1939. However, I read no statement which is not verified either in the text or by myself outside the text. I read the following language from page 233:

A neutral state in the exercise of its neutral rights and in the performance of its neutral duties shall be impartial and refrain from discrimination between belligerents.

* * * The principle itself is inherent in the nature of neutrality. Nevertheless, this standard was not fully accepted until at least the end of the eighteenth century. Prior to that time it was considered permissible for a state to assist one belligerent without abandoning neutrality (with citations). * * *

The United States in 1793 committed itself to the doctrine of impartiality, thus strengthening the precedents set by the Italian states a few years before (citing authority) * * * and by the members of the Armed Neutrality of 1780. But even the Government of the United States for some time admitted that an unequal advantage could be given to one belligerent if a prior treaty provided for some special privilege.

Coming to the specific question before the Senate in the consideration of the bill before us, on page 235 of the compilation from which I am reading there appears the following broad, general language under article 5:

A neutral state shall abstain from supplying to a belligerent assistance for the prosecution of the war.

Under that broad proposition it is expressly stated that—

The neutral state is forbidden—
(a) To deliver to the belligerent, directly or indirectly, or for any reason whatever, ships of war, munitions, or any other war material; (b) to grant it loans, or to open credits for it during the duration of the war.

Mr. President, I read from the same compilation on page 237:

In 1798 and 1816 the United States declared that a loan by a neutral state to a belligerent government was illegal.

Citing no less an authority upon that proposition than Dr. John Bassett Moore. In my humble judgment, Dr. John Bassett Moore is the foremost contemporary American authority on international law. I should like to read the exact text and see how explicit it is, and how without qualification. I read from the Digest of International Law, volume 7. Dr. Moore says:

With reference to the loan of money which was solicited from the United States by the French Government, in 1798, through the American envoys in Paris, the United States took the ground that such a loan would be a violation of neutrality. This is cited with approval by Chancelor Kent.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield for a question.

Mr. PEPPER. I was going to ask the Senator if he had given, in the course of his remarks, any definition of a belligerent state?

Mr. GEORGE. No; I have not.

Mr. President, without citing additional authority upon this question, I want to make a further statement.

Mr. WAGNER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from New York?

Mr. GEORGE. I yield.

Mr. WAGNER. I merely wish to read from the American Journal of International Law for July 1939, from which the Senator has read, another observation occurring on page 211, beginning with line 5:

Regardless of theoretical considerations or legal definitions, if the states of the world choose to regard a formal armed conflict between two of their number as not being "war" and particularly if the contestants themselves choose to take the same view, the law of neutrality is not in effect. That is a necessary conclusion from current international practice.

Mr. GEORGE. From what page is the Senator reading?

Mr. WAGNER. From page 211.

Mr. GEORGE. I have not examined that text, and I do not even know what was under discussion at that point.

Mr. WAGNER. The question of belligerency.

Mr. GEORGE. Very well. I have no controversy with the broad general statement, of course.

Mr. President, I refer again to our own Neutrality Act. We declared it to be our purpose to preserve our neutrality and to avoid involvement in war. There are innumerable writers of the newspaper school, as there are men in public office, who will say—and anyone is entitled to that view—that our country will not necessarily be led into war by the making of a loan to Finland or the making of a loan to any other country that actually is engaged in war, though it escapes the technical definition of a belligerent because it does not desire to declare that it is at war, possibly for the very purpose of securing from this great country aid and assistance. Certainly our country will not necessarily be led into war. No one has asserted—I have not asserted—that the action proposed to be taken will lead to war; but I do say, Mr. President, when we hide behind the mere failure of a country to declare what all mankind knows to be the truth; that is, that a state of war exists, in order that the United States may violate the essential principle of neutrality and furnish to such state arms, munitions, and implements of war or money with which they may buy these things, that then we are taking a definite step toward war.

Mr. BROWN. Mr. President, I am sure, if the Senator will yield to me, that he does not mean to assert that the pending bill does any of the things which he has just detailed. It does not propose to ship any munitions of war; it does not propose to lend any money for that purpose. That is expressly denied by the language of the bill.

Mr. GEORGE. Well, Mr. President, the Senator has an amendment to the bill, which I do not know whether he will offer, providing for a loan of money outright without any restrictions or qualifications. I must, of course, discuss the matter in the light of realities.

Mr. BROWN. I will say to the Senator that my original bill was, doubtless, subject to the criticism he has just made if we lay aside entirely the question of whether or not a war exists; but in introducing that bill, and, in the process of having it heard by two committees, I have been educated to a considerable extent, and it is not, I will say to the Senator, my intention now to propose the amendment to which he refers. I had intended to discuss that rather more fully after the Senator shall have finished his speech, but I have come to the conclusion that I do not want to do anything that would, in the slightest, be subject to the criticism that we are acting in violation of our neutrality by anything we do in connection with Finland.

Mr. GEORGE. Mr. President, I may say frankly to the Senator that that has very great effect upon what I am saying, because it is not now my contention that the substitute bill as reported is itself and on its face any violation of our neutrality. I will go even further than that and say, while the loans may be made and the proceeds of the loans may indirectly be used for the purchase of arms, munitions, or implements of war; that, I think, is a matter over which we would not be called on to exercise control; and, so far as the bill on its face is concerned, I have not asserted, and do not assert, that it is a violation of our neutral rights.

Mr. BROWN. I am glad to have the Senator make that statement.

Mr. GEORGE. But I should like to say, because the question may arise at a subsequent time, that I think the safest course for our country to pursue under all the circumstances is to live within the spirit, even though technically we might be justified in stepping without the spirit, of our own Neutrality Act, and also to live within the spirit of what is rightly considered to be the law of nations, as we understand it to be.

I said, Mr. President, in answer to a statement by the Senator from Texas, that the Habana Convention of 1928 did not, of course, affect the status of international law, and I am sure that that statement must be taken as correct. Yet international law is made up and grows out of treaties and understandings and covenants and agreements; it springs out of the best thought and out of the course of conduct and the policy pursued by enlightened peoples and governments through long centuries of time. The Habana Convention has, in my honest judgment, some application to us so far as concerns the furnishing of food supplies and other necessities to relieve human suffering, not embracing, of course, arms or munitions or implements of war.

I wish to make it perfectly understood, Mr. President, that I do not think, for a moment, that Mr. Jones or Mr. Moore of the State Department or anyone else connected with the Export-Import Bank, as trustees, would depart from their uniform custom of confining their loans to the financing of exports of surplus agriculture and industrial products of this country, and I am quite sure that they are in perfect good faith when they say that none of the bank's money will be used at any time for the purpose of financing the exportation of arms, munitions, and implements of war. I accept that statement as being made absolutely in the best of faith.

Mr. WAGNER. Mr. President, before the Senator leaves that point, I may say, referring to his statement of a moment ago that the failure to recognize a state of war to exist may be for the very purpose of permitting certain sales to be made, that when Mr. Hackworth was before the committee I asked him whether any other neutral nation in the world had recognized a state of war to exist between Finland and Russia, and he said that not one neutral nation has recognized that a state of war exists. So all other neutral

countries in the world have taken exactly the same attitude as has our country.

Mr. REYNOLDS. Mr. President——

Mr. GEORGE. I believe, if the Senator from North Carolina will permit me to proceed for a moment, that he did qualify that statement to the effect that the League of Nations itself took cognizance of the existence of the war and had the Russian Government before it or had invited it to come before it.

Mr. WAGNER. And the Russian Government stated its position.

Mr. GEORGE. Oh, yes; I understand that.

Mr. WAGNER. Perhaps I had better read the testimony.

Mr. GEORGE. The Senator may put it in if he wishes to later.

Mr. WAGNER. Very well.

Mr. GEORGE. I am not quarreling now about that, but I can see, as anyone else can see, that a country may even fail to declare that it is in a state of war with another country because it may desire to secure aid and assistance from some neutral nation. Technically, I am not contending that a condition of belligerency actually exists until there has been a declaration or an acknowledgment not by neutrals but by the countries themselves involved that they are engaged in war.

Mr. President, I assert that under our Neutrality Act the President of the United States could declare that a state of war exists between Russia and Finland if he found that it was necessary for him to make such a proclamation or declaration in order to preserve the peace and security or to protect the lives of citizens of the United States. I submit that the mere failure of countries actually engaged in war themselves to admit that they are in war, or to follow their action by a definite proclamation of war, is not binding upon the President of the United States nor upon the Congress of the United States under our own Neutrality Act. It is the spirit of that act, and it is what that act invokes, that I am here invoking in the consideration of this question.

Now, a few general observations and I am through.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WAGNER. I think the Senator misunderstood the point I made. The point I tried to make was that, according to the testimony before our committee, every other neutral in the world besides ourselves has failed to recognize that a state of war exists. In other words, the attitude of other neutrals is exactly the attitude of the United States.

Mr. GEORGE. Yes, Mr. President; I have no doubt of that. I presume it has not become necessary for other neutrals to consider whether or not a state of war exists; but I say to the Senator that, as he well knows, if any question arises under maritime law in the courts of admiralty in this country, they will consider that a state of war exists between Russia and Finland. That is a part of international law and a great body of international law; but I am not arguing upon that point. That, at most, would be a mere technical distinction which I do not care to argue at all.

Now, Mr. President, I desire to make a few general observations in line with what I have already said.

The Constitution vests in the Congress alone the power to declare war. This power should remain free and untrammeled in all circumstances. Any course which limits or restricts the independent judgment of the Congress on the supreme issue of war and peace is a direct infringement of the constitutional power vested in the Congress alone. The Congress at all times should be free to decide the momentous issue of war or peace without embarrassment because of something previously done by the executive branch of the Government, and without the necessity of compromising its own freedom of action in order to avoid what otherwise would seem an unseemly conflict with action previously taken by the executive branch of the Government.

Mr. President, that has a direct bearing upon what I said in the Senate a few days ago—that if we are going to make loans to Finland or to any other foreign country engaged in war, actual or undeclared, the Congress should do it. In my candid opinion, it should not be left in the hands of an agency of the Government, because the action taken by the agency of government may be an embarrassment to the Congress itself when it is subsequently called upon to pass upon the question of peace or war.

No thoughtful student of constitutional government can put entirely out of mind the unfortunate circumstance that a President of the United States directed our armed forces into territory beyond the boundaries of the State of Texas and beyond the boundaries of that State as claimed by that State, and thus exposed our armed forces to an advanced position of danger. Thereafter it was impossible to resist the cry that to all intents and purposes we were at war, because the lives of our soldiers were imperiled; and so we went to war. John C. Calhoun, among others on this floor, stood upon unassailable ground when he declared that if we were resolved to go to war with Mexico, it was not at the same time necessary for us to make war upon the American Constitution.

No country, and particularly no free country, goes to war in one stride. It moves cautiously, because public sentiment must support it, step by step, stage by stage, until one day we may find ourselves in a position where we cannot well turn back. A loan to Finland within itself, even if it were a direct loan of the entire amount involved in this bill, is not of great consequence. Likewise, the same thing may be said of China. But if the fury of war grows more intense, and if the hour comes when the great cities of Paris and of London and the area embraced within the little island of England and the nation of France itself are actually threatened, sentiment in this country, generally sympathetic with the cause of Britain and France, may well drive us nearer to further loans and to additional steps that we do not want to take.

So, Mr. President, I assert that the broad constitutional power which vests in the Congress the sole and exclusive right to determine the issue of peace and war should remain always unembarrassed by previous or concurrent Executive action which may embarrass it or otherwise force it into collision with action taken by another department of Government.

Mr. President, I now address myself to another principle which I wish to state. We cannot advocate the policy of punishing another nation for conduct not directed against us or our vital interests, however flagrant or reprehensible, however outrageous, however condemned by the moral judgment of mankind, unless we accept the doctrine of collective security as the basis of our foreign policy. I state unequivocally that when this Nation, whatever may be the purity of its motives and the strength of its high purpose, undertakes to punish another nation or to enter into the wars of other powers for the purpose of punishing wrongdoing, whenever we abandon the basis of our foreign policy that we will defend against acts that are directed against us or against our vital interests, we must go to the nebulous policy of collective security which has been often pressed in these latter days.

Mr. President, whatever the shortcomings of international law as furnishing a guide for national action, there is no other procedure so deeply imbedded in the minds and hearts and practices of mankind, and nothing better has been offered to replace it. We have tried to supplement it by additional limitations upon acts of our own citizens, but without abandoning it.

Let no one assume that we must condone wrong in order to remain neutral. I know that loose statement is made. We have the power, and in the political sense the right, and I will say in extreme circumstances the moral right, to become unneutral and to enter any conflict which may arise in any quarter of the globe; but we cannot be half in and half out of someone else's quarrel. We cannot be partly neutral and partly unneutral. If the circumstances arise, we shall find it most difficult, if not impossible, to avoid going all the way when we have taken a definite step in the direction of unneutrality; I will not use the stronger term "intervention." A great people cannot follow a vacillating and an uncertain and a whimsical course. The plainest principles of international morality require that we advise not merely

the belligerents, those actually involved in war, but all neutral nations that we are unneutral when we reach the conclusion that the exigencies of the case compel us to be such, and compel us to an unneutral course of conduct.

When all is said, neutrality leads away from war, as I said in the beginning. It may not, in every case, enable us honorably to avoid it. Unneutrality and unneutral action lead inevitably toward war, although they may not in every case actually lead us into war.

Now, Mr. President, I have done; but I want to read from Dr. John Bassett Moore upon this question that is so frequently pressed now upon the Congress. He says:

> The supposition that the law of neutrality imposes moral indifference to the merits of armed conflicts and makes any intervention in them unlawful, I can only call baseless. The law of neutrality—

Says Dr. Moore—

> does not require a neutral state to remain so. A neutral state may, if it should so desire, enter the conflict; but it cannot be both in and out. The law of neutrality merely applies the rule of common honesty. Parties to an armed conflict are entitled to know who are in it and who are not. No matter how it is viewed, the demand that the law of neutrality shall be considered as obsolete is so visionary, so confused, so somnambulistic—

Says Dr. Moore—

> that no concession to it can be rationally made.

Mr. President, if this Nation follows the course it has pursued for more than a century, not of avoiding its obligations and its responsibilities, but of assuming them under the well-established principles of law, assuming all of its obligations, and insisting likewise upon its rights, except when we have by our own Neutrality Act put an end to those rights, and circumscribed them for the purpose of avoiding involvement in war, we shall be in a much safer position, we shall stand upon much more certain ground than if we allow our sympathies for small nations or weak nations to sweep us into some congressional action which may subsequently embarrass us, and embarrass us greatly, if the unfortunate conflict in Europe should go to its final natural conclusion.

Mr. TAFT. Mr. President, I send to the desk and will call up in a moment an amendment which I should like to have the clerk read.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 12, it is proposed to strike out "$200,000,000" and to insert in lieu thereof "$150,000,000."

Mr. TAFT. Mr. President, the Export-Import Bank was formed originally for the purpose of promoting and helping in the financing of American trade. Its $100,000,000 capital—as a matter of fact, I think it was only $25,000,000 in the beginning—was intended as a revolving fund. It was intended as a short-term credit proposition. It was intended to finance private transactions, not sales to foreign governments. There was no particular limitation as to governments, but certainly when the law was enacted originally it was not intended to be an act to encourage loans to governments.

Since that time, however, it has developed until today practically all the loans are made either to governments or to government-owned corporations, or they are indirectly guaranteed by governments. The result is that the $100,000,000, or a large part of it, is frozen, simply because the loans are of that character. They are being paid back, but paid back very slowly, not at all with the speed with which credits to private interests are repaid. The request for additional capital is in effect an effort to have us say to the Export-Import Bank, or to the administration, "You may lend money to any government in the world, as you choose." I think that policy is wrong. I spoke last year at length, during the debate on the spend-lend bill, against the increase in capital provided for at that time.

As a matter of fact, this increase in capital is equivalent to an increase in general Government expenses. All of us are interested in not being forced to increase the debt limit by a deficit, and one of the ways by which that is to be prevented is in calling back from various Government agencies capital not needed by them. We asked Mr. Jones, before the Committee on Banking and Currency, whether the Reconstruction Finance Corporation would be called on to pay back any of its capital, and he said that he was going to be called on to pay back $200,000,000, and he stated that the Reconstruction Finance Corporation had $200,000,000 which it did not need. Then we asked him whether he could also put up this $100,000,000 for the Export-Import Bank, for it is from that institution that the contemplated increase of capital of the Export-Import Bank is to be made. He replied—

> Yes, in addition to paying back to the Government $200,000,000, we can use another hundred million, without hampering the operations of the R. F. C. to finance the Export-Import Bank.

Obviously, if we require him to put up only $50,000,000, as I propose, the other $50,000,000 can be paid back to the Government, and he can reduce to that extent the permanent debt of the United States, or avoid the necessity for increasing it beyond the debt limit. So this is very largely a question of direct appropriation, although it does not appear and will not appear among the Budget expenditures.

Mr. President, the Export-Import Bank today is largely lending to governments. They have outstanding today $65,000,000, and $59,000,000 in addition is committed, making a total of $124,000,000; but commitments are not usually all called for.

Senators are familiar with a great many of the loans. There was a loan to China; there is a loan to Nicaragua of $2,500,000; a loan to Panamanian credits, the Republic of Panama, of $2,500,000, and a loan to Paraguay of approximately $3,400,000.

In most cases that money is used for the purpose of financing the purchase of goods from the United States; but that does not necessarily make the policy a sound one. Our experience with loans to South America certainly shows that such loans are not likely, in the long run, to be paid. Of course, current payments are being kept up, but when finally we stop lending, when finally it becomes apparent we are not going to lend any more, I see no particular reason why those governments should treat such loans, after they are 2 or 3 years old, any differently from the way in which they treat other loans. Today South American countries owe to individuals in this country $1,200,000,000, which is in default, and is not being paid.

The whole policy of promoting foreign trade by lending money to governments I think is a mistake, because those credits are not good, and there is no possible way in which we can enforce loans to governments. We are not going to war to do it, and that is the only way they can be enforced; and if these governments know that is the only way in which they can be enforced, they are going sooner or later to take the position which all our European debtors have taken, that they simply will not pay the debts which they owe.

It is all very well to say it increases foreign trade; but of course it is a mere drop in the bucket. The whole amount of $100,000,000 is only 4 percent of our total foreign trade for 1 year. It amounts to practically nothing in increasing the exports of the United States. If it did amount to something it would be just like financing them through the export of silver, or the receipt of any other useless product. The promissory notes of these governments are, in fact, of little value. There is no use in promoting export trade if we are not going to be paid for it.

We had an example after the war of a tremendous amount of private credits, four or five billion dollars, used in building up a great export trade which we thought was permanent. Then it appeared that the loans were not going to be paid, and as soon as that became apparent all that export trade disappeared, and the result was a complete collapse in the particular industries which were relying upon that trade. If export trade is not on a sound basis of exchange of commodities, then we might as well give up that export trade altogether. Unless we can promote that kind of export trade, I do not see how we can expect a very substantial boom in export trade through the lending of money to other people.

I may say that the Democrats themselves strongly criticized the policy which built up export trade through credit during the twenties, and I think that was one of the proper criticisms they made. Yet, now they are proposing that we build up export trade through the extension of credit.

Mr. President, the actual amount required for the loan to Finland, if the proposed action is justified on that ground, is $20,000,000. Yet we are being asked to supply $100,000,000. There is a suggestion that some of the money is to go to China, there is a suggestion that some of it will go to Norway. In any event, we are asked to give carte blanche to the administration to lend the other $80,000,000 wherever they choose to lend it. It is a question of foreign policy which the Congress should determine. We never have loaned money to governments except in very special cases, and the whole power should be terminated, as proposed in the Danaher amendment. If any loan to a government is to be made, it should come before Congress for determination as to the particular amount and the particular circumstances of the particular loan.

Personally, I am willing that money be loaned to Finland. So long as the Russians say they are not at war, I think they are estopped from saying to us that we should not lend to Finland. We would be perfectly willing to lend if they were not at war with Russia, if Russia had not attacked them. Why should the fact that they have been wantonly attacked make any difference?

It seems to me that a Finnish loan is justified. I do not see any breach of neutrality involved. In this particular case there is no possible issue involved except the freedom of a small struggling nation, and the United States has always sympathized with such causes. We helped the Spanish-American countries when they sought their freedom from Spain. We went to war with Spain in order to free Cuba. We have always sympathized with a country struggling for its freedom, and in this case there is no possible confusion of issues; there is no possible question as to what the war is about. I am as strongly opposed as possible to becoming involved, through loans or in any other way, in the European War. The issues are complicated, they are involved with all kinds of different questions, they are involved with all kinds of European prejudices. We cannot possibly get into that struggle without becoming involved in a tremendous war in which we would have to put forth our entire effort. But so far as a Finnish loan is concerned, I cannot see how it can possibly lead to war, and it certainly is a reasonable gesture of friendship for a small nation, which alone among all the nations of Europe has paid its debt to the United States. Finland has paid us five and a half million dollars.

I object to the general policy of authorizing loans to be made at the discretion of the Executive to South American countries, or to any country in the world. If the bill could be reduced merely to the one question of a loan to Finland, I should be very glad to vote for it. Even if Senators are in favor of a loan to Finland, certainly they can vote to reduce the amount which is proposed. If the amendment which I shall offer when the time comes, is adopted, then there will be plenty of money for a loan to Finland, and the Export-Import Bank will be provided with that small amount of additional liquid capital which they need if they are to confine their efforts to financing American trade for individual exporters and in rapid turnover transactions, in promoting American trade in a natural way, and building it up on a permanent basis, instead of building it up with Government loans which will be merely shifting sands when it comes to the development of a permanent trade.

I hope therefore that my proposed amendment will be adopted.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHER] to the bill.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	George	Lodge	Schwellenbach
Andrews	Gerry	Lundeen	Sheppard
Ashurst	Gibson	McCarran	Shipstead
Austin	Gillette	McKellar	Smathers
Bankhead	Glass	McNary	Smith
Barbour	Green	Maloney	Stewart
Barkley	Guffey	Mead	Taft
Bilbo	Gurney	Miller	Thomas, Idaho
Brown	Hale	Minton	Thomas, Okla.
Bulow	Harrison	Murray	Thomas, Utah
Burke	Hatch	Neely	Townsend
Byrnes	Hayden	Norris	Tydings
Capper	Herring	O'Mahoney	Van Nuys
Chandler	Hill	Overton	Wagner
Chavez	Holt	Pepper	Walsh
Clark, Idaho	Hughes	Pittman	Wheeler
Clark, Mo.	Johnson, Calif.	Radcliffe	White
Connally	Johnson, Colo.	Reed	Wiley
Danaher	King	Reynolds	
Davis	La Follette	Russell	
Frazier	Lee	Schwartz	

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. McCARRAN. Mr. President, perhaps nothing more important will come before the Congress at this session than the measure which is now pending; for, because of conditions which prevail throughout the world, the attitude of this Government, after having passed the Neutrality Act at the recent special session, is being watched, and will be watched with great care and particularity. Our neutrality has been announced to the world, and the limit to which we would go to maintain that neutrality has been announced by statute, from the rostrum, and from the legislative halls.

I want to help Finland. The question is, How can we give that help intelligently and honestly?

The bill before the Senate at this time was introduced with a title which naturally arrested the interest of the people of this country and of the world, because if we as a Government were to make a loan to warring countries abroad, then that loan, however small it might be, to whatever country it might be extended, would be an entering wedge by which a precedent would be established, and the question of how far we would go with the policy would be one for future consideration. If we could lend and would lend to warring nations abroad, even though a declaration of war had not been formally made, then indeed we would be called upon in the not distant future to make far more extended loans to countries with respect to which a declaration of war had been made, or perhaps to belligerent nations with respect to which no declaration of war had been made.

If the proposed loan goes forward as was originally intended by the bill, as a loan to Finland, however much we desire to see Finland successful in her life-and-death struggle, and if the bill is approved by the Congress of the United States, then there is no reason why Great Britain, which is at war today and which claims blood relationship to us, which claims that we belong to the same tongue and the same ancestry, should not come forward as she did at the outset of the World War, and ask for extended credits and loans.

If we go into the lending business there is no limit, because as time goes on and the holocaust of war continues, as it promises to continue, no one can say what nations may be involved in the not distant future, nor how much we, trying to keep ourselves neutral, may be called upon to contribute to a condition which was one of the impelling conditions which led us into the World War. If, at the outset of the World War, we had remained away from agencies which loaned the credit of this country to the warring nations, I say without much fear of contradiction that today we should not have row on row of white crosses in Flanders fields. We should not have throughout the length and breadth of this country hospitals where boys are now dying who wish they might have died upon the field of battle rather than to have lingered, maimed and tortured, through 21 years.

Mr. President, I say without a doubt that our action with reference to this bill as it is today, is a momentous action, because it sets a precedent under a subterfuge. Better a thousand times that we had remained steadfast with the title of the bill as it was introduced by the able Senator from Michigan [Mr. BROWN]. Better a thousand times that we had said that we would consider the proposal to make an out-and-out loan to some country. Then at least we should have been honest with ourselves. We should have been honest with the people of this country and with the other countries of the world.

The history of the bill is most interesting, because when the bill went to the Committee on Banking and Currency everything after the enacting clause was stricken out. Everything that pertained to a loan to Finland, and everything that even squinted at Finland was eliminated from the bill. Today it comes before the Senate after having gone through the Committee on Banking and Currency and the Committee on Foreign Relations. It bears today no resemblance to the bill which was introduced by the Senator from Michigan. It has no portion which even looks like the bill which was introduced by the Senator from Michigan.

What are we doing? Are we trying to fool ourselves? Are we trying to fool the people of this country? Are we trying to fool the people of Finland? Are we trying to fool the people of the world? The bill proposes to increase the capital stock of the Export-Import Bank of Washington from $100,000,000 to $200,000,000. It says nothing about a loan to Finland. Mr. Jesse Jones, in testifying before the Committee on Foreign Relations, in no way positively declared that a loan would be made to Finland. He based his testimony on conjecture, upon Finland's ability to pay, as he says.

Mr. LUNDEEN. Mr. President, will the able Senator yield?

Mr. McCARRAN. I yield.

Mr. LUNDEEN. The Senator mentions Jesse Jones. It might be well to recall that that able gentleman made a statement the other day saying that it was our own fault—America's fault—that Europe did not pay her debts, because we had loaned them too much. That is a peculiar kind of reasoning in view of the fact that we are now proposing to lend Europe still more and in view of the fact that these were the gentlemen who were so cocksure Europe would pay back all loans. We made them loans on the insistence of these Wilsonians, and now they blame the country. That is a fine alibi for those who share the European war loan guilt.

Mr. McCARRAN. Mr. President, I read the statement by the able and very well qualified Mr. Jones, who represents the money-lending power of the Government and its various agencies. I thought it was a startling statement. Yet history bears him out to a great extent, because, for some reason or other, the countries which sought and obtained money from the Treasury of this country at a time when they said they were battling to make the world safe for democracy have, since contracting those debts, had no blush when they called us Uncle Shylock. They did not falter in denouncing us. After our troops had left the fields of battle, after the Versailles Treaty had been accomplished, there was no denunciatory term to which they did not resort in describing this Government; and they have been resorting to such terms up to the present hour.

I mention the expression of Mr. Jones, to which the Senator from Minnesota refers, merely to come back to the thought which I expressed in the first instance, namely, that this is a momentous measure because, as I view it, it is an entering wedge to permit loans which may hereafter be made. They will not be under the guise of the Export-Import Bank, either, because if the Export-Import Bank of Washington sees fit to make the proposed loan, then in the not distant future some other agency will be called upon to make other loans.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BROWN. The Senator realizes that no such loans as he is now discussing could be made unless the agency, the administration, or someone came back to Congress and obtained authority to make such loans. Is not that a fact?

Mr. McCARRAN. That is true. That is the reason why I shall vote against the pending bill in its present form. I wish to nip in the bud the movement which would make it possible for agencies to come back to Congress and ask for other similar loans.

Mr. BROWN. Of course, the responsibility would be entirely ours if anyone should come back and ask for such authority. We would have the right to say "Yes" or "No," and the Senator knows that the answer would be "No."

Mr. McCARRAN. I want the answer to be "No" to begin with. Then I shall know that it will be "No" in the future. I want the answer to be emphatically "No." When I say that, may I express further myself in this wise? I do not believe there is in this country today anyone more sympathetic with the struggle that is being made by Finland than is the junior Senator from Nevada. I come from a race whose history in a small country has been marked for countless years by a struggle for individual human liberty, and it is natural for me to sympathize with every country, especially a small one, that struggles for individual human liberty and for the rights of freedom. So every drop of my blood renders sympathy to Finland.

I voted the other day for the resolution offered by the able Senator from Mississippi [Mr. HARRISON] because I thought then, as I think now, that if the American people should see fit to make individual contributions toward the cause of any foreign nation or toward any other worthy measure, they should have the avenue and the opportunity whereby they might so express themselves. So if Finland, under that resolution, saw fit to come before the Securities and Exchange Commission and ask to have its bonds legalized for flotation in this country, then, I think that the processes should be expedited. So I voted for that measure which I then thought, and think now, points to the only proper way by which the people of this country should make loans to nations abroad, namely, by individual contributions, in nowise involving this Government nor involving our neutrality.

It is not a question of a $60,000,000 loan to Finland. If the bill should come back here in its original form, with a provision for a $60,000,000 loan to Finland, I venture the assertion that it would receive the support of Senators who are going to vote against it today. It now bears no resemblance to such a measure. It even calls upon a different agency of the Government. The bill introduced by the able Senator from Michigan authorized the Reconstruction Finance Corporation to make a loan of $60,000,000 to Finland. The pending bill does not mention Finland; it does not mention any other country. It simply permits an agency of the Government to lend the money of this country, the money of this Government, without regard to the nation to which the loan may be made. So we let down the bars and abdicate the authority and the power and the responsibility that is ours.

Recurring to the question propounded by the Senator from Michigan a moment ago, wherein he suggested that any application for a loan will be our responsibility, again I favor exercising our responsibility now, because it is just as important now and just as imminent as it will be 6 months from now when a greater trend of war may be upon the world.

Mr. President, I shall vote against the pending bill in its present form. While I would vote for any measure that would aid Finland in its present struggle, without involving the neutrality of this country, I say again, as I expressed myself at the time we had before us the neutrality bill, there may be sympathy for any nation that is suffering, but our greatest sympathy belongs here at home, and our Nation should so conduct itself that when sanity again returns to the warring peoples abroad, as it will return—and those peoples, subjects of tyrannous and benighted governments, are looking for a leadership—they will turn their eyes across the water to a powerful nation having democracy as its form of government, and will thank God for the judgment exercised by our people in refusing to become involved and in maintaining such a position that we may not only be the arbiter of the world's disputes but at that hour may hold aloft the torch which will guide the bleeding and torn world along avenues leading to a better civilization which will prevail for centuries to come.

Mr. President, the heart of America throbs in sympathy for Finland. America today is furnishing millions of dollars in private contributions toward Finnish welfare; but the Government of the United States, under its neutrality policy, has no business to break down that policy in the interest of Finland, or any other country, because, if we depart from that policy and lend money to Finland, then we may, with propriety, be called upon—and with emphasis, if you please—to lend money to Great Britain in the not far distant future, notwithstanding the fact that for 21 years foreign governments that borrowed from us during the years of the World War have repudiated their debts and have hurled at us the name "Uncle Shylock," even when that name was belied by the white crosses of Flanders fields, marking the effort that saved democracy, for the moment at least. Let us help Finland, but let us do it wisely; let us not lose our fortunate position; let us not drive the opening wedge; let us stand positively and emphatically for a neutrality that the world will know we actually mean and that we intend to perpetuate and enforce.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHER] to the bill.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	George	Lodge	Schwellenbach
Andrews	Gerry	Lundeen	Sheppard
Ashurst	Gibson	McCarran	Shipstead
Austin	Gillette	McKellar	Smathers
Bankhead	Glass	McNary	Smith
Barbour	Green	Maloney	Stewart
Barkley	Guffey	Mead	Taft
Bilbo	Gurney	Miller	Thomas, Idaho
Brown	Hale	Minton	Thomas, Okla.
Bulow	Harrison	Murray	Thomas, Utah
Burke	Hatch	Neely	Townsend
Byrnes	Hayden	Norris	Tydings
Capper	Herring	O'Mahoney	Van Nuys
Chandler	Hill	Overton	Wagner
Chavez	Holt	Pepper	Walsh
Clark, Idaho	Hughes	Pittman	Wheeler
Clark, Mo.	Johnson, Calif.	Radcliffe	White
Connally	Johnson, Colo.	Reed	Wiley
Danaher	King	Reynolds	
Davis	La Follette	Russell	
Frazier	Lee	Schwartz	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. RUSSELL. Mr. President, in a fight between a gangster and a law-abiding, upright citizen, every right-thinking person reacts in exactly the same way. All of our sympathies are with the victim of lawless violence. In common with the great masses of the American people, I have felt outraged at the wanton and brutal attack of the assassin Government of Russia upon the Republic of Finland. The blood of every decent person in this country or anywhere in the world has boiled at the story of the uncivilized attacks of this communistic horde upon a free and liberty-loving people. Our hearts have all thrilled to the saga of Finnish heroism in resisting this unprovoked and wanton aggression.

When I left the Senate Chamber last Friday afternoon I was somewhat confused in my own mind as to how I would vote on the pending legislation. My sympathies with those who are suffering in Finland had collided with my prior conclusion, and I was almost disposed to support this legislation, which, while it is entitled, in substance, "A bill to increase the capital of the Export-Import Bank," is really legislation to enable additional credit to be extended to the Finnish Republic. It is my custom, when I reach my office, to go through and sign my mail. I usually read every piece of correspondence that comes into my office. It so happened on Friday that I had an unusually heavy mail. A very large proportion of it consisted of letters from my State, from citizens of the United States, appealing to me as one of their representatives in the National Congress to assist them with their pressing problems. Some of the letters were from those who could scarcely write, letters written with pencil on pieces of tablet paper, evidently the tablet paper that the writers' children used in school.

A letter of a few lines said:

> I am sure in need. If I don't get some help some way, I don't know what I will do. There is 10 of us in the family, and we haven't got enough to live on; and if you can help me in any way I will be more than glad.

There are a number of other letters here, of the same tenor and effect, from American citizens who have either been discharged from the relief rolls or have been unable to obtain employment on the W. P. A. Some of the letters were written by other persons with typewriters, referring to those of whom they had personal knowledge who were in dire need. The one I have before me reads as follows:

> Mrs. G. is a widow supporting her aged and widowed mother, 75 years old, who has a serious heart ailment. She is without funds or income of any kind, having disposed of her furniture piece by piece to prevent starvation. Mrs. G. has been brave, and I am appealing to you to help her in her quest for employment.

There were other communications from farmers in my State who had been the victims of the unusual weather conditions which prevailed last year. One wrote that he had two mules, one of which the Farm Security Administration had helped him to purchase; that he had just been notified that the funds of the Farm Security Administration were exhausted; that no loans could be made to him; and that the Farm Security Administration was going to take these two mules away from him.

Another stated that an agency of the Federal Government—the Farm Credit Administration—was preparing to foreclose upon the writer's farm and put it on the block and sell it to the highest bidder before the courthouse door because he, an American citizen, had been victimized by unusual weather conditions and had not made a good crop.

Other letters of the past 2 or 3 days—I do not think there was one in Friday's mail—referred to the fact that the unseasonably cold weather in my State had destroyed the crop of the writers, and that they had turned to agencies of the Federal Government—their Government, if you please—and had been told that the funds of the Farm Security Administration were exhausted, that no loans could be made, and that so many restrictions and so much red tape had been bound around what we commonly call seed loans that they were not able to reach the citizen, though his distress was genuine.

Mr. President, reading those letters caused me to pause. Despite the admiration and respect we all have for the Finnish people because they have paid their obligations up to this time, no Senator would assert on this floor that when the full power of the detestable communistic Government of Russia is brought to bear on Finland, the Finns will be able to resist. No Senator would assert that there is any surety that the money which is proposed to be loaned can be repaid. The history of Finland shows that since the twelfth century the Finns have been under the domination of other powers, down to about the year 1918. It seems that history repeats itself quickly, and that the Finns are again threatened with Russian domination, as abhorrent as it is to all of us who despise bolshevism and communism.

I do not believe that the proposed loans are good credit risks. We have been told that we are faced with a period when it is necessary to economize. In a few days the Senate will have before it the appropriation for the Civilian Conservation Corps and for work relief for the coming year, cut to the bone—yea, to the marrow—by the Bureau of the Budget in the name of economy. There is pending at this very moment in the Senate Committee on Appropriations the farmers' appropriation bill for the coming year, reduced $578,000,000 below the appropriations for the current year for the agricultural activities of the United States. In the name of economy, either at the Bureau of the Budget or in the other branch of the Congress, this appropriation has been reduced 44 percent from the appropriation for the current year for the relief of the down-trodden and hard-pressed agricultural population of the United States.

In the other body of the Congress, when an item was reached providing for an attack on one of the problems that is fundamental in the perpetuation of our institutions of government—I refer to the loans to tenant farmers, to enable them to become home owners—in the name of economy the

insignificant sum of $25,000,000 was stricken from the bill, despite the pleas of those who know something about the sufferings of the farm tenants and the farm sharecroppers, and the farm laborers of the United States, and of their desire to own their own homes.

No doubt the people of Finland today are hard pressed in a struggle against unequal odds, but the farm tenants and the sharecroppers of my State have been carrying on with equal heroism against equally great odds, and they are told that the Government, their Government, the Government of their own country, is unable to extend to them loans which would enable them to become home owners, so that they might feel they had a stake in their own Government.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BROWN. I wish to call the attention of the Senator to the fact that when he speaks of a loan to Finland he is not entirely accurate. The loan is to be made, it is true, upon the credit of the Finnish Government——

Mr. RUSSELL. What is the difference?

Mr. BROWN. Or some corporation.

Mr. RUSSELL. What is the difference between a loan to Finland and a loan on the credit of the Finnish Government?

Mr. BROWN. The money will go to farmers and manufacturers in the United States, including the State of Georgia, whose principal product is cotton. I call the attention of the Senator to the fact that in 1938 by far the largest imports into Finland were of cotton, the principal product of the Senator's own State. If a loan is made to Finland—and I assume it will be if we enact the bill—it will mean that more cotton will be taken from the poor farmers in Georgia, of whom the Senator is talking. That money will never leave the United States. It will all stay here, and go into circulation here. What we will turn over to the Finns in return for their credit will be the products of the farms and the factories of the United States.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. RUSSELL. I decline to yield until I give some consideration to the words of the Senator from Michigan.

I have endeavored to listen carefully to the debate on the pending bill. When the distinguished Senator from Michigan opened his remarks in presenting the bill to the Senate, I understood him to make identically the same statement he has made at this time, with this exception, that in this statement he has brought it down to the cotton farmers in Georgia, whereas in his opening remarks he referred to the cotton farmers of the entire United States.

Mr. President, the Senator from Michigan has been forthright in this matter. He has been willing to stand before the world and say, "Finland, we will lend you this money on your credit, to spend where you choose for what you choose to buy." No one will quarrel with the Senator from Michigan for his views, because he expresses them openly and fairly, but I submit that it does not make any difference in the total measure of relief which will be available for those in distress in this country in the eventual workings of our economic system, whether we give the Finns goods, or whether we give them the money and they buy the goods. It is exactly the same thing. If this money shall be lost through the giving of goods, it will be just as surely lost as though the money were given.

I might further say that if we are to give away cotton goods, let us give it to those in this country who today have not adequate clothing. I have ridden along the highways of my State and seen little children standing by the roadside whose sole piece of clothing was a gunny sack made out of jute, in which fertilizer had been purchased to go on the cotton, and if I were going to give away cotton, after buying it from the cotton farmers of the United States, I would want to give it to some in this country sadly in need of adequate clothing. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). The Chair admonishes the occupants of the galleries that the rules of the Senate prohibit expressions of approval or disapproval on the part of those in the galleries.

Mr. BROWN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BROWN. I again call the attention of the Senator to the fact that the bill does not contemplate a gift. Insofar as Finland is concerned, we are dealing with the one country which has proven to the United States that it will stand by its word, that it will stand by its bond, and pay its debts. We are assuming that this debt will be paid. Therefore, I think that what the Senator says about giving away our products is beside the point. Every Member of Congress understands the extension of aid will be by way of a loan.

Mr. RUSSELL. The Senator's assumption that there is to be a loan which will be repaid is one so violent, in view of the actualities in the world today, that I cannot join him in it.

Mr. REYNOLDS. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. REYNOLDS. The Senator from Michigan has just told us that we are not to make a loan. I wish to read to the Senate the words which came from the lips of the Senator from Michigan himself. On Friday last, when the Senator was explaining to us the bill providing for aid to American manufacturers, the Senator said that it was a loan. I respectfully call the Senator's attention to his explanation on page 1276 of the CONGRESSIONAL RECORD of February 9, last Friday, in which explanation the Senator said:

> First. The loan must not be in violation of international law.
> Second. It must not be for arms and munitions as heretofore defined by the President.

In addition to that, in his remarks to the Senate on the bill now before it for consideration, the Senator from Michigan said:

> I think I can answer that question without qualification by saying that the Federal Loan Administrator, Mr. Jones, in his testimony before the Foreign Relations Committee, plainly stated that he thought that the Finns were entitled to a credit of at least $10,000,000 more than they now have; and I have not the slightest doubt that he and the President of the United States are in accord in that respect, because the President sent a message to Congress in effect urging that we do this in order that Finland might obtain a loan.

Mr. BROWN and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield to the Senator from Michigan.

Mr. BROWN. I wish to say to the Senator that I did not think I was capable of so clearly outlining what the exact situation is as I did, apparently, in the statement which the Senator has read. As I tried to make clear, it is not a case of making a straight loan of cash to the Finnish Government. We only lend to them, as I stated in the remarks which the Senator has read, when the loan aids in the sale of our agricultural and manufactured products, under the restriction that it shall not be in violation of international law, and that it shall not in any sense be an unneutral act.

Mr. BARKLEY. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I think the Senator from North Carolina misunderstood the Senator from Michigan a moment ago.

Mr. RUSSELL. I am quite sure he did.

Mr. BARKLEY. The Senator did not say it was not a loan; he said it was not a gift.

Mr. REYNOLDS. I beg the Senator's pardon. I was under the impression that the Senator was insisting that this was not a loan.

Mr. BROWN. I thank the Senator for bringing out the point, because I think what he quoted from my remarks last Friday clearly stated the situation as it is.

Mr. REYNOLDS. As a matter of fact, I happened to underline that because of the fact that in the debate on Friday the senior Senator from Michigan [Mr. VANDENBERG] insisted that it was not a loan, that it was merely an advance of credit, and in the argument at that time I was directing inquiry to myself as to whether this was a gift, a loan, or an advance.

Mr. BARKLEY. Of course, there is no real difference, if the Senator will permit me, between a loan and an advance of credit.

Mr. RUSSELL. Not at all.

Mr. REYNOLDS. None whatsoever.

Mr. BARKLEY. They are the same. If the Senator will permit me, while I am on my feet, I wish to say that this bill is being treated by a number of Senators as if it were a bill strictly for the benefit of Finland. The bill merely does what the President and the Reconstruction Finance Corporation and the Export-Import Bank asked us to do a year ago; that is, to increase the capital stock of the bank a hundred million dollars. Of course, at the time the matter was under consideration last year no war was in prospect, no war was thought of, and I suppose the thing farthest from the minds of all in the Senate was that Finland would be overrun by Russia.

The Senate adopted three-quarters of the request by passing a bill providing for a $75,000,000 increase in the capital stock of the Export-Import Bank to carry out the purposes of the original act; that is to say, to facilitate the exportation of American products. While an increase in the capital stock of the bank of a hundred million dollars is asked for, only one-fifth of that amount could be used for a loan to Finland, because Finland could not get more than $20,000,000 in addition to the $10,000,000 for which credit has already been provided.

I think I ought to say, too, that it does not mean that that money is to come out of the Treasury. The Senator will recall that the President in his Budget message set up an item, or an aggregation of items, amounting to $700,000,000, which might be returned to the Treasury by various corporations, including the Reconstruction Finance Corporation, which he said could return to the Treasury $200,000,000 of the $500,000,000 of its capital stock. When the capital stock of the Export-Import Bank is increased it will not be money taken out of the Treasury; it will be money provided by the Reconstruction Finance Corporation as and when it is needed, through the sale of its own obligations to the public, through which method it has raised most of the money it has already loaned in the way of loans to industry and for the facilitation of our exports, and only in the case of a loan on the part of the Export-Import Bank beyond its profits would the Treasury be called upon to furnish any of the money.

So the increase in the capital stock would not automatically or necessarily or theoretically make it impossible for the Congress to do exactly what the Senator from Georgia has indicated it is his desire to do, that is, to provide money with which to buy cotton, for instance, to help clothe those who are underclad in the United States. That might come out of the Treasury, or might not, depending on the law Congress may pass. But the point is that the increase in the capital stock of the Export-Import Bank, which in my view is necessary regardless of Finland, regardless of Norway, regardless of Sweden, regardless of China—although they do come into the picture—will not in any way place a burden on the Treasury, and will never take a dollar out of the Treasury, unless it becomes remotely necessary to reimburse the Export-Import Bank for any loss it might sustain.

Mr. RUSSELL. Mr. President, I had not intended to discuss the niceties of high finance by which the Senator can make it apparent that we can reach into a hat and get $100,000,000 for the purpose of making loans to foreign governments without it being a charge on the Treasury of the United States. But regardless of the fact that we are here taking money out of one pocket of the Government, as represented by the Reconstruction Finance Corporation, and putting it into another pocket called the Export-Import Bank, to be delivered from those to still another pocket, to send credits to Finland, the fact remains, and all that the average citizen could be expected to know about his Government is that if the money is lost it will be a charge on the Treasury of the United States, and I am sure that with that statement the Senator from Kentucky will agree.

Mr. BARKLEY. That would depend on whether the aggregate losses of the Export-Import Bank on individual loans would exceed the profits. Last year the Export-Import Bank made a profit of a little more than two and one-half million dollars. Of course, in 4 years the profit, if at the same rate, would exceed the loss of a $10,000,000 loan, assuming that the entire $10,000,000 was a loss.

Mr. RUSSELL. I must confess my surprise that my friend the Senator from Kentucky would resort to such specious reasoning when he speaks about the condition of a National Treasury that owes almost $45,000,000,000, and which was compelled to put up at the outset the capital stock for the Export-Import Bank and for the Reconstruction Finance Corporation.

Mr. BARKLEY. No; only for the Reconstruction Finance Corporation.

Mr. RUSSELL. The Reconstruction Finance Corporation put up the capital for the Export-Import Bank.

Mr. BARKLEY. We provided $500,000,000 capital for the Reconstruction Finance Corporation, which was paid in in cash to the Reconstruction Finance Corporation by the Treasury, and although the capital stock of the Reconstruction Finance Corporation is only $500,000,000, they have loaned 20 times that much money, because they were permitted to loan at a rate of about 10 to 1 of the amount of their capital stock—probably 20 to 1 in some cases altogether, although not all outstanding at any one time. Now, the Reconstruction Finance Corporation, according to Mr. Jones' testimony, can return to the Treasury of the United States $200,000,000 of its original $500,000,000 capital without in any way interfering with its operations either under the $100,000,000 capital or under the $200,000,000 capital as provided in this bill. It is not a specious argument at all, because the public is putting up this money through the purchase of the obligations of the Reconstruction Finance Corporation. It is not coming out of the Treasury, and, as I said a moment ago, it would never come out of the Treasury, none of it, unless the losses of the Export-Import Bank should exceed its profits.

Mr. RUSSELL. Mr. President, the distinguished leader of the majority is always most persuasive. I shall not undertake to follow him through all the tortuous course of these various instruments of government that are dealing with the questions of making loans and financing exports. I am delighted to hear that some of them have made a profit. The point I wished to suggest was that the Reconstruction Finance Corporation and the Export-Import Bank would have to earn profits far beyond those mentioned by the Senator from Kentucky, far beyond even those that the most optimistic advocate of this loan can conceive of, to be able to wipe out the public debt which has been incurred as a part of a drive—of which the Reconstruction Finance Corporation is a part—to bring about recovery in the United States.

Mr. President, I am delighted to know that the Reconstruction Finance Corporation is making profits, and we have all taken great courage from that fact. I read the hearings had in the Committee on Foreign Relations, and was glad to see that the Export-Import Bank had made a small profit last year. But the Senator from Kentucky knows that even though we may keep one set of books for the Reconstruction Finance Corporation showing a profit, and another set of books for the Treasury of the United States showing a debt, that if the Reconstruction Finance Corporation, or any of its subsidiaries, including the Export-Import Bank, loses any money it will eventually be a loss of assets of the United States Government, which, while they might not come direct from the Treasury, would go to the Treasury to help wipe out the debt, or for other purposes, had they not been lost.

You cannot stand one Government agency on its bottom here and say that because that Government agency has made $2,000,000 or $4,000,000, that the Treasury is not operating at a deficit. We must consider all of the operations of the Government and total both profits and losses of all of its agencies and all expenditures to get a true picture. On the whole, the Government is badly in debt and any loss of money increases the indebtedness.

Mr. BARKLEY. Mr. President, of course, the Senator realizes that the forty-four-billion-and-some-odd-million dollars, whatever the amount of the Treasury debt is at

this time, is made up of many items, and that if we may assume that the Treasury borrowed all the $500,000,000 to furnish the capital stock for the Reconstruction Finance Corporation, that is only a small percentage, about one-eightieth of the total public debt. I do not suppose anyone would contend that the Export-Import Bank could possibly make enough in profits, if it had no losses at all, to make very much of a dent in the total public debt at this time.

The point I am seeking to make is that each one of these institutions stands on its own bottom as a business organization. The Reconstruction Finance Corporation is a business organization and it has made profits. The Export-Import Bank is standing on its own responsibility, and it has made profits. In addition to the financial profits it has made, it has facilitated very greatly the exportation of American products, without which they would be piled up now in the warehouses or granaries of the United States as a part of our unsalable surplus.

No one can tell in the course of 10 years whether the net result of the Reconstruction Finance Corporation's operations will be a net profit or a loss. The same thing is true of the Export-Import Bank. The same thing is true of any private bank in this country. We cannot over a 10-year period foresee how much profit it will make or whether there may be set up a loss. But taking the record up to date, I think we can reasonably assume, regardless of our sympathy for Finland or any other country, that in all probability no loan will be made to any of them or for the benefit of any of them without reasonable assurance that the loan will be paid.

Mr. RUSSELL. Mr. President, if I could share the confidence of the Senator from Kentucky that if this loan were made to Finland it can be collected, I would not interpose any special objection to this bill.

I had not intended to discuss the intricacies of the operations of the various departments of government with respect to the source from which their funds were derived. We all know that each is part of the Government of the United States, and whether you have 1 agency or 20 agencies, you must have a total somewhere of your assets and your liabilities. When our assets increase our liabilities decrease.

I made the statement earlier in my remarks that, in my judgment, this loan to Finland did not have any unusually good chance of being a collectible loan. My opposition to this measure is based upon the fact that we are here appropriating funds to loan to Finland and perhaps to other countries, for no man knows when the tides of war will rise in Europe and engulf some other small nation there which is entitled to our respect and admiration. I will not vote for any doubtful foreign-loan proposal when we are told here in the Congress of the United States that conditions are such that we cannot lend money to American tenant farmers to enable them to purchase homes, that we cannot lend money to tenant farmers with which to buy the seeds or tools with which to make a crop.

Speaking about a loan to Finland being collectible, and the fact that Finland has paid its loans to date, I might point out that for the 2 or 3 years we have made loans under the farm-tenant purchase program that more than 100 percent of the maturities have been paid. These tenant farmers have so appreciated the interest shown by the Government in their efforts to become home owners that they have anticipated their maturities and have paid back more than 100 percent of the total they had agree to pay on their loans. The security behind those loans is a security which is tangible to my eyes—the farm lands in the United States and the faith and credit of American citizens who are striving to go ahead.

Mr. President, I shall not undertake to discuss the questions of international law that might be involved in this loan. I have had no occasion to examine the precedents involved, as I am not a member of the Foreign Relations Committee. I do know something of our experience with loans in the last war, and it was not very pleasant. I would dislike to see us set a precedent which is likely to lead to loans to other belligerents. The demand will come when the war starts in earnest. A policy of loans to belligerent nations, whether there has been a formal declaration of war or not, is fraught with danger to the peace and economy of the United States.

I do not intend to discuss the niceties of legislative drafting, which have transformed a bill which was introduced as direct authority for a loan to Finland into one to increase the capital of the Export-Import Bank. Both bills have a similar purpose. I do not know that Mr. Jones said so in express terms, but I obtained the very definite impression from his testimony before the committees of the Senate that he would consider the passage of this bill as a legislative mandate to make additional loans to Finland. He did not say so in express terms, but I obtained that impression from the general tenor of his statement.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. Mr. Jones originally stated before the Banking and Currency Committee, whose hearings were not taken down and are not a matter of record, that without additional legislation of some kind he would not feel authorized to go beyond the $10,000,000 already provided for credit to the corporation through which the loan is to be made and the American products are to be exported. The bill in its present form furnishes the additional legislation which Mr. Jones would regard as authority for him to make an additional loan; but throughout his testimony before the Banking and Currency Committee and also before the Foreign Relations Committee he said that the making of such a loan would depend upon conditions which might exist at the time Finland should apply for the loan. I do not recall his having suggested or intimated that he would regard this bill as a mandate for him to make the loan, regardless of the conditions which might exist.

Mr. RUSSELL. I do not mean without regard to conditions or security. Perhaps I should have used the expression that he would consider the bill as legislative approval to increase the authorizations for loans.

Mr. BARKLEY. Provided the conditions met the requirements at the time the loan was made or applied for, which would justify him or those in charge of the bank in making the loan with reasonable assurance that it would be repaid.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SCHWELLENBACH. In view of the last remark of the Senator from Georgia with reference to his interpretation of the testimony of Mr. Jones, and particularly in view of the acquaintance we all have with Mr. Jones and the care with which he acts in the matter of making loans from funds of the Reconstruction Finance Corporation, I should like to ask the Senator to permit me to read at this point from page 21 of the testimony before the Foreign Relations Committee. Mr. Jones was testifying:

> Senator VANDENBERG. Mr. Jones, you have said there is not necessarily any increased credit for Finland in this bill, have you not?
> Mr. JONES. I have.
> Senator VANDENBERG. You said that if there are increased credits, it will depend upon subsequent circumstances. That was your language.
> Mr. JONES. No.
> Senator VANDENBERG. Yes; you said "circumstances." I wrote it down so that I might ask you what were the circumstances.
> Mr. JONES. I did not use the word "subsequent." I said circumstances at the time.
> Senator VANDENBERG. That is correct. What circumstances would govern an additional loan to Finland?
> Mr. JONES. Everything that might affect the ability of Finland to repay the loan.
> Senator VANDENBERG. That would be the only thing you would consider?
> Mr. JONES. That would be the only thing I would consider.
> Senator VANDENBERG. If you thought you were not going to get the money back, you would not make the loan?
> Mr. JONES. I would not.
> Senator VANDENBERG. Regardless of any other thing?
> Mr. JONES. I would not.

In the light of the experience we have had with Mr. Jones and his care in the making of loans, how can the Senator say that Mr. Jones would consider the proposed legislation as a mandate and would make a loan contrary to the testimony which he gave?

Mr. RUSSELL. Mr. President, I stated that perhaps the word "mandate" was not properly descriptive, but I did obtain the very definite impression from my reading of the testimony that Mr. Jones would not make any further loans to Finland unless this bill were enacted into law. Did not the Senator from Washington obtain the same impression?

Mr. SCHWELLENBACH. It is true that he would not make any further loans. He has made commitments in excess of the $100,000,000. He would be limited upon that basis, so he could not make any more loans. However, I listened to the testimony of Mr. Jones all the time he was before the committee; and repeatedly when he was brought back to the exact question of what the requirements would be in reference to a loan he insisted that he would make no loan unless he had a reasonable belief that it would be repaid, and that he would take into consideration all the circumstances, including the circumstances that the Finnish Government might be wiped out and be unable to repay because of that fact. I could not construe Mr. Jones' testimony, as does the Senator, to mean that he would be any less careful in making the proposed loan than he has been in connection with applications from the various States, which have been submitted to the agency in the belief that they were perfectly good applications, only to have Jesse Jones say, "No; I cannot make that loan, because it will not be repaid."

Mr. BROWN. Mr. President, will the Senator yield to me for a brief statement?

Mr. RUSSELL. I shall be glad to yield in a moment.

Mr. President, I have as high respect and regard for Mr. Jesse Jones as has any Member of this body. He has done a perfectly wonderful job in handling the lending agencies which have been under his control and direction. However, Mr. President, I do not conceive that we should legislate here on the assumption that this man or that man will forever be in control of the lending agencies of the United States. Who knows where Mr. Jones may be tomorrow? Who knows what pressure might be brought upon Mr. Jones from other sources to make loans which his better judgment told him were not safe loans? I consider that I have some small responsibility in this matter as a Senator. This legislation was brought out as a vehicle to provide a direct loan of $60,000,000 to Finland for any purpose. I think I should form an opinion in my own mind as to whether or not a loan to Finland is a good loan. Other Senators may think loans to Finland are good. Mr. Jones might think that loans to Finland are based upon good security. I hope others are right and that I am wrong. However, my judgment tells me that a loan to Finland at the present time is not a loan with as good security as that which is being sought by American citizens today. I may be narrow in my thinking, but I do not propose to vote for any foreign loan of doubtful nature. When I see unanswered the supplications of American citizens who have good collateral for loans, Americans who are living today in the very lowest stratum of our social structure, and who have not adequate food and clothing or means with which to carry on their farming operations or the work through which they earn their daily bread, I do not propose to vote for any loans of a doubtful nature as long as such conditions exist in this country.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BROWN. I should think the Senator would be pleased to see the continuance of a governmental institution such as the Export-Import Bank or the Reconstruction Finance Corporation, because they are agencies of the Government which have operated profitably.

Mr. RUSSELL. The Senator from Michigan cannot put me in the position of attacking the Reconstruction Finance Corporation. The Senator is endeavoring to put words in my mouth, and to attribute to me a thought which I have never entertained.

Mr. BROWN. The Senator has announced that he opposes the enlargement of the capital funds of the Export-Import Bank, which, like the Reconstruction Finance Corporation, has been well managed, not only by Mr. Jones, but by the other trustees.

In this connection I should like to call attention to the exact figures. The majority leader has given the figures for the year 1939. The net profit of the Export-Import Bank up to January 31, 1940, after all expenses, including losses, is the sum of $5,074,754. It seems to me that is a pretty good showing. Regardless of loans to Finland, or to China, or to any other foreign country, I think that when we have a Government institution which is aiding the farmer and industry, as this one is doing, and showing a profit to the Treasury of $5,000,000 over approximately a 5-year period, that is the kind of Government institution which we ought to encourage and continue.

Mr. RUSSELL. Mr. President, my position in the matter is not as indicated by the Senator from Michigan. I have not opposed either the Export-Import Bank or the Reconstruction Finance Corporation. I have been in hearty accord with the operations of the Export-Import Bank, up until the war broke out in Europe. I still favor its negotiations with nations not at war or likely to be involved in war. I am endeavoring to maintain its splendid reputation by preventing it from making loans of doubtful value, which might wipe out the profits which have heretofore accrued. I shall not approve of any loan that is of doubtful value so long as we have so many unsolved internal problems, and large numbers of our own people who are good credit risks, but unable to obtain loans from the same Treasury which will be compelled to replenish any losses incurred in foreign loans.

Mr. CAPPER. Mr. President, before the vote is taken on the pending bill, I desire briefly to state my position.

I shall vote against the bill providing for loans through the Export-Import Bank to Finland or any other country engaged in war.

I am casting this vote not because of any lack of sympathy with the Finns in the courageous and glorious fight they are making against the unprovoked and brutal attack by Soviet Russia. I am strong for Finland, but I am voting against the bill because I sincerely believe that, if enacted, it will set the pattern for similar action later with respect to other nations.

Much as I sympathize with the plight of Finland and the Finnish people, much as I want to see them victorious, I myself feel compelled to oppose war loans to the gallant people of Finland because I do not want this Nation to engage in the business of war.

Nor do I want to take a step which I sincerely believe will finally lead to our own involvement in the general European war, which most emphatically is not our war. We have no business meddling in foreign wars. We have plenty of trouble at home to look after.

This bill really proposes that our Government shall borrow more money to make additional loans to other governments, through increasing the authorization for loans by the Export-Import Bank by another $100,000,000. This Government is continually borrowing; it is now facing 10 years of deficit spending. We are trying to economize, to cut down our governmental spending of borrowed money for our own people, millions of whom are in need of help. Now comes a proposal to borrow and lend an additional $100,000,000 to foreign governments. I am against it.

Mr. President, I think we have a duty to our own people, to our own unemployed, to our own distressed farmers, and to other sufferers from hard times in the United States, which is of even greater importance than rushing to the aid of nations across the ocean, who will continue to have their wars generation after generation, as they have had them for thousands of years past.

Mr. President, I am for strict neutrality as to all foreign wars, and shall continue to maintain that position. I think the Government of the United States should be striving to maintain strict neutrality instead of trying to figure out ways of becoming unneutral while maintaining the mask of official neutrality.

I shall vote "no" on the pending bill.

The PRESIDING OFFICER. The hour of 3 o'clock having arrived, under the unanimous-consent agreement debate from this time on is limited to 20 minutes.

Mr. KING. Mr. President, the limited time at my disposal precludes a proper survey of the pending measure, together with its implications. The Communist regime, while having for its object the destruction of all bourgeois governments and the establishment of a Communist system throughout the world, has masqueraded as a supporter of peace, but it has never lost sight of the philosophy of Lenin and the purpose to overthrow all democratic institutions, and, indeed, all governments throughout the world. It has, in its subtle way, attempted to convince the people that it sought only the welfare of all peoples, but it has never disavowed its purpose to bring all peoples and all nations under Communist control. The Bolshevik government has been the enemy of liberty, justice, and democracy; it has superimposed upon the people of Russia an oppressive dictatorship and a system of regimentation which denies individual liberty, freedom of expression, and every form of independence. The Bolshevik regime is now revealing its hatred of democracy and of independent governments by attacking in a savage and brutal way a free and independent people, who have builded a fine civilization. The Bolshevik regime will not hesitate to strike any community or any government when it regards the moment propitious to the attainment of its purpose. It may speak words of peace and friendship while contemplating assaults upon communities and governments and the overthrow of democratic institutions. The brutal attack upon Finland is a manifestation of the character and purpose of Communist Russia. It sends its agents throughout the world to secretly disseminate the poison of communism and to undermine the foundations of law and order upon which democratic governments rest.

It has formed an illicit relation with Hitlerism in order to weaken, if not destroy, European nations, expecting, however, in the wreckage which might follow, communism would be pervasive in all of the conquered lands. Communism seeks to destroy, not to build; to promote war and not peace; to destroy religion and moral and spiritual values, and to superimpose in their stead a gross materialistic, Godless regime.

I fear that some peoples are not aroused to the menace of communism and to the serious consequences which would follow the destruction of Finland by the Communist Government. Communistic Russia is not fighting Finland alone; it is fighting all democratic and Christian nations, and all forces that make for world peace, unity, liberty, and justice. If Finland shall be destroyed, Stalin and Hitler will continue their brutal course seeking the destruction of the Scandinavian states. If Finland is destroyed and Sweden and Norway are brought under the control of Russia or Germany, or both, then Denmark, Holland, and Belgium will feel the heavy hand of this destructive foe.

Mr. Walter Lippmann, in an article appearing in the Washington Post of December 16, 1939, indicates the menace to democratic nations if the Bolshevik Government shall triumph in her attack upon Finland. He refers to the aid which might or should be given to Finland, and states:

> For a study of the political map shows that supplies can be delivered to Finland only by passing through Norway and Sweden or across Germany. The crucial question, therefore, is whether Hitler will permit Sweden, which is Finland's next neighbor, to become the base for the delivery of military supplies, drawn from Great Britain, France, Italy, and the United States. Sweden is within the orbit of the military power of Nazi Germany. If Hitler were not a partner of Stalin's, Finland would never have been attacked. If Hitler were not seeking to make Stalin his military ally, there would be no difficulty whatever about delivering arms to the Finns. But because nazi-ism and bolshevism are allies, Sweden is intimidated. The Swedes do not dare to go fully to the help of the Finns for fear of being attacked in the rear by Hitler.
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> The fact of the matter is that no neutral state in Europe is safe if it is within the orbit of Hitler's military power. Only those neutrals are secure which, like Ireland, Portugal, and Spain, are behind the sheltering wall of the Franco-British power. Only those neutrals are sure to be defended which, like Belgium, Holland, Switzerland, Greece, and Turkey, are within the effective reach of the Franco-British power. This is the fundamental fact out of which arise the issues of the war.

In my opinion the bill before us does not adequately meet the views of the American people. This great democratic Nation is profoundly interested in the cause of democracy everywhere. In its discharge of its duty as a neutral it is not forbidden to sympathize with the downtrodden and oppressed, and with nations struggling for their liberty against brutal aggressions. We are justified in adopting policies and measures to aid the valiant and heroic people who are fighting for the preservation of their country. In rendering aid such as this bill provides or to make loans and grants to Finland, we are not violating international law. Finland is not a belligerent within the meaning and intent of our present neutral legislation, and it is the measured opinion of experts in international law and in jurisprudence that in extending credit to Finland we would not contravene any international obligations resting upon us. The bill before us, as I have indicated, does not adequately meet the situation nor does it fully express the views of the American people. They are practically unanimous in the view that the danger to democracy and civilization by the assault upon Finland is so great that this Nation as well as other democratic nations should give prompt aid—financial and otherwise—to the brave and valiant Finns who are, as has so often been said, standing at Thermopylae, holding back oriental hordes, the enemies of democratic nations and the principles of justice and liberty.

In all democratic countries there is a rising tide of indignation against Stalin's brutal and indeed cowardly attack upon a brave, progressive, and Christian people. They see in this attack upon Finland evidence of the implacable purpose of the Communist Government to destroy independent nations and to bring peoples of the world under its control.

I have referred to the fact that there is universal sympathy for Finland among all democratic peoples. I am reminded that the people of Hungary are greatly concerned over the Communist assault upon Finland, and in a recent circular letter, which was issued by the Bench of Bishops of the Hungarian Lutheran Church on December 14, 1939, reference was made to the "Russian giant" and its efforts to destroy the Finnish nation. I quote from the circular referred to, as follows:

> The joy of advent, the season of preparation for the birth of Jesus Christ, has been disturbed by the appalling events taking place in the far north. The "Russian giant," ironclad from head to foot, has set forth to destroy one of the finest and bravest peoples, the little Finnish nation. With sledge hammer raised to strike, the giant is preparing to deal a blow under which churches, cultural institutions, and family altars will collapse in ruins. The Finnish nation holds the standard of the Gospel aloft and puts its trust in the mercy of God made manifest therein. The civilized nations of the world, aghast and filled with righteous indignation, watch the stage where the curtain threatens to rise on a historical tragedy in which godless Soviet Russia's 185,000,000 inhabitants are preparing to trample to death the God-fearing Finnish nation of three and a half million souls.

If time permitted, I would read into the RECORD statements by Stalin and Bolshevik leaders concerning the world program of the Communist government. Orders have been given by Stalin and Bolshevik leaders as to the methods to be pursued by Communists in this and other lands with the view of undermining existing governments and of sowing seeds of communism. The philosophy of bolshevism does not rest alone upon Karl Marx, but it finds some roots in the Russian character. Before the rise of bolshevism the Russian people possessed grandiose views as to the future and ambition of Russia. Imperialistic ambitions envisioned an empire from the Carpathians to the Pacific Ocean; but the Bolsheviks are not satisfied with an empire so extensive—they seek world domination, and this they hope to accomplish by dividing nations and groups in order that there may be a fertile field for communism and for communistic control. It has been said that the "red" empire of today has followed the imperialistic views of the Czars and it now extends from the Carpathians to the Pacific Ocean; and it is thrusting its hand into central Europe, thus threatening the overthrow of western civilization as a whole.

Symptomatic of the present condition of European civilization is the confidence and indeed the audacity with which the Communists now boldly proclaim their views. I read from the current issue, November 18, of the Comintern Journal, World News and Views, as follows:

> "A specter is haunting Europe—the specter of communism," wrote Marx and Engels in 1848. "All the powers of old Europe have

entered into a Holy Alliance to exorcise this specter; Pope and Tsar, Metternich and Guizot, French radicals and German police spies."

Communism, no longer a specter but clothed in Soviet flesh and blood, is again haunting Europe in this period of the second imperialist World War. Its frontiers were advanced in eastern Europe within 3 weeks of the war breaking out; not a step is taken by the warring imperialist powers without having to take into account the power of the Soviet Union and the revolutionary spirit of the international working class.

Senators will perceive the spirit and ambition of Communist Russia in the declaration that communism is "no longer a specter but clothed in Soviet flesh and blood." It boasts of its triumph in conquering a large part of Poland within a limited period; and it declares that the power of the Soviet Union must be taken into account in all international affairs.

In the time of the czars Moscow was to be the third and last Rome, but today Moscow is to be a "red" capital of the "red" Soviet empire. The boundary of the Soviet Union has swiftly moved forward more than 250 miles, until now it overlooks Europe's western wall, the Carpathians.

No one familiar with Russia, with the teachings and views of the Bolsheviks, can doubt the unalterable and fixed purpose of Russia to weaken all nations, and to ultimately destroy them so that upon their ruins the communistic rule may be imposed.

When I had the floor a few days ago I referred to a visit I paid to Russia, and to the views expressed to me by Bolshevik leaders, that the mission of the communistic regime was to destroy the capitalistic system, and religion, and democratic governments.

Mr. President, Finland has not declared war upon any country, and Soviet Russia has not declared war upon Finland, although she is waging a brutal and murderous campaign for the destruction of the Finnish Government, if not the annihilation of the Finnish people. Finland is a civilized nation. She is in the position of a member—a highly respected member—of the family of nations, whose home has suddenly and wantonly been invaded by a brutal criminal. Her children have been assassinated by bombs from marauding airplanes; her modest property has been overrun by an organized band of international revolutionaries; and her churches, shrines, and fireplaces have been stained by the blood of heroic sons who preferred to die in their defense rather than submit to the cynical and criminal ultimatum of the aggressor.

Let us therefore hear no more of the protest that any aid to Finland of a practical and defensive nature would be a violation either of international law or of neutrality. If international law should even prevent a strong man from coming to the assistance of an innocent sufferer who is defending that same law, it seems to me it should be consigned to the realm of forgotten issues. If neutrality means that Soviet Russia can commit the unprovoked and brutal aggression of which it is now guilty and then say to the United States, "You shall cooperate in my iniquity by refusing to exercise your sovereign right to deal with one of your friends," then, I say, the neutrality law should be modified to meet the humane, progressive, and Christian views which ought to prevail in a civilized world.

In many European countries the attack upon Finland is regarded as a warning to all democratic nations. There is a growing conviction that Finland is defending not alone her own people and her own borders, but the cause of democracy, liberty, and justice in every part of the world. I am convinced that the unprovoked attack of Soviet Russia on Finland is a blow at the very heart of every ideal maintained and cherished by the American people. In Finland there existed no substantial minority, appealing to another nation to come to their assistance, as Hitler was able to allege in the case of Sudeten Germans of Czechoslovakia. Here was no Polish Corridor, cutting a part of Germany away from the motherland. Here was no Treaty of Versailles, giving rise to accusations of injustices and impossible conditions imposed by victorious Allies. None of the pretexts which existed in the German case can be found to bolster up or extenuate the unwarranted and fantastic claims of Moscow against the peaceful, progressive, and cultured people of Finland.

The attack, then, is not leveled against a given government, but at liberty itself, at decency itself, and at the very heart of international law. We on this continent who enjoy freedom unassailed and live under the shadow of a Bill of Rights which guarantees every individual against every usurpation of tyranny are liable, at times, to grow callous and indifferent to the destiny of liberty elsewhere. But justice is an indivisible attribute descending from Divinity; and when it is assailed and wounded in any part of the world, it is menaced and endangered in every part of the world. If Finland falls, then the Scandinavian nations will next come under the shadow of the outstretched hand of bolshevism, which will then be advanced hundreds of miles nearer western civilization. And let it never be forgotten that every mile of advance is one mile reduced in our own security and immunity from danger. What is at stake is not a narrow strip of land lying far away in those Arctic wastes but that intangible and precious thing in defense of which American blood has been poured out from Lexington and Bunker Hill to the last American soldier who fell in the World War. Let me remind the Senate that the present invader of Finland has more than once included the United States of America in its eventual program.

Mr. President, I am not now arguing for any involvement of the United States in the European conflict as it is being waged on the western front. In fact, I believe that America's best contribution to world peace and restored sanity will come from her ability to face the uncertain future, strong, alert, and unweakened by the exhaustion that would be consequent on actual warfare. But this determination, which is widespread among our people, should not blind us to the vital issue now being resolved on the eastern front. There, a colossus, devoid of any of those legal or moral controls which characterize an upright government, has sought to advance its atheism, its tyranny, and its revolutionary objectives at a moment when the rest of the world was engaged in an absorbing struggle in the West.

Aid to Finland therefore should be considered on its own merits and as involving no dangerous precedent with respect to the belligerents of western Europe. What is attacked in Finland is international law, basic justice, and Christianity itself. Every ideal and every canon of international relations and international conduct has been flouted and contemptuously ignored by the Soviet Government. Consequently, the usual considerations arising from international good manners and legal obligations have been forfeited by the aggressor in this case. It is the very height of cynicism for the aggressor to make appeal to the protection of international law and the neutrality psychology, while, at the same moment, he is utilizing every device of modern warfare to destroy international law, international justice, and human decency.

Financial aid to Finland in a form that will enable them to repel this attack leveled at international law is, consequently, no violation of international law, but rather a support of and a vindication of international law.

The Government of the United States in the past has adhered to many international conventions, such as the Kellogg Pact, designed to remove from humankind the horrors of warfare. Finland also has adhered to the principles embodied in that pact. Assisting Finland to uphold her word of honor is neither violation of international law nor of neutrality, but is a practical extension of the intent and purposes of the Kellogg Pact. No government can justly complain if the United States decides to render aid and assistance to another government which is heroically striving to maintain the spirit and letter of the international peace to which this Government is traditionally committed.

I have heard with some surprise the various arguments against financial aid to Finland, particularly those which counsel caution and tender treatment of Soviet Russia. The record of that Government, in its attempts to overthrow every other peaceful government through the Third International, which it organized and protected, has canceled out the ordinary considerations which would prevail in the case of other treaty-respecting powers. A government which has

not only violated its treaty obligations but seeks to crush a government which does respect law has no further claim on such a tender attitude as has been adopted in certain quarters in the United States if not elsewhere.

That was the judgment passed on Soviet Russia by the League of Nations in its recent session, when it expelled Soviet Russia as an international criminal, and urged every member of the League to throw its weight to the defense of the treaty-keeping power now suffering from the treaty-breaking power. That such defense of international law is no violation of law, of prudence, or of decency, is the official attitude of the governments constituting the League of Nations.

Practical assistance to Finland, therefore, is practical support of the traditional policy of the United States respecting the pacific settlement of international disputes. Millions upon millions of money have been expended in this country, and hundreds upon hundreds of organizations have pledged themselves to the extension of international peace through international law. Would it not be a triumph of the forces of illegality for all such instrumentalities to retreat and remain dumb when a practical case comes before the world? This acid test is the light in which this problem should be examined.

Finland, in her negotiations last autumn, showed herself ready and perfectly willing to submit her case to the tribunal of impartial adjudication. She made every concession to Moscow that was consonant with her national existence. Her offers were all spurned and contemptuously rejected. When invaded, she interposed her own body against the tyranny of injustice. Once again, within the past few days, she has offered the Soviet Government a pacific settlement of all outstanding disputes. The only answer she has received has been from the skies, in the form of a murderous bombardment which has killed hundreds upon hundreds of innocent men, women, and children. To answer her request for a defense loan which will enable her to obtain the means for upholding international law against this most outrageous violation of international justice is neither a breach of neutrality nor a step toward involvement in a European war.

As a sovereign state, at war with no one and at peace with us, Finland has suggested that she obtain a loan. She has scrupulously paid every preceding debt, and we have every reason to believe she will pay this one. She asks no dispatch of American troops to Europe, no hostile demonstration against the Soviet Government. I, for my part, do not see how we can decently refuse this exercise of our own unthreatened sovereignty in support of the invaded sovereignty of law. No case in modern history shows more merit or greater emergency.

That this is the growing opinion of the great masses of the American people is becoming increasingly clear from many popular reactions. Thus I have learned from those who have exerted themselves to obtain relief funds for Finland that many persons, deeply sympathetic with the Finns, are refusing to contribute to the humanitarian organizations because a sense of reality makes them prefer to contribute arms and ammunition. These typical Americans are the last to wish to have America involved in a foreign war, but they are the first to recognize the things that lead to growing injustice and growing brutality. In consequence of this popular reaction, a new organization has recently been founded in New York to receive from the people contributions which may be used for the purchase of weapons of defense, not of aggression.

The Congress may well take note of this widespread reaction throughout the rank and file of our people by approving a loan which will aid Finland in her fight for existence and for the cause of liberty and justice in all the world.

Mr. WHITE. Mr. President, I am unwilling to have this matter disposed of without making a matter of record the conclusions I have reached concerning the proposed legislation.

Mr. President, this bill is offensive to me in its confusion of issues. It presents to us a question of foreign policy and it also requires of us that we vote upon questions of domestic policy and domestic principle.

The bill proposes a vast increase in the funds of the Export-Import Bank. It raises the question whether there shall be a limitation upon the amount hereafter loaned to any country. It presents the issue of whether loans to a foreign country, the amounts, terms, and conditions thereof shall be in the discretion of an administrative branch of the Government.

Mr. President, I am reluctant in the extreme to increase the loaning powers of this bank at this time. The testimony is that the bank has already made loans to and upon the credit of 56 nations scattered over the earth. I am hostile to enlarging at this time the ability of the bank to make loans of the same character to the nations of the world. I am wholly opposed to lodging in an administrative agency of the Government the power so to employ the funds of our people.

I wish this were a bill patterned after its original text, authorizing a direct loan to Finland, without limitations or restrictions upon the use thereof. If the bill were so framed, we would know what we were doing, and the world would know. That certainty is wholly lacking in the amended bill.

Mr. President, I must accept the features which I criticize if I am to vote aid of any sort or of any degree to Finland.

In the course of the discussion, beyond the question of basic policy, two principal objections have been urged against the Finnish loan in the existing circumstances. It is insisted that such a loan would be a violation of neutrality. I am not impressed by that contention. The rule is universally recognized that one nation may aid another nation not at war by loans or otherwise, and our country has asserted the right of a nation to lend even to a belligerent for the purchase of food supplies and of raw materials.

Mr. President, may we lend to Finland for unrestricted purposes, as the bill in its original form proposed? The answer to be given depends upon whether Finland is a belligerent or not. Is Finland in fact and law a belligerent at war with Russia? It is certain that neither the President of the United States nor the Congress has found a state of war to exist involving the security of this country as contemplated in appropriate circumstances by the 1939 Neutrality Act. It is also true that the President has not, independently of the 1939 Neutrality Act but within the sweep of Executive powers, declared Finland to be at war and this Nation to be a neutral in that war.

I ask, If neither the Congress nor the Executive has declared Finland to be at war; if we may continue to ship to her implements of war and all other products of America; if for purposes of trade and commerce we may continue to regard her as a neutral nation, why must we regard her as a belligerent when the question of a loan to her is under consideration? What basis in reason can there be for holding Finland to be a neutral on the one hand and, on the other, hold her to be a belligerent nation?

What other authority than our own attitude is there for the contention that she is not de jure at war? Russia has formally and officially declared that she is not at war with Finland, and Finland in turn has assured our Government that she is not at war; and no neutral nation in all the world has recognized a state of war to exist between these two countries.

When both parties to the alleged state of belligerency declare that they are not at war we have the undoubted right, whether we believe the truth to be as they say or not, to accept their denial of war and to adjust our conduct to the elected status of the two nations. We can, without justified complaint from either and with proper regard for international law, regard and deal with each as a nonbelligerent, as each declares itself to be, and we shall not be breaching our neutrality in conforming our relationship and our acts to the legal status asserted to exist by the powers directly involved.

Mr. President, if we may lend for unrestricted purposes, as I believe we may, we may certainly lend as is now proposed without violation of our neutral obligations.

It has been suggested and urged also that to make a loan to Finland would violate our Constitution. I do not agree with this view. It is true that the Constitution contains no express authority for such action; but I do not overlook the fact that money has been loaned by our Government to persons, to corporations, and to foreign nations for the stimulation of our export and import trade. There is no express constitutional sanction therefor, but the right has not been challenged. Much greater doubt exists in my mind as to our authority in this respect than as to our right to lend to aid Finland in her present circumstances.

The Constitution does confer upon Congress the power to levy taxes for the common defense, and by necessary implication to spend the money so raised in any way which makes contribution to that defense. If we believe that the overrunning of Finland by communistic hordes threatens our fundamental concepts of government and of man's rights, if we believe that invasion of Finland puts in jeopardy our institutions and the perpetuity of those principles which are the distinguishing and the sustaining force of the Republic, then the question of our right to act by a loan or otherwise is affirmatively answered.

In my view, Finland's struggle against barbarous, cruel, and despotic power will be the subject of heroic stories told to generations yet unborn. Finland is writing one of the great epics of history. I would have our country, by loan or by gift, aid her, for in so doing we shall be making cause with civilization, with the freedom of mankind, and we shall be making contribution to the defense and the welfare of these United States.

Mr. President, I shall vote for the pending bill.

AMENDMENT OF DISTRICT CODE RELATING TO MURDER

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 186) to amend section 798 of the Code of Law for the District of Columbia relating to murder in the first degree.

Mr. ASHURST. I move that the Senate disagree to the amendments of the House; ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KING, Mr. VAN NUYS, and Mr. NORRIS conferees on the part of the Senate.

LOANS TO FINLAND

The Senate resumed the consideration of the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. ADAMS. Mr. President, there are a few comments I wish to make on the proposed legislation. I feel somewhat compelled to do so by reason of the fact that, as a member of the Committee on Banking and Currency, I voted to report the bill now pending, and further consideration of the measure and of the circumstances has led me to a conclusion somewhat different from that I entertained during the consideration of the measure in the committee.

The Johnson Act of April 1934 prohibits, under a penalty of not more than 5 years in the penitentiary and a $10,000 fine, the purchase or sale by any citizen of the United States of bonds or securities of any foreign government which is in default in the payment of any obligation due to our Government.

No bar was placed by the Johnson Act against a citizen of the United States buying or selling obligations of a foreign government. South American nations, I think, with perhaps a single exception, are in default upon bonds and obligations due to citizens of the United States aggregating some $3,000,000,000. We make no prohibition against the United States making loans to a country which is in default to our citizens, though we forbid the making of loans to a nation which is in default on its obligations to our Government. In other words, we place the obligations due to our Government upon a different plane from the obligations due to our citizens.

It seems to me that we should, if we can, reconcile these things, and apparently the only reconciliation is that one set of obligations relate to Europe and the other to South America. I think we should harmonize them. I think that if we are to stop dealing with a European country which is in default, we should stop making loans to a South American government which gives no more regard to its obligations.

The Neutrality Act was passed to preserve our neutrality in wars between foreign states and "to avoid involvement therein." We had two purposes in the passage of the Neutrality Act. We wished to avoid any contact which might result in conflict with any warring nation lest such nation should become hostile to us and involve us in war. Our other object was to prevent citizens of the United States becoming interested in a foreign war through the making of loans to a foreign nation, or the extension of credit. We wanted to prevent arousing the emotions of our people. These two things were involved in the Neutrality Act. We forbade citizens of the United States exercising rights long recognized under international law, in order to accomplish the preservation of our neutrality in fact, and the prevention of any possibility of war.

These are some of the offenses we specified which would lead to the imposition of the penalty provided:

First, if a citizen sells or delivers any materials to a belligerent except upon a strict cash-and-carry basis.

Second, if he or his ship enters a combat zone as defined by the President.

Third, if he travels on any vessel of a belligerent.

Fourth, if any American ship arms itself.

Fifth, if a citizen purchases, sells, or exchanges obligations of a belligerent issued after the date of the proclamation of the President.

Sixth, if he extends credit to such belligerent or its representatives.

Seventh, if he solicits any contribution on behalf of a belligerent or one of its agencies, except for medicinal assistance, food, or clothing.

As I see the situation, if nations are at war in fact, will they any less resent aid and assistance given to their enemies even though the President has not issued a declaration that they are at war? Will the citizens of the United States be less inspired to take a partisan interest in a war if they make loans and extend credits to a belligerent, when no war has been found to exist by the President, than if war were declared to exist?

It seems to me that if we are to carry out the main purpose of the Neutrality Act, which is to keep our country out of war, we cannot make a sound distinction between two nations which are in war according to the finding of the President, and two nations which are at war in fact.

What are the facts? There is one war in Europe with Germany on one side, and England and France on the other. There are now waging two other wars. The war between England and France and Germany has been recognized by the President. The war between Finland and Russia, and the war between Japan and China are two unrecognized wars in which a hundred times more men have been killed and more property has been destroyed than in the conflict between the nations which are technically at war.

It seems to me we were very unwise in not following the spirit rather than the letter of our neutrality law. It seems to me that the purpose of the Neutrality Act—to keep the United States out of war—would be better served if we as a nation recognized the existence of actual war. If our Neutrality Act is sound, let us apply the same plan to actual existing war, even though it is not proclaimed by the President. In the extraordinary session we were obviously unwilling to invite the hostility of Germany. We heard much about submarines, and sabotage, and things that might happen if we violated certain rules of neutrality.

Do we seek the enmity of Japan and of Russia? Why should we not mind our own business in February as well as in September?

Mr. President, I am interested in my country. I am interested in its welfare. Technically we, as individuals, can extend aid to Finland and to China, as was pointed out by the very able Senator from Georgia, who would adorn either of the two highest places in our public service. There may be exceptions, but the generally accepted principle is that a nation may not lend money to a belligerent. It is contrary to the general principle of international law. By the Neutrality Act we have prevented our citizens from lending money to a belligerent, but we are now proceeding with a plan whereby the Government may lend money to a belligerent.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BROWN. I do not think the Senator is correctly quoting the Senator from Georgia when he implies that it is the generally accepted rule of international law that it is unlawful to loan money to a belligerent.

Mr. ADAMS. I said for a nation to lend money to a belligerent nation.

Mr. BROWN. Yes. I do not think the Senator from Georgia said that.

Mr. ADAMS. Then I will exonerate the Senator from Georgia, and say that that is the statement of Moore in his work on international law.

Mr. BROWN. I wish to read what the Senator from Georgia said——

Mr. ADAMS. I am speaking under a limitation of time.

Mr. BROWN. Then, I will not ask the Senator from Colorado to yield. I had forgotten about the time limit. However, I simply call attention to the fact that the Senator from Georgia said that this bill does not, in his opinion, contravene international law.

Mr. ADAMS. In my judgment, we cannot evade international law through the use of corporations of this country, and corporations of China, or corporations of Finland. The loans we propose to make are government loans to governments, and my understanding of international law is that we may not make loans to a belligerent. Now we are dealing with belligerents, not declared to be such by the President, but belligerents in fact. International law antedates the Presidential proclamation under our Neutrality Act and renders unneutral the lending of money by one nation to belligerents.

Again, Senators, I think from our standpoint that war in fact is the thing for us to keep in mind. I think we should not regard merely the technical situation. We are all impressed by Finland and its brave defense of its rights, but no less urgent calls for help came from Ethiopia, which we did not answer; came from Poland, which we did not answer; came from Czechoslovakia, which we did not answer. We suddenly take up a just cause. But if the United States is to become a knight-errant, if it is to become a Don Quixote in the international field, let us count the cost and regard the consequences.

Mr. WAGNER. Mr. President, will the Senator yield for an interruption dealing with the question under consideration?

Mr. ADAMS. If the Senator will have regard for the fact that I am trying to hurry through in the time allotted to me, which is limited——

Mr. WAGNER. I wish to address myself to the very subject as to whether Finland may be regarded as a belligerent under international law.

Mr. ADAMS. I do not care anything about the technical situation. Russia says she is not at war. Finland says she is not at war.

Mr. WAGNER. And under international law she is not a belligerent. That is the point.

Mr. ADAMS. Very well. I am speaking of nations who are fighting each other. I do not care how they may be termed. When there is a controversy between two nations, even though it be called by some other name, and people are killed by the thousands and the tens of thousands, I think it is time for the United States of America to keep its nose out. We have sympathy for Finland, yes; we are hopeful that Finland may win; we are hopeful that China may win; but the United States has its own interests, and, as the great man who first led this country said, "Europe has a set of primary interests" in which we should not become involved.

I think that if we allow our sympathies to carry us away we will do injury to our own country. I am fearful of that. One friend among men is worth a dozen enemies. One friend among nations is worth a dozen enemies. Why should we deliberately affront two nations—Russia and Japan—whether we approve or disapprove of their conduct? If we aid those with whom they are engaged in conflict, they are bound to resent it. They are not concerned with the technical definitions which we may have put into our laws.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. ADAMS. Certainly.

Mr. CONNALLY. Let me ask the Senator a question. The Senator says "put into our laws." Is not the proclamation of the President concerning the Neutrality Act simply a method of determining when the regulations under that act shall go into effect? The proclamation of the President simply recognizes the actual state of war, and then puts into effect the Neutrality Act.

Mr. ADAMS. Does the Senator doubt there is an actual state of war in Finland?

Mr. CONNALLY. Certainly not. I do not think anyone in the United States does.

Mr. ADAMS. And can the President by withholding the proclamation keep it from being an actual state of war?

Mr. CONNALLY. Certainly not. But, of course, the proclamation puts into effect the Neutrality Act.

Mr. ADAMS. The proclamation is a means by which the rights of the American citizens are suspended.

Mr. CONNALLY. That is all.

Mr. ADAMS. As a matter of fact, we have suspended the rights for which thousands and thousands of American boys gave their lives. I can vision the spirits of Washington and Jackson looking down upon a great nation and contemplating the surrender of those rights. The Congress has done it, and I am willing to abide by its action. But I say that if we do those things in connection with one conflict, let us be consistent; or if we do not believe in the Neutrality Act, let us repeal it. Why should we render aid to Finland and to China and refuse to render aid to Canada, our great neighbor on the north?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. Admitting for the sake of argument or for any other sake that an actual war——

Mr. ADAMS. "Argument" is an entirely sufficient reason for me to have such an admission made.

Mr. BARKLEY. Admitting that there is a state of war between Russia and Finland, does not the Senator agree that two other conditions must exist to justify the President in proclaiming such a state of war, to wit, that the peace of the United States is endangered by that conflict and that the lives of American citizens are endangered? All three of those conditions must come together in order to justify or make it possible for him to issue a proclamation.

Mr. ADAMS. I will say to the Senator from Kentucky that if we render aid to belligerents I think the lives of American citizens are being endangered and the welfare of the United States is being endangered, and that the obligation of making that decision rests upon us, the Members of the United States Senate. I think that if we intervene in any way, directly or indirectly, to help one belligerent we jeopardize the peace and welfare of the United States and the safety of its citizens.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. ADAMS. Certainly.

Mr. BARKLEY. The President cannot issue a proclamation on the theory that a loan we may make will endanger the peace of the United States or the lives of the people of the United States. He must find that the state of war which exists endangers the lives of our people.

Mr. ADAMS. I am not at all concerned about the proclamation of the President. I am talking about facts as they exist in the world today. War exists. What shall we do? I am saying that under whatever guise we proceed, if we render aid to one belligerent we invite the enmity of the other belligerent, and incite in the breasts of the American people those emotions which may sweep us into war.

America has its own troubles. Time after time I have worked in committees and have stood on the floor of the Senate and asked Senators to restrict the funds for beneficial agencies in the United States because of the financial troubles in America. How could I stand on the floor of the Senate and ask the Senate to restrict aid or assistance to American citizens or agencies, and at the same time say, "We have millions enough to make loans abroad"?

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. PEPPER. Does the Senator think it would aid American economy, particularly the export business of the United States, if such nations as Russia should gobble up the little nations of Europe?

Mr. ADAMS. Mr. President, if the United States should become involved in war it would mean disaster to the people of the United States. I am more concerned with the welfare of American boys, American mothers, and American families than with export trade.

Mr. PEPPER. The reason why I confine the question to dollars and cents is that the Senator was talking about having been on the floor of the Senate and pleading for economy in dollars and cents.

The PRESIDING OFFICER. The time of the Senator from Colorado on the amendment has expired.

Mr. ADAMS. I will take time on the bill.

Mr. PEPPER. Does not the Senator recognize that the kind of world this is to be is, to a considerable extent, to be determined by settling the question of whether or not the sort of thing Russia is now doing to Finland may be carried on with impunity in what purports to be an orderly and civilized world?

Mr. ADAMS. I will say to the Senator that from the experience of the past few years I think the Senator and I and other Senators cannot prevent the ravages of war in Europe. The aggressor and the oppressor will ravage the soil of Europe and of Asia. What I am interested in is that we shall preserve upon the continent of North America a place where democratic institutions may flourish, and where we may conduct our own business in our own way; and I am unwilling to have our country do anything which would involve us in European problems, regardless of our sympathies.

Mr. PEPPER. I do not wish to take any further time of the Senator. Will he yield for one more question?

Mr. ADAMS. Certainly.

Mr. PEPPER. If the French nation had not interested itself in a certain situation a long time ago, democracy perhaps would not be flourishing in this country today as it now is.

Mr. ADAMS. I will say specifically to the Senator, who voted for the Neutrality Act, as I did, that if the policy of the Neutrality Act had been in effect from 1776 to 1783 there would have been no United States of America, because it would have prevented loans from France to the United States. However, there is another phase to those loans. We tried to obtain some loans from another section of Europe and were refused. In view of this particular controversy I suggest that the Senator check up on some of the countries which refused loans to the United States in its distress.

Mr. President, as I was saying, I have no objection to the Export-Import Bank making loans to American industries to carry on an export business; but I have yet to be persuaded that the Export-Import Bank, which is the United States, should make loans to foreign governments in order that they may buy of American industry—not only make loans to foreign governments and their agencies, but agree with the American exporter that if the foreign buyers do not pay for what they buy, the United States Government will stand anywhere from one-half to all the loss. I am willing to lend money to the Baldwin Locomotive Co. so that it may manufacture and sell locomotives to Mexico if it does not have the capital; but why should the United States lend money to Mexico to buy locomotives from the Baldwin Locomotive Co. and pay for them if they are not paid for by Mexico? That is not a profitable kind of export business if, instead of making the margin of profit the exporter makes, we lose 50, 75, 85, or 100 percent of the cost of the export or the loan. Therefore I am not enthusiastic about increasing the capital stock of the Export-Import Bank, which has been engaged in making what are actually foreign loans to South America. It is said that it made a profit. It also has a $6,000,000 loan to Poland which has not yet been entered on the books; and there are other loans. I think the theory is not sound.

However, that is not the point. The point is that we propose to make a loan through the Export-Import Bank to belligerents. The bill before us has the history of its purpose written on its face. No matter what amendments we may adopt, the history is on the face of the legislation. We cannot increase the capital of the Export-Import Bank and say, "We are increasing the capital merely for general export purposes." We started out to make a loan to a warring nation. We started out to increase a loan to another warring nation. I am concerned with the consequences to ourselves.

As I see it, the American horizon is already dark with threatening storms. The soothsayers are busy explaining away the darkness and the evil portents. In some slight recognition of facts, the Congress is reducing appropriations. Many activities have had to be reduced because deficits continued and debts increased. We should not give away money or make precarious loans to foreign nations when money is needed at home.

One further word. My obligation is at home. I am interested in the success of the oppressed nations and those against whom aggression is leveled. My sympathies take me with the bill. My judgment takes me the other way. I think my obligation as a Senator and as a citizen requires that I follow my judgment as to what is for the welfare of my country. I shall vote today, not for Finland, not for China, but for America. I do not want our people involved in foreign wars. I want our boys—my boys—kept at home.

Mr. REYNOLDS obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. REYNOLDS. Certainly.

Mr. BARKLEY. Only 1 more hour of discussion remains before we vote. The agreement on Friday to limit debate beginning at 3 o'clock today fixed the limit at not more than 20 minutes on any amendment and not more than 20 minutes on the bill, which makes a total of 40 minutes. I think it might be well further to limit debate from now on. I ask unanimous consent that during the remainder of the consideration of the bill no Senator shall speak more than once or longer than 10 minutes on the bill or any amendment. That would permit a total of 20 minutes if any Senator wished to occupy that much time. Without such an arrangement it is possible that only one or two more Senators could be heard.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. O'MAHONEY. Mr. President, reserving the right to object, I ask the Senator from Kentucky what the purpose of the request is. Only an hour remains.

Mr. BARKLEY. The purpose of it is to enable more Senators to make brief remarks. Under the present arrangement any Senator taking 40 minutes, which he could do, would

consume all but 20 minutes of the time, and probably only two speeches could be made. The suggested arrangement would enable a larger number of Senators to discuss the bill.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. PITTMAN. There is another difficulty with regard to amendments. The amendment offered by the Senator from Connecticut [Mr. DANAHER] is now pending. No other amendment may be offered until that amendment is disposed of. Therefore a Senator may not discuss his own amendment until it is in order. It seems to me that we are consuming the time in which Senators might be able to discuss their own amendments.

Mr. BARKLEY. I wonder if the Senator from North Carolina [Mr. REYNOLDS] would be willing to vote now on the pending amendment.

Mr. REYNOLDS. Certainly.

Mr. BARKLEY. In the meantime, I should like to have my request passed upon.

Mr. JOHNSON of California. Mr. President, the original agreement on Friday last was that after 3 o'clock today no Senator should speak longer than 20 minutes.

Mr. BARKLEY. The RECORD shows an agreement for a limitation to 20 minutes on the bill or any amendment, which, added together, make 40 minutes.

Mr. JOHNSON of California. I do not care what the RECORD shows. The agreement was to limit debate to 20 minutes after 3 o'clock. Each Senator was to have the right to speak for 20 minutes after 3 o'clock.

Mr. BARKLEY. The Senator is mistaken about that——

Mr. JOHNSON of California. I may be mistaken, but I do not think so.

Mr. BARKLEY. For the request was put in the usual form, which is always that no Senator shall speak more than once or longer than 20 minutes on the bill or on any amendment thereto. That is the way it was put, or that is the way I intended to put it. Probably it would have been better to have limited debate to 10 minutes then, but, anyway, that is what I am trying to do now. Under the rule, the Senator has just seen the Senator from Colorado, after he had spoken 20 minutes on the bill, speak a portion of another 20 minutes on the amendment.

Mr. JOHNSON of California. I wonder why?

Mr. BARKLEY. Because he had a right to do so.

Mr. JOHNSON of California. He had a right under the agreement made?

Mr. BARKLEY. Yes.

Mr. JOHNSON of California. If the Senator says that was the agreement, very well; but I would not cut down the limit now to 10 minutes for the few Senators who may desire to speak.

Mr. BARKLEY. That will give twice as many Senators an opportunity to speak as would be given if there were no further limitation. The Senator from North Carolina desires to address the Senate now.

Mr. JOHNSON of California. Does the Senator from North Carolina expect to speak for 10 minutes?

Mr. REYNOLDS. I expect to speak for 20 minutes, but if I can finish in less time than that I will be very glad to do so, as, perhaps, other Senators may desire to speak.

Mr. BARKLEY. If each Senator consumed the full time he might consume under the modified arrangement, only three Senators could speak between now and 5 o'clock.

The PRESIDING OFFICER. The Chair may state, for the benefit of the Senate, that eight Senators still desire to be heard, if that has any weight on the situation.

Mr. McNARY and Mr. BARKLEY. Question!

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BARKLEY. Now, I suggest that the Senate vote at this time on the pending amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from Connecticut [Mr. DANAHER].

Mr. DANAHER. Reserving the right to object, I wish I could be allowed 5 minutes on the pending amendment. Then I would be willing to have a vote.

Mr. BARKLEY. The amendment of the Senator from Connecticut is the amendment which we have been discussing all day. If the Senator wants 5 minutes on his amendment, some other Senator might want 10 minutes against it.

Mr. PITTMAN. I should like 5 minutes against it, if the Senator from Connecticut is to speak further for it.

Mr. REYNOLDS. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. REYNOLDS. Mr. President, on Friday last I listened with a great deal of interest to the debate in this Chamber, including what the able junior Senator from Wisconsin [Mr. WILEY] had to say. At that time he discussed very intelligently and in a most scholarly manner the question whether or not in making this contemplated loan we would be violating international law or would be acting contrary to the Constitution of the United States. Insofar as I am concerned, I am not considering whether it would be a violation of international law or whether it would be contrary to the Constitution of the United States. I am against this loan because, as my distinguished colleague the senior Senator from California [Mr. JOHNSON] has frequently said, I am of the opinion that it would unquestionably put us further on the road to war, for we are already on the road to war, having bought shares in the war of Asia and having made a purchase of stock in the war that is now raging in Europe.

I likewise listened with a great deal of interest to the very glowing and eloquent words that fell from the lips of our distinguished and beloved colleague the senior Senator from Maryland [Mr. TYDINGS] when he stated that, so far as he was concerned, he would support the pending bill and vote to let Finland have an additional $10,000,000. I gather from his remarks that he is going to vote for the bill to let Finland have $10,000,000 in order that the Finns may utilize that amount in fighting communism, which is spreading over the face of the earth. The Senator from Maryland described very vividly, in eloquent words, the distressful things that have been taking place in Russia, the murder of thousands upon thousands of priests, the destruction of churches and cathedrals, the starvation several years ago of from 3,000,000 to 5,000,000 people in the Russian Ukraine and in the vicinity of Odessa, on the Black Sea. Insofar as his opposition to communism is concerned, I stand in accord with him 100 percent.

Then, this afternoon it was my privilege, as always I consider it to be a privilege, to listen again to the able senior Senator from the great State of Utah [Mr. KING]. I agree with him in every single word he had to say in condemnation of communism and of that murderer, the greatest murderer the world has ever known—Joseph Stalin. I wish that the able Senator from Maryland and the able Senator from Utah could go further with me and say, in fighting danger, in wiping out a scourge, in destroying that which eventually will destroy us unless first we destroy it, namely, communism, that we should begin cleaning house here at home, that we should destroy communism in the United States of America before we attempt to send dollars abroad to any foreign country to destroy bolshevism and communism there. Our duty is first to the American people; our duty is first to the 130,000,000 patriots of this great country of ours; our duty is first to protect the people of the United States of America; our duty is to destroy communism and all other such damnable isms within the confines of the United States before we become so charitable as to want to destroy communism in other countries with the dollars produced by the sweat of the brow of the American taxpayer. Have we communism here? We all read. Thank heaven we may. In view of the fact that my time is limited I shall not consume any of it by reading the press reports I have before me, but here is

one that I clipped the other day from the columns of the Washington Times-Herald entitled—

YOUTH PARLEY OUSTS TWO IN ROW ON "REDS"

* * * * * * *

Two of the anti-Communist block were carried out of the meeting bodily, while the third, Archibald D. Roosevelt, stalked out in anger.

Two patriotic youths of America, in a gathering 4,000 or more strong, beneath the shadow of this Capitol, were fighting communism in the ranks of the youth of America, and what happened? Here, within a stone's throw from the point where we now sit, the two American youths defending the American form of government, two courageous young men of our own land, preaching the doctrines of our form of government, were kicked bodily out on their ears by the young Communists of America—a shame and an outrage. If we want to fight communism, let us fight it here at home before we spend the dollars of American taxpayers abroad.

I have another clipping before me from the same publication under the headline—

Youth Congress ejects delegate; hails Communists.

In the article it is stated:

F. Stephen McArthur, president of the Kearny (N. J.) Young Democrat Club, was ejected from the Citizenship Institute of the American Youth Congress last night when he attempted to introduce a resolution calling for expulsion of the Young Communist League and its "red" front groups from the youth organization.

He was kicked out bodily and the police of the Capital—the Capital of our country—had to rescue him from the Communist youths there who bodily ejected him from that meeting.

I am against communism; I have been fighting it for years, and I say that there are too few of the American people who are fighting communism in this country today. If we are going to spend any money in fighting communism, as some want to do, let us spend that money here where our own people are in danger and not send it abroad. In speaking of sending money into communistic territories, I repeat at this juncture that we bought stock in the war in Asia; we bought that stock in the war in Asia when we loaned China $25,000,000. Despite the fact that we are all in sympathy with the great masses of the 400,000,000 or 500,000,000 Chinese, we know that China is an ally of Russia, and every time we send a dollar to China we are aiding her Bolshevik ally, the worst enemy that we have upon the top of this earth.

By the way, I understand that another $25,000,000 is to be loaned by the Export-Import Bank; and this time, instead of buying tung oil, we are buying tin. If we want to carry out our good-neighbor policy, of which we speak so much here and elsewhere, instead of buying tin in China to aid the Communists, let us cast our eyes westward and then southward, and buy tin from the country of Bolivia, which is in a position to furnish it to us, just as good, and in quantities just as great.

Speaking of communism, the Dies committee—which has done more than any other organization we have ever known to uncover the reptile-like activities of communism in this country—revealed the fact that last year the Communists sent here more than $10,887,000 and distributed more than 88,000,000 pieces of literature, with a view to destroying the American form of government.

Earl Browder, the leader of the Communists in this country—recently convicted of passport frauds, and sentenced to a term of 4 years and a fine of $2,000—had the gall and the audacity to announce himself as a candidate for a seat in the House of Representatives; and, lo and behold, despite the fact that he had been discredited, despite the fact that he stood at the bar of public opinion as a criminal, having been convicted in the Federal courts, that man, who openly declared before the Dies committee that if war should come between the United States and Soviet Russia he would endeavor to stop it if he had to go to such lengths as to bring about a civil war, a revolution in the United States——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. REYNOLDS. I beg the pardon of the Chair. I did not start speaking until 3 minutes after 4.

The PRESIDING OFFICER. The Senator has 10 minutes on the amendment.

Mr. REYNOLDS. Oh, I thank the Chair very much. I now have 10 minutes on the amendment?

The PRESIDING OFFICER. Yes.

Mr. REYNOLDS. Mr. President, although Browder stood as a convicted criminal in the eyes of the American public, and had been sentenced, and although he had declared that if war should come between Russia and the United States he would create a revolution in this country to stop it, he secured 3,000 votes in the city of New York. I say the place to stop communism is right here in our own United States.

Mr. President, this bill is designed for the purpose of making a loan to Finland. Nobody will deny that statement. If you do not believe it, read carefully every word of the debate which took place in this Chamber last Friday.

Mr. President, if we want to help Finland there is one way in which we can do it. If we want to help Finland, let us quit helping Russia. Russia is sending into this country millions of dollars of gold for which we are paying $35 an ounce, though it costs her only $3 an ounce to mine it and ship it to market.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. REYNOLDS. In that connection, at this juncture I ask that there be published as a part and portion of my remarks a newspaper clipping dated New York, February 9—last Friday, when we were debating this subject—entitled "United States Exports Help Russia Fight Finns. Vast War Stores Moving via Siberia."

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

UNITED STATES EXPORTS HELP RUSSIA FIGHT FINNS—VAST WAR STORES MOVING VIA SIBERIA

NEW YORK, February 9 (C. T. P. S.).—While Congress belabors the issue of our continued recognition of Soviet Russia as funds are being raised in the United States to help Finnish noncombatants, and to buy arms for the beleaguered Finns, American copper in swelling quantity, tools, dies, and machines are being routed to Siberia, much of it in Norwegian ships, destined for the use of the "red" army.

Paradoxical as the situation is, shipping circles today conceded the truth of this in general terms.

SHIPPED VIA MEXICO

In a steady and growing stream, ships flying American flags and the flags of neutral countries are carrying copper ore, copper concentrates, and some finished forms of copper, as well as other industrial and technical material to Vladivostok. They sail from New York, Baltimore, San Pedro, Seattle, and Tacoma.

Much of the cargo is shipped only to Manzanillo, Mexico, a generally sleepy west coast port that has burgeoned into an important crossroads of the sea within the last few months.

Manzanillo, seamen say, has become a focal point for this trade in the sinews of war. Into its roadstead glide the rusty, barnacle-encrusted merchant ships of the fleet that flies the hammer and sickle. There they take in the cargo of those ships that cannot or will not make the long crossing to the coast of Siberia.

NEARLY AROUND WORLD

The disruptive character of the war in Europe and of the Allied blockade has made it necessary for these heavy shipments nearly to circumnavigate the globe. From New York, they pass through the Panama Canal; are transshipped, if necessary, at Manzanillo and then make the long crossing to Vladivostok.

From there they are carried overland on the trans-Siberian railroad into the industrial sections of European Russia and, so, to the front in Finland.

Only last Wednesday the Russian freighter *Kim* discharged $5,600,000 in gold bullion at San Francisco, a risky venture made necessary to replenish her commercial balances in this country. America is selling for cash.

The *Kim* will head down to Manzanillo to take on bulk cargo for the return to Siberia.

PURCHASES UP 17 PERCENT

With her in this service are steamship *Minsk*, the steamship *Vladimir Mayakovski*, and the steamship *Frederich Engles*, all of them nearly obsolete. Old as they are, they can carry cargo more cheaply than chartered foreign bottoms can, so they are being pushed to the limit to make as many trips as possible.

The *Mayakovski* sailed yesterday from the California port of San Pedro for Vladivostok with a cargo of 5,000 tons of copper ingots and other metals which she picked up at Manzanillo.

Manzanillo's emergence as an important shipping point came at the same time Russia's purchases of copper started to climb in this country.

Last November the Soviet purchases increased 17 percent.

SOME SHIPPED DIRECT

Shipments of the red metal from the smelting plants at Tacoma have gone direct to Russia. Ten ships loaded at the Tacoma docks in the last 20 days of January. As none of these shipments was destined to Manzanillo, it is apparent that copper from both the east and west coasts is moving in a steady stream direct to Russia. Much of the copper from the Atlantic seaboard, however, is from Chile and other neutral countries, shipped here under bond in crude form and refined before transshipping to Russia.

The White House really is embarrassed by the arrival in this country of Russian gold. Through its gold-buying policy this Government is helping to finance the Russian war against Finland and the Japanese war against China. Japanese shipments of gold to this country have paid for about $300,000,000 worth of war goods.

Real reason why the Treasury continues to buy Russian gold is that the Government is powerless to keep the Russians from sending their yellow metal here except by banning all gold imports from any nation. Soviets could easily sell gold to a neighboring country for remelting, thus eliminating telltale Russian mint stamps. The metal would then be resold to the United States, but without any Russian identification marks.

Mr. REYNOLDS. The harbors in California are filled with the ships of Soviet Russia, which are bringing here their gold and selling it to the American Treasury, and thereafter they buy war supplies for the purpose of killing the Finns.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I will yield if the time required is not taken out of my time. I have only about 8 minutes, and I hope the able leader will pardon me.

Mr. President, we are inconsistent. Let us see. This body lifted—I did not, by my vote; I voted against it—the arms embargo upon instruments of death. I voted against it. We are engaged in manufacturing implements of war. We of the United States are the greatest manufacturers of instruments of death of any nation upon the face of the earth. We are selling millions upon millions of dollars' worth of them. Since the lifting of the embargo, my recollection leads me to believe that we have sold to the French about $122,000,000 worth and not quite so much to the British. We are proposing a loan to Finland of $10,000,000. Inconsistency! But we say to the Finns, "We will let you have $10,000,000, but we will not let you use a penny of it in buying the implements of death that we are manufacturing for the British and for the French for the purpose of killing the Germans and the Russians." The Russians are buying arms. They are buying our supplies to be used in murdering the Finns; and although we are the greatest manufacturers of instruments of death of any country upon the face of the earth, we say to the Finns, "If you get this $10,000,000, you cannot use a penny of it for the purpose of buying arms."

Mr. LUNDEEN. Mr. President——

Mr. REYNOLDS. The Senator will pardon me. I have only a minute.

Mr. LUNDEEN. I wish to call the Senator's attention to an article——

Mr. REYNOLDS. I can see the headlines from here. The Finns are complaining that American airplanes are being used to kill their people. Is my eyesight good or bad?

Mr. LUNDEEN. And shells and bombs.

Mr. REYNOLDS. And shells and bombs.

Mr. President, there is published in North Carolina a newspaper called the News and Observer. It is owned by Hon. Josephus Daniels, the President's appointee as Ambassador to Mexico from our Republic. In an editorial entitled "Money, Then Men," published on February 8, 1940, his son says:

MONEY, THEN MEN

The Senate Foreign Relations Committee has approved an increase of $100,000,000 in the capital of the Export-Import Bank in order to provide additional loans of $20,000,000 each for Finland and China.

Undoubtedly most Americans are deeply sympathetic with both Finland and China. But not many Americans are ready to go to war with Japan or Russia or both of them. Yet obviously any loan out of the American Treasury to belligerent nations, regardless of the roundabout way it may go through corporations, is the entry of American resources on the side of some nations in wars in which the other nations on the other side cannot be blamed if they regard such entry as an unneutral act against them. We will not only be fighting for Finland and for China with our money, we will also be fighting against Japan and against Russia with our money.

If the United States does not wish to go to war, it had better not start fighting with its money. If we send our money to fight, it may not be long before we will have to send our men.

He is right.

Another editorial from the same newspaper is as follows:

ON THE WAY TO WAR

If, as Senator KEY PITTMAN says, there is "the greatest desire on the part of the administration" to make a loan in the midst of war to Finland or China, or both, Americans, who wish to serve oppressed peoples in the world far away from home, might well look at the map of the world.

There is such a thing as balance of power. It was disturbed when the old enemies, Russia and Germany, joined each other in Poland. And not even Russian failures in Finland have destroyed the effect of that new, strange alliance. Now the United States at the same time undertakes to act to aid the underdog enemies of both Japan and Russia. These two big, bad countries have been irritated neighbors and enemies but under equal pressure from the United States, they might become friends as quickly as Germany and Russia did. Certainly some people in and out of office in the United States seem anxious to put them under the same pressure from the United States of America. They may succeed only in pressing them together as allies in the east. And it is in the east that America seems most threatened with trouble. Our chances of getting into a war there grow better every time an admiral or a world-saving statesman opens his mouth.

This is a time for people to consider not merely small loans but vast consequences. Let this war spread under our tending to a fighting in which Russia and Japan are drawn together and drawn together as they would be on the side of Germany, and we shall have a world war, indeed. Even if Russia is the inept giant the Finns have made it seem to be, in such a combination with a militant Japan and a militant Germany on each flank, nobody can count its power. Certainly nobody can measure the dimensions of the troubles the United States might have to assume alone in the east for which a hard-pressed England and France would have few forces to spare.

Some Americans may be ready to risk such a war. All Americans should be aware that we are risking it in every unneutral, provocative act against Russia and against Japan. And every assistance to Finland and China in this present world is an act in assistance against Russia and Japan. No American needs condone the brutal ruthlessness of Russia against Finland or Japan against China any more than Americans condoned the rape of Ethiopia by Italy or the aggression of the British against the Boers. But an America, which has often and complacently, if sadly, contemplated indefensible aggression against little peoples by every one of the powers on both sides in this war, ought not to stir to a special militancy in special cases at a time when war is spreading in the world unless it contemplates entry into the full tide of war on this earth.

Increasingly the choice of America becomes imperative. We must choose official neutrality or naked war. We are only self-deluded when we act in pretension that we can go so far and no further, that we can put money to fighting but never men. A violent logic is at work in the world. The little step provides the basis for the big one. The bloody concluding act grows inevitably from small beginnings.

At this moment the United States seems on its way into war, and it will move on that way inevitably unless the American people call a halt to the little acts which will in accumulation take us headlong into the full tragedy of universal war. We cannot have our peace and put our money to war; we must choose between our security and our sympathies.

If we have money to give away, let us give it to the American people, as suggested by the able Senator from Georgia [Mr. RUSSELL]. We have in this country today, according to the latest report I clipped from the columns of a United States newspaper, more than 11,000,000 persons out of employment. In addition to that, we have 23,000,000 persons who are employed only part time. In addition to that, we have 300,000 persons in the C. C. C. camps. In addition to that, we have about 3,000,000 persons on the W. P. A. pay roll. In addition to that, as we all know, there are about 4,000,000 persons in the employ of all the respective subdivisions of Government of the United States; and on the question as to whether or not our people are in need, let us see.

Only a few days ago the attention of the Members of this body was called by leading characters in this community of

ours to the fact that disgraceful conditions exist within the confines of the District of Columbia. They gave a vivid description of the deplorable conditions existing at Blue Plains. Millions of persons all over the United States are starving, ragged, undernourished, without proper shelter, and then we say we are going to give away more money; we are going to finance somebody else. Why do we not take care of our own?

Mr. LEE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I am sorry that I cannot yield, if the Senator will pardon me. My time has almost expired.

The Washington Daily News of Thursday, February 8, contains a picture of a mother and her two little sons. Her husband is on W. P. A. at $15 a week. They are undernourished, and she is so poor that she cannot buy milk for the children. They are starving, and she is advertising to the world that she wants somebody to take them and raise them. I cannot have the picture published in the CONGRESSIONAL RECORD, but I ask that the article be published.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

ANYONE WANT MY SONS?

COLUMBUS, OHIO, February 8.—Mrs. Fred McNeil, wife of a W. P. A. worker, offered yesterday to give away the two youngest of her five sons so they might have better food and care than her husband's income provides.

Mrs. McNeil said she and her husband had decided to give away their sons, Wilbur, 6, and Paul, 4, if a good home could be found.

"They are good looking boys," she said. "Somebody should be glad to get them."

The other McNeil children are Fred, 14, who weighs only 69 pounds; William, 12, whose school teachers recommended he have more milk, and Herbert, 7.

Another son, Gerald, 2, died last spring of bronchitis, rickets, and undernourishment.

Because of weak legs, Paul is just beginning to walk.

The McNeils said their income never exceeds $15 in any week and that there is never more than $7 a week for food after other bills are paid.

Mr. REYNOLDS. There are millions of children in the slums of the country, some of whom are shown in the picture I have here, entitled:

These youngsters are growing up in the squalor of a metropolitan slum.

Here is a picture of sharecroppers down South, entitled:

Drought-made Dust Bowl refugees of this American family now "on the loose." It, like hundreds of others, roams from the Pacific coast through the Wheat Belt and into the Southwest, "following the harvests." Hunger and exposure are often fellow travelers.

Speaking of the District of Columbia, I obtained a copy of a Washington newspaper of Friday, January 5, commenting upon the starving, the undernourished, and the unfortunate here in the District of Columbia. I ask that it be published in the RECORD. I am sorry I have not any more time to discuss this matter.

The PRESIDING OFFICER. Without objection, the article referred to will be published in the RECORD.

The article is as follows:

RELIEF TO FOREIGNERS

As one of your regular readers, I am very much interested to note that you have published a series of articles on the subject of welfare in the District of Columbia. I feel sure your discussions point the way to methods of making the dollars contributed—sometimes with at least some small sacrifice—to worthy welfare projects reach more fully their intended objectives.

I am becoming more and more curious to understand why, in the face of so much unrelieved suffering from poverty, sickness, and unemployment everywhere in our own country, which individuals and Government seem to be failing to substantially overcome, a great many people are being urged to contribute to funds for relief in the remaining parts of the world—war-torn though they be.

My reference to this does not grow out of the slightest lack of sympathy but, rather (possibly), a lack of understanding of facts. An example of what I have in mind is the Committee for Urgent Relief for France, discussed by the Poe Sisters in the Times-Herald of February 3.

If there is a proper place in your paper for discussion of my thought, I feel sure it would prove interesting to a very great many of your readers.—B. B.

Mr. REYNOLDS. Mr. President, in closing I want to say that when we made the first loan to Finland, immediately after they began their war, we bought our first share of stock in the European war; and when we made the first loan to China, we bought our first share of stock in that war.

I hope peace will soon come; but what chance is there that that will happen? Very little. I am glad Mr. Sumner Welles went abroad for the purpose of trying to stop the war. The newspapers said he went there to call for peace. The newspapers said he went there for the purpose of asking the world to disarm; and what inconsistency. The very idea. We are the laughing stock of the world to ask the world to disarm when we are the very ones who are bringing about more armament of the world than any other nation upon the face of the earth, selling millions upon millions of dollars of such instruments.

We lifted the arms embargo to help the Allies. We are selling munitions to England and France. We insist upon making a loan to Finland for the purpose of helping her, but we defeat that purpose by refusing her the sale of munitions which she needs more than anything else.

While selling arms to Europe, we are now insisting that an arms embargo be placed in Asia. We are thereby insisting upon one foreign policy for Europe and another for Asia. We are telling the Finns to whale hell out of the Russians, but at the same time we will not provide them with anything with which to do the whaling. We are giving lip service to the Finns, and giving material service to the Russians by buying their gold and providing them with war materials. We are further aiding the Russians by making loans to their allies, the Chinese, for handling the Japs, to keep them off Great Britain while she is busy in Europe. We are looking wise while speaking dumb, and speaking wise—maybe—while looking dumb. We are blowing hot and cold at the same time. We say "Yes" and "No" at the same time. We have destroyed our chance to aid in world peace because we are not neutral. We send Sumner Welles to Europe to secure peace, and after the war to reduce armaments, while we are supplying the armaments. Why not reduce armaments now, before the killing is done? Why wait to take the gun away from the murderer after he has committed the crime?

Mr. President, I ask that the other articles which I send to the desk be placed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

THE NEW ESTIMATES OF UNEMPLOYMENT

As the barometer shows, latest estimates place the total number of unemployed at 9,400,000—only 4 percent below the level of a year ago.

December and January have been busy months for manufacturing industries. As a consequence, factory employment increased by almost three-quarters of a million. Other nonfarm industries put on another 500,000.

Over the same period, however, from 500,000 to 600,000 new young persons have entered the labor market. At the same time farm employment has declined. The result is that unemployment has been reduced only fractionally.

A. F. OF L. ESTIMATE CLOSE

This unofficial estimate is furnished by the Department of Commerce.

Of the other available estimates of unemployment, that of Boris Shishkin, chief economist for the American Federation of Labor, is in closest agreement with the Department of Commerce. Mr. Shishkin's latest estimate fixes the number of unemployed at approximately 9,370,000. The C. I. O. unemployment division estimates 10,000,000 persons currently unemployed.

NEUTRAL TALKS LAUNCHED; WELLES NAMED "ENVOY"

(By Doris Fleeson and Fred Pasley)

A drive for world peace was launched yesterday by President Roosevelt in two separate and decisive moves:

One. Formation of a powerful antiwar bloc among neutral nations undertaken by the State Department.

Two. Appointment of Under Secretary of State Sumner Welles as the administration's "Colonel House" to confer with governmental heads of Germany, France, Great Britain, and Italy.

CONVERSATIONS BEGUN

Couching its momentous announcement in the careful language of diplomacy, the State Department disclosed conversations between

this country and neutrals had already begun and would shortly be extended to all nations at peace.

These talks, the announcement continued, are in the nature of preliminary inquiries relating to a sound international economic system, and at the same time world-wide reduction of armaments.

Then, in a gesture of amity to nations at war, the announcement concluded: "These conversations can, of course, be extended to belligerent nations insofar as they involve these two common problems of future peace."

If Adolf Hitler indicates the slightest desire to see Sumner Welles, Under Secretary of State, Mr. Welles will visit the German dictator to sound out his ideas on peace. President Roosevelt is hopeful that a basis for peace can be found before fighting really gets under way in Europe.

The public will soon be told of a good-neighbor plan to buy Bolivian tin. American officials are making arrangements to expand this country's imports of Bolivian ore. The White House and Army think it would be smart politics and smart defense to buy tin ore directly from Bolivia and smelt it here.

Mr. WILEY. Mr. President, in the debate on this bill on February 9 the distinguished Senator from Utah [Mr. KING] mentioned appropriations by Congress to pay $25,000,000 to Denmark for the Virgin Islands and appropriations to pay Colombia for the alleged wrong in seizing what now constitutes the Panama Canal Zone, previously a part of Colombia's territory. He stated that there was no specific constitutional authority for those payments, and that, so far as he knew, their validity had not been challenged.

The purchase of the Virgin Islands and the payments made for Panama Canal Zone rights are not analogous to loans by our Government to the governments of nations at war. The United States has the constitutional and international law right to buy and acquire rights in foreign territory (*Downes* v. *Bidwell* (182 U. S. 279), *Wilson* v. *Shaw* (204 U. S. 24).) It has done so repeatedly since 1803—in the Louisiana Purchase from France that year, the Gadsen Purchase from Mexico in 1853, the Alaska cession by Russia in 1867, the Panama Canal Zone payments to Panama and Colombia, and the Virgin Islands purchase from Denmark in 1916. These purchases involved the acquisition of additional territory as part of the national domain. They were part of the national expansion program of the United States to round out its continental territory and national defense. They were valid exercises of the constitutional powers of Congress under the authority of the treaty-making power—article II, section 2, clause 2. Every appropriation authorized by Congress to acquire foreign territory was made pursuant to preexisting obligations undertaken in a treaty between the United States and a foreign country. These treaties between the United States and France, Mexico, Russia, Panama, Colombia, and Denmark were a valid exercise of the treaty-making power. They involved a legitimate exercise of that power under the Constitution as matters of international concern. They were equally valid under international law. No question of war and neutrality was involved.

There is no treaty at present between the United States and Finland which imposes on the United States any obligation to make a loan to Finland. No territorial purchase by the United States from Finland is contemplated. The analogy of the proposed loan to territorial purchases has no relation in fact or in law.

From a legal standpoint a loan by the United States, a neutral Government, to Finland, a belligerent, would violate both the Constitution and international law.

There is no constitutional authority for Congress while the United States is at peace to authorize a loan out of the Treasury or from public funds to a foreign government except under the treaty-making power.

The treaty-making power arises under and is limited by the Constitution, which provides that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur"—article II, section 2, clause 2. While the Congress may not be in a position to take certain action under the Constitution in the absence of a treaty, it may have authority under a properly negotiated treaty to take the same action. It has been held by the Supreme Court that the powers of the Congress under a properly negotiated treaty regarding a legitimate matter of international concern are modified according to the provisions of such treaty in order to enable the United States to carry out its international obligations (*Missouri* v. *Holland*, 252 U. S. 416; 1920).

On the other hand, if the United States Government were prepared to become an ally of the Government of Finland and enter the present European war on the northern flank, the factual and legal situation would be entirely different. When the United States is at war the Congress has the power to use the national credit for the national defense, and, if necessary, to make loans to foreign governments who are allies of the United States. Under the war powers in the Constitution, the United States, during the World War, made extensive loans to foreign governments. It will be recalled that the only authority under the Liberty Loan Acts to make loans out of the Treasury to the allies of the United States was for "the national security and defense and for the purpose of assisting in the prosecution of the war."

The Liberty Bond Acts authorized the Secretary of the Treasury, with the approval of the President, to establish credits in favor of foreign governments engaged in war with enemies of the United States, and, to the extent of those credits, to make advances to such governments through the purchase at par of their respective obligations. Under this authority, loans were made during the war and after the armistice for the purpose, in general, of enabling the respective governments to meet commitments made in the United States in connection with the prosecution of the war (Treasury Department, memorandum covering the indebtedness of foreign governments to the United States and showing total amounts paid by Germany under the Dawes and Young plans. March 1, 1939, pp. 1–2).

Under the provisions of the Liberty Loan Acts, the Secretary of the Treasury was authorized to make loans to the Allied governments only out of credits established in their favor with the approval of the President before the declaration of peace. (Rathbourne, Assistant Secretary of the Treasury, foreign affairs, April 1925.)

When the war between the United States and Germany was officially terminated on April 2, 1921, no further credits were extended to foreign governments, although two cash advances under credits previously extended were thereafter made to Czechoslovakia and Greece to settle outstanding war commitments. The sorry story of default on the war loans is too well known to be reviewed here. The total unpaid indebtedness, principal and interest, as of December 15, 1939, was $13,345,045,673.56, over one-fourth of our total staggering national debt.

Mr. JOHNSON of California. Mr. President, I am taking the privilege accorded to every member of the committee to say that when I voted to report the pending bill, when it came before the Committee on Foreign Relations, I did so with the distinct understanding that I should do exactly as I pleased when it came upon the floor. I am now taking that privilege.

I wish to have printed in juxtaposition the bill as it came to us from the two committees, and the bill which ultimately we evolved, which is now before us. I want to print them so that every man here may understand that what was originally a bill for the relief of Finland was transmuted by the clever hands which wrote the subsequent bill into a measure for the relief of the Export-Import Bank of Washington.

The first bill, the so-called Brown bill, for which I had a great deal of sympathy, and for which I would rather vote than the particular bill now before us, read as follows:

That the Reconstruction Finance Corporation is authorized and empowered to make loans to the Republic of Finland in an aggregate amount not exceeding $60,000,000, for the purpose of enabling the Republic of Finland to finance the purchase of such articles and materials (whether or not such articles and materials are the growth, produce, or manufacture of the United States or any of its Territories or possessions) as it deems necessary. All such loans

shall be made on such terms and conditions as the Federal Loan Administrator shall prescribe.

SEC. 2. In order to provide funds to carry out the purposes of this act, the amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time is hereby increased by $60,000,000.

That is a straight bill. It announces the purpose that was in the minds of probably nine-tenths of the Members of the Senate and of many of the people of this country. It provides for a loan to be made to Finland, a loan of $60,000,000, and around it were no such conditions as are about the particular measure which confronts us today. As reported by the Committee on Banking and Currency, the bill read:

That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1), by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000"; and (2), by inserting before the period at the end thereof a colon and the following: *"Provided further,* That the aggregate amount of loans to any one borrower outstanding and authorized at any one time shall not exceed $30,000,000: *Provided further,* That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

The bill now under consideration provides:

That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1), by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000"; and (2), by inserting before the period at the end thereof a colon and the following: *"Provided further,* That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed $20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: *Provided further,* That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

The title was amended so as to read: "A bill to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes."

There is not in the bill before us a single word about Finland. All the tears we may shed over the unhappy situation of the people of Finland, all the encomiums we may offer in behalf of the bravery of that people, all that we may say in praise of the citizens of Finland, is apart from the particular measure which confronts us. There is not a word said in this measure about loans to Finland, how they shall be granted, when they shall be granted, or what shall be done in relation to them. Everything is left to the discretion of one man, a capable and a very brilliant man, doubtless, but all is to be left to his determination. He even says to us in his testimony given before the Committee on Foreign Relations that he does not know how much he will lend to Finland. If he thinks they are entitled to $10,000,000 and can repay that amount, he perhaps will lend them that much. He will ask them to come back subsequently. There is not anything in relation to this whole subject matter except the giving of $100,000,000 more to the Export-Import Bank of Washington.

Why is that? I will not pretend to say, although I have before me the letter written by the President upon the subject. But I assume that because those who framed the bill were limited by the President's letter, because the letter was phrased in such a fashion that they did not desire to run counter to it, the bill came to us from the Banking and Currency Committee in the form to which I have referred.

Keep in mind in all this discussion that no one, in a bill, asks that money be appropriated for Finland, no one, in a bill that is presented to us, asks for a certain loan to Finland. All we would do is to say that the Export-Import Bank should have $100,000,000 more with which to transact its business, or do as it might see fit.

Mr. Jones, the head of the Export-Import Bank, says that he will make a loan to Finland of probably $10,000,000, he does not know the amount with certainty, but he will make a loan to Finland, and he will do subsequently as he determines, having regard to whether that loan can be paid or not. So the amounts we have been discussing today, the very things with which we have dealt concerning Finland's loans, are out of the window, and all we have before us is a proposal to increase by $100,000,000 the capital stock of the Export-Import Bank, a portion of which we hope will be loaned to Finland ultimately.

Mr. President, this is a contest between the head and the heart. In his heart every man in this body wants Finland to win. Every man in this body who has a spark of manhood in him, and people all through this country desire that loans or aid shall be given to Finland, and all of us alike have but one mind—to aid Finland if we can do it, and do it with no peculiar consequences to follow thereafter, and, from a long-range view of the circumstances, without any harm to this country of ours.

It would be crippling to a man's intellect, it seems to me, to argue the technicalities of whether or not war exists in Finland today. In view of the peculiar way in which some people have argued on this floor about the existence of a war in that part of the world, it would be a work of supererogation in which we should not indulge. I will not indulge in it while I am talking. Whether a war exists or not is a question of fact, and who can say that that question of fact has not been determined in Finland?

Will anyone tell me that no war exists there because Russia slyly says "No war do we have," and because Finland follows and says, "We are not at war"? With men dying in temperatures of 30 to 40 degrees below zero, other men being blown to pieces by artillery and by bombs from airplanes, with the women and children suffering as women and children always suffer in warfare, am I to be told that no war exists? Upon that sort of stuff I would not make a finding in relation to any matter.

No war exists in Finland? Read the dispatches received every day. That is all one need do, read about what is taking place in Finland, read of the men in white uniforms fighting, fighting, fighting. Read of all of those transactions, of the shot and shell, and everything that accompanies warfare that is real, and then say to me that there is no war in Finland because the people of Finland have said there is no war, and the Bear, smiling, guilefully says, "We are making no war upon Finland."

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The time of the Senator on the amendment has expired. The Senator has 10 minutes upon the bill.

Mr. JOHNSON of California. I will take my time on the bill.

A large part of the membership of this body has determined, doubtless, that war does not exist in Finland. A large number, from that premise, having reached the conclusion that war does not exist, hold that therefore no rules of warfare obtain. A large number in this body have found that, as a matter of fact, no war exists in Finland, and therefore they reach the conclusion, from that finding, that there is no neutrality law in effect, and that there is no law at all which can apply to that particular territory, so far as we are concerned. That is rank nonsense; that is all there is to it. It is not well for any of us to cripple our intellects by arguing the question of war in Finland. It exists there. It exists horribly. I have never heard a man say that he thought other than one way in relation to that war and how it should terminate. Opinion is all one way, and I do not know of any exception.

I call Senators' attention to the fact that the bill accords to the Export-Import Bank $100,000,000. You can strike out the entire bill and there exists power enough, authority enough, now in the Export-Import Bank, to do everything that the most enthusiastic advocate for Finland desires to do.

Mr. President, there is nothing to prevent such a loan as they may desire being made. There is nothing to prevent

the consummation of a contract exactly as they may wish to write it. We have the proof of that in the fact that a contract exists today the power to write which contract exists solely in the Export-Import Bank, and Finland today has paid back a portion of that loan. Senators recall the testimony on that subject. There is still a portion of the debt due today. Finland has been a good debtor, and the Export-Import Bank could, if it desired, leave this whole transaction to take its regular course within the Export-Import Bank. Do Senators realize that? No additional authority is needed here, none at all. The Export-Import Bank has ample authority to make the loan if it desires. The Export-Import Bank wants the legislation passed, of course, because it will give them $100,000,000 more with which to play and to utilize as they see fit.

Do Senators recall the speech made today by the Senator from Maine, who told us that the Export-Import Bank has loans outstanding in 56 countries of the world. To all the world we have become a wet nurse and all regard us as a sort of Santa Claus, and all the world draws on us whenever it sees fit to do so. The only thing that holds back the officials of the bank in the slightest degree is a little act which is in effect. But they can do just exactly as they did before in the matter of lending to China or lending to Finland—exactly the same.

Senators, we are dealing here with a bill which does not provide for the lending of money to Finland, but for the giving of $100,000,000 more to the Export-Import Bank for it to loan. If Senators wish to do that, very well, they have a right to do it. But do not do it under the guise of doing something for Finland, because that is not needed in any particular.

The bill puts restrictions on making certain sorts of loans, and says the borrower shall not spend the money for arms, ammunition and implements of war, but Mr. Jones makes perfectly plain that he cannot, and his corporation cannot do more than see that that sale is made; and see the goods loaded on the boat at the shore, but beyond that he cannot go.

I see that our friend on the other side of the aisle is getting very restless, and I shall give the remainder of the time to him, because I said I would. In addition, we all want to hear the Senator from Kentucky. So Senators will have that opportunity.

I wish to speak for just 1 or 2 more minutes. I listened with a great deal of interest to the speech made today by the Senator from Colorado [Mr. ADAMS]. I feel indeed just as he does. I will give to Finland and give until it hurts, so far as I am personally concerned. I will do anything within the bounds of reason to help Finland. But I am first an American, and as an American I stand here saying that you should not do aught that would carry us into the vortex of war. We may not be taken into the war by what we do, but we may be taken into war. I want to keep the skirts of my country clean. I do not want to lay the foundation for our country hereafter to go into war or to become involved in any conflict whatsoever. I have no apology to make when the spending of my country's money is at stake, and the future welfare of my country is involved. It is on that account, for my country and for your country, that I insist this loan should not be made.

Mr. BROWN. Mr. President, we have but 18 minutes remaining, and I feel that the majority leader should have a portion of that time. If I am not interrupted to any great extent I shall try to yield the floor at about 10 minutes to 5, so that he may have the remainder of the time.

First, I wish to say a word about the question of international law. We have not the time to give it the consideration it deserves, but let me say that the Senate of the United States has spoken on that subject. We have definitely taken a position. That position was officially taken by the Senate in the year 1928. The present Chief Justice of the Supreme Court of the United States headed the United States delegation to the Habana Conference in that year, and the Habana Convention of 1928 provided as follows:

> The neutral state is forbidden—
> (a) To deliver to the belligerent directly or indirectly or for any reason whatever, ships of war, munitions or any other war material;
> (b) —

And this is the point that applies to that situation—

> To grant to it any loans, or to open credits for it during the duration of the war.

Continuing the quotation from the Habana Convention:

> Credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials are not included in this prohibition.

The ratification of that convention by the Senate of the United States provided a definite statement by the Senate that that was the international law by which we would abide in our relations with the peoples of the world.

The pending bill in no way contravenes the Habana Convention. Some may say that that convention does not apply to European affairs. It was a declaration of the attitude of the American states in the so-called Pan American Union as to what our idea of international law was. The Senator from Georgia [Mr. GEORGE], who made the main argument upon this proposition, himself says that the bill does not contravene international law.

We ought not to be unneutral in this matter, and that is the reason why the bill originally introduced is not the bill now before the Senate. I think the original bill may have been unneutral.

Let me say a word as to the situation in which we find ourselves today. As has been pointed out by the junior Senator from Massachusetts [Mr. LODGE], and as was pointed out in the New York Times of Sunday last, the Russian Government is buying war supplies from the people of the United States. It can buy them on credit, and, Mr. President, it is buying such supplies with our money. We loaned Russia $392,000,000. It has not repaid us a cent of that money. That is the amount of its indebtedness to us today. If Russia had paid that money, it is not likely it would have the funds with which to buy munitions of war from the people of the United States.

Look at the other side. The little nation of Finland, which is making its brave fight against odds of 50 to 1 in manpower, paid us, and is current, up to date, in what is owing us. It is the only nation in the world that has so paid us.

If Finland had retained that money; if she had taken the attitude the Russian Government has taken, she would have had millions of dollars with which to buy munitions of war. Finland does not have the money now, because she paid it to us. If we can correct that situation and do it in an entirely neutral way, conforming to the principles of international law—and it is conceded that we can do so under this bill—then, Senators, we ought to do it. We ought to correct the injustice and provide the small amount of money which is provided in the bill for loans to the Finnish Government.

The Senator from California [Mr. JOHNSON] says the Export-Import Bank can now make these loans. That is not possible under the financial condition of the Export-Import Bank today. The bank has loaned $64,000,000. It is committed to lend $50,000,000 more. That is $14,000,000 more than the amount it is authorized to loan. It cannot make the loan to Finland unless we increase its loanable funds by the action which we hope will be taken under the provisions of the bill.

Let no Senator make any mistake. A vote for the bill is a vote for a loan to Finland; and certainly a vote against the bill will be taken by the Federal Loan Administrator and by the directors of the Export-Import Bank as an express direction that we do not want them to make any further loans to the Finnish Republic.

The issue is clear. Shall we, within the bounds of international law, in an entirely neutral way, advance additional

funds to Finland, or shall we not do so? That is the issue. A "nay" vote means no loan to Finland, and a "yea" vote means a loan to Finland.

Mr. BARKLEY. Mr. President, in the time remaining it will probably be impossible to do more than touch on two or three of what seem to be the salient features of this measure and objections to it as depicted by those who are opposed to it.

In the first place, in reply to the suggestion of the Senator from California [Mr. JOHNSON] that the bill before us is not the bill which was originally introduced by the Senator from Michigan [Mr. BROWN], of course the only answer that can be made is that that statement is true. However, it carries no significance whatever. The Senator from Michigan originally introduced a bill providing for a direct loan of $60,000,000 from the Government of the United States to the Government of Finland. That bill was referred to the Committee on Banking and Currency, and the committee rewrote the bill practically in the language now before us. The Senator from Michigan could have introduced a new bill embodying the substitute written by the committee; and that procedure was discussed in the committee. The Senator from Michigan preferred to retain the number of his bill as introduced and to have the substitute brought in as an amendment to his original bill; but it accomplishes the same purpose as though the Senator had introduced a new bill and the committee had reported it.

Mr. President, the pending amendment is that offered by the Senator from Connecticut [Mr. DANAHER], which prohibits any loans out of these funds to any foreign country. There is nothing in the bill which by its terms authorizes a loan to a foreign country. The bill does not change the law under which the Export-Import Bank has operated for the past 4 or 5 years. There is nothing in the original law which says anything about a loan to a foreign country; and there is nothing in it which prohibits a loan to a foreign country. Whatever loans are made out of the additional capital stock under the new authorization will be made in the same manner in which such loans have been made up to this time. So the Senator's amendment, if it means anything, means that out of the additional fund the bank cannot make a loan to anybody for the benefit of a foreign country. If it has any effect at all, that is what it would do. The theory of the bill and of the original act was primarily to benefit the industries and agricultural interests of the United States. Therefore, the amendment is futile.

The Senator from Delaware [Mr. TOWNSEND] has indicated that he may offer an amendment to prohibit the purchase of gold sent to the United States from Russia or gold mined in Russia. I hope he will not offer that amendment, because it would do Finland no good for us to stop selling goods to Russia. All the gold that is coming in from all the countries is coming in in exchange for goods which we are selling; and if we desire to stop American factories or farms from producing, then we can pass a law which would attempt to stop the method by which payment may be made for the goods produced. That would not help Finland and would hurt only the United States.

I understand that the Senator from Ohio [Mr. TAFT] is to offer an amendment to reduce the capital stock of the Export-Import Bank by $50,000,000.

Mr. President, nearly a year ago the Senate of the United States voted to increase the capital stock of the Export-Import Bank by $75,000,000. Mr. Jones and the administration—I think the suggestion was included in a message from the President—asked Congress to increase the capital stock of the bank by $100,000,000. No war in Europe was then on the surface. Germany had not yet invaded Poland. She had taken Austria and Czechoslovakia, but the thing which brought about a declaration of war on the part of England and France against Germany had not yet occurred. Nobody then dreamed that Russia was going to invade Finland; but in order to encourage and facilitate the exportation of our own products, independent of any foreign country or any foreign need, with no Russia-Finland trouble in the minds of the Congress, the Export-Import Bank, or the administration, we were asked to increase the capital stock by $100,000,000. We increased it by $75,000,000 here in the Senate, but because it was involved in other legislation the House did not act on it.

I have no way of knowing whether or not Finland will obtain a loan out of the extra $100,000,000. I have no way of knowing whether Norway, Sweden, or China will obtain a loan out of the extra $100,000,000. But even if China receives not a dollar more; even if Finland receives not a dollar more; even if Norway and Sweden receive not a dollar more—which they may do under this legislation—we still need the $100,000,000 additional in the capital of the bank in order to facilitate the exportation of American products.

Mr. President, we are trying to cultivate our trade with all the Western Hemisphere. We are trying to build up our commerce with South America and Central America. Germany and other European nations have been able to occupy a large portion of the logical market for American products by advancing credit, and by a sort of barter and exchange system with South and Central America. During the 4 months in which England, France, and Germany have been at war the South American and Central American countries have been compelled to buy an increased number of products from the United States; and we have before us an opportunity to cultivate our export trade with South America and Central America, not merely during the existence of this war, but if we have any vision or foresight, and are willing to deal intelligently with our opportunity now, we can, with mutual benefit, gain this market for our commerce—both industrial and agricultural—long after this war has ended. Therefore, from the standpoint of our own industry and our own exports, regardless of any foreign war, we are justified in increasing the capital stock of the Export-Import Bank.

Mr. President, we are told that if we make a loan out of this fund to some American corporation for the benefit of Finland, China, Norway, or Sweden, we are taking a step toward war. One of the reasons why not only the Banking and Currency Committee but the Committee on Foreign Relations endorsed the substitute was that it was not in violation of international law, whereas the original bill might be. Therefore, we felt that it was a better form in which to pursue the legislation.

How can a loan of $10,000,000 more to Finland take us into war? How can a loan of $20,000,000 more for the benefit of China take us into war? There is no private stake thus created in the war's result.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I am sorry, but I have not the time. I have only 2 minutes remaining. Otherwise I should gladly yield to my friend.

The nations of Europe owe us more than $12,000,000,000, which they have not paid, and may never pay; but we have not gone to war with any nation in Europe in order to collect the $12,000,000,000, and we are not going to war with any nation in Europe for that purpose if we never collect it. If we have not been willing to go to war with the nations of Europe to collect $12,000,000,000, can anybody imagine that we are going to war against Finland to collect $20,000,000 or $30,000,000, or that we are going to war against China to collect $25,000,000, plus $20,000,000, making $45,000,000; or that we are going to war against any nation which may, indirectly or directly, obtain some of this money, in order that we may collect it, and that, therefore, we are on the road to war?

Mr. President, I agree with those who have said that there may be special circumstances existing on account of our relationship with the little Republic of Finland. I have been unwilling to make our sympathy mercenary. I have been unwilling to say that we are going to lend money to Finland merely because she has paid back what she owed to us, in comparison with nations which have never owed us anything

and therefore have had no opportunity to establish a character of credit.

However, as between Finland and any other nation which has borrowed money from us or has not borrowed money, I am willing to say that if Finland needs another loan of $10,000,000 or $20,000,000, and the conditions prescribed by the Export-Import Bank are met by Finland, I am in favor of her obtaining the money for the things which she needs which are not military supplies, but which she may sorely need for her gallant fight for self-preservation.

Much as I sympathize with Finland, I would not vote for a bill which would authorize a direct loan out of the Treasury of the United States to the Government of Finland for the specific purpose of buying war materials, because I think that would very largely infringe upon our neutrality.

This bill will help Finland. No other nation can complain at the form of this help.

I hope the amendments will be defeated and that the bill will be passed.

The PRESIDENT pro tempore. The hour of 5 o'clock having arrived, the Chair will state that the unanimous-consent agreement which has been entered into reads as follows:

That, beginning at 3 o'clock p. m. on Tuesday, February 13, 1940, no Senator shall speak more than once, nor longer than 20 minutes, on the bill S. 3069, a bill to provide certain loans to the Republic of Finland by the Reconstruction Finance Corporation, or any amendment thereto, and at not later than 5 o'clock p. m. the Senate proceed to vote without further debate on said bill and all amendments thereto.

The pending amendment is the one offered by the Senator from Connecticut [Mr. DANAHER], which will be stated.

The LEGISLATIVE CLERK. After the words "loans to", it is proposed to strike out "any one foreign country"; and after the word "agencies", where it twice occurs, it is proposed to insert "of any one foreign country"; and after the words "made to", it is proposed to strike out "such foreign country and."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut.

Mr. DANAHER. On that amendment I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. TAFT. Mr. President, I offer the amendment which I sent to the desk earlier in the session.

The PRESIDENT pro tempore. Before the amendment is stated and acted on, let the Chair state the parliamentary situation.

On the request of the Senator from Michigan [Mr. BROWN] on Friday, by unanimous consent, the bill as reported out by the Banking and Currency Committee, and as reported by the Foreign Relations Committee and amended, was considered and agreed to be the bill before the Senate. In those circumstances the amendments of the committee will be understood to have been adopted without further vote. Under that unanimous-consent agreement, the amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. In line 12, it is proposed to strike out "$200,000,000" and to insert in lieu thereof "$150,000,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio.

Mr. TAFT and Mr. McNARY called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the Senator from Virginia [Mr. GLASS]. I understand that if he were present, he would vote on this question as I would vote. I therefore am at liberty to vote, and vote "nay."

Mr. STEWART (when his name was called). I have a pair with the junior Senator from Oregon [Mr. HOLMAN]. I am not advised how he would vote on this question. I transfer that pair to the Senator from Arkansas [Mrs. CARAWAY], and will vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES], and therefore withhold my vote.

Mr. McNARY (when Mr. VANDENBERG's name was called). The senior Senator from Michigan is necessarily absent. If he were present, he would vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the following pairs:

The Senator from New Hampshire [Mr. TOBEY] with the Senator from Illinois [Mr. SLATTERY]; and

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Illinois [Mr. LUCAS].

If present, Senators TOBEY and VANDENBERG would vote "yea," and Senators SLATTERY and LUCAS would vote "nay" on this question.

Mr. MINTON. Mr. President, I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness. I am advised that if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "nay."

The Senator from Ohio [Mr. DONAHEY] and the Senator from Virginia [Mr. GLASS] are unavoidably detained.

The Senators from Louisiana [Mr. OVERTON and Mr. ELLENDER], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The Senator from Virginia [Mr. BYRD] is paired with the Senator from Missouri [Mr. TRUMAN]; the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Illinois [Mr. SLATTERY]; and the Senator from Michigan [Mr. VANDENBERG] is paired with the Senator from Illinois [Mr. LUCAS]. I am advised that if present and voting, the Senator from Virginia, the Senator from New Hampshire, and the Senator from Michigan would vote "yea," and that the Senator from Missouri and the Senators from Illinois would vote "nay."

The result was announced—yeas 27, nays 50, as follows:

YEAS—27

Adams	Gibson	Lodge	Thomas, Idaho
Bulow	Gurney	Lundeen	Townsend
Capper	Hale	McCarran	Tydings
Danaher	Harrison	McNary	Van Nuys
Davis	Holt	Reed	White
Frazier	Johnson, Calif.	Reynolds	Wiley
Gerry	Johnson, Colo.	Taft	

NAYS—50

Andrews	Clark, Mo.	Lee	Russell
Ashurst	Connally	McKellar	Schwartz
Austin	George	Maloney	Schwellenbach
Bankhead	Gillette	Mead	Sheppard
Barbour	Green	Miller	Shipstead
Barkley	Guffey	Minton	Smathers
Bilbo	Hatch	Murray	Smith
Brown	Hayden	Neely	Stewart
Burke	Herring	Norris	Thomas, Okla.
Byrnes	Hill	O'Mahoney	Wagner
Chandler	Hughes	Pepper	Walsh
Chavez	King	Pittman	
Clark, Idaho	La Follette	Radcliffe	

NOT VOTING—19

Bailey	Donahey	Lucas	Tobey
Bone	Downey	Nye	Truman
Bridges	Ellender	Overton	Vandenberg
Byrd	Glass	Slattery	Wheeler
Caraway	Holman	Thomas, Utah	

So Mr. TAFT's amendment was rejected.

The PRESIDENT pro tempore. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

Mr. BARKLEY and other Senators called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The clerk will call the roll. The Chief Clerk proceeded to call the roll.

Mr. CLARK of Missouri (when his name was called). On this vote I have a pair with the senior Senator from Michigan [Mr. VANDENBERG]. Since I have been unable to transfer that pair, I withhold my vote. If the Senator from Michigan were present and voting, he would vote "yea." If I were permitted to vote, I should vote "nay."

Mr. SHIPSTEAD (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. STEWART (when his name was called). As I have heretofore announced, I have a pair with the junior Senator from Oregon [Mr. HOLMAN], which I transfer to the junior Senator from Virginia [Mr. BYRD], and vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. In his absence, I withhold my vote.

The roll call was concluded.

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Ohio [Mr. DONAHEY] and the Senator from Virginia [Mr. GLASS] are unavoidably detained.

The Senators from Louisiana [Mr. OVERTON and Mr. ELLENDER], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

I am advised that if present and voting, the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from North Carolina [Mr. BAILEY], and the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY] would vote "yea."

The Senator from Missouri [Mr. TRUMAN] is paired with the Senator from Ohio [Mr. DONAHEY]. I am advised that if present and voting, the Senator from Missouri would vote "yea" and the Senator from Ohio would vote "nay."

Mr. AUSTIN. The junior Senator from New Hampshire [Mr. TOBEY] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 49, nays 27, as follows:

YEAS—49

Andrews	Frazier	Lee	Schwellenbach
Ashurst	Gibson	Maloney	Sheppard
Austin	Green	McKellar	Shipstead
Bankhead	Guffey	McNary	Smathers
Barbour	Hale	Mead	Stewart
Barkley	Hatch	Miller	Townsend
Bilbo	Hayden	Minton	Tydings
Brown	Herring	Murray	Wagner
Burke	Hill	Neely	Walsh
Byrnes	Hughes	Pepper	White
Chandler	Johnson, Colo.	Pittman	
Clark, Idaho	King	Radcliffe	
Davis	La Follette	Schwartz	

NAYS—27

Adams	Gerry	Lundeen	Smith
Bulow	Gillette	McCarran	Taft
Capper	Gurney	Norris	Thomas, Idaho
Chavez	Harrison	O'Mahoney	Thomas, Okla.
Connally	Holt	Reed	Van Nuys
Danaher	Johnson, Calif.	Reynolds	Wiley
George	Lodge	Russell	

NOT VOTING—20

Bailey	Clark, Mo.	Holman	Thomas, Utah
Bone	Donahey	Lucas	Tobey
Bridges	Downey	Nye	Truman
Byrd	Ellender	Overton	Vandenberg
Caraway	Glass	Slattery	Wheeler

So the bill (S. 3069) was passed, as follows:

Be it enacted, etc., That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1) by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000"; and (2) by inserting before the period at the end thereof a colon and the following: "*Provided further*, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed $20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: *Provided further*, That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

The PRESIDENT pro tempore. By unanimous consent, the title of the bill as reported by the Committee on Banking and Currency is amended so as to read: "A bill to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes."

ORDER FOR LEAVE TO COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask unanimous consent that during any adjournment of the Senate following the conclusion of business today the Committee on Appropriations may be authorized to make reports it may be prepared to present on any proposed legislation.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PAYMENT OF INCOME TAX IN THE DISTRICT OF COLUMBIA

Mr. KING. Mr. President, I report favorably from the Committee on the District of Columbia, without amendment, the bill (H. R. 8237) to amend the District of Columbia Revenue Act of 1939, which has passed the House of Representatives unanimously. The bill provides that the income tax which has been levied in the District of Columbia may be paid in two installments, instead of one, and the bill also exempts from inclusion under gross-income payments of benefits under laws relating to veterans. I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 8237) to amend the District of Columbia Revenue Act of 1939 was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 18 of title II of the act entitled "An act to provide revenue for the District of Columbia, and for other purposes," approved July 26, 1939, be amended to read as follows:

"SEC. 18. All returns of income for the preceding taxable year shall be made to the assessor on or before the 15th day of April in each year, except that such returns, if made on the basis of a fiscal year shall be made on or before the 15th day of the fourth month following the close of such fiscal year, unless such fiscal year has expired in the calendar year 1939 prior to the approval of this act, in which event returns shall be made on or before the 15th day of the third month following the approval of this act."

SEC. 2. Subsection (a) of section 26 of title II of said act approved July 26, 1939, is hereby amended to read as follows:

"SEC. 26. (a) Time of payment: One-half of the total amount of the tax imposed by this title shall be paid on the 15th day of April following the close of the calendar year and the remaining one-half of the tax shall be paid on the 15th day of October following the close of the calendar year, or, if the return be made on the basis of a fiscal year, then one-half of the total amount of the tax imposed by this title shall be paid on the 15th day of the fourth month following the close of the fiscal year and the remaining one-half of said tax shall be paid on the 15th day of the tenth month following the close of the fiscal year, except a fiscal year which expired in the calendar year 1939 prior to the approval of this act, in which event the tax shall be paid on the 15th day of the third month following the approval of this act."

SEC. 3. Title VI of said act approved July 26, 1939, is hereby amended by striking out "June 30, 1940" and inserting in lieu thereof the words "June 30, 1942."

SEC. 4. Section 4 (c) of such act (relating to exclusions from gross income) is amended by adding at the end thereof the following:

"(10) Payments of benefits made to or on account of a beneficiary under any of the laws relating to veterans."

T. N. E. C. HEARING ON FARM MORTGAGES HELD BY LIFE-INSURANCE COMPANIES

Mr. O'MAHONEY. Mr. President, I venture to call the attention of Senators who may be interested in the farm problem to the fact that during the next 2 or 3 days testimony will be presented at the hearings of the Temporary National Economic Committee which they will probably find of great

significance. The committee is now studying the investments of the 26 largest life-insurance companies in farm mortgages.

I desire only briefly to mention some of the facts which are being developed. Farm mortgages held by life-insurance companies in 1929 had reached a total far in excess of $2,000,000,000. Thereafter they began to fall off, until in 1938 the total of farm mortgages held by life-insurance companies amounted to $895,000,000.

While this decrease in the amount of farm mortgages held by life-insurance companies was taking place, there was a corresponding increase in the amount held by the Federal land banks and under the Farm Credit Administration through commissioner's loans. These Federal land-bank mortgages in 1929 amounted to $1,183,000,000. In 1932 they amounted to $1,152,000,000. They have since been steadily increasing until in 1938 they amounted to $2,836,000,000.

Thus while life-insurance investment in farm mortgages has been declining, the Government investment through the Farm Credit Administration has been steadily increasing.

There is another significant fact. While the total amount of farm mortgages held by the life-insurance companies has been decreasing, the number of foreclosures has been increasing, and the value of farm lands now held by life-insurance companies is the highest in the history of the United States.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. NORRIS. The statement of the Senator confuses me a little. Sometimes, as I understand, the Senator refers to mortgages as being held by life-insurance companies, and at other times he does not speak of the companies as life-insurance companies; he simply says "insurance companies."

Mr. O'MAHONEY. I meant to use the term "life-insurance companies" in each instance.

Mr. NORRIS. In all instances the Senator refers to life-insurance companies?

Mr. O'MAHONEY. We are dealing only with life-insurance companies.

Mr. NORRIS. The Senator has given us no statistics in regard to any other kind of insurance companies except life-insurance companies?

Mr. O'MAHONEY. No. This statement deals solely with the holdings of the 26 largest life-insurance companies.

Mr. NORRIS. That makes the statement plain.

Mr. O'MAHONEY. I will add this item: In 1929 these 26 companies owned approximately $81,000,000 worth of farm real estate. In 1932 the value of farm lands in life-insurance company ownership had increased to $235,000,000. In 1938 it had increased to $529,392,000. In other words, these 26 largest life-insurance companies now own outright considerably in excess of one-half billion dollars in farm real estate throughout the United States. That this is a problem of the first magnitude is obvious.

I have taken the liberty of calling this matter to the attention of the Senate because I know that many Members of this body, particularly those from farm States, will not only be interested in the information which is being developed but some may desire to be present during the hearings.

It goes without saying that I have recited these figures without in any sense even intimating any criticism of the life-insurance companies. It is not the fault of the companies that they have become the largest farm owners in the country. The objective of the study by the T. N. E. C. with respect to life-insurance companies has been primarily to develop information with respect to the investments of those companies.

Mr. WAGNER. And there is no question about the soundness of the policies.

Mr. O'MAHONEY. No; there is no question about the soundness of the policies. That statement, I will say to the Senator from New York, has been made and reiterated again and again.

The hearings are taking place in the caucus room in the Senate Office Building. Inasmuch as we are apparently to have an adjournment until Thursday, Senators may find it convenient to attend. They will be welcome.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the following nominations:

Linus C. Glotzbach, of Minnesota, to be regional director, region VII, Work Projects Administration; and

S. L. Stolte, of Minnesota, to be Work Projects Administrator for Minnesota.

Mr. McKELLAR also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. CHANDLER, from the Committee on the Judiciary reported favorably the nomination of Raymond E. Thomason, of Alabama, to be United States marshal for the northern district of Alabama, vice Alex Smith, resigned.

Mr. SMITH, from the Committee on Agriculture and Forestry, reported favorably the following nominations:

Claude R. Wickard, of Indiana, to be Under Secretary of the Department of Agriculture, vice Milburn L. Wilson;

Grover Bennett Hill, of Texas, to be Assistant Secretary of Agriculture; and

Laurence I. Hewes, Jr., of California, to be regional director, Farm Security Administration.

Mr. HILL, from the Committee on Commerce, reported favorably the following nominations:

Charles Stuart Guthrie, of Illinois, now holding recess appointment, to the position of special assistant to the Secretary of Commerce at $9,000;

Carroll Louis Wilson, of Massachusetts, now holding recess appointment, to the position of special assistant to the Secretary of Commerce, at $7,500;

James W. Young, of New Mexico, now holding recess appointment, to the position of Director of the Bureau of Foreign and Domestic Commerce;

Grosvenor M. Jones, of Ohio, to be Assistant Director, Bureau of Foreign and Domestic Commerce; and

Bruce Berckmans, of New Jersey, to be Assistant Director, Bureau of Foreign and Domestic Commerce.

The PRESIDENT pro tempore. That completes the reports of committees. There are no nominations on today's Executive Calendar.

DIPLOMATIC SERVICE

Mr. BARKLEY. Mr. President, on Friday, February 9, the nomination of Mr. George H. Earle 3d, of Pennsylvania, to be Minister to Bulgaria, was confirmed. I ask unanimous consent that the President be notified.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the President will be notified.

POSTMASTER AT GREENSBURG, PA.; MOTION TO RECONSIDER

Mr. DAVIS. Mr. President, I desire to enter a motion to reconsider the vote by which the nomination of Kathleen McT. Gregg to be postmaster at Greensburg, Pa., was rejected.

The PRESIDENT pro tempore. The motion of the Senator from Pennsylvania will be entered.

Mr. BARKLEY. Mr. President, does the Senator from Pennsylvania wish to dispose of that motion now?

Mr. DAVIS. No, Mr. President, I will take the matter up at the usual time. I simply give notice that I have entered the motion to reconsider the vote, and I will discuss the matter at a later date.

ADJOURNMENT TO THURSDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate adjourned until Thursday, February 15, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 13 (legislative day of February 7), 1940

DEPARTMENT OF LABOR

Philip B. Fleming, of Iowa, to be Administrator of the Wage and Hour Division, Department of Labor.

PROMOTION IN THE REGULAR ARMY

Capt. Charles Carlton, Infantry, to be major from December 16, 1939.

NOTE.—Captain Carlton was nominated January 4, 1940, and confirmed January 16, 1940, with rank from December 17, 1939. This message is submitted for the purpose of correcting an error in his date of rank, as a supplementary report of death of Maj. Francis G. Bonham, Infantry, gives date of death as December 15, 1939, instead of December 16, 1939, as previously reported.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 13, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. RAYBURN.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, our most merciful Father, out of the depths from which spring humility, reverence, and faith do we appeal unto Thee for guidance and help. We pray that we shall receive such a portion of Thy spirit that we may be faithful and just in the daily duties of life; we rejoice that the Almighty One is a sun that shines on cabin and palace. Oh, give us the power of that faith to declare that the time will come when the nation that breaks its promises and sows to the wind shall of that wind reap the whirlwind; the blessed Lord help us to take no counsel of crouching fear, for with Thee a thousand years are as a day. O my soul, let us believe that self-discipline is the most stable form of character building and that the golden words of liberty, opportunity, and integrity will be the watchwords not only for our Republic but for the nations of earth. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 9, 1940:

H. R. 5634. An act granting 6 months' pay to Sidney M. Bowen;

H. R. 5734. An act for the relief of World War sailors and marines who were discharged from the United States Navy or United States Marine Corps because of minority or misrepresentation of age; and

H. R. 6124. An act giving the consent of Congress to the addition of lands to the State of Texas and ceding jurisdiction to the State of Texas over certain parcels or tracts of land heretofore acquired by the United States of America from the United Mexican States.

On February 12, 1940:

H. R. 4532. An act to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

H. R. 7805. An act making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation, for the fiscal year ending June 30, 1940, and for other purposes; and

H. R. 8067. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and for other purposes.

EXTENSION OF REMARKS

By unanimous consent Mr. BOLAND and Mr. LUDLOW were granted permission to extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of business on the Speaker's table and the business of the day, I may address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a letter I have received from Acting Secretary of the Treasury Bell, in answer to a speech made on the floor of the House by the gentleman from Maine [Mr. BREWSTER] on February 6.

The SPEAKER pro tempore. Is there objection?

There was no objection.

MERIT SYSTEM FOR GOVERNMENT EMPLOYEES

Mr. YOUNGDAHL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. YOUNGDAHL. Mr. Speaker, last week this body considered and passed the so-called civil-service bill.

During debate while that bill was being considered we heard much about the merit system, much about the obligation of the Government to its employees, much about the humanitarianism of government.

Soon the United States Government is to start taking the decennial census. Applications are already being taken for some 250,000 to 275,000 temporary employees to take this census. Already these jobs are being promised to party workers and local politicians. Many of these political appointments have already been made.

In contrast to this, some 10,000,000 Americans are still out of employment. Made-work registers are still filled with names of needy persons awaiting their turn to work for the Government. Relief lists are still filled with the names of those who would do an honest day's work but cannot, so they must depend upon public assistance.

At the last session of this Congress I introduced a bill—H. R. 7148—providing that all temporary employees hired to take the 1940 census, excepting those under civil service and veterans' preference, be taken from the rolls of those certified as being in need of public assistance or made work. Today that bill remains pigeonholed in the rooms of the Committee on the Census.

Along with the hopes and ambitions and desires for work of millions of Americans it lies buried, while 250,000 jobs are being handed out to political satellites in preparation for the elections this fall.

Certainly there are people on the public-relief rolls today who are qualified to take this census. It does not require any great ability or special training to ask the housewife whether she shares her bathroom with others or uses it alone. Certainly it does not require any political training to qualify for asking the questions required by the Bureau of the Census.

It may take some expert talking to persuade Americans that they must divulge to some local politicians the amount of salary or wages they made last year or the number of weeks worked in 1939. It may require considerable argument to persuade Americans that such questions are not an invasion of their rights, but it should not require any special ability or training to write down the answers if the answer is given.

I know there are thousands of persons on the relief rolls who are just as well qualified to ask those questions as are the political appointees who are being promised those jobs.

For this Congress to sit here and calmly give its consent to keeping nine or ten million American citizens on the relief rolls and then passing out some 250,000 jobs to politicial friends for political purposes is not justice. It is not humanitarian. It is not the American way of doing things. And neither is it good business nor economical government.

Hundreds of other cities and villages are in the same position as my district. Relief loads have grown so heavy that local government is facing bankruptcy. Bond limits have been reached. Taxpayers are unable to pay their taxes.

Yet here we have the spectacle of the American Government handing out a quarter of a million jobs on a basis of political reward while 10,000,000 needy Americans still hunt for work.

Last week we voted to extend civil service to between 250,000 and 300,000 employees of the Government. I voted for that bill because I believe in merit and justice.

For the same reason, I ask the Members of this House to demand consideration of this bill, which would offer 250,000 jobs in the 1940 census to those Americans who need them. Let us not be just and humanitarian only where it will help politically; let us be just and humanitarian where it will help restore the self-respect of Americans who are anxious to work. [Applause.]

EXTENSION OF REMARKS

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address I delivered last night at Parkersburg, W. Va.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks and include a short editorial from the Palasadian.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

NATIONAL YOUTH CONGRESS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I believe that Members of Congress should be deeply concerned over the events that have transpired as the result of a recent convention of the National Youth Congress in the Nation's Capital.

We read with mixed emotions that the President of the United States and the First Lady were both hissed and booed when they addressed the convention and asked the assembled young people to think twice before committing themselves on problems of national and international importance. Yesterday we witnessed Members of the House of Representatives being derided here on the floor by young men and women of the youth organization who were assembled in the galleries. These manifestations that were in such poor taste can be ignored as bad manners, but there is an underlying factor involved which cannot be so easily disregarded.

A great many of the young persons who attended the convention are not yet mature enough to think things through for themselves. Where, then, are they having instilled in their minds such ideas of disrespect for the duly elected representatives of the United States? Where are they absorbing the philosophy that their only hope for the future lies in coming to Washington and lobbying for a hand-out of half a billion dollars? We Members of Congress should concern ourselves with this problem, which is immediate and pressing, and try to find the solution.

I do not believe that any of us can be justly accused of not having the future welfare of American youth at heart. Most of us are raising children of our own and I am sure that most of us are doing our best to train them in the true traditions of real Americanism. We hope that our children will learn to follow the principles of constitutional government as laid down by Washington and preserved by Lincoln. We hope that they will learn the proper respect for the constituted authorities and representatives of our democracy.

Jobs for young Americans are perhaps our primary consideration, if we do not want our youth to grow into manhood and womanhood expecting the Government to meet their every demand for assistance. Self-reliance and the ability to create and seize upon opportunity have made this Nation great, and these fundamental principles must be continued.

Let us concern ourselves with those individuals and organizations who are preaching un-American doctrines. We should resolve here and now that we will seek out and destroy the underlying causes for the undemocratic tendencies that are being drilled into some of the youth movements throughout the country. After all, the young people of today are the citizens of tomorrow, and they must be prepared to take over the reins of government when we relinquish our duties. I fervently hope that they will be prepared to meet their responsibility in traditional American style. [Applause.]

EXTENSION OF REMARKS

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial from today's Washington Post.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SECREST. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by Senator GUY M. GILLETTE at the annual banquet of the Washington College of Law on February 10, 1940.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by a fellow-townsman.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE asked and was given permission to extend his own remarks in the RECORD.

THE 1940 CENSUS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, in answer to the gentleman from Minnesota [Mr. YOUNGDAHL], on his suggestion to change the method of appointing census enumerators, and have the enumerators selected from the relief rolls, I want to say that

such a proposition is out of the question. It never has been done and it will not be done this time.

What the Bureau of the Census is trying to do is to select men and women in the various communities through a special test and get enumerators who are qualified to take the census, as the regulations provide.

Taking the census is not a guessing contest. The reports of the Census Bureau are supposed to be accurate, and what we are trying to do is to get a correct census of all the people of the United States. The machinery has already been set up and arrangements have been made for special examinations for these enumerators. They are to be selected in this way in every congressional district in the United States.

If the gentleman wants to come before the Census Committee, of which I am a member, I assure him we shall be glad to hear him; but the idea of coming before the House and demanding that we select all these enumerators from relief rolls to me is ridiculous.

Mr. YOUNGDAHL. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. If I have time, I yield for a brief question.

Mr. YOUNGDAHL. Does the gentleman recall that an appearance was made before the Committee of the Census last spring in which some of us asked that there be a hearing on this matter, that the Director of the Census be called and also the Director of the W. P. A. to discuss this matter?

Mr. RANKIN. Was not that the time the gentleman from Minnesota appeared?

Mr. YOUNGDAHL. Yes.

Mr. RANKIN. The members of the committee did not take it seriously enough to comply with that request, because they thought it was unreasonable.

These criticisms of the Bureau of the Census are unjust. I note, for instance, that objections have been raised to the inclusion of a question in this year's census of population concerning how much wages or salary each person made last year. This has been called an invasion of people's privacy and a violation of individual rights.

Many times, during the 150 years that the census has been the fact-finder of the Nation, much more searchingly personal questions have been asked by its enumerators. And the American people have answered these questions, not because it is a misdemeanor to refuse but because they have confidence in the census, what it stands for, and its long, fine record of keeping the answers confidential.

FIVE THOUSAND DOLLARS IS THE TOP

Most of the complaints about this question of earnings—and they have been few—seem to be based upon a complete misconception, because most of them come from people who make very substantial salaries and who do not wish to report these salaries to the local census enumerators.

Therefore, most of the complaints are withdrawn when the ones who made them are informed that the ceiling on this question is $5,000, and that any person making more than that simply states, "over $5,000."

This is because the purpose of the question is to determine mass buying power for the purchase of consumption of goods, and incomes above $5,000 seldom are so expended. This purpose is the basis for the popular support of this question: To determine the extent of mass buying power in the field of consumption goods. That is an aim understood by every businessman in the country, every manufacturer, wholesaler, and retailer.

The question on earnings is said to be "personal," even though every census worker is sworn to secrecy under penalty of $1,000 fine and 2 years' imprisonment if he reveals a single fact he learns in line of duty, and even though a century and a half of census experience proves that census confidences are preserved.

HOW QUESTIONS ARE CHOSEN

Far more revealing questions have been asked, successfully, by the census in the past. Would it be too personal to require every adult to tell the census taker the value of all the real estate he owns, and the value of all the other property in his estate? Half of that was required 90 years ago, in 1850, under President Zachary Taylor; and all of it was required in 1860 and 1870, under President Buchanan and President Grant.

Who wants these statistical averages of the wages and salary of the American people? That is the crux of the whole question. A sample cross-section of the public demand for this question is easily obtainable from the Census Bureau and might surprise many people.

To begin with, the Census Bureau does not think up questions with which to annoy people. It is deluged before every census with thousands of questions which all sorts of responsible groups want it to ask. And it calls together, in a truly democratic way the leaders of the most important interested groups to help it sift these questions down to the minimum number of basically important questions.

WHO WANTS TO KNOW?

For 2 days, almost a year ago, it had in conference here in Washington more than 50 leaders in business, manufacturing, labor, government, together with statistical experts. That was on March 3 and 4, 1939. They were called here by Secretary Hopkins to discuss this very question of salary, and others like it, for the 1940 census.

Here is what the proceedings of that conference say:

Satisfaction was expressed particularly with the inquiries relating to migration, employment, unemployment, and economic status.

It should be borne in mind that this refers to the very material on wages and salaries, as well as other incomes, which is still on the question list for the 1940 census.

Now, who attended that conference? Here are only a few: Dr. Louis Dublin, of the Metropolitan Life Insurance Co.; Dr. David R. Craig, president of the American Retail Federation; Mr. Noel Sargent, secretary of the National Association of Manufacturers; Gen. Robert E. Wood, chairman of Sears, Roebuck; Sidney R. Katz, of the C. I. O.; and Miss Margaret Scattergood, of the A. F. of L.; and Dr. Stacy May, of the Rockefeller Foundation. This is just a few of the people in this conference who saw nothing wrong with this question. They largely represent the very ones who will have to answer these questions—both labor and capital.

WIDE RANGE OF REQUESTS

Who else believes that this question is in the public interest?

In the cross-section of requests for statistics on earnings of the American people are letters and resolutions from the American Home Economics Association, the National Industrial Conference Board, the Actuarial Society of America, the Population Association of America, from ministers and church councils, Y. M. C. A.'s, insurance companies, automobile manufacturers, public utilities, labor unions, advertising agencies and market analysts, publishers such as Senator CAPPER and Meredith and McFadden and the Associated Farm Papers. There are even requests from two Representatives and one Senator.

"STRONGLY RECOMMENDED"

One of these requests came from a conference sponsored by the National Bureau of Economic Research, which includes directors from such groups as the American Engineering Council, the American Management Association, the National Publishers Association, and the American Federation of Labor. I want to quote you what this conference reported to the Secretary of Commerce:

The conference went on record as strongly recommending the inclusion of such questions (questions on income) in the (1940) census.

It also should be remembered that this income question was approved unanimously by the advisory committee to the Census Bureau, composed of Dr. Robert E. Chaddock, of Columbia University; Dr. J. Frederick Dewhurst, of the Twentieth Century Fund; Mr. Paul T. Cherington, market analyst; Dr. William F. Ogburn, of the University of Chicago; Dr. Murray R. Benedict, of the University of California; and Dr. Willard R. Thorp, of Dun & Bradstreet.

This information is not to be used to air the private affairs of the individual, any more than in his income-tax returns. But it is for the purpose of compiling statistics that will be of value to all the American people.

I trust members will desist from unnecessary criticisms of the Bureau of the Census, and join us in helping to make the 1940 census a success.

It is a matter in which all our people are interested, and the Bureau is entitled to the moral as well as the official support of every Member of both Houses of Congress.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, my colleague from Minnesota is absolutely right in his attempt to call to the attention of the House the fact that Minnesota is being discriminated against in connection with its unemployment relief problem as far as the Federal Government is concerned. Thousands of people in our State have been certified for W. P. A., yet they are lying around starving to death trying to get work, but denied work by the Administrator of the W. P. A. I call the attention of the House to the following news item taken from the Minneapolis Star-Journal of January 29:

CITY READIES PLEA FOR MORE JOBS ON W. P. A.—STOLTE TO RECEIVE WAYS AND MEANS COMMITTEE WEDNESDAY

Definite effort to obtain 1,000 to 2,500 more W. P. A. jobs for Minneapolis relief clients will be made by the city council ways and means committee Wednesday at a meeting with S. L. Stolte, State W. P. A. administrator.

The meeting was arranged today after Nathan Harris, city utilities engineer, told a joint session of the committee and the welfare board 2,712 relief clients are now awaiting W. P. A. assignment here, out of a total of 9,690 in the entire State.

Stolte had written the committee complaining the city is operating too many "white collar" W. P. A. projects, and that it should have more strictly labor projects.

Harris showed that Hennepin County now has 8,726 on W. P. A. jobs, or 18.8 percent of the State total of 46,528. Minneapolis' relief load now is 33.2 percent of the State's total load, Harris said, indicating the city is entitled to many more W. P. A. jobs than have been assigned here.

Reports showed the three largest W. P. A. projects now in operation here, including one of the city engineer, one of the park board, and the relief department's sewing project, were intended to employ 7,386 relief clients but total employed on these now is only 3,711.

Heads of the departments said they could give work to 2,000 or more relief clients on these projects if the workers were certified by W. P. A.

As you see, we have gone into this matter with the administrators, both Federal and State, but we seem to get nowhere. My colleague's contention that we have many people out there qualified to serve as census enumerators is correct. In Minneapolis alone there are 62,500 people on relief. If we cannot find someone out of that group of 62,500 qualified to serve as census enumerators then I miss my guess.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. RANKIN. Even if we did take the enumerators from the relief rolls, it would simply cut down the number of people employed by the Government instead of increasing it.

Mr. ALEXANDER. Oh, no.

Mr. RANKIN. Yes; it would.

Mr. ALEXANDER. Not at all because we have many more people out there eligible to be placed on the W. P. A. rolls. What I understand the gentleman wants to suggest was to take those qualified relief people and appoint them as census enumerators instead of political appointments, such as the wife of a man already working, or the reverse.

Mr. RANKIN. No; he suggested that they be taken from the relief rolls.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert herewith a statistical report on the Minnesota W. P. A. situation as compared with the other States. You will note that Minneapolis and St. Paul rank 32 and 28, respectively, in the list of 41 largest cities:

UTILITIES ENGINEER,
Minneapolis, Minn., December 28, 1939.

Subject: Federal Aid to Cities Through W. P. A. Expenditures.

WAYS AND MEANS COMMITTEE,
Minneapolis, Minn.

GENTLEMEN: Attached hereto are two tables developed from a bulletin recently received in this office from the Social Security Board, Washington, D. C.

Table I discloses the total expenditure from public funds during the month of August 1939 for public relief in each of the 41 cities of the United States having a population of more than 200,000. For your further information the data for Duluth and Des Moines, each having a population of under 200,000, are also shown, inasmuch as these are the nearest larger urban centers not included in the regular list. Table I shows for each of these cities the population, total relief outlay, total W. P. A. earnings, and the percentage of total relief outlay in the form of W. P. A. earnings.

Table II rearranges the list of cities so as to show their rank order from a standpoint of the percentage of W. P. A. earnings in relation to total public-relief expense.

The figures for 1 month only may, of course, not be an adequate index of relative aid furnished by W. P. A. in the various urban centers, but it is significant, nevertheless, to note that for the month referred to 31 out of these 41 cities had a higher percentage of relief burden carried through W. P. A. expenditures than was the case in Minneapolis. Furthermore, the cities of Duluth and Des Moines likewise benefited by a higher percentage of their public-relief expense being carried through W. P. A. outlay than is the case in Minneapolis. You will further observe that the 3 cities having the highest percentage of Federal aid in this form were the southern cities of Atlanta, Birmingham, and New Orleans, each reporting more than 80 percent of their public-relief expense in the form of earnings of W. P. A. workers.

Minneapolis, with a 47.6 percent of public-relief expense in the form of W. P. A. earnings, ranks 32d in the list of 41 cities.

To what extent this disparity between the proportion of local relief expense borne by W. P. A. in the city of Minneapolis and the corresponding proportion in most of the other large cities of the United States is due to local policy on W. P. A. projects requiring skilled labor, or is due to Federal policy in allocating W. P. A. quotas, is not determined.

This data is being submitted merely for the purpose of giving your committee the benefit of the latest information we have on the subject.

Respectfully submitted.

NATHAN HARRIS, *Utilities Engineer.*

TABLE I.—*Public-relief expense in cities of over 200,000 population*

Population rank	City	Population 1933, census estimate	Public-relief expenditures		
			Total	Work Projects Administration	
				Earnings	Percent of total
1	New York City	7,154,300	$18,295,000	$9,480,000	51.9
2	Chicago	3,490,700	8,317,000	4,586,000	55.1
3	Philadelphia	1,972,700	4,841,000	1,590,000	32.9
4	Detroit	1,666,100	4,160,000	2,797,000	67.3
5	Los Angeles	1,354,100	5,493,000	1,706,000	31.1
6	Cleveland	918,400	3,276,000	2,221,000	67.9
7	St. Louis	830,300	1,560,000	1,167,000	74.8
8	Baltimore	817,100	699,000	221,000	31.6
9	Boston	786,900	2,452,000	1,329,000	54.2
10	Pittsburgh	678,500	3,136,000	949,000	30.2
11	San Francisco	656,200	1,640,000	826,000	50.4
12	Washington, D. C.	608,000	662,000	500,970	75.7
13	Milwaukee	599,100	2,004,000	1,225,000	61.2
14	Buffalo	584,400	1,286,000	430,000	33.5
15	Minneapolis	477,700	1,467,000	698,000	47.6
16	New Orleans	471,000	983,000	800,000	81.4
17	Cincinnati	460,100	1,048,000	603,000	57.5
18	Newark	447,000	1,312,000	715,000	54.5
19	Kansas City	412,600	776,000	533,000	68.6
20	Seattle	374,100	817,000	413,000	50.6
21	Indianapolis	372,100	908,000	579,000	63.8
22	Rochester, N. Y.	333,500	616,000	93,000	15.1
23	Jersey City	319,900	515,000	304,000	59.0
24	Houston	317,900	333,000	228,000	68.5
25	Louisville	317,500	281,000	223,000	79.3
26	Portland, Oreg.	309,100	595,000	331,000	55.6
27	Columbus, Ohio	299,700	739,000	444,000	60.0
28	Toledo	298,900	970,000	628,000	64.8
29	Oakland	295,600	1,292,000	688,000	53.2
30	Denver	293,200	674,000	227,000	33.8
31	Atlanta	280,400	507,000	463,000	91.5
32	Dallas	278,000	306,000	202,000	66.0
33	St. Paul	277,900	721,000	384,000	53.2
34	Birmingham	273,300	321,000	273,000	85.0
35	Akron	265,100	801,000	578,000	72.1
36	Memphis	261,500	317,000	229,000	72.3
37	Providence	255,600	437,000	200,000	45.7
38	San Antonio	243,500	296,000	225,000	76.0
39	Omaha	217,800	502,000	383,000	76.3
40	Syracuse, N. Y.	214,500	439,000	107,000	24.4
41	Dayton	206,600	529,000	299,000	56.5
57	Des Moines	145,300	448,000	282,000	63.0
92	Duluth	101,900	707,000	402,000	56.8

NOTE.—Population from U. S. Bureau of Census; expenditures from Social Security Board; Dec. 28, 1939.

TABLE II.—*Ranking of cities according to percentage of relief expense under Work Projects Administration*

City	Percent of relief expense under Work Projects Administration	Rank, order of Work Projects Administration percent	Rank, order of population
Atlanta	91.5	1	31
Birmingham	85	2	34
New Orleans	81.4	3	16
Louisville	79.3	4	25
Omaha	76.3	5	39
San Antonio	76.0	6	38
Washington, D. C	75.7	7	12
St. Louis	74.8	8	7
Memphis	72.3	9	36
Akron	72.1	10	35
Kansas City	68.6	11	19
Houston	68.5	12	24
Cleveland	67.9	13	6
Detroit	67.3	14	4
Dallas	66.0	15	32
Toledo	64.8	16	28
Indianapolis	63.8	17	21
Milwaukee	61.2	18	13
Columbus	60.0	19	27
Jersey City	59.0	20	23
Cincinnati	57.5	21	17
Dayton, Ohio	56.5	22	41
Portland, Oreg	55.6	23	26
Chicago	55.1	24	2
Newark	54.5	25	18
Boston	54.2	26	9
Oakland	53.2	27	29
St. Paul	53.2	28	33
New York City	51.9	29	1
Seattle	50.6	30	20
San Francisco	50.4	31	11
Minneapolis	47.6	32	15
Providence	45.7	33	37
Denver	33.8	34	30
Buffalo	33.5	35	14
Philadelphia	32.9	36	3
Baltimore	31.6	37	8
Los Angeles	31.1	38	5
Pittsburgh	30.2	39	10
Syracuse	24.4	40	40
Rochester	15.1	41	22
NEARBY CITIES UNDER 200,000 POPULATION			
Duluth	56.8		
Des Moines	63.0		

The following report serves to show the rankest sort of discrimination as to W. P. A. apportionment in the State itself as far as St. Paul and Minneapolis are concerned, giving rise to the argument by my colleague that census jobs should be filled from relief rolls if the W. P. A. cannot find other work:

Table of W. P. A. and direct-relief case loads

(W. P. A. data from Federal authorities. Direct relief data from State authorities)

[Counties arranged in rank order of ratio of W. P. A. to direct-relief load]

County	At work, Dec. 27, 1939	Total case load December 1939	Persons at work in percent of case load
1. Winona	671		
2. Swift	330		
3. Fillmore	244		
4. Le Sueur	138		
5. Carver	122		
6. Roseau	151	12	1,258.3
7. Sibley	123	10	1,230.0
8. Becker	711	86	826.7
9. Red Lake	77	10	770.0
10. McLeod	165	24	687.5
11. Morrison	729	108	675.0
12. Kittson	282	44	640.9
13. Clearwater	269	44	611.4
14. Clay	297	53	560.4
15. Cook	231	42	550.0
16. Murray	300	60	500.0
17. Pennington	157	34	461.8
18. Traverse	118	27	437.0
19. Wadena	166	42	395.2
20. Brown	300	80	375.0
21. Otter Tail	684	187	365.8
22. Wabasha	283	86	329.1
23. Todd	436	137	318.2
24. Kandiyohi	343	110	311.8
25. Stearns	1,199	393	305.1
26. Big Stone	303	100	303.0
27. Sherburne	197	67	294.0
28. Mahnomen	345	121	285.1
29. Blue Earth	358	132	271.2
30. Lake of the Woods	137	53	258.5
31. Pipestone	164	69	237.7
32. Carlton	387	167	231.7
33. Houston	187	86	217.4
34. Watonwan	87	41	212.2
35. Dodge	130	62	209.7
36. Rock	71	35	202.9
37. Jackson	76	38	200.0
38. Stevens	157	80	196.3
39. Meeker	210	108	194.4
40. Hubbard	343	178	192.7
41. Chippewa	438	230	190.4
42. Norman	208	110	189.1
43. Redwood	193	104	185.6
44. Cass	587	333	176.3
45. Douglas	316	180	175.6
46. Crow Wing	846	488	173.4
47. Lac Qui Parle	332	192	172.9
48. Mower	245	146	167.8
49. Lincoln	145	88	164.8
50. Yellow Medicine	231	147	157.1
51. Nicollet	109	70	155.7
52. Grant	125	85	147.1
53. Martin	139	96	144.8
54. Benton	183	128	143.0
55. Itasca	693	485	142.9
56. Atkin	450	325	138.5
57. Anoka	401	292	137.3
58. Cottonwood	120	89	134.8
59. Lyon	206	155	132.9
60. Mille Lacs	295	229	128.8
61. Nobles	112	87	128.7
62. Steele	113	88	128.4
63. Kanabec	128	101	126.7
64. Marshall	124	99	125.3
65. Goodhue	167	134	124.6
66. Rice	339	282	120.2
67. Beltrami	957	811	118.0
68. Washington	351	301	116.6
69. Pine	317	274	115.7
70. Isanti	184	161	114.3
71. Freeborn	267	245	109.0
72. Polk	374	363	103.0
73. Olmsted	373	374	99.7
74. Dakota	344	346	99.4
75. Waseca	139	145	95.9
76. Wright	258	273	94.5
77. Pope	185	211	87.7
78. Faribault	205	239	85.8
79. Lake	98	117	83.8
80. St. Louis	5,874	7,033	83.5
81. Wilkin	97	119	81.5
82. Renville	194	241	80.5
83. Koochiching	275	394	69.8
84. Scott	69	101	68.3
85. Ramsey	4,967	8,035	61.8
86. Hennepin	8,726	14,171	61.6
87. Chisago	63	116	54.3
Total	43,240	41,759	103.5
Total without Hennepin County	34,514	27,588	125.1
Median			176.3

EXTENSION OF REMARKS

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address by the minority leader, the gentleman from Massachusetts [Mr. MARTIN], which he delivered last night in connection with the Lincoln Day celebrations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. DITTER]?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks by placing in the Appendix of the RECORD the testimony given by Mr. Coulter before the Ways and Means Committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

There was no objection.

NAVY DEPARTMENT AND NAVAL SERVICE APPROPRIATION BILL, 1941

Mr. SCRUGHAM, from the Committee on Appropriations, reported the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 1587), which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. DITTER reserved all points of order on the bill.

Mr. SCRUGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the consideration of the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes; and pending that motion I ask unanimous consent that general debate may continue throughout the day, and that the time be equally divided between myself and the gentleman from Pennsylvania [Mr. DITTER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada [Mr. SCRUGHAM]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask if it is the intention to have Calendar Wednesday business on tomorrow?

The SPEAKER pro tempore. The Chair may say for the information of the gentleman that that is the intention. The Chair may say further, in response to the inquiry of the gentleman from Massachusetts [Mr. MARTIN], which is a proper one, that previously we have been calling one committee on the calendar each Wednesday. The Committee on Indian Affairs may have several bills for consideration tomorrow. It may be that this will require until 2 or 3 o'clock. The Chair feels that it would not be quite fair to begin reading this bill tomorrow after the Committee on Indian Affairs has completed its work. Perhaps more time may be desired for general debate before reading the bill. The bill can be read for amendment on Thursday and Friday, as we have nothing else on the calendar this week.

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, will there be any objection to continuing debate on the naval appropriation bill after the completion of the Calendar Wednesday business, if time remains?

The SPEAKER pro tempore. That was the suggestion made by the Chair, although no request has been made to that effect.

Mr. JONES of Texas. Mr. Speaker, reserving the right to object, I do so for the purpose of calling the attention of the House to the fact that this measure and the hearings thereon have not been made available to the Members of the House until today, which I think is bad practice.

Mr. TABER. Mr. Speaker, reserving the right to object, as I understand, it is the intention and has been the intention of the chairman of the subcommittee and the acting chairman of the full committee that this bill be read for amendment on Thursday, and not before then. That has been the intention right along. Is that correct?

Mr. SCRUGHAM. That is correct.

Mr. DITTER. Mr. Speaker, reserving the right to object, I think the gentleman from New York [Mr. TABER] is mistaken with reference to the time for reading the bill. It was my understanding with the chairman of the subcommittee that the bill would be read on Friday, that we would not start reading the bill until Friday. If I am in error I should like to know that at this time.

Mr. SCRUGHAM. That depends upon the amount of time required for general debate.

Mr. DITTER. May we have the assurance that the bill will not be read for amendment until Friday?

Mr. SCRUGHAM. Personally I have no objection.

Mr. DITTER. Then can we come to an agreement on that at this time?

Mr. SCRUGHAM. So far as the chairman of the subcommittee is concerned, the agreement is all right with me.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada [Mr. SCRUGHAM] that general debate continue throughout the day?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Nevada [Mr. SCRUGHAM] that the House resolve itself into the Committee of the Whole House for the consideration of H. R. 8438.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8438, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SCRUGHAM. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, it is with a feeling of some serious responsibility that I present this major appropriation bill to the House. My colleagues on the Committee, Mr. FERNANDEZ, Mr. CASEY of Massachusetts, Mr. CALDWELL, Mr. DITTER, Mr. PLUMLEY, and Mr. MCLEOD, and myself, assisted by our efficient clerical staff, have spent many weeks on the hearings and in painstaking study of a large amount of pertinent economic and military data. We have been ably aided in every way in our hearings and studies by the personnel of the Navy Department who were assigned for the purpose.

The committee, in recognition of the superior economic strength of the United States, believes that a high obligation rests on the Nation to command the utmost means for its just defense. Civilization itself may be at stake. As a fundamental matter of national policy the committee further believes that in recommending appropriations for new capital ships that their size, speed, and armament should not be limited by principles of parity with other nations but that they should be made superior to any existing or pending construction insofar as this is practicable.

The naval appropriation bill for 1941 totals the sum of $966,772,878, a reduction of $111,700,000 below the Budget estimate. This figure sets a new record for peacetime proposals, exceeding the total appropriations for the current year by some $51,000,000. This constitutes an increase of 5½ percent over the appropriations for the current fiscal year.

In justification of this vast expenditure, the first question that naturally arises is, "Whom are we going to fight?" The answer is, "Nobody, if the proper preparation is made and a strong, definite policy of defense is adopted."

Powerful currents of emotional opinion are today running against this policy in America; nevertheless, we cannot allow emotional opinion to be a basic influence in the making of defense appropriations. We are told that democracy is in danger. It certainly will be endangered by war. We must defend democracy by opposing war, unless forced upon us by the absolute necessity of defending the American Continent. It is well to now inquire into the proper limits of this defense.

The continental defense boundary was originally designed to be 3 miles from the shore line, this being the range of effectiveness of the best cannon of the time. In November 1793 Thomas Jefferson, then Secretary of State, informed the British Ambassador and also the French Ambassador that the President had instructed all officers under his direction, "that waters within our 3-mile limit were considered to be under the jurisdiction of the United States," but he specifically reserved the ultimate extent of our jurisdiction for future deliberations. The 3-mile limit is now certainly obsolete. Considerable testimony on the subject can be found in the hearings. It has evidently always been a definite national policy of Great Britain to leave her sea boundaries undetermined. By leaving them vague and ambiguous, the pretension to maritime sovereignty could be advanced and used as a political instrument when needed, and then relegated to the background without tarnishing the national honor.

The United States suffers from no such a situation. In my opinion, a delineation of the line of our responsibility is much needed, and the subcommittee commends the matter to the attention of the State Department. The continental shelf is suggested as such a line, as it bounds the source of nearly all of our sea-food supplies.

Basically, the present unsettled condition of world affairs, as well as the uncertainties facing our own Government, are essentially phases of the age-old and eternal struggle between the haves and have-nots. This never-ending contest happens to be in one of its most acute cycles.

Internationally the only ultimate adjustment seems to be through force of arms. The economic root underlying the vast expenditures and preparations for war, is the world-

wide demand for supplies of natural resources which modern civilization requires for national industrial prosperity.

This country is the richest in the world in the majority of these natural resources, as well as the richest in variety and quantity of food products. With only 7 percent of the world's population and 6 percent of the world's area we own or control nearly one-half of the world's raw materials. The United States cannot avoid the issue. It is part of our domain that is ultimately at stake. The United States is the world's largest producer, largest consumer, and largest distributor of these raw materials. Any approach to equalization with other nations means a shift of sovereignty on an unthinkable scale. Four-fifths of the world's industrial power lies on an axis extending in a comparatively narrow belt from Chicago eastward through central England and west central Europe, and most of the mineral resources of the world are tributary to this axis. The rulership of the world lies in the control of this industrial axis.

Before presenting the detailed naval estimates for the fiscal year 1941, I will further review briefly the background of events antecedent to this Budget.

In effect, let us step back until we can see the forest as distinguished from the trees. A longer view than political expediency is very necessary in considering this naval bill. From 1920 to June 30, 1936, the United States, in conformity with treaty obligations to its Allies of the last World War, Great Britain, France, Japan, and Italy, and under the terms of the naval treaties of Washington, 1922, and London, 1930, proceeded to maintain its naval position on a parity with Great Britain, on a 5–3 ratio with Japan, and on a 5–1.75 with France and Italy. In addition, the United States made certain political commitments in the Washington Treaty of 1922, which, in effect, permitted the other signatories already established in the Far East to fortify their positions therein, but, in the case of the United States, this right was relinquished during the life of the treaty. This concession, in retrospect futile and unnecessary, impaired our political position as an advocate of the open door in China and as being insistent upon equal trading rights in the area. It may be that it is in part responsible for the plight of China today.

It is well to remember that these decisions and commitments were made in the light of and closely after the end of the World War and upon the formation of the League of Nations. Internal politics at home played some part in the consummation of this political pact. Political leaders of the major parties in this country were unctuously bidding for the role of being the righteous, charitable, and bountiful doer of good deeds abroad with Government money and credit. The goose was hanging high, we were back to normalcy, the boom was on, why worry about the things that lay in the future?

But time marches on; the decade passed swiftly by, and in its wake, and due to the mistakes of the bountiful era, we now face the realities and the hardpan of the present.

Events have shown that, while the military and naval commitments of the past war treaties may have been well advised, only a hardy politician would dare to affirm the commitments of the Versailles Treaty or the Washington Treaty were well considered or that their consequences have eased the problems of the United States or any other nation in either international relations or in world trade. Commencing late in 1929, we began to produce a considerable surplus of cotton, oil, tobacco, corn, wheat, minerals, machinery, electrical devices and appliances, motor cars, tools, and textiles, and other things. There needs to be developed a market to consume these surpluses and, with foreign selling, there must be an exchange of money or goods. In the long run, there must be even a parity in all trade balance if the customer is to remain solvent. If there is an unfavorable trade balance with the buyer, there must be loans or capital furnished him from some source. To continue business we have found that loans to be profitable as an investment and paid at maturity must have adequate security.

The situation in Europe today has taught us that there also must be security for the very privilege of continuing national effort to profitably dispose of surpluses.

It is in the implications of this statement that we should view the Navy bill, and not in the political expediency of an election year.

Today many millions of people, including those of Italy, Germany, Japan, and even the Soviets, are governed by dictatorships. Aggression and conquest of weaker nations and seizure of their resources is as natural an expression of autocracy as the stalking of prey for food by predatory animals. Human history contains continuous record of such performances. The organization and employment of armies for effecting conquests appeals strongly to national pride and accustoms a people to severe regimentation, on the pretext of temporary necessity, while providing armed forces they cannot resist when later employed against them in suppression of domestic opposition. The law of survival of the fittest continues to rule the affairs of man, notwithstanding his efforts to raise himself above conditions which nature imposes on all living things.

Proposals for disarmament conferences and economic appeasements to stop war appear to be absolutely useless under present world conditions. The autocracies which have subordinated the individual to national needs cannot in any way subordinate themselves to foreign interests. Therein lies the element of greatest danger of destruction to civilization.

Events are taking place so rapidly that their implications are unpredictable. To review them: In 1931 Japan seizes Manchukuo; in 1934 Hitler seizes power, Germany rearms. In 1934 the Spanish revolution occurs, followed by civil war. In 1935 Mussolini's undeclared war in Abysinnia commences. In 1937 Japan's undeclared war in China takes the center of the stage. In 1938 Germany occupies Austria, then Czechoslovakia. In 1939 is the occupation and partition of Poland. Then Great Britain and France declare war with Germany. Russia exerts military control of the smaller Baltic states and in November 1939 invades Finland. A 5-year period of bloody struggles. It is well to bear in mind that every great power in the world, except the United States, is or has been at war in the last 5 years, and this year may see every power in Europe at war. There is no place for weakness in the totalitarian concept. Force is the only arbiter and the only court of appeal. In totalitarian theory, the seats in which you now sit are no more secure than your military power to defend them.

There is another type of reasoning often advanced in this Chamber. It is the one designed to create dissension and to oppose the interests of one group, class, or section to another. The subject of national defense cannot be viewed as a sectional matter. The support of the Navy is not the responsibility or of interest to the coastal population alone. I wish to emphasize that voting for the Navy bill is not voting against the laborer or farmer but for him. Labor and industry especially have always known and understood this fact. The labor group, organized and informed, has nearly always stood for national defense without regard to the party in power. The depression, if it has done nothing else, should enable the farmer to see that even the disposal of farm surpluses depends on markets and trade, and trade itself, in large measure, depends on the ability to hold our own when necessary in the field of world affairs.

Insofar as appropriations are concerned, the cut in the agricultural budget was relatively no more severe than the proposed cut in the naval budget. The Navy bill before you is not a product of militarism but a byproduct of the unrest in international affairs. It represents the concerted intelligent efforts of a bipartisan Appropriations Committee to preserve the mighty resources of our Nation and to keep the United States out of war.

Up to this year we have been engaged in an orderly building program designed to maintain our relative position as a world power. Under normal conditions our naval expense should have reached the peak by this time and then should have started to decrease had the war in Europe not broken out. As soon as the European war started the President strengthened the national defense by getting it ready for business and by asking for a revision of the Neutrality Act in

the special session of Congress. Ordinary precautions were taken. I am certain that they have the support of the electorate and were designed to keep us from aggression by being ready for eventualities.

This appropriation bill is designed to fully protect the Nation in any contingencies which may be reasonably expected to arise. In the report which accompanies the measure as submitted a complete analysis of the bill is given. Important features may be listed as follows: Naval appropriations for fiscal year 1940 amounted to $915,360,249. Budget for 1941 was $1,078,472,577. The bill recommends for 1941, $966,772,878.

The summation excludes trust accounts amounting to $2,430,000, which become available automatically and which are listed on page 37 of the report.

The estimates proposed a total strength of 152,000 enlisted men in 1941, and the committee has given careful consideration to this matter. The emergency supplemental bill provided a strength of 145,000 for the current fiscal year to man the additional vessels which have been put in commission in connection with the neutrality patrol, and the bill as reported makes provision for 150,000 in 1941. One of the deficiencies in our national defense has always been in the number of available trained men, and it appears highly desirable that we should increase the present strength of the Navy in order to provide training for as many men as possible. If a real emergency should occur and we were required to man every vessel to the limit on short notice, these additional trained men would be worth a great deal more to us in that extremity than the cost in dollars to the pending appropriation. The bill provides for a normal enlisted personnel of 125,000 as against 116,000 in 1940. This is on account of the new ships under construction, which will be placed in service during 1941, and may be laid at the door of the Expansion Act passed by Congress a few years ago. The additional number of 25,000 men is on account of the need for additional men in the neutrality patrol.

The Marine Corps has been provided with the strength of 25,000 men, as contemplated in the Budget estimate and as provided in the 1940 Emergency Supplemental Act. Of this number, 20,000, or an increase of 1,000, are provided for the normal strength and the additional 5,000 are provided on account of the emergency.

The Expansion Act of 1938 authorized a minimum of 3,000 airplanes by 1944, and the Navy will have available by July 1 of this year 2,863 planes. The procurement of planes has been proceeding at a much more rapid rate than necessary to reach the 3,000 figure by 1944; and, as a matter of fact, had the Budget estimate been approved in full, the Navy would have had in service or on order by July 1, 1941, in excess of 3,100 planes. The bill before you carries provision for planes to replace all planes which will have reached an age and condition during the year 1941 as to render them unsuited as so-called program planes, and also includes provision for 47 expansion planes for the Naval Reserve. The amount requested for 224 expansion planes for the Regular Navy has been deleted from the bill for several reasons.

In the first place, the Navy has found it necessary to reduce the training time at the Pensacola station from 14 months to 7 months in order to provide pilots as rapidly as required. Your committee is not convinced that this was a wise step. The planes being purchased by the Navy cost from $60,000 to more than $200,000 each. Every time a pilot takes one of these planes in the air, he is responsible for a considerable investment of the Government, not to mention the fact that he is responsible for his own and the lives of other Navy personnel. The greatest care should be taken to assure an adequate supply of sufficiently trained competent pilots, and the committee does not propose to recommend the purchase of planes over and above the present number if the too rapid expansion of the air arm of the Navy must result in sending those planes aloft in the hands of too hastily trained men.

The second factor involved is the question of obsolescence. It is no secret that frequently the various air services have purchased quantities of planes known to be of the very latest design and carrying the latest improvements at the time contracted for, but which were actually obsolescent upon delivery on account of new developments made in the meantime. Aviation is a new industry and is yet in its infancy. What the future may bring forth in the way of new designs involving range of operation, speed, fighting ability, and so forth, is wholly unknown; and it would not be good business for us to purchase a large number of planes for which we have no present need when we more than likely would find it necessary to scrap them and replace them with newer types when the emergency presents itself. In other words, there is no emergency confronting us at the present time which would require us to expand our air force beyond training and peacetime needs, and we might better save our money to spend on more modern ships when the need for them is in sight.

To consider a third factor, let us look for a moment at the capacity of our manufacturing establishments. It has been argued in past years that we should place orders for planes in order to keep our manufacturing plants in operation and have them in shape to produce large numbers of planes on short notice if we should become involved in war. A different picture presents itself this year. Our factories are in receipt of orders for large numbers of planes from foreign governments who are engaged in actual warfare. We can, therefore, look to these orders to keep our plants in operation and provide any necessary expansion of them and save this expense.

AVIATION

While no provision is made in the bill for purchase of expansion planes for the Regular Navy, there is included the amount of $2,000,000 for purchase of planes in addition to the requirement for replacement and the 47 planes for expansion of the Naval Reserve strength. This amount is provided for the purchase of prototypes and other experimental craft, including those powered by Diesel motors. The war in Europe will no doubt result in many new developments in this field, and it is altogether possible that entirely new designs of aircraft will be produced. The Navy Department should have sufficient funds available to keep abreast of all new developments, and this $2,000,000 for purchase of experimental aircraft, coupled with the appropriation for research and experimentation in aviation, $7,500,000, ought to prove adequate for this purpose.

Autogiros and helicopters have never been extensively experimented with by the Navy. The Army is conducting experimentation with these two designs and is attempting to coordinate the work of all Government agencies in that field. No doubt there will be problems of a peculiarly naval aspect arise which the Navy should be equipped to investigate. Therefore in including the $2,000,000 for purchase of experimental craft the committee has stated in its report that it desires $50,000 of this money spent on autogiros and helicopters.

SHIP CONSTRUCTION

Another phase of this bill which is of general interest is the ship construction program, and this question has taken more of the time of the subcommittee than any other single question in the bill. We were confronted with the request for two additional battleships to be laid down in 1941 in addition to 22 smaller craft and for appropriations to continue work on 8 battleships and 89 smaller craft already under construction. The bill before you carries provision for all of these ships. The reductions which have been made by the committee and which are detailed in the report are based on a review of the requirements for carrying forward the program, and, in the judgment of the committee, these cuts will in no way impede progress of construction.

A major question considered by the committee was the type of capital ship to be constructed. Provision was made in the appropriation bill last year for two new capital ships, and it was contemplated that these ships would have a displacement of 45,000 tons. In reviewing this program in the light of later developments, the committee has inquired most minutely into

the characteristics of these ships as compared with those of ships being built by other countries. It appears, from the best information we have been able to secure, that these ships are just about the equal of foreign construction. As expressed in the report, it is the view of the committee that the United States, considering its leading position in the family of nations and its economic resources, not only ought to have as a national-defense measure but is in a position to build capital ships definitely superior as to speed, armor, and armament to any ship which we might be called upon to face in warfare. While provision has been made in the bill for continuation of construction of the 2 ships originally appropriated for in the 1940 act and initial appropriations are included for 2 additional capital ships to be laid down in 1941, it is the desire of the committee, as expressed in the report accompanying the bill, that the Department restudy the plans which have been prepared for the 45,000-ton battleships with a view to adding sufficient armor and armament and to increasing the speed of these ships to make them markedly superior to any known possible foe. Of course, these additions must mean increased tonnage—and let me point out that there is now no limitation either by treaty or by statute on the total tonnage, or on the speed, or on the armor or the armament of any vessel. We can build, under all existing statutes and treaty obligations, any size ship we desire, and I speak not only for myself but for the committee, which, after long deliberation, has arrived at a definite conclusion, when I express the view that we are practically wasting our money if we build vessels no better than those provided to oppose us when the expenditure of a small additional amount would give us a superior ship.

CAPITAL SHIPS

In considering the total tonnage of capital ships, consideration must be given to the cruising radius which a ship must have in order to meet the needs of the nation building her. For instance, Great Britain has many bases strategically located throughout the world where she maintains large stocks of fuel oil, ammunition, and other necessary supplies, and it is therefore possible for Great Britain to reduce the cruising radius of her ships below that which would be required of a United States vessel to operate on the same plane. This is a highly important factor as it enables Great Britain to reduce the tonnage of a ship which is given over to the storage of fuel oil and other supplies and use that tonnage in armor and armament. Therefore, a British battleship displacing 45,000 tons can readily be a more powerful fighting unit than an American ship of the same displacement. She may also be a faster ship than an American vessel of comparable size by the utilization of a part of this additional tonnage for horsepower.

Let me call your attention to a statement in the hearings on S. 2193 in 1937 in regard to the characteristics of battleships:

GENERAL CHARACTERISTICS

The fighting strength of a battleship is a combination of offensive power and the power of survival.

The offensive power depends upon the number and caliber of the guns carried. Battleships carry the heaviest guns that are mounted on any type of ships. The heaviest gun carried by any battleship afloat is 16 inches, and on ships of the maximum permitted displacement it is not possible to mount more than 8 or 9 such guns.

No modern ship, other than a battleship, mounts a gun larger than 8 inches.

If the London Naval Treaty of 1936 is ratified the size of the largest gun on battleships will be limited to 14 inches caliber, provided Japan and Italy accept this caliber before April 1, 1937. Should they not agree to this, the limit of size of guns on battleships becomes 16 inches.

By power of survival is meant the ability of a battleship to sustain itself at sea for long periods and to remain afloat and effective even after having received considerable injury.

The maximum size of battleships has been limited in former treaties to 35,000 tons, standard displacement, and if the London Naval Treaty of 1936 is ratified, this limitation in size will continue.

Because of its size, a battleship is able to carry the heaviest armor on its sides and its turrets to keep out armor-piercing projectiles that may strike in direct or glancing flight, and heavy and adequate armored decks to deflect the glancing blows from plunging shells and to break up the thin cases of bombs dropped from planes, so that they will spend their force in the open and not penetrate into the vitals of the ship. Protection from torpedoes and mines is obtained by adequate subdivision of the hull into small watertight compartments and by an elaborate system of pumping and drainage.

Size alone is a protection to a ship. One projectile or a bomb, or a torpedo, can carry only a certain amount of explosive. When the missile explodes it will destroy that part of the ship which lies within a definite radius. Consequently, the larger the ship, the smaller the proportion of her that is damaged by one shot. To illustrate the point, let us assume that the explosive in a missile will destroy 1,000 tons of ship structure. If the missile, then, should hit a 1,000-ton destroyer or submarine, it would destroy it; if it were to hit a 10,000-ton cruiser, it would destroy one-tenth of it, and if the same missile should hit a 35,000-ton battleship it would destroy one thirty-fifth of her. In reality, the larger the ship, the tougher she is—she has besides armor, heavier plating generally, and greater ruggedness throughout. The Battle of Jutland, fought in 1916, shows how much punishment a battleship can take and still remain afloat.

There were 28 British battleships and 22 German battleships engaged in that battle. Only one battleship was sunk, the old German dreadnaught *Pommern*. She was of only 13,200 tons, laid down in 1904, and hence her design was 12 years old at the time. The other 24 ships that were sunk were battle cruisers, which were much more lightly armored than the battleships of that day, and cruisers, and destroyers.

The British battleship *Warspite* in that battle received more hits from heavy-caliber projectiles than any other battleship. She received 13 hits. The battle was fought on May 31 and the repairs were completed on July 20, 50 days.

The German battleship *Koenig* received more hits than any other German battleship. She received 10 hits from large projectiles and was repaired by August 3, 64 days. No other type could have possibly survived such punishment.

The effect of damage by gunfire and by torpedoes in the Battle of Jutland was carefully studied by all nations, and all battleships designed since that battle embody the lessons learned in that battle.

The degree of protection afforded to the vitals of the battleship by armor is indicated by the small number of men killed in the battleships. The total number of British killed was 6,097, but only 123, about 2 percent, were killed on battleships. The total number of Germans killed was 2,545. The battleships suffered 948 killed, of whom 840 were on the one old battleship which was sunk by a torpedo, leaving only 108 from the other battleships.

The great size of the modern battleship permits her to carry a large number of smaller rapid-fire guns for defense against destroyers and an effective and large battery of antiaircraft guns and machine guns for defense against aircraft. Her size makes her a steady gun platform.

The cruising radius is the greatest of any combatant type of vessel, and it is capable of the greatest degree of self maintenance. It is capable of giving battle in practically any state of the weather or sea.

There is another provision in the bill which the committee desires to call to the attention of the Congress. This is a provision preventing the expenditure of any money from the appropriation for construction of new ships on ships which have been in commission more than 12 months. The practice of the Department in years past has been to take ships back into the navy yards for alterations long after the ships have been commissioned, and charge such alterations to new construction. It is not illogical to require that there be some check by Congress on this practice. In other words, there should be some date when a ship may be considered as finished. Two years ago the Congress included a provision in the bill prohibiting obligation of funds for such work after 12 months had elapsed from the date of commission. The provision, as written, has been more or less ineffective, as evidenced by the fact that the estimates for 1941 include $5,522,521 for work on ships commissioned prior to July 1, 1939. The bill as presented carries the same provision in slightly amended form, prohibiting the expenditure of the appropriation for the construction of new ships for any work, including material, undertaken upon any ship more than 12 months after the ship has been commissioned. This provision is ultimately fair in that it allows the Navy 12 months from the time a ship is commissioned and taken out for trial runs to discover and rectify any errors in construction that may develop and to make any alterations necessary to provide a satisfactory ship.

RESEARCH LABORATORY

There is a real need for continued research and experimentation in naval problems, and the committee has increased the amount allowed for the Naval Research Laboratory $250,000 above the Budget. The small amount to be spent by this laboratory—about $650,000—will repay itself many times over in the new measures for national defense which will be developed by the laboratory. In years past this laboratory has contributed much to the developments in naval construction and armament and is at present working

on a number of very important problems for which adequate funds should be provided. The expenditure of sufficient money for research and experimentation should also result in considerable saving to the Government by reducing costs.

RESERVE

The Naval Reserve has not had the attention and support in years past which its importance in the national-defense program warrants. The committee has gone very thoroughly into this question, and it is our considered judgment that we can well afford to spend larger amounts in training the Volunteer Reserve, and we have, therefore, increased the appropriation for this purpose $200,000 over the Budget. It will be noted that the Budget estimates include a considerable increase for the Naval Reserve, but this entire increase is to be applied to aviation, and it was the desire of the committee to provide additional training for the Volunteer Reserve, which would be called upon immediately in event of a threat of war. The policies of the War Department and the Navy Department with respect to the reserve forces have been directly opposite. The War Department has for a number of years encouraged and provided for a large Reserve army and has endeavored to keep that Reserve army adequately trained and sufficiently equipped to take its place in the battle line on short notice, whereas the Navy Department has not encouraged a large Reserve. As a matter of fact, the opinion has been expressed, and there appears to be some ground for it, that the Navy has actually discouraged expansion of the Reserve.

PUBLIC WORKS

The Budget estimates presented 55 new public-works projects to the Congress, and the committee has considered each of these items carefully, with a view to eliminating such as are not required or which might be deferred without serious consequences. There is no doubt that each of these projects would be well worth the cost and that each of them is needed by the Navy. However, faced with the necessity of reducing appropriations wherever possible, the committee has eliminated from the bill as reported all new projects which it appeared could be deferred for future consideration. This has resulted in a reduction of $7,395,750 in the appropriation for these new projects. In addition the committee has reduced by 5 percent—$1,800,775—the amount in the estimates for continuation of work on projects the construction of which was begun with prior appropriations. This cut will be applied by the Department.

One of the public-works items in the bill is a provision for improvement of harbors and channels in the fourteenth naval district at a total cost of $3,000,000, with a cash outlay for 1941 of $1,000,000. This work is proposed for the island of Guam. The work is necessary on account of increased air travel across the Pacific Ocean, as it is absolutely essential that American commercial planes make a stop at Guam, which is the only port of call open to American ships between Midway and Wake Islands and the Philippines, a distance of over 3,000 miles. The harbor at Guam has a number of coral heads, which should be removed in order to allow airplanes to land safely. In addition the harbor is frequently rough on account of swells coming in from the open sea, and a breakwater across the entrance to the harbor is necessary to provide a suitable landing area.

The bill as reported also includes provision for improvement of present water supply on the island at a total cost of $325,000, of which $125,000 is provided for in 1941. An urgent need for this water supply has been shown to exist, as at certain seasons of the year water rationing must be resorted to.

It has been claimed that any improvement in Guam will be taken as a hostile gesture by the nations in Asia particularly. I can see no such reason whatever. Guam is the property of the United States and has been administered by the Navy. Any improvements made there should properly and logically and economically be made by the Navy. The proposed improvements are only those things that are necessary to provide for the safe landing of our airplanes. The committee felt it would be taking a grave responsibility on its shoulders if it refused to vote for the appropriation for making this harbor safe and there should be an accident involving the loss of even a single life.

Mr. Chairman, I have attempted to cover only the more important phases of this measure in the few minutes at my disposal. Detailed information as to the various items has been included in the report which the committee has submitted with the bill. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SCRUGHAM. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. The gentleman has stated that the committee could find in the report an explanation with regard to the reduction in the appropriation. I desire to call the attention of the gentleman to page 10 of the report. I have not had time to read the entire report, but I have read this far in it. It states:

> In addition to these reductions, the committee recommends a reduction of 10 percent in the total remaining amount estimated for the two bureaus—

That is, Construction and Repair and Engineering.

Mr. SCRUGHAM. Yes.

Mr. VINSON of Georgia. The report continues:

> This reduction is to be applied in the discretion of the Department.

Is the committee justified in reaching the conclusion that that is just an arbitrary reduction of 10 percent, because there is no explanation of how you arrived at it?

Mr. SCRUGHAM. The committee was justified in making a 10-percent cut because we believe that the amount could be properly eliminated from the estimates in question. Due to the character and the large number of items concerned and the variable factors involved, it is almost impossible to detail the exact items in which cuts should be made. The general reductions in other major items certainly warrant similar reductions in these items.

Mr. VINSON of Georgia. Does not the gentleman at least believe he should give the Committee of the Whole an opportunity to see how he arrives at the figure of 10 percent? It is rather unusual to say in an appropriation bill, "I will arbitrarily reduce this bureau 10 percent and then the bureau can administer the reduction."

Mr. SCRUGHAM. We thought it was desirable to do that because the estimate proposed large increases over current appropriations for general repair work. The Navy Department was not able to tell us exactly what they proposed to do with the appropriation, as they do not know what work may be necessary during the year. I might say this is one of those apropriations which will all be spent, whether we appropriate one dollar or a hundred million dollars. After careful consideration, the committee determined that 90 percent of the amount requested should be sufficient to meet all requirements during 1941.

Mr. VINSON of Georgia. Yes; but following that same line of argument, it would mean that the appropriation is so justified that you could not segregate it and bring about a 10-percent reduction.

Mr. SCRUGHAM. No. There is no other line of naval activity that contains such an infinite number of details as the items given in Engineering and Bureau of Construction and Repair, and the naval authorities themselves could make no detailed segregations. For that reason, instead of attempting the almost impossible task of taking each one of the tens of thousands of details and applying cuts, we thought we would leave details to the judgment of the authorities of the Navy.

After a full consideration of all evidence presented in the hearings, the committee is of the opinion that it will not cripple the Navy in any material way to make a reduction of 10 percent in these activities.

Mr. VINSON of Georgia. In view of the first statement of the gentleman about economy and the national debt and the desire to hold down appropriations, I was under the impression that because other committees are doing so, this committee just arbitrarily reduced these two bureaus 10 percent to help bring that about.

Mr. SCRUGHAM. I would not say it was arbitrary.

Mr. DARDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. SCRUGHAM. Yes.

Mr. DARDEN. Will the gentleman be kind enough to give us some information with regard to auxiliary fields requested by the Navy?

In the development of the Air Service and the Bureau of Aeronautics of the Navy the present regular naval aviation establishments are greatly overtaxed. To the end of expanding them, the committee last year authorized or recommended legislation which subsequently authorized the purchase of certain outlying fields that could have been purchased at very reasonable prices. The sum of money set aside for this purpose on both the Atlantic and the Pacific coasts was a modest sum. Our present facilities are not sufficient to take care of the planes of the fleet.

Mr. SCRUGHAM. As I recall, we had $70,000,000 appropriated for aviation expansion last year. We have never had any complaint from the naval authorities that they were seriously handicapped with respect to lack of landing fields. To the best of my knowledge and belief the Navy is well provided for in the matter of landing fields, even though some of them are rented.

Mr. DARDEN. I am not talking about new stations, but the auxiliary fields for the stations. There was an item authorized of approximately $70,000,000, which was not for large fields but small fields that are needed as outlying fields for the present stations.

Mr. SCRUGHAM. Let us take them up one by one. At Pensacola they have Saufley Field and Corey Field as new fields. I think they have been purchased under the authorization, and to the best of my recollection they have other smaller fields.

Mr. DARDEN. And Felton Farms is being completed?

Mr. SCRUGHAM. The auxiliary field at Norfolk, I think, is rented, and the same applies to the auxiliary fields at San Diego. There is no provision for their purchase.

Mr. DARDEN. There are no auxiliary fields provided for at Norfolk or at San Diego. They were the two operating stations I had in mind.

Mr. SCRUGHAM. I think they are taken care of by rental. Owing to the changing conditions and increasing landing speeds of planes, it is deemed unnecessary to go to large expense for auxiliary landing fields, which later may become obsolescent. The needs are now provided for by use of rented fields.

[Here the gavel fell.]

Mr. SCRUGHAM. Mr. Chairman, I yield myself 5 additional minutes.

To the best of my knowledge and belief these stations are all taken care of.

Mr. DARDEN. If it should develop that they are not, would the committee give sympathetic attention to going over the needs of both San Diego and Norfolk?

Mr. SCRUGHAM. I do not believe there is such a great rush about purchasing auxiliary air fields. I have visited most of these places and have tried, to the best of my ability, to find out what was needed. I have never heard of any urgent need for auxiliary fields which was not provided for in some way.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield for another question?

Mr. SCRUGHAM. I yield.

Mr. VINSON of Georgia. In the appropriation bill the last proviso prohibits any money from being used for the alteration of the 36 top-heavy destroyers.

Mr. SCRUGHAM. Is that section 6?

Mr. VINSON of Georgia. Yes. I am wondering if the House is to understand that while the defects exist in these destroyers, you are going to let them continue in that shape and not permit them to repair them?

Mr. SCRUGHAM. In the testimony of the Chief of the Bureau of Engineering and the Chief of the Bureau of Construction and Repair, in reply to questions of the committee, as to where the money was coming from to pay for the restabilization of the faulty destroyers, they stated they had sufficient funds already appropriated for the purpose, and they further stated, and it is a matter of record in the hearings, they would not need any money from the pending appropriation bill. In order to make it perfectly clear that none of this appropriation was to be paid to rectify the errors that paragraph was included.

Mr. VINSON of Georgia. Then it is understood that out of supplemental money or other appropriations the money for this purpose is to be taken?

Mr. SCRUGHAM. Yes; and there is testimony to that effect in the hearings.

Mr. VINSON of Georgia. The other question I want to call attention to is with reference to limitation on expenditures on ships in commission. I thoroughly agree with your objective, but does not the gentleman think that the way it is worded it will force these contractors to go to the Court of Claims and no money will be saved whatsoever? I grant you that your objective is well founded, but I am simply apprehensive that you are going to force them all into the Court of Claims to file their claims for finishing out their contracts, because you provide a time limit.

Mr. SCRUGHAM. In answer to the gentleman's question, let me read from the report on page 8:

> It does not seem illogical to provide some check by Congress on the length of time that money from the appropriations for construction of new vessels can be used on such ships after commissioning, and it certainly would seem that 12 months should afford ample opportunity to make all necessary tests and complete any incidental work required. The accompanying measure carries the provision quoted below in slightly amended form. The words in brackets have been deleted by the committee, and the words in italics have been inserted:
>
> "Neither the appropriation 'Replacement of naval vessels, construction and machinery,' nor the appropriation 'Replacement of naval vessels, armor, armament, and ammunition,' shall be available for [obligation] *expenditure* for any [purpose as to] *work of any character (including material) undertaken upon* ships commissioned prior to July 1, 1939, nor as to any ship commissioned subsequent to such date after 12 months shall have elapsed from commissioning date."

We felt it was only good business to set some limit.

Mr. VINSON of Georgia. I agree with the gentleman entirely; but does he not think that the committee has set a limit of too short a time?

Mr. SCRUGHAM. No.

Mr. VINSON of Georgia. From the information I have had on this subject, it will be at least 18 months or 24 months before all the claims are filed or before the matter can be finally adjusted.

Mr. SCRUGHAM. Both the hearings of this year and of last year have been considered, and the mature judgment of the committee is that 12 months' time is sufficient.

Mr. VINSON of Georgia. I think the gentleman's judgment is probably too severe with respect to the length of time required.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr CRAWFORD. Mr. Chairman, I regret that I have not had more time to study the committee report and the hearings on this bill, but this is the way these things come to us and we have to make the best of it. I rise to make just a few observations in connection with the appropriations that have to do with the island of Guam. It seems to me that from a long-pull standpoint, we should do whatever is necessary in the way of providing equipment on Guam to facilitate the movement of passengers and freight by airships. While I voted against the appropriation in the bill that came up last session, I have in mind that I may support the proposition if there is a test vote in this present bill. I think that as we move closer to the independence of the Philippines that the people of the United States, as well as the Filipinos, will take on a more serious attitude insofar as naval and military defense of the islands are concerned. If the Asiatic war troubles continue and perhaps increase, as we move toward July 4, 1946, our people will have to reach definite conclusions as to whether or not we are to step out of the Philippines from

a military and naval standpoint, and let occur in the Far East whatever may take place as a result of our complete withdrawal, or reach conclusions as to whether or not we go back into the Philippines from a military and naval standpoint in the event a major far eastern power decides to move into the Philippines against the desires of the Filipinos, or with their cooperation. If the thought is in the mind of some of the Filipino leaders that we will furnish them military and naval assistance subsequent to their obtaining independence, that is something for the United States to become concerned about. On the other hand, if the Filipinos are in position to make their own economic situation work out satisfactorily, with whatever trade agreements they may arrange with us, or whatever trading arrangements they may bring into operation through the exchange of goods between the Philippines and the United States on a free-of-duty basis and at the same time take care of their own military and naval defense directly or in conjunction with some other foreign power, then that is something additional our people can well be concerned about. So it seems to me that this proposition with reference to Guam has something to do or, as a matter of fact, has directly to do with our present connection with the Philippine Islands, and also whatever connection we may desire to continue with, subsequent to the granting of independence, economically and politically.

It is from the Philippine aspect that I approach the fortifying of Guam when the question of fortification comes up; or if the question never comes up, then proceed with such commercial equipment as we desire there, and as we need, in order to maintain our air service between the Pacific coast and the Philippine Islands and our interests in China which our present foreign policy, so generously supported by the people, is now aggressively defending.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. CASEY of Massachusetts. Before the gentleman leaves Guam, does he understand that this bill makes no provision whatsoever for the fortification of that island, but simply provides for a safe landing place by eliminating some coral reefs and building a breakwater, and that whatever we do here with regard to this appropriation, planes will continue to land there; and unless we take care of it in this bill to make safe landing places, lives will be lost and planes wrecked? It has nothing to do with military fortification.

Mr. CRAWFORD. That is what I understood.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. SUTPHIN. If I understood the chairman correctly, he said that the aviation activities there at the present time are largely commercial.

Mr. CASEY of Massachusetts. That is correct.

Mr. SUTPHIN. Then is this not a subsidy for a commercial line if they are the only ones using it?

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. MICHENER. If that is true, why include this item in a national-defense bill? If it is a harbor development, that should come before the Committee on Rivers and Harbors. If the gentleman from Massachusetts has stated the matter correctly, certainly the item has no place in a naval defense bill.

Mr. CRAWFORD. I would not take exception to that observation.

Mr. CASEY of Massachusetts. I might say to the gentleman from Michigan [Mr. MICHENER] that I think the Navy has the facilities much better than any other organization to take care of this type of project, eliminating coral reefs and deepening the harbor and making it safe. It does not make much difference what department takes care of it, it seems to me.

Mr. MICHENER. Oh, it is very material as a matter of jurisdiction what department takes care of it. Rivers and harbors are looked after in the House by the Committee on Rivers and Harbors, and the Naval Affairs Committee looks out for our naval defense. It seems to me it is begging the question to say that it does not make much difference what committee has jurisdiction.

Mr. CASEY of Massachusetts. I might say further to the gentleman from Michigan [Mr. MICHENER] that of course Guam is under the Navy. The Army has nothing to do with it. The Navy is equipped to take care of this work and can do it more economically than any other branch.

Mr. MICHENER. But the Navy cannot do anything in Guam under its authority except it is used in connection with national defense.

Mr. SUTPHIN. If I might answer the gentleman from Massachusetts [Mr. CASEY] the Navy did not do the actual work on the other stations. They gave it out under cost-plus contracts in Alaska and at Midway and Wake Islands. They were all private contracts. The Navy did not do the work.

Mr. MICHENER. That would be the same thing here. The Army engineers and river and harbor engineers are far superior to any engineers of the Navy to develop a harbor.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CASEY of Massachusetts. Midway and Wake were not let out on contracts. They were handled by the Navy.

Mr. SUTPHIN. Oh, no. I have the name of the contractor who did the job.

Mr. CRAWFORD. Now, Mr. Chairman, we started out with the Philippines. For years we kept them under the War Department. Now we shift them to the Department of the Interior. Why they should be put under the Department of the Interior is beyond my comprehension, but that is the way we do things. Now here is a proposition where we are shifting the harbor improvements of Guam away from rivers and harbors to the Navy Department. The men who control these situations have reasons for them. I think it is perfectly in order for us to question those reasons. But, as I view the far eastern situation and our relation thereto, as tied in through the Philippine uncertainty and the Philippine problem, I do not become too technical on a point such as is now before us.

I approach Guam almost entirely through the Philippine gateway—what is our objective relative therto? I am rash enough to make the statement that I think it is only a matter of time, and long before independence is granted under the present Independence Act, that you will proceed to fortify Guam on a big scale, and I think you will be giving serious consideration to the question of fortifying the Philippine Islands before we are out of them. It seems to me that is about the way things are moving in the Far East. To me it all ties in with our far-eastern policy.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MICHENER. Does the gentleman favor carrying out the Philippine independence law as it now stands, and getting rid of the Philippines, or is he in favor of our continuing to remain in the Philippines and fortifying the Philippines?

Mr. CRAWFORD. If the United States will proceed to give the Philippine Islands their independence in accordance with the present bill and wash our hands completely of all Philippine responsibility, economic, military, and from a naval standpoint, and keep the signatures of our officials off of agreements to the effect that we will guarantee and protect the neutrality of the Philippines, then I am in favor of our proceeding as now outlined. Otherwise, I reserve my opinion on the matter.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. RICHARDS. Do I understand the position of the gentleman to be that he is in favor of this Guam provision because he believes and understands it is a forerunner of the actual fortification of Guam?

Mr. CRAWFORD. No. I am somewhat in favor of it for two reasons. One is I think it is worth something to our country from the standpoint of national defense to have this clipper service which is now in operation, which we will call

a commercial service. And as we use Federal funds to subsidize other types of operation, both on water and on land and in the air, I am not so particular about the fact that we are subsidizing a commercial operation as now carried by whoever owns the China Clipper service or the Philippine Clipper service, or whatever it is called. It is all very closely connected with national defense. So, if we are to get completely out of the Philippines, kiss them good-bye politically and economically and from a military standpoint and from a defense standpoint—when I say "economically" I do not mean to treat them dissimilarly to what we treat other countries. I think they are entitled to as good treatment as we give the Cubans, and I will say even a little better than we give the Cubans. So I think that explains itself. I see no reason why we should not proceed to provide these commercial facilities at Guam.

Mr. RICHARDS. Will the gentleman yield further?

Mr. CRAWFORD. I yield.

Mr. RICHARDS. The gentleman will admit that the purpose behind this thing is practically the same thing that was behind the authorization in last year's naval appropriation bill, which was defeated by the House of Representatives?

Mr. CRAWFORD. I think this is the beginning, with more to come.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes; I yield to the gentleman from Minnesota.

Mr. MAAS. Is there not a considerable difference? This is for harbor dredging. A year ago it was for shore construction and a number of other things in addition to what is in this bill. This is simply harbor dredging.

Mr. CRAWFORD. I interpreted the gentleman's question as being very broad fundamentally when looking toward future development.

Mr. RICHARDS. I will say in reply to the gentleman from Minnesota, who is a very able member of the Naval Affairs Committee, that according to my recollection there is no difference. There is a difference in words, but last year's provision was for harbor improvements. This is for dredging the harbor. It was argued here in Congress last year that the harbor improvements in view at that time were dredging operations.

Mr. MAAS. Mr. Chairman, to keep the record straight, last year's proposal did also include shore development, which is not included in this proposal at all.

Mr. RICHARDS. There is a provision just down below that does provide for shore development.

Mr. MAAS. Not in connection with the item that was in the bill last year.

Mr. RICHARDS. There is "water supply."

Mr. MICHENER. Then if the gentleman is correct, the matter should go to the Rivers and Harbors Committee, because if there is no improvement except river and harbor improvement, it should go to that committee.

Mr. MAAS. They do not need an authorization at all. This is an appropriation. They need no authorization to do this harbor work. This is authorized under the general law for the fourteenth naval district. This is an appropriation.

Mr. MICHENER. I did not understand it that way.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 10 additional minutes to the gentleman from Michigan.

Mr. CRAWFORD. Mr. Chairman, going ahead with the other point which I wanted to develop and which to me has as much to do with national defense as do our Army and Navy appropriations, I wish to refer to some of the remarks in the President's address of last Saturday afternoon to the National Citizenship Institute of American Youth. I am quoting from the President's remarks as published in the Sunday Star. He said:

> I have said on many occasions that the greatest achievement of the past 7 years in the United States has been * * * the awakening of many millions of American men and women to an understanding of the processes of their own governments—local, State, and Federal.
>
> We know that the prosperity of the 1920's can properly be compared to the prosperity of the Mississippi bubble days before the bubble burst, when everybody was money mad, when the money changers owned the temple, when the Nation as a whole forgot the restraint of decent ethics and simple morals, and when the Government in Washington gave completely free rein to what they called individual liberty and the virtual ownership of government itself by the so-called best minds which wholly controlled our finances and our economics.

The President a little further on in his address, speaking of our exports, said:

> Our exports for the calendar year 1932 were worth $1,600,000,000. In 1939 they were worth nearly $3,200,000,000, an increase of 97 percent.

He also pointed out that we have not solved the problem of old people, stating that the solution of the problem was evolutionary. He said:

> We have made beginnings with the Old Age Pension Act, but we know that it is only a beginning and that through the next 10 or 20 years the system must be extended and improved. "Ham-and-eggs" and other plans will not do it because they are all open to the simple objection that they either print so much paper money that the money would soon be worthless or that the whole burden would be placed on the shoulders of the younger workers.

When the President made those statements he knew that since 1934 we have purchased, in round figures, $10,000,000,000 worth of gold; and, of course, this purchase increased our export trade. Taking his own words, we know that his policy and the administration's policy has been to trade goods for gold, and that has been the great contributing factor to this increased export of goods.

The people went along with President Wilson when he traded goods for I O U's. In the last balance sheet of the United States Government published by the Comptroller General you will find a little over $14,000,000,000 reflected in the balance sheet as assets which we accepted in payment of those goods. You can draw your own conclusions as to how much those I O U's are worth. Personally, I do not believe they are worth 1 percent of the valuation carried in the United States balance sheet.

Mr. Roosevelt supports the policy of trading goods for gold instead of I O U's, and as we trade goods for gold our exports increase; and so far as use by our people is concerned, the gold we are receiving for the goods is about as worthless, in my opinion, as the claims reflected in the balance sheet to which I have referred.

The President also knows that the British Empire consisting primarily of Canada, South Africa, and Australia, so far as gold is concerned, together with Japan and Russia, keep the trap baited with gold and the administration goes along with it. I hear you say: "If that is true, why does the President follow such policy?" Well, it is the easy way to do it, it is not the way out, but it is the easy way. We could trade our goods for critical and strategic goods we really need, such as tin, rubber, and coffee. We could even trade more goods to Cuba for the sugar we take from Cuba and pay them less cash, if we wanted to do so.

We could purchase investments in our industries which are held by foreign nationals, and thereby recover control of our own factories, mines, railroads, and utilities. But, the President goes the easy way—and by this I mean he buys gold through the banks and he does it in such a manner that the people do not understand just what is going on. But the President knows all about the details. He has experts who can keep him informed. He knows almost every major country in the world benefits through his gold-buying policy except the good old United States. Oh, yes; we place a high dollar value on gold; we stabilize the export dollar price; we guarantee prosperity to the gold-producing countries for all the new gold they mine and for all the old gold they dehoard or melt up.

He buys more gold we do not need; which we do not use; and as it grows in volume it takes away the earning power of the savings the old people have accumulated down through the years as they worked and economized and denied themselves the little luxuries they might have so much enjoyed, and all to the end that they would not be dependent upon the poorhouse when they approached the sunset of life.

Oh, yes; by bringing this gold in and financing it through the banking machinery it makes it quite easy for the administration, for the President, and so very advantageous to all the gold miners and shippers from other parts of the wide world. Individuals, at least not very many of them, do not have to be consulted for their private decisions as would be necessary, if we were trading goods for goods. By bringing the gold in through the banks it can be paid for with paper money (sure, with check money) and few people know what is going on. If real paper money (by this I mean currency) was issued and released into circulation in payment for the gold, millions of people would know about that and understand the transaction. And of course, many would say that is inflationary and must not be permitted. If too many said that, it would create political embarrassment for the President and his administration. But let me say to you with all the emphasis possible, such a method of payment for the gold that flows to us in unceasing streams would be no more damaging or destructive or dangerous than the very way the President is now financing his gold purchases. The President knows this also.

The President talks to the young folks about the welfare of the old people. He tells them about the low interest rates. He speaks of the great increase in exports and the rise in production. And while the President talks to the young folks, more gold comes in; paper dollars in the form of credits are issued therefor, the excess reserves of member banks rapidly rise, the banks demand more and more Government I O U's, the Federal debt increases, the Secretary of the Treasury says, "Government credit is at the top," the earning power of savings declines and the bondholders obtain a stronger hold on the people. These factors all have to do with the exports about which the President bragged—goods for gold.

The rate of interest, the earning power of investment, the earning power of savings accounts and insurance policies declines, and it becomes more impossible for those with savings to live on the lower interest rates which are paid, and the lower interest rates about which the President bragged last Saturday afternoon.

Yes, Mr. Chairman, we have made a great error in setting the price of gold at $35 an ounce. The President makes a greater error in recommending that we continue the policy of buying more gold we do not need and cannot use. He knows it will encourage inflation to destroy the equities of our people of the middle and lower economic groups. The President understands our banking laws. He knows what a gold base of $16,000,000,000 held by the 12 Federal Reserve banks would permit under present laws, if the money changers—the bankers—ever permitted their anxiety to make money to cause the credit expansion possible with this large gold base and operating under our fractional reserve system. About this, I shall say more at a later date. But once Federal Reserve notes are held lawful money to serve as a base or as reserves of the Federal Reserve banks for deposits held by them and to the credit of the member banks, the green lights will then be shining for an expansion of commercial credit and demand deposits of astounding sums. And, if Federal Reserve notes are not lawful money in the meaning of the Federal Reserve Act, just what kind of money are they? And if Federal Reserve notes can be issued at a ratio of two and one-half times the gold base held by the Federal Reserve banks, cannot there be issued approximately $40,000,000,000 of such notes? If the $40,000,000,000 of notes can be issued and if they are held lawful money, then what is to prevent the expansion of hundreds of billions of commercial credit if the bankers' judgment ever becomes distorted in the manner it did preceding the bursting of the Mississippi bubble and the days of the money changers referred to by the President in his Saturday afternoon address? Protecting price levels and the earning power of thrift and the equities of our people are as essential to our general welfare as are floating navies and standing armies.

As the President promotes policies which destroy the interest rates earned by savings, he strikes at the very heart of our private enterprise and capitalistic system. Is it reasonable for us to assume investments in the form of stocks and bonds are to pay returns if those in the form of savings accounts and insurance contracts will not?

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. ANGELL. Is it not also a fact that there is a fictitious price on the value of gold of $35 an ounce instead of $20.67? Gold produced in Russia costs $11 an ounce. This means we are paying the Russians three times what it costs them to produce their gold.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I have been a Member of the House of Representatives for 9 years and I have never been so depressed since becoming a Member of this body as I am at the present time. Why have I become depressed? Is it because of personal reasons? Not at all. Is it because I am worried about this country? Yes, Mr. Chairman, that is the reason I am depressed now. I am deeply worried because if we proceed along the lines followed the past 5 years in connection with the operation of our Government it will eventually lead to our downfall. I cannot see a ray of hope unless we do differently from what we are doing at the present time.

No one is more sympathetic toward the proposition of taking care of the people of this country who need food, clothing, and shelter than I am. I will go to the limit in that respect, insofar as it is sensible and sound. But I believe that the people themselves should work, earn money, and save in order to be able to acquire the necessities of life and the happiness and enjoyment that goes with good healthful work. That should be the object of every individual citizen of America. I think it is the duty of the Government to see that our citizens have the opportunity and chance to work. The duty devolves upon the legislators of America, not only in the House of Representatives and Senate of the United States but in every legislative body of every State in the Union, to see that those advantages are given to its citizens.

But, Mr. Chairman, we have created bureau after bureau. We have permitted these bureaus to become so top-heavy and so burdensome that they will fall of their own weight—then the Nation itself will topple over. The very foundations of our Government will become unstable and our national life will be ruined. We will lose our present form of government and a dictator will follow. We have had 150 years of national life enjoyed by the American people. Now, we see an onward rush in the way of bigger bureaus and greater departments of Government, doing things and performing functions to an extent that, if continued, this Nation will be wrecked financially, and when we wreck the financial stability of the Nation the very form of our Government will be lost. If this happens, we will have a government such as we know not befall us.

After 150 years, America has shown itself to be the greatest Nation on the face of the earth. Mr. Chairman, we have been and we are going far afield of the intention of our forefathers. We are inviting trouble, and I make that statement in all sincerity. I have heard many Members of Congress make the statement, "Let us go on. Let us see what is going to happen. Let us repudiate our debts." The man who makes that statement has not very much backbone. He has a wishbone where his backbone ought to be. He has not the stamina that a good, sound American citizen ought to have, let alone a Member of Congress.

Mr. Chairman, I have quoted many times from various speeches made by the President of the United States, but I am going to quote again. I think this is one of the most sensible statements that President Roosevelt has ever made. This is taken from a speech delivered by the President in Pittsburgh, Pa., on October 19, 1932:

> The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good.

If Government lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending; if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy.

America is on the road to bankruptcy. It is not far off. Are we going to stop it? To give you concrete evidence of that fact, may I tell you that, at the present time, we have a national deficit, according to the Treasury statement of February 8, 1940, of $42,219,115,506. Since July 1 last year we have gone in the red to the extent of $2,437,133,055. We have heaped deficit on deficit during the last 10 or 12 years, yet we have as many unemployed men today as we had 10 years ago. We have been working hard trying to find employment for these people for 10 years, in Government service, but have not succeeded. Something is wrong. We should change the late laws. I could cite a lot of things here, but they might be interpreted as being political, and I do not want to be political today. I just want to be as sincere as I can, and I hope to have the hearty cooperation of the Republicans and Democrats alike in solving this problem.

One of the first things to do in this direction is keep our appropriations within bounds. Today we are asked to consider an appropriation bill for the Navy Department. Let me give you some of the increases that have been made in these naval appropriation bills during the last few years. In 1936 we appropriated $432,859,729; in 1937, $528,543,000; in 1938, $519,320,000; in 1939, $623,620,000; in 1940, $778,488,000, in addition we had a supplemental appropriation of $145,047,000. This made a total for last year of $924,000,000. We appropriated for the Army last year $874,876,000. This makes a grand total of $1,798,400,000 that we appropriated for the Army and Navy. Think of that, Mr. Chairman—$1,798,400,000 for the Army and Navy last year! I am not a pacifist but I believe we are going wild in preparation for war.

A naval appropriation bill is now presented to us carrying $966,772,878, which is a larger amount than last year. I presume we will have a corresponding increase in the Army appropriation bill.

It is true that the world is in bad shape on account of war, but I question very much that the United States will become involved in that war over there if we do what we ought to do. We are not going to send any of our boys across the sea. I cannot conceive of anything that my happen in Europe, Asia, or Africa that would make it necessary for the United States to send even one boy across the sea with a musket on his back, or that would compel America to send its Navy over there to defend anything, because we have no possessions over there. I will give you my word now that there is no band that will make such good music, and there is no amount of oratory that will convince me I should vote to send our boys across the water. I just am not going to do it. And my reason is I am more interested in American boys and girls than in any others in the world and I am interested in the United States more than any other country in the world.

We have an item in the bill to improve Guam, near the Chinese coast. Let us give the island away before our improvement and fortification gets us into war. Let us stay away from Europe, Asia, and Africa in any possessions of real estate.

What are we doing in our other appropriations? We are trying to cut them below what we call the Budget or keep them within the Budget. However, when the bell rings at the end of this session I question very much whether we will not have gone above the Budget estimate in the sum total of our appropriation. Certainly we will be a billion over a balanced Budget.

I believe the Members of Congress have a better feeling and a better spirit today of trying to keep expenditures within bounds, but I question whether we have enough intestinal fortitude to say to some of our constituents back home when they ask for this and that thing that we do not believe our National Government should go any deeper in debt. I promise the Congress now that I will not agree to anything the people back home may want if I believe it is wrong and will lead to our financial downfall, and I have tried to be conservative in that. I believe you, as Members of Congress, must be conservative, must possess business ability in spending as well as in taxation.

I have had the Post Office Department try to build post-office buildings in my district, where we have had good facilities, good post-office buildings which are rented, furnished, heated, lighted, and furnished with janitor service, by individuals at a cost the Federal Government could not match. If a post office were built it would be at an advance in cost of from 300 to 400 percent. That is sensible business procedure. I have gone down to the Post Office Department and told them I did not want those post-office buildings constructed, because I do not believe the Federal Government is in a position to do things like that now when there are other localities, which may not have such large receipts, where it would be better if the Government would build post offices there and more practical.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Pennsylvania.

Mr. GROSS. I wish to tell the gentleman that in my city of York an annex to the post office is being built, and they have torn down one of the best post offices in the United States. They just have a wreck there that will cost the Federal Government about $300,000. Every man in the city is damning the proposition as a reckless expenditure of money that no one can explain.

Mr. RICH. I am against extravagance and waste in Government any place. There has never been so much extravagance or so much waste as there has been in the last few years and as is going on right now in the departments. I have interrogated men from the departments in connection with the hearings on appropriations lately, and I find that these men who ask for funds for the operation of their departments are interested primarily in seeing how much money they can get out of the Government so they can increase the scope of their departments. When you ask them what they are trying to do to see where we will get the money back to help defray the expense of the department, they say, "That is not our function; it is the function of Congress." I have told these men from the Government bureaus who are interested only in spending—and I tell you now that they are only going to wreck their own jobs, because eventually the departments will fail; when the Government fails the departments fail—and then they will lose their jobs by virtue of the fact that their Government will be ruined.

When you think of the large number of buildings we are erecting, when you think of the added costs that will be placed on future generations of taxpayers, when you see our Government employees doubled in 7 years, when you think of the increase in the size of the Army and the size of the Navy—and I may say I do not fear any foreign country's coming over here to attack us—why should we do what we have planned in this naval appropriations bill right now?

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania.

Mr. RICH. We have in this bill and with what has already been authorized 10 battleships under construction. We will have 9 cruisers, 3 aircraft carriers, 50 destroyers, 26 submarines, 2 destroyer tenders, 3 seaplane tenders, large, 6 seaplane tenders, small, 2 submarine tenders, 3 minesweepers, 2 oilers, 3 fleet tugs, 1 minelayer, and 1 repair ship. Much other equipment, airplanes, and so forth, and so forth.

This morning I asked our Committee on Appropriations if anyone on that committee knew what the cost of upkeep of this Navy would be 5 years from now when these vessels are either completed or are still under construction, and nobody there could tell me. I have tried to find that out from the Government officials, but I cannot find anyone who will prognosticate or even give you an idea of what it is going to cost. I can see a great increase myself in personnel and expenses.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I consider the gentleman one of the most successful businessmen in this House, with one of the finest economic minds. I wish to ask him this practical question, man to man. The gentleman runs a business. I run a business. With our situation as it is this very moment, on what basis of fact can the gentleman or I or anyone else who really thinks, make an accurate forecast of the cost—I am talking about dollar costs and overhead expenses—of operating a large plant in the form of buildings, machinery, and concrete, or a large plant in the form of a battleship, 2, 3, or 5 years from now? On what basis of fact can one make such an estimate?

Mr. RICH. We have some idea of what it costs to operate a battleship now. Somebody could recapitulate the figures for these ships and give us at least a smattering idea of what it is going to cost to operate them.

May I say further to the gentleman from Michigan that I asked the Chairman of the Committee on Appropriations to get the Committee on Ways and Means to sit down with his committee and talk this problem over. I have advised it in the House many times. The purpose is to get a well-rounded idea of what it is going to cost in a business sense to operate this Government, from the fact that we have gone on with this spending program of enlargement. Wise businessmen would do things in that way, and I think that we could have a better idea of the situation if we did that. We should know how much we have to spend before we spend it, or at least how we can obtain funds to spend. But if we go ahead and build and build and build, and it gets so topheavy that our taxpayers are unable to stand the load, and pay for the upkeep, the whole thing will topple over and we will go smash.

Mr. CRAWFORD. I appreciate the gentleman's position and agree with him; but we ask these gentlemen what this cost will be in dollars, and they cannot answer.

If we asked them what it would cost to operate this battleship in oil, in grease, in food, or in clothing for the men on it, and so forth, they could answer in quantity or in tons, but they could not answer in dollars, and here is one reason, if the gentleman will permit me to say so. We have at this very minute a legalized right for those who operate banks and lending institutions of this country to expand commercial loans and demand deposits to perhaps as high as several hundred billion dollars, and the only reason that is not put into operation is because these so-called money changers do not permit their judgment to go in that direction. Our great gold base is the cue to the potential credit inflation and price increase. The legal authority is in the banking laws of this country. Now, if the banks proceed to do that 25 or 50 or 75 percent, the dollar cost of operating these things may quadruple, quintuple, and sextuple, and these individuals know that, and that is the reason they hesitate to answer.

Mr. RICH. I will say to the gentleman that we have got to change a lot of laws we have on the statute books, and this may call for a drastic revision in our banking laws and in a manner giving us the gold standard and make our money stable and sound, so that we may know from what point we are going to operate on a long-term commitment basis and a good, sound business manner. [Applause.]

[Here the gavel fell.]

Mr. CALDWELL. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, I want to utilize part of my time in asking questions of the gentlemen on the Appropriations Committee.

The Navy Act of 1938 provided for an expansion of 20 percent in the naval forces of the United States. In order to take care of this expansion, it was found necessary to materially expand the yards and shore stations of the Navy. As I understand it, approximately $25,000,000 is estimated by the Navy as the necessary cost, and I further understand that this sum of money has not been provided.

I wonder if any member of the committee would be good enough to tell me what is the reason or what is the plan of the committee in respect to this matter.

Mr. CALDWELL. Mr. Chairman, will the gentleman restate his question?

Mr. DARDEN. As a result of the expansion contemplated under the 1938 bill, it was found necessary to expand materially the shore stations of the Navy, particularly the manufacturing establishments, because a great deal of this ship construction is being done in Government yards. It was thought that a minimum of, roughly, $25,000,000 would be necessary in order to undertake this work. I understand this money has not been provided for any of the stations, and I am interested as to the plans of the Appropriations Committee in reference to the matter.

Mr. CALDWELL. The committee did not have before it an estimate from the Budget on those items, and for that reason did not go into the matter.

Mr. DARDEN. I understand it is true that the Budget did not approve the expenditure, but I think we ought to give very serious consideration to the matter.

Shipbuilding costs are high. They are going to continue high so long as our equipment is inefficient, particularly in our own yards. I am not prepared to say what the situation is in the private yards of the country, but it is my belief that the machine-tool equipment in the Government yards is sadly in need of replacement. I believe the necessary money expended for machine-tool equipment and enlargement of the manufacturing facilities of the yards can be saved and repaid within a space of a few years.

It is a very unfortunate thing for us not only to delay our shipbuilding program, but also make it more expensive by our refusal to appropriate the money necessary to put the establishments on an efficient basis to handle the additional work that has been placed on them within the last 2 years.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield to the gentleman from Minnesota.

Mr. MAAS. Does not the gentleman think that with this extensive program ahead of us, we not only would save a great deal of money in the ultimate cost, but would speed up construction considerably if we did modernize our tool equipment and the facilities for producing the ships?

Mr. DARDEN. There is not any question about it.

The navy yards have become, in the last 20 or 25 years, great manufacturing establishments. They are charged with taking care of the repair work incident to a large navy and with the building work that has been given to them since the Naval Act of 1934. We have not developed or improved our industrial facilities as we should have. As a result of this, the shipbuilding program is not only being delayed but it is costing too much. The money necessary to make these changes could soon be saved if we were willing to make the initial outlay.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. CALDWELL. I believe there is a great deal in what the gentleman has to say. I think the committee, or certainly several members of the committee, is in accord with the views as expressed by the distinguished gentleman from Virginia. Furthermore, I believe it is the opinion of at least one member of that committee, speaking for myself, that we are not going to construct ships in this country at a minimum of cost until we decentralize that industry and spread it over a wider area.

Mr. DARDEN. I very much hope that some consideration can be given or that some further consideration can be given to this matter, because not only is the money not appropriated for the extensions made necessary by the act of 1938, but the authorization act now pending, which contemplates a further increase, will need additional shop equipment in order to make it effective.

There is another item that I want to touch on for a moment. In the expansion of our air stations we have failed to provide any auxiliary or outlying fields, not for the training stations, such as Pensacola, but for the great operating stations. We are sadly deficient in the fields necessary for the operation of the fleet. Let us take the Atlantic coast.

There are no air facilities on the Atlantic coast worthy of note. The Navy owns one field of approximately 125 acres of land in Norfolk, and that constitutes the sole operating base for naval aircraft on the Atlantic coast. It is true that we are building a station at Jacksonville, Fla., and we are shortly to start building one in the Narragansett Bay area, but it will be several years before these stations are finished, and when they are finished they will need auxiliary fields in order to make them fully efficient. I understand that the same thing is true on the Pacific coast. Last year we authorized auxiliary fields for Norfolk and San Diego and the cost was comparatively small, about $700,000 for both of the items, and we have so far not been able to secure the necessary money.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. Yes.

Mr. MAAS. In addition to the value during peace times, is it not absolutely essential that we have these outlying fields in case of war, so that we can scatter our squadrons? You would not for a minute leave all your squadrons at a naval base.

Mr. DARDEN. That is unquestionably true, and the gentleman has had a good deal of experience of his own in that respect, because he has been in the air service and in the Reserve for a number of years. We cannot concentrate our air force on the Atlantic coast, as the gentleman knows, because we have not the facilities.

Mr. MAAS. And we cannot provide those overnight with the modern type of airplane. They have to be provided in advance of mobilization.

Mr. DARDEN. That is true. It is true that we are renting a number of fields, as the chairman of the subcommittee explained to us a short time ago. We are renting a number of small fields, but these leases can be canceled at will on either side and, in addition to that, the permanent runways necessary cannot be built under the law. We ought to acquire a certain number of additional fields. The outlay of money would be comparatively small. The use of the great bases in which we have invested millions of dollars depends to no small extent upon the availability of these small fields.

There is another matter that I want to touch on for a moment. I think we ought to face definitely this problem in reference to Guam. I think we ought to understand what we are about. When the matter was presented last year I said at the time that I was opposed to the fortification of Guam, and I still entertain that view, but I did vote for the measure before the House in the spring that provided for the improvement of the harbor at Guam. This bill carries an item of some three or four million dollars looking to harbor improvements in the island. They are necessary if the harbor is to be fully utilized, but the real problem we will be faced with in this House in less than 3 years more is whether or not we are going to change our policy with reference to the Philippines. That is a most important matter which we have to consider. There is a strong movement on foot here—many of you are familiar with it—looking to the guarantee by the Government of the territorial integrity of the Philippines with the local government left entirely in the hands of the officials of the islands. That will commit us to a tremendous venture in the Far East. We will be saddled with the burden of providing military establishments for the Philippines that are located in a dangerous part of the world.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CALDWELL. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. DARDEN. I do not think I could use that much time.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. Yes.

Mr. SUTPHIN. Did I understand the gentleman to say that he is opposed to fortifying the Island of Guam?

Mr. DARDEN. I was very much opposed to it last year, and I am inclined to think that I would feel the same way about it now.

Mr. SUTPHIN. Guam is surrounded by the Japanese-mandated islands, is it not?

Mr. DARDEN. I do not know that it is surrounded. It is very close to them.

Mr. SUTPHIN. And we have seen Japanese planes flying over Guam, and they are of such type that they could have flown from the mainland of Japan.

Mr. DARDEN. Yes; I expect it is close enough to the Caroline Islands to be in range of aircraft operating from bases on those islands.

Mr. SUTPHIN. And no one has ever contended that we could hold Guam in the event of attack.

Mr. DARDEN. Oh, no. I think the gentleman is mistaken there. I believe that if we were willing to go to the tremendous expense of fortifying Guam it could be made practically impregnable.

Mr. SUTPHIN. Yes; at a cost of half a billion or seven or eight hundred million dollars.

Mr. DARDEN. It would be a costly undertaking; it would run into the hundreds of millions of dollars.

Mr. SUTPHIN. And the gentleman does not think that we could hold the Philippines, in the event of attack, for more than 20 minutes.

Mr. DARDEN. No; but I think it would be easier to hold Guam than to hold the Philippines.

Mr. VINSON of Georgia. Mr. Chairman, would the gentleman yield there to permit me to ask a question of the chairman of the subcommittee?

Mr. DARDEN. Yes.

Mr. VINSON of Georgia. I call the attention of the chairman of the subcommittee to the fact that in his report he says that $50,000,000 for the replacement of naval facilities is made immediately available. I fail to find it anywhere in the bill. I am inclined to think it was an oversight.

Mr. SCRUGHAM. It is a typographical error and should be corrected.

Mr. VINSON of Georgia. It is important that an amendment be offered to correct that when that item is reached.

Mr. SCRUGHAM. Yes.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MOTT. The gentleman from New Jersey [Mr. SUTPHIN] observed that even if we fortified Guam we could not hold it. It was never contemplated by the Navy Department that even the fortification of Guam would enable us to hold it indefinitely, was it, but that such improvement as they wanted for Guam would enable us to delay aggressive action toward the United States, and that that very delay would serve the strategic purpose of improving Guam? Was that not the idea?

Mr. DARDEN. I believe that was the testimony of all the officers who appeared before the Naval Affairs Committee.

Mr. MOTT. I wish the gentleman would clear up a statement made on the floor a moment ago by the gentleman from Pennsylvania [Mr. RICH], who said it was impossible to find out anything about what it was going to cost to operate the Navy. In the gentleman's long experience on the Naval Affairs Committee and his contact with the Navy Department, I think the gentleman is familiar with the fact that the Navy Department can tell us now what it is going to cost to operate the Navy this year, and from their experience they can tell what it has cost from year to year, and from their experience they can give us an estimate sufficiently accurate to satisfy any businessman what it would cost to operate the Navy in the year to come.

Mr. DARDEN. I think that is true, because if my recollection serves me correctly, the gentleman from Oregon [Mr. MOTT] asked the officers recently appearing before the Naval Affairs Committee that question, and they were able to tell us, roughly, the cost of operating a battleship, a cruiser, and the lighter ships.

Mr. MOTT. I thought such an inference as was made by the gentleman from Pennsylvania [Mr. RICH] should not go unchallenged.

Mr. DARDEN. I think the gentleman from Pennsylvania was mistaken in that.

Mr. SUTPHIN. I asked Admiral Stark that question, and he put in the hearings the cost of operating battleships, carriers, heavy cruisers, light cruisers, destroyers, and submarines.

Mr. DARDEN. There is no question in my mind on this point, and that is, if we are going to fortify any place in the Far East, the fortification ought to take place at Guam as a military matter, because, in the first place, the Philippine Islands are difficult to defend. In the second place, they are people who want their independence and to whom we promised independence. For my own part, when 1946 comes I hope we will wish them well on their way. I do not want to see the United States involved further in the Philippine Islands, particularly when the Filipinos themselves want to be free. If we want to attempt to protect by force our trade in the East, the pivotal point is the island of Guam. That is the place to fortify if we determine to take that step, and not the Philippine Islands. With Guam strongly fortified, the Philippines would be protected if we wanted to take that gamble. I do not want to do it. I do not want to assume responsibility for the Philippine Islands beyond 1946. When that time arrives I want to see them go on their way as provided now by legislation.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MAAS. I think I would go along with the gentleman on his point of view, but does the gentleman honestly think that when we cut the Philippines loose in 1946 what they are going to get is independence?

Mr. DARDEN. That I do not know, but I think what they are going to get from us is independence. Whether they will get it from the rest of the world I do not know. But I am not willing to see this country committed to protecting the Philippines indefinitely in the future. When their independence is given them in 1946 I want to see our obligations in the Far East terminated as far as they are concerned.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. RICHARDS. Now, suppose we do give the Philippine Islands independence in 1946, as has been proposed by this Congress; does the gentleman contend in that event that Guam should be fortified?

Mr. DARDEN. No; I have not contended that at all. I say that if we want a military outpost in the Far East, Guam is the place to fortify, even if we retain the Philippine Islands.

Mr. RICHARDS. Philippines or no Philippines?

Mr. DARDEN. Philippines or no Philippines. If we are going to do any fortifying in the Far East, Guam, is the place to do it, but I do not believe that that fortifying is necessary. I think the harbor at Guam should be developed for the use of our own ships and our own people, but beyond that I see no reason for us to go at the present time.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. O'CONNOR. Does the gentleman believe the Philippine Islands will take their independence in 1946?

Mr. DARDEN. I think they will, but I am not an authority on that matter. I have never been a member of the committee dealing with those affairs, and I was not a member of the group that went to celebrate the beginning of their independence a year or two ago. I am not sufficiently familiar with what their representatives want.

Mr. O'CONNOR. I may be wrong on this, but my understanding is that it is not obligatory upon the Philippine Islands to accept their independence at that time. I was wondering how the gentleman felt, as to whether or not they were going to accept their independence.

Mr. DARDEN. We had some discussion of that a year or two ago. I think it involved a point that the gentleman from Minnesota [Mr. MAAS] brought out. My recollection is that it is obligatory, and when the time is reached they must accept their independence, unless by legislation we alter the situation.

Mr. MAAS. That is right.

Mr. DARDEN. Now, that is the work that is going on here in Washington right now—a determined effort to have us review this situation and to again assume or continue sponsorship of the Philippines. If that is going to be done, if this Congress is going to continue to sponsor the Philippines, then Guam ought to be fortified now.

It will cost $300,000,000 or $400,000,000, but this step ought to be taken now if we are after 1946 to continue to sponsor the Philippine Islands, for we shall need it.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield further?

Mr. DARDEN. I yield.

Mr. RICHARDS. And the gentleman will admit that this country time and time again has reiterated its promise to the Philippines to give them their independence; and the Philippines time and time again as a people have stated that they wanted their independence.

Mr. DARDEN. I admit it, of course, and I am for it; I am for the legislation that is now on the books. I think the Philippines should be given their independence, and I think we ought to stand by the present legislation.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MOTT. Up until 1946, or at least until such time as the Philippines have become independent, it is obligatory upon us to defend them, is it not?

Mr. DARDEN. I understand it is; yes.

Mr. MOTT. And if in order properly to defend them a further improvement of Guam is necessary, why not do it now?

Mr. DARDEN. I think the improvements of the harbor of Guam ought to be carried out regardless of the defense item. I think the sum asked by this committee for the improvement of the harbor there is necessary, for navigation is almost impossible there on account of the coral heads. I think this work ought to be undertaken, and I believe the Navy is in better shape than anyone else to undertake it.

Mr. MOTT. I have often felt that were it not for the fact that Japan is pretty well tied up now in China she might not wait until 1946 to make a move against the Philippines.

Mr. DARDEN. That may be true. Another factor which accentuates the difficulty in reference to this matter is the present very general talk in our own country as to an embargo against Japan. Whatever may be the gentleman's sympathies or my sympathies—and surely mine are all with China—I believe the minute we make the final, irrevocable decision to embargo Japan we shall be dangerously near violence in the east. [Applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 30 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, the question of fortifying Guam was discussed a year ago when this appropriation bill was in the House. Many Members opposed the appropriation asked for at that time for the purpose of fortifying Guam. I hope that as the debate goes on in the House this week it is made clear that the item carried in this bill is not an item for the fortification of Guam, but simply one to improve the harbor of Guam, something that should be done whether or not we ever have need to fortify the island.

This appropriation is necessary not only to protect the rights and property of the United States Navy but for the benefit of our civilian flyers who are doing such a fine job in developing civilian aeronautics in this country and flying the Pacific in the well-known clipper ships.

I have been particularly interested in the subject of national defense, certainly for the last 23 years, and I regret that at a time like this when we are considering a bill calling for the expenditure of more than $1,000,000,000, relating to the very existence of our country, a large number of Members are not on the floor to participate in the discussion. There was a time a few short years ago when it seemed we were in danger of neglecting our national defense. Pacifist organizations, many of them very sincere, and other organizations with the desire to see the defenses of the United

States weakened were getting in their work to such an extent that the Congress and the country were not paying the attention they should to this question and problem of national defense. This has all been changed within the past 2 or 3 years, as war has broken out abroad, and I think perhaps we have reached the point now where we have got to be sure that the pendulum does not swing too far in the other direction, that we do not appropriate too great sums of money for national defense. It seems to me it is the duty of our General Staff and our naval officers to bring to the Congress, to the Committees on Naval and Military Affairs, recommendations and suggestions that would enable us to provide for any eventuality that might arise. These experts of the Army and the Navy having pointed out to the Congress the actual and very remote possibilities of what might happen, it is then the responsibility of Congress to decide how far they wish to go in following the recommendations and suggestions of the War and Navy Departments. Once in awhile it is said on the public platform, and it has been intimated on the floor of this House, that the high commands of our Army and Navy have a desire to so expand these branches of our service as to create opportunities for promotion.

I think that is an unfair statement to make. I have confidence in the officers of our Army and Navy, believing that they sincerely try to present to the Congress the problem as they see it and that they make requests for what they think is necessary so that this country may be in position to protect itself.

When I returned home from the World War I vowed as one private citizen that I would do my best to see that never again would the conditions existent here in 1917 be allowed to exist at the outbreak of some future war; that never again would the young men of this Nation be drafted into the military service of our Army and sent into battle with such little training that they actually did not know how to load the rifle given to them, and that did actually happen in 1918. I have it on the authority of a fine friend of mine who served as a commissioned officer in one of the combat divisions, who told me that early one morning in making a tour of inspection he came across a young fellow who had been sent to that outfit as a replacement just about an hour before that unit was scheduled to go over the top. He had known this young man in civilian life and stopped to exchange greetings with him. The young fellow in response to his question as to how he was getting along said, "Fine; but I wish there was somebody around here to show me how to load this darn rifle before I go over the top." Such conditions should not be permitted to exist. I want to make sure that never again, if this country must defend itself, will our young men be called upon to fly in what has been properly termed "blazing coffins."

Now is the time to experiment, to carry on research, to acquire the very finest type of military aircraft that money can buy. Now is the time to establish a training program that will give us the military and naval pilots we may need in case we are subjected to an attack. At the present time we are in danger of having our building program develop so rapidly that we will not be in position to provide adequately trained pilots and properly equipped airports for this rapidly expanding air force for which we are providing in this bill.

During the congressional recess I had the opportunity to visit some of our military and naval stations in Panama. I was rather shocked to learn from a pilot stationed in Panama—in fact, from the commanding officer of one of the squadrons down there—that between October 8 and December 8 of this past year we had lost, either in Panama or en route to Panama, 10 military and naval pilots. It is interesting to note that every one of those 10 pilots who died either on his way to Panama or after reaching Panama was a Reserve officer called back into the active service. Men were sent down there to fly ships that were 100 to 150 miles an hour faster than they had ever flown before. The thought was expressed by that commanding officer—and I know those who are familiar with the subject agree with him—that no pilot should be permitted to fly a fast pursuit ship with less than a thousand hours in the air. We do not want to send men into mortal combat again in pursuit planes with only 35 or 40 hours of flying training and an inadequate ground schooling. At the time this Congress had the civil aeronautics training program before it we provided in the bill that at least 5 percent of the young men to be trained under this program should be selected from young men without college training. I offered that amendment and was happy to see it adopted. I have been interested to follow through and see how it worked, and I have learned recently that the Civil Aeronautics Authority is very well pleased with that provision; in fact, it would be perfectly willing, in view of its experience of the past few months, to have that 5 percent increased to 10 or even 15 percent. We have many young men in this Nation who have grown up since the development of aviation, who have played with model planes, who have built model planes, who have saved their pennies and have secured flying training. They are adequately equipped to enter not only the civil aeronautics courses but to go into our Army and Navy and secure flying training. I wish that the Army Air Service and those in charge of our naval aviation would give serious consideration to letting down a little bit on the requirement for flying training in the military and naval service. At this time, when that program is expanding so rapidly, it seems to me quite simple to segregate a group of possibly 100 or 200 student pilots selected from those without college training, put them through the regular military and naval courses, and learn from actual experience how their work compares with those that meet the strict requirements now in force by our Army and Navy. Several of our World War aces, men like Rickenbacker and Luke, never went to college.

I have referred to the danger, and I think it is a danger, that our building program will proceed so rapidly that we will not keep up with our personnel-training program. Reference has been made on this floor to the lack of airports along the Atlantic coast. I think everyone who has looked into this subject will agree that we have to start right now making adequate provision for these planes that we are building to land somewhere along the Atlantic coast. In connection with the development of our Air Corps nothing is more important than the procurement of aircraft and the training of pilots.

Last June, in fact, to be specific, on June 27, the gentleman from Illinois, Hon. RALPH CHURCH, addressed this House on the subject of transferring from the Atlantic and Pacific coasts to some inland point our munition and aircraft factories. A hasty reading of that address might well convince Members of the House that there was something to the idea, but I believe it is a move that should be very seriously considered before any such recommendations are made. Perhaps I have a selfish interest in this matter in that I have two or three of the larger units of the aircraft industry in my county. But I say to the members of the committee that if I honestly believed it would be to the advantage of our national defense to move the aircraft industry from Connecticut to, say, Illinois, I would very gladly vote to move that industry to Illinois. However, a careful examination of the facts, in my opinion, will convince any Member of the House that the suggestion is neither a practical one nor necessary.

Each Member of this House represents a constituency in the various States and we are all proud of certain achievements of the citizens and residents of our district and of our State. I know that the citizens of Connecticut would not for a moment think of trying to compete in raising wheat or corn with those residents who live in the Corn Belt and wheat-raising areas. While each part of this great Nation is particularly adapted to certain activities, agricultural or industrial, we feel that we have a certain peculiar qualification for the building of aircraft and the manufacture of fine tools in Connecticut.

In the first place, I do not believe that if the Government of the United States wanted to it could succeed in transferring the aircraft industry in Connecticut to, say, Illinois, because we know from experience that while it might be possible to move the machinery and some of the executives, the skilled mechanics who are working on these motors and on the aircraft, judged from past experience, would refuse to pull themselves away from their homes and move to another part of the country.

We saw that tried when the automobile industry was developing in this country. I was interested to learn recently that while we at one time had several automobile manufacturers in Connecticut they have since then moved to the great State of Michigan, but I find that the persons who then worked in those factories are still in Connecticut and still working in the same factories. They have simply turned their attention to new products and new equipment they can manufacture.

Our colleague the gentleman from Illinois [Mr. CHURCH] in his remarks last June emphasized the danger of aerial attack on the aviation factories in this country. It may be interesting for the members of this committee to consider the fact that if we take the 10 most probable points of attack by air, that is, by the locating of an enemy airplane carrier, Chicago, Ill., is closer to the probable point of attack in 5 cases than is Hartford, Conn. To be sure Hartford, Conn., is equally near the probable point of attack in 5 other cases. I shall not mention the locations I have in mind as I believe we are on rather thin ice when we start to discuss points of attack on the United States, but taking the 10 most likely points of attack we find that they divide 50-50. We cannot put a great deal of weight in the suggestion that the East or even the Pacific coast is more likely to be subjected to attack from the air than is Illinois.

I have referred to the necessity of having skilled mechanics to manufacture and build our aircraft. Recently a manufacturer of national reputation employed a firm of industrial engineers to make a survey of several different parts of the United States with the view to building a new factory, the factory to be equipped to build a very necessary part of an aviation engine. This group of industrial engineers surveyed several States of the United States and then made their recommendation to the manufacturer who engaged them.

Among other things mentioned in the report was that the industrial engineers found that Connecticut has the largest supply, generally distributed, of skilled labor in the United States. The following shows for a number of States the number per square mile of workers in certain machine- and technical-product industries requiring skilled labor:

Per square mile

California	0.17
Connecticut	13.69
Illinois	1.58
Maryland	.25
Massachusetts	6.27
New Jersey	5.29
New York	1.53
North Carolina	.01
Ohio	2.10
Pennsylvania	1.66
Virginia	.02

This same firm of industrial engineers, having ascertained from experts on defensive tactics against aircraft the ideal type of territory to defend, stated in this report that of all the places studied in the plant survey, the central part of Connecticut appears to be closest to the ideal:

(a) There are a number of moderate-sized industrial cities. Hartford, the largest, has 170,000 population. (b) The country is generally wooded and hilly. (c) Motor roads radiate in all directions, affording ease of access and no transportation bottlenecks. (d) A number of the cities have relatively important industrial plants situated in their environs, warranting all-around antiaircraft protection. (e) Some of the cities are far enough from the coast line to be safe from landing raids, bombardment by naval guns, or unheralded attacks from carrier based planes. (f) A location in the environs of any of these moderate-sized cities would enable providing the plant with its own power, water, and sewage service.

I mention these figures simply to indicate that more is involved when we consider transferring either the aviation industry or any other munitions industry from its present point of location to a possible point in the Middle West. Further, we have no assurance and we have no reason to believe that if this country is ever subjected to an attack from the air, the attack will come from the North Atlantic or from the Pacific or from the Gulf of Mexico. While we have a very friendly neighbor to the north, we do not know what the years will bring and we do not know but that if we transfer these important industries from the Pacific coast or the Atlantic coast inland to, say, Illinois, we may not be putting them very close to the probable point of attack.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Texas.

Mr. THOMASON. Does the gentleman know of anyone besides the gentleman from Illinois [Mr. CHURCH] who is seriously considering such a proposal?

Mr. MILLER. I hope no one else is seriously considering it, but sometimes statements such as this are made and implanted, possibly, in the minds of members of committees. I know that some of our magazines have taken up the theme. I hope those who have the responsibility will not be carried away by the enthusiasm of a Member to attract a mighty fine industry to his district.

Mr. THOMASON. I believe the gentleman is attaching undue importance to the suggestion, because I do not believe anyone is seriously considering it besides the gentleman from Illinois.

Mr. MILLER. I hope not. Still you cannot blame him for wanting to attract such an industry to his district. I believe that as long as that point has been raised, I may be excused if I say that I am mighty proud of the men who make up our aviation companies in the State of Connecticut. I know the same is true throughout the United States.

Aviation has been referred to more than once as a young man's game. It is certainly a comparatively new industry. They have had the misfortune to have to make most of their development in a period when all industry has been suffering from depression. I have often wondered where that industry would be today if it had not had to contend with the depression that has been world-wide.

I referred some time ago to taking advantage of lessons that we learned during the World War. I hope that with that thought in mind I may refer to a matter I believe is important and is concerning many of our citizens. Certainly it is if I can judge from the mail I have received.

I would hate to see the United States follow the paths it followed between 1914 and 1917, particularly those paths that led to our involvement in the World War. Like most Members of Congress, I know only what I read in the paper, but I have read of the sending of our First Assistant Secretary of State to Europe as the personal representative of the President. It is only natural and reasonable that sending Mr. Welles on this mission is bringing to mind that we had a like experience during the World War, when President Wilson had an unofficial observer in the capitals of Europe. I hope the President or the State Department will see fit to set the minds of our people at ease and take them into his confidence, insofar as he can, and convince them that this is not a similar mission to that on which a special representative of President Wilson was sent in 1915 and 1916. And while I mention that subject, those of us who are interested in providing an adequate national defense are naturally interested in the development of our merchant marine, and we regret that it is necessary, in order to protect the best interests of the United States—at least, that was certainly the opinion of this Congress—to enact a neutrality law that took off of many of the seas our merchant marine; and while the activity of the merchant marine is curtailed, certainly it is doubly important that every possible support be given to those vessels of ours that are still traveling the high seas, and I regret that this special envoy of the President to whom I refer has seen fit to start on his mission and go to Europe traveling on a foreign vessel. I know the answer may be that the *Manhattan* was not due to sail for 4 or 5 days after he decided to sail for Europe, but if it was urgent that this special envoy get to Europe as quickly as possible, we have, flying the American flag, aircraft that would have gotten him over there in less than 36 hours, and I hope that in the future every representative of our Government and every one of our citizens who finds it necessary to go abroad, as patriotic citizens, will try to use the vessels of the United States merchant marine.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I will be very pleased to yield.

Mr. THOMASON. I am always very much interested in what my friend has to say on the subject of national defense, and I am in hearty accord with the suggestions he has made about the improvement of our own Army and Navy. I think we belong to the same school of thought, and that is that neither of us wants the largest army in the world, but we want the best; and in view of what the gentleman has to say about the need of more and better munitions and of a more adequate army as to personnel and as to housing, and, particularly, as to a strong air force, does not the gentleman think that, in view of the economy wave which seems to have struck Congress, we might well postpone any improvements at Guam until we have taken care of our own internal national defense, and until it is determined whether or not the Philippines are to have their freedom in 1946?

Mr. MILLER. If the appropriation carried in this bill was solely for the benefit of the Navy and for naval pilots, I would be willing to say I agree with the gentleman. I voted against this appropriation last year, frankly, under misinformation, as I now know; but I have been told on certainly reliable authority—and I think there is no secret about it, from the Civil Aeronautics Authority—that this is an important improvement if they are going to develop trans-Pacific flying.

Mr. THOMASON. Every appropriation bill that has come into this Congress has suffered very severe cuts. The gentleman has mentioned the merchant marine, which I think was unduly cut; and in view of what my friend and colleague from Texas [Mr. JONES], the chairman of the House Committee on Agriculture, had to say, agriculture has suffered more than any other branch of the Federal Government, in that it has been cut, I think he said, 51 percent. Now, if we must have cuts in these appropriation bills, including the appropriation for the War Department and likewise for the Navy Department, does not the gentleman feel that we had better use such money as we do appropriate for further national defense for the upbuilding of our Army here in the United States and Panama, Hawaii, and Alaska, and postpone the consideration of any improvements at Guam for the present, or even until it is determined whether or not the Philippines are to have their independence in 1946? Does not the gentleman feel that would be a wise policy in view of our economy program and the apparent demand for economy?

Mr. MILLER. I would be perfectly willing to vote to strike that item out of the bill in view of the fact that cuts have to be made and we have not had an opportunity to study the hearings. I do not know just how substantial the cuts are that have been made by the committee, but I will say this to the gentleman: In my enthusiasm for national defense I do not want to vote to appropriate a single unnecessary dollar. I think we have got to make these small cuts in order to acquire a large saving, and it is possible a study of the hearings and the bill itself will lead the House to believe that we can go further in cuts than the committee has gone.

Mr. THOMASON. It seems certain that we must have some cuts, and if we are to have any priorities, does not the gentleman think that we need to build up our own Army and its personnel, its equipment, its housing, its airports, its airplanes, the Navy planes and the Army planes, the fortifications at Panama, Alaska, and Hawaii, before we branch out in another venture in the Far East?

Mr. MILLER. I certainly do, and I commend to the gentleman the report prepared by a committee of the minority party, the chairman of which was our colleague, the gentleman from New York [Mr. WADSWORTH], in which he defined the territory that he felt we should be prepared to defend, and I may say that the island of Guam was well beyond the line of defense that he outlined in his report. To answer further the question which the gentleman has raised about providing for the Army and the Navy, I think the committee should be commended for the statement to be found on page 15 of the report, in which they point out that they have gone beyond the Budget estimates at least $200,000 in providing for our Naval Reserve. They recommend the building of experimental laboratories, and I think in that connection we could all give thought to increasing, not only numerically, but also the efficiency of our Reserve and the National Guard. It has been the policy of this country ever since the beginning to depend on the Organized Reserve, the old militia, the old State guard, and I hope that we can build up these Reserve forces and our National Guard before we go on and expand and develop a huge standing Army.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. GEYER of California. In view of the fact that the Budget makes quite a cut in the C. C. C. and in the N. Y. A. and the W. P. A. and increases the amount for defense, does it not seem to the gentleman that this is almost carrying out the slogan, "Guns instead of bread"?

Mr. MILLER. Of course I have not seen and do not think the gentleman has seen the appropriation bill making provisions for the C. C. C. or the W. P. A., but I have no desire to see the W. P. A. cut and will vote for the items recommended by the Budget.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. MILLER. To further answer the gentleman, I think the Members of the House would be much more enthusiastic in voting for increased appropriations for the C. C. C. if we could arrange to give them at least a minimum of military training while they are in the C. C. C. service.

Mr. GEYER of California. Of course, with that part I would not agree, but I do agree with everything else the gentleman has said about that.

Mr. DITTER. Mr. Chairman, I now yield to the gentleman from California [Mr. WELCH].

PURCHASE OF HUNTERS POINT, SAN FRANCISCO

Mr. WELCH. Mr. Chairman, pursuant to a provision in the naval public works authorization bill during the last session of Congress and now Public Law 106, the bill under consideration provides for an expenditure of $6,000,000 to purchase Hunters Point—$4,000,000 for the property and appurtenances and $2,000,000 for new improvements thereon.

The strategic importance of San Francisco Bay and Hunters Point has been stressed by the Navy Department on many occasions. Special commissions appointed by Congress have also stressed, from a national-defense standpoint, the importance of San Francisco Bay and Hunters Point.

Admiral J. W. Helm, who was senior member of a special commission appointed by Congress to select a site for a contemplated naval base on the southerly end of San Francisco Bay, made a report from which I quote, in part:

> San Francisco Bay is the only body of water on the Pacific coast south of Cape Flattery offering a safe anchorage from wind and weather to a large number of ships, which can be entered under all ordinary conditions of wind and sea.
>
> San Francisco Bay has ample anchorage with a good holding ground for a fleet of any size.

Admiral Charles F. Hughes, when Chief of Naval Operations, made the following statement:

> San Francisco Bay is, as you know, the principal harbor of the Pacific coast. To my mind, it belongs to the Nation; it is not the property of California nor of the cities that are on its shores. From its natural advantages and its location, San Francisco Bay is certain to be the major continental fleet base for any extensive campaign in the Pacific. It will be the point where the fleet will concentrate at the beginning of a war.

Admiral William D. Leahy, former Chief of Naval Operations, during the hearing on the naval authorization bill, also made the following statement:

> The program does not provide for a naval drydock in the San Francisco Bay area capable of taking a major capital ship. The privately owned drydocks at Hunters Point, lacking in the equipment necessary for repairs to our large war vessels, are not a satisfactory solution to the Navy's problem in time of war.

In my opinion, the Navy should acquire the Hunters Point drydocks and should provide weight-handling facilities, power connections, galley, latrines, storehouse, and an assembly plant to permit the overhaul of our largest vessels in conjunction with the Mare Island Navy Yard.

During this hearing Rear Admiral Moreell, Chief of the Bureau of Yards and Docks, supporting Admiral Leahy, also made a strong statement urging the purchase of Hunters Point.

At the last session of Congress a board was appointed by the Secretary of the Navy to investigate and report upon the need, for the purpose of national defense, of the acquisition of Hunters Point drydock. I quote from that report:

24. Studies of shipbuilding and drydock facilities, both naval and commercial, show that on the Pacific coast there are, at the present time, only one existing naval drydock and another under construction which will accommodate battleships and aircraft carriers. (Dock No. 3 at Hunters Point, which is a commercial dock, is not taken into consideration for reasons which will be made apparent in the next paragraph.) Both of these docks are located at the Puget Sound Navy Yard, Bremerton, Wash. In other words, in a coast line some 1,260 miles long, naval facilities for docking our capital ships exist at only one point; namely, the northern terminus of our coast line. Except during the summer months, operations of the fleet are carried on at least 1,000 or more miles to the southward of this point. This means, in effect, that for the greater part of the year any of our major ships requiring regular or emergency docking in naval docks must steam on the order of 2,000 or more miles. With excellent facilities available in the San Francisco Bay area such a procedure is economically unsound. Furthermore, it is illogical to presuppose that, in the event of a national emergency, concentration of all of our major ships would take place at only one point, and that point the most northern one, of our Pacific frontier. Thus, both from economic and strategic viewpoints, the establishment of a naval drydock capable of taking care of our capital ships in the San Francisco Bay area is fully warranted.

25. In the preceding paragraph no consideration has been given to utilization of the commercial drydocks at Hunters Point to care for at least a part of the docking needs of our major naval vessels. The reasons for not considering this, and all other commercial docks, are as follows:

(1) Security: Many of the intricate mechanisms which require repair and overhaul while a naval vessel is in drydock are of a secret or confidential nature and should not be open to general inspection by other than regular naval civil employees. This condition can very well be handled at a navy yard or station where all civilian employees have been inducted into the service under strict civil-service procedures and all activities are under rigid control. At a commercial plant such control would be an exceedingly difficult if not an impossible matter.

(2) Lack of specially trained workmen: The workmen employed at a commercial yard are normally fully familiar with routine overhaul work. However, the intricate and highly technical military equipment on a man-of-war requires specially trained personnel.

(3) Lack of adequate facilities: The power-length ratios of naval vessels are many times greater than those of commercial vessels and, as a consequence, the normal commercial yard does not have the shop capacity nor the weight-handling equipment which are essential for proper overhaul of naval vessels. As was pointed out in paragraph 4, the Hunters Point dock is lacking in even the minimum essential facilities for minor overhaul and the present owners have failed to provide these facilities on the ground that the income from their plant does not warrant the necessary expenditure.

(4) Lack of availability: Even though the use of a commercial dock is contracted for by the Government, there is no assurance that it will be fully available for naval vessels if necessity demands. Experience has indicated that in many instances commercial docking facilities have not been maintained in a condition suitable for instant use by naval vessels.

26. The Board has also given consideration to the practicability of equipping the Hunters Point drydocks with necessary facilities for work on naval vessels, the docks to remain in private ownership and to be operated as commercial facilities. The Board considers such an arrangement to be undesirable and impracticable if the Hunters Point docks are to be utilized for overhauls, as well as for interim dockings. In the foregoing paragraph reference is made to the need for security and the lack of specially trained workmen at commercial plants. In addition, if the fullest use is to be made of the Hunters Point docks, they should be operated as an annex to the Mare Island Navy Yard in order that the splendid shop facilities of that yard may be fully available. The coordination of the navy yard's work with activities of a commercial plant of the kind under consideration would be a difficult, time-consuming, and costly procedure. Furthermore, a very important consideration is the fact that under present conditions it has been impracticable to keep naval vessels in commercial docks for periods sufficient to permit proper drying out and painting because of the large docking charges. The Board of Inspection and Survey has repeatedly called attention to the insufficiency of the times spent in drydock and the resulting deterioration. If the docks are Government-owned, the vessels will undoubtedly be left in dock for longer periods with little additional cost.

27. The selection of a site for the construction of a naval drydock in the San Francisco Bay area will be governed, among others, by the following considerations:

(a) The size of the ship for which the facility is needed, particularly the draft.

(b) The dock's proximity to the present fully equipped Naval Establishment at Mare Island.

(c) Real-estate values at or near the site under discussion.

(d) Foundation conditions, particularly as regards their effect upon the cost of construction of a graving dock.

(e) As a corollary to (a), the depth and the width of the channel leading to the specific site.

28. In the entire San Francisco Bay area only three locations will satisfy the foregoing considerations to the extent that serious consideration should be given them for drydock construction, namely, Mare Island, Oakland-Alameda, and South San Francisco-Hunters Point.

29. The channel leading to Mare Island has a controlling depth of 30 feet and to increase and maintain an increased depth would prove inordinately expensive.

30. As regards a choice between the two remaining sites both have, or can be made to have, sufficient depth of water to permit access to them by battleships. The Hunters Point site, however, is more favorably situated in this respect since deep water is had immediately off-shore. Both sites are approximately the same distance from Mare Island. Real-estate values run about the same at both places. The main point of difference between the two sites lies in the drydock foundation conditions. These conditions are all in favor of the Hunters Point site and have made for much smaller drydock construction costs at that location. This one fact makes the element of total cost, including the purchase of existing facilities and the provision of such others as are necessary, for the establishment of naval docks in favor of Hunters Point and indicates its selection.

31. Information obtained by the Board from the Bethlehem Shipbuilding Corporation indicates that during the period from January 1, 1937, to January 1, 1939, 76 commercial ships used these facilities, occupying them for an average of 176 dock-days per year. Of all the vessels utilizing the docks only six are of such dimensions that they cannot utilize other docking facilities in the San Francisco Bay area for their necessary overhaul. These six ships actually used the Hunters Point docks during the period mentioned above for an average of 20 days per year. Were these docks Navy-owned, provision could be made to permit their use for the routine docking and overhaul of the six commercial ships mentioned above.

The Bethlehem Shipbuilding Corporation, owners of Hunters Point drydocks, and the Navy Department have agreed on a purchase price of $3,993,572—the company to have use of the docks for a period of 3 years. In the meantime, if the money is made available, the Navy will proceed immediately with the very necessary improvements.

It should be borne in mind that at the present time the only drydocks on the Pacific coast large enough to accommodate major naval ships with adequate repair facilities are at Bremerton, Wash., 815 miles north of San Francisco Bay.

I do not claim to be an authority on naval defense, but as a Representative from the Pacific coast and a member of the Committee on Merchant Marine during the 15 years I have been in Congress, I have given serious consideration to national defense. Our Navy, which is the first line of national defense, consists of three links all of which are interdependent upon each other—the Navy, the merchant marine, and facilities for building, repairing, and docking ships.

For the first time since the World War, shipbuilding has been resumed on the Pacific coast, but facilities for docking and overhauling capital ships, referred to by Admiral Leahy, do not exist, with the exception of the one facility on Puget Sound.

This great land-locked harbor—San Francisco Bay—should be equipped with every modern facility necessary for national defense.

There should be no further delay in giving to the Navy the security which San Francisco Bay and Hunters Point afford as maintained by the naval authorities which I have quoted.

Mr. DITTER. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I think the pending appropriation bill, generally speaking, is a very good one and I think the committee is to be commended. They have done a splendid job. I have no quarrel with them. I think they have been as liberal as it is possible to be under the circumstances, which means that they have granted everything that can be constructed properly during the period for which they have appropriated. At the same time I think they have made no unreasonable cuts. I shall address myself now particularly

to the question of Guam, about which there seems to be so much misunderstanding. In the first place the assumption is that this is launching into a new adventure in the Far East. Nothing could be further from the truth. Let us examine the facts. Guam has been in the possession of the United States for some 40 years. Guam has been occupied by the United States during that period. We have maintained a naval base there during practically all that entire period. We are using it today and we have been using it. We had an active squadron in Guam until about 1932. There was never any protest by Japan or by anybody else. I cannot see what difference it would make whether Japan protests or not. I do not believe there can be any very great sincerity behind a protest by Japan against our using or defending our own territory. Nobody has questioned our right to Guam or our occupancy of Guam. On the other hand Japan occupies a great many surrounding islands to which there is a great question as to the right of Japan to be there at all. They are the mandated islands, and under the mandate and by treaty Japan agreed not to fortify those islands, and we are all certain as a matter of fact that they are fortified. I do not think Japan is going to get very mad at us and go to war because we take out some coral heads in the island of Guam. What we are asking to do is not making the slightest change in our policy over what we have been doing for 40 years, which is to use the island of Guam both for the Navy and commercially. The Pan American Airways, which is an important commercial link with the Orient, uses Guam. It is one of their regular stations. That company has built an overnight hotel there. The increased size of the planes has made it dangerous to operate in Guam because of these coral heads. It is true that last year there was a proposal to spend $5,000,000 to dredge the harbor so as to be able to bring up seaplane tenders and build certain docks, and do shore construction in connection therewith. That is not involved in the present appropriation bill at all.

It is merely to remove the coral heads and make it possible to have proper sea runways for the planes which are using Guam and will continue to use it anyway. It is merely a question of whether you improve that harbor the same as you do any other harbor in the country when the size of ships increases and the traffic makes it necessary to improve the harbor.

Mr. LEWIS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAAS. With pleasure.

Mr. LEWIS of Ohio. I would like to know, if that last statement is correct, why the Rivers and Harbors Committee does not bring in a bill to authorize an appropriation for the Island of Guam, and have the Appropriations Committee present it?

Mr. MAAS. Because that is not the proper legislative situation. This island is under the jurisdiction of the Navy and always has been. The Navy has authorization under proper law to do harbor dredging in the fourteenth naval district. The question of authorization is not involved in this at all. Nobody questions their authority to do this. It is merely a question of the appropriation with which to do it. The Rivers and Harbors Committee has nothing whatever to do with it. It is being presented in a perfectly legal and proper manner.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes; I am glad to yield to my chairman.

Mr. VINSON of Georgia. Does the gentleman think that we need worry about Japan's protest? History shows that Japan likewise protested against the fortification of the Hawaiian Islands.

Mr. MAAS. Yes. They even protested against the individual who was sent to command the naval forces at Hawaii. I do not think we need worry about Japanese protests any more than they worry about our protests. They sunk the *Panay* and we protested, but they did not get very excited about it. They knew we were not going to war about it, and we know they are not going to war because we improve the island of Guam. All this talk about it being too far away and that we are dispersing our defenses and launching into a new policy is not in conformity with the facts. If it were possible for us to draw a line from the Aleutian Islands through Hawaii to Panama and say, "That is our sphere and we will never go beyond it, we are going to defend just that line," that would be fine, if we could do it. That is our defense line. We do not ever propose to permit any foreign hostile navy to cross that line, but we must have scouts out beyond that line in advance to know whether or not they are coming to that line before we can stop them at the line. Once they get to the line it will be too late to stop them.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. THOMASON. Does not the gentleman think that it is inconsistent to say that we are going to get out of the Philippines not later than 1946, and I heard some eminent gentleman say on the radio the other night in 1942—does not the gentleman think it is inconsistent to say that just as we are planning to get out of the Philippines, then we should begin to improve the island of Guam, which, of course, is the camel getting its nose under the tent, because later it means fortification and involvement in the Far East?

Mr. MAAS. No; I do not agree with the gentleman at all. I think the very fact that the gentleman states—that is, that we are going to get out of the Philippines—makes it imperative to improve the island of Guam.

Mr. THOMASON. Does not the gentleman think that we had better concentrate our national-defense activities here in our own country and our nearby possessions rather than going away out into the Pacific?

Mr. MAAS. Oh, the gentleman misunderstands the purpose of developing the harbor at Guam. We are not dispersing our defense forces at all; but in pursuing the subject about getting out of the Philippines, I have always in the past been opposed to giving up the Philippines. I was frank to say it was because I thought they would be of value to us and we could make some money out of them. We have done more for the Filipino people than any other nation has done for them in the history of the world. We promised them their independence. They are not going to get it. They are going to get something infinitely worse, in my opinion, than anything they have ever had in the past when they are cut loose. But they have been continually asking to be cut loose and I am now in favor of cutting them loose. But when we do cut them loose, it becomes doubly important that we develop Guam for ourselves, because the gentleman must realize that we are not a self-sufficient Nation. We are not even a self-sufficient hemisphere, unfortunately. The United States has to go to the Far East to get certain essential strategic raw materials, such as tin, rubber, tungsten, and chromium. Without those essential raw materials, peacetime industry in this country would collapse.

Mr. THOMASON. Well, granting all of that, the gentleman does not contend that we would have to send an army and navy over there to get it?

Mr. MAAS. Oh, you might have to. At least, be able to, potentially. The whole theory of your commerce is that we be able to protect our trade routes.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. CALDWELL. Aside from the improvement as contemplated by this bill, which is in no sense military, it is absolutely essential to our peacetime activity, and I am wondering whether the gentleman agrees with me that if the United States asserted some degree of independence, if it asserted its own right to do as it pleases with its own property, that in itself would not be a step toward peace rather than toward war?

Mr. MAAS. I am satisfied the gentleman is absolutely right. I do not believe there is anything that would create more respect on the part of the Japanese for America than for us to say, "We are going to do as we see fit with our own territory."

Mr. THOMASON. Then if the gentleman is right, why not stay in the Philippines?

Mr. MAAS. As far as the Japanese are concerned, I would.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. SUTPHIN. I would like to ask my colleague from Florida a question. Perhaps he can tell us what our commerce amounted to last year.

Mr. CALDWELL. I said peacetime pursuits.

Mr. SUTPHIN. Well, that is commerce, is it not?

Mr. CALDWELL. I say that because Guam is midway between the Philippine Islands and Midway Island and is a necessary landing place for civilian airplanes.

Mr. SUTPHIN. I am told that the imports from Guam last year amounted to less than $75,000.

Mr. MAAS. I do not think the gentleman from Florida was even discussing the question of our trade with Guam. What he was stressing is the fact that Guam is an essential stopping point. Just as long as this Nation hopes to trade in the Orient at all, we must have trade routes. Aviation is becoming increasingly important in international trade. To continue it in the Orient, we have to have a stop at Guam.

Mr. CALDWELL. Or, to put it another way, I do not believe that America can ever have peace by tucking its tail between its legs and running every time anyone says that a particular line of activity offends him.

Mr. MAAS. Of course not; and anybody who has studied the Orient at all, or the oriental mind, knows that they interpret kindliness for cowardice and conciliation as weakness. I do not mean that we have to be ruthless, but certainly we have got to be ruthless in defending our own rights or we shall have the respect of no one, least of all the orientals.

From the standpoint of the Pan American Airways operations, they are making a very valuable contribution to our commercial life. They would have to suspend operations if there were not some place in the approximate location of Guam where they could make a stop, for in their present state of development our planes today have not sufficient range to make the jump from Hawaii to the Philippines. Until 1946, at least, the Philippines are ours, and until that time we will maintain naval forces in the Philippines. We have a squadron of patrol planes in the Philippines now. These planes have to come back to Hawaii for overhaul. They have to have a stop approximately where Guam is to make the trip to and from the Philippines. We are going to continue this policy for the next 6 years at least, and we are going to have this squadron and maybe more squadrons over there. Incidentally, Japan has not gone to war with us for keeping a squadron of patrol planes in the Philippines, which is just as close to Japan as Guam is; and I do not believe Japan is going to go to war with us over Guam, no matter what we do in Guam. Japan fears that we are going to try to interfere with her plans in China. I do not believe we are going to interfere with her plans in China. I do not believe that our trade in China would justify our participating in an oriental war at all, and we will not have to if we make clear to Japan that we are going to defend ourselves and our own interests and our right to essential raw materials, but will let her alone in her own sphere. Under such a policy I do not think we would have any trouble with Japan at all. But should we have trouble, Guam, in my opinion, is the only alternative to a two-ocean navy.

The ideal defense of this country would be two fleets, because we are a two-ocean nation. I do not believe we are going to have two fleets, although personally I am an advocate of it. I do not, however, believe that our national economy is such that we can afford it—at least we cannot afford two navies at the present time. If ever we are threatened, it is going to be in both oceans at the same time. No one single nation is going to be foolhardy enough to attack the United States or its essential interests alone, but a possible coalition of European and oriental powers would be a very serious threat to us because we have only one fleet. Regardless, however, of where our fleet might be, in my opinion, if we were threatened in both oceans at the same time, that fleet would be put in the Atlantic. Since we have only one fleet, and it would not be feasible to split the fleet, it is going to go into the Atlantic, because 75 percent of the population and of the industrial structure of this Nation is in the Northeast. Draw a line from Chicago to Norfolk. Everything northeast of that has got to be defended first. We would simply have to risk the consequences in the Pacific if we were threatened in both oceans at the same time in order to protect the northeast sector first.

But, Mr. Chairman, if we develop the harbor at Guam—of course, if it were fortified it would be a thousand times better; we can maintain patrol squadrons there—let me point out just what this will mean to us. It might even mean the difference between victory and defeat; certainly it could mean the difference between a long and disastrous war and a short, victorious war.

Mr. JENKS of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. JENKS of New Hampshire. When Admiral Leahy was before the committee and we were talking about Guam, as I recall, I asked him this question: "Suppose Guam were fortified. In case of an invasion by the Japanese, how long could Guam hold out, having spent $90,000,000 or $100,000,000?" as were the figures at that time proposed.

He said, "Congressman, I think Guam could hold out possibly 3 weeks."

How much defense would that be?

Mr. MAAS. I think the gentleman is mistaken. I think he said from 3 weeks to 3 months.

Mr. JENKS of New Hampshire. I am certain that he said 3 weeks. The gentleman will find it in the record.

Mr. MAAS. Possibly the admiral is mistaken, or was misunderstood. That could happen.

Mr. JENKS of New Hampshire. He may have been.

Mr. MAAS. I may say to the gentleman that I have been in Guam and I have made a military study of it. If it were fortified, we would be absolutely invincible, and, in my opinion, we would be immune from attack in either ocean. I say that because if we were threatened in the Atlantic our fleet could proceed to the Atlantic, meet the threat in the Atlantic, engage the enemy fleet until it had destroyed the coalition fleet in that theater of operation. In the meantime, the Japanese would never proceed beyond Guam until it had first reduced it. No fleet commander would ever dream of leaving a fortified base between his home port and the operating fleet. To do so would be suicide, both for his home country and for his fleet. If the Japanese, in fact, proceeded to Panama, to Hawaii, or the Aleutian Islands and left Guam still fortified and as an operating base, our forces could immediately proceed from Guam to cut off communications and supplies between the Japanese fleet and Japan. We could then proceed to destroy their fleet at will, in the meantime wreaking terrific destruction in Tokio and on all of Japan. So no naval commander would move his fleet beyond Guam, if it were fortified, and if it were fortified it would take a major naval operation to reduce it. It would take at a minimum 3 months to reduce Guam if it were fortified. In that time our fleet could dispose of the enemy in the Atlantic, return to the Pacific, and then meet the Japanese fleet under the most favorable conditions to our own fleet.

Mr. MASSINGALE. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I would like to ask a question for my own information. I am entirely ignorant of military maneuvers. I want to view this thing right. I may say that I voted against fortifying Guam the last time this matter was up and if I did wrong I want to correct the wrong. The gentleman has said that the necessity for fortifying Guam is that an admiral of the Japanese Navy, having a desire to attack the west coast of the United States, would not dare do so and leave behind him, after he moved eastward, a fort or a fortification of some sort. Why would they do that anyway with the intervening fortifications that we have in the Hawaiian Islands?

Mr. MAAS. The gentleman must realize that there is a vast difference in your points of radius from Guam and Hawaii. Guam is close enough to Japan so that planes based there can immediately observe the movement of the Japanese fleet. It cannot get beyond Guam without being detected from Guam. On the other hand, it could go to the Aleutian Islands or Panama and avoid Hawaii entirely. More important than that is this: Even if we fortify Guam, or do just what we are going to do by this bill, we will continue to use it, anyway. If we do not do what is provided in this bill, we will have to spend more money than the cost of this dredging in replacing planes that will get cracked up over there in Guam. We are going to use Guam all the time. We are going to use it every day, and we will continue to use it. If we do nothing else but make the harbor at Guam adequate for patrol planes that in itself would be of infinite value to this Nation in case we are threatened. Let me explain to the gentleman why that is. I am talking now about an unfortified Guam. We are operating patrol planes through there now, and we undoubtedly will operate patrols in Guam if the situation necessitates. Patrol planes radiating out of Guam can keep the Japanese Navy under surveillance all the time. The Japanese Navy could not move in any direction without the high command of our Navy knowing it through our scout planes operating out of Guam. We could not get that information out of Hawaii until they had already gotten too far, perhaps, for our Navy to intercept them. But Guam is close enough to Japan so that the first movement of the Japanese Navy will be detected by our pilots and radioed to our fleet commanders, so that if they start in any direction toward a vulnerable spot in our defense system our fleet will know it and the distance necessary to intercept them will be shorter for our Navy than it is for their Navy to get to a vulnerable point.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MASSINGALE. I would like to ask one more question. As I understand the gentleman, this appropriation is intended only for the purpose of making Guam a place at which airships may land and take off?

Mr. MAAS. That is correct.

Mr. MASSINGALE. It does not contemplate any kind of a haven or harbor for any sea ships?

Mr. MAAS. No; it does not. The bill last year provided that, but the present bill does not so provide.

Mr. THOMASON. Does not the gentleman think that is what it will lead to though? Is that not what the gentleman favors?

Mr. MAAS. Oh, I personally favor that; yes.

Mr. THOMASON. Does the gentleman not think when this appropriation is made it will not be long until somebody will be asking Congress to fortify Guam?

Mr. MAAS. The Congress has control of it. If the occasion arises when that should be done, and it is recommended, the gentleman would be the first one to vote for it, if it is found to be necessary.

Mr. THOMASON. Well, it is inconsistent to be getting out of the Philippines in the next 5 years and at the same time doing something that will lead to the fortification of Guam. I say that is inconsistent.

Mr. MAAS. We will not fortify Guam unless it becomes essential, and if it is essential to our national interest to fortify Guam, we will do so.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New Jersey.

Mr. SUTPHIN. Did I correctly understand the gentleman to say there are flying activities at Guam every day at the present time?

Mr. MAAS. Not in a strict sense every day. I meant it is in use and available every day.

Mr. SUTPHIN. Who is using it?

Mr. MAAS. Pan American and our own Navy.

Mr. SUTPHIN. Our own Navy? To what extent?

Mr. MAAS. Whenever it is necessary to fly back and forth from the Philippines.

Mr. SUTPHIN. The gentleman knows that when the P–13 squadron went out there the fleet was on the west coast. That was last September, and that was their last activity out of Guam. This is February.

Mr. MAAS. But they have to come back for overhaul from time to time, and for training.

Mr. SUTPHIN. Those 12 planes were through there in September.

Mr. MAAS. Yes. Pan American is using it constantly. The gentleman knows it.

Mr. SUTPHIN. Yes; every day.

Mr. MAAS. The gentleman also knows that we maintained an active squadron of the Marine Corps there for many years without any protest from Japan.

Mr. SUTPHIN. We do not maintain it there at the present time.

Mr. MAAS. No; it does not happen to be there at the present time, partly because of the difficulty of operating out of there with those coral reefs.

Mr. SUTPHIN. That marine squadron had land planes.

Mr. MAAS. No; they had both. I was over there when they were there.

Mr. SUTPHIN. How many planes did they have?

Mr. MAAS. They had half a dozen amphibians. They had land planes and amphibians.

Mr. SUTPHIN. Was it 50-50, then?

Mr. MAAS. I do not know how many they had; 12 or 14 land planes and half a dozen amphibians.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman spoke of using this island as a scouting base. Would this be practical without being able to back it up? In other words, unless the island were fortified there would be no occasion for scouting.

Mr. MAAS. No; I believe the gentleman is mistaken about that. It would be of tremendous value, even if it were not fortified, for scouting. Let me say to the gentleman that if we were operating with our scout planes, the minute we saw the Japanese Navy moving in our direction that information would be reported back to the fleet commander, and the scouting squadrons located at Guam would immediately drop back to Hawaii; but it would have served its purpose of warning our fleet.

Mr. COLMER. The point I am making is that unless the island were fortified those planes would be useless. Japan would not let them operate out of there, assuming that we were engaged in hostilities with Japan.

Mr. MAAS. If we were engaged in hostilities we would not operate out of there if Guam were not fortified. The thing is that it would be the first warning of any move toward hostilities.

Mr. COLMER. What would we want to be scouting the Japanese fleet for if we were not engaged in hostilities?

Mr. MAAS. We want to know before they start hostilities. Japan does not declare a war, it just starts making war, and we want to know as far in advance as possible of any threatened danger.

Mr. COLMER. Do I correctly understand the gentleman to mean that if the Japanese fleet were to move in the direction of Guam on a practice cruise we would want to be notified of it?

Mr. MAAS. If a critical situation existed, as it may be getting to be now, you bet your life we would want to know it. We do not want the first knowledge of it to be some shells falling on Los Angeles, for instance, or the destruction of the Panama Canal.

Mr. COLMER. Does the gentleman contend it would be worth anything from a military standpoint to this country to have this improvement of Guam made unless we followed it up with the expenditure of the $800,000,000, or whatever it is, to fortify the island?

Mr. MAAS. It is not any $800,000,000, in the first place; it is $80,000,000. Or if you wanted to make a complete Gibraltar

out of it the cost would be $250,000,000; but it would be the cheapest $250,000,000 this Government ever spent. It is essential that the United States retain and develop Guam to protect our trade routes to the Dutch East Indies and the Malay States, where we get the bulk of our absolutely indispensable raw materials of tin and rubber as well as other strategic materials. So I am in favor of developing the harbor of Guam, whether we fortify the island or not. [Applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HOFFMAN].

CHAIRMAN MADDEN, OF THE LABOR BOARD, GUILTY OF "UNFAIR PRACTICES," SHOULD BE GIVEN A DOSE OF HIS OWN MEDICINE

Mr. HOFFMAN. Mr. Chairman, the Chairman of the National Labor Relations Board, Mr. Madden, has been guilty of "unfair practices," if not a violation of the Federal statutes. A dose of the medicine which he has been handing out to so many employers throughout the country would not be a bad thing for him.

He has been finding that employers who told their employees, some of whom had worked in the factory for 20 or 25 years, that they need not pay dues or join an organization in order to hold their jobs, were guilty of unfair labor practices. No court as yet has upheld that theory. A circuit court of appeals on the Pacific coast has said that, if the law were construed that way, it would be a denial of free speech. Nevertheless, the Board, since that decision was rendered, has continued to make that same finding against free speech.

Then, too, as we all know, the Supreme Court held as long ago as April of 1937, that an employer need not enter into a written contract or into any contract at all with employees. We can go back further than that. We can recall that, when the law was passed, the Senate committee, in its report bringing the bill to the floor, said the law did not require the making of an agreement. We recall that Senator WAGNER himself, in a letter to the New York Sun in November of 1935, said the law did not require the making of a contract or the signing of a contract.

Nevertheless, Mr. Madden has held that the employer must sign a contract, which is contrary to the decision of the Supreme Court and to the decision of more than one circuit court of appeals.

The Chairman of the National Labor Relations Board, Mr. Madden, has been proceeding on the theory that it is a part of his duty, a part of the duty which he owes to the United States and for the performance of which he receives money appropriated by Congress, to enact or to prevent the enactment of legislation.

Chairman Madden completely forgets that he is not charged with the enactment of legislation. He forgets that it is the duty of Congress to legislate, that it is the duty of the courts to interpret that legislation, and that it is the duty of those boards and agencies of the Federal Government, which are created by the Congress or by Executive order to administer those laws, not to enact them or to change them.

He forgets that there is a Federal statute on the books which makes it a criminal offense for anyone to use, directly or indirectly, funds appropriated by Congress to pay for personal services or incur expense to influence Members of Congress to favor or oppose legislation.

Mr. Madden, acting as Chairman of the Labor Board, has been very quick to condemn employers, to find them guilty of a violation of the National Labor Relations Act. He has set himself up on a throne, from which he has criticized not only the acts but the motives of those employers who still believe that this is a free Government; that the right of free speech and a free press guaranteed by the Federal Constitution has not been abrogated.

He has condemned, both by his decisions and by his public utterances, those who have ventured to disagree with his construction of the National Labor Relations Act. He has made some very arbitrary and unjust decisions. He has gone so far as to create a situation where employees, who are guaranteed the right of collective bargaining by section 7 of the act, are by his decisions actually deprived of that right.

As long as Chairman Madden presumes to sit in judgment not only over the acts of employers but on their motives, it is well that we call his attention to some of his own shortcomings. It is well that he be asked publicly whether it is not true that he has violated section 201 of title 18 of the Criminal Code of the United States. It is well that we ask him whether his own testimony before the Smith committee does not convict him of such a violation.

Having received his answer, it is well that we throw back into his teeth the statement that he has deliberately, willfully, and for the purpose of maintaining and extending his authority, employed his time, paid for by money appropriated by Congress to prevent amendment to the N. L. R. A. and that his conduct, many think, is in violation of section 201.

Here are the facts, and there is no dispute, for the testimony comes from the mouth of Chairman Madden.

Let me quote the statute; but before doing that, let me give you an illustration of how much truth there is in the testimony of Mr. Madden—and I want to give it to you from his own testimony and not from what somebody else has said.

He said this—I am reading from page 678 of the hearings before the Smith committee under date of February 8, 1940:

> The charge on page 22 of Senator BURKE'S statement that the Board appointed a trial examiner "who had written and published a book on the C. I. O. lauding that organization in the most glowing terms" is erroneous.

Now, get this; the other was preliminary:

> The facts are that the Board designated Prof. J. Raymond Walsh, or the Harvard faculty, on a temporary per diem basis, to hear the Heinz case—

And then he goes on and says that after he had learned that Walsh's appointment had been criticized; that after the hearing in which Walsh was then engaged had ended, Walsh was told that his services would not be needed longer.

He testified in substance before the Senate committee that Walsh was only a temporary employee. Let us get the record. The record from the personnel files of the Board, referring to Prof. J. Raymond Walsh, reads—pages 678 and 679 of the Smith committee hearings, under date of February 8, 1940:

> Born in the State of Wisconsin, resident of the State of Massachusetts at the time of appointment. He was assigned as a trial examiner to the Empire Furniture Co. case, the Weirton Steel Co. case, the West Virginia Pulp & Paper Co. case, and the H. T. Heinz case.

Madden either did not know or he did not care what his own files showed when he gave that testimony. I submit that when you come to weigh testimony of these Labor Board employees you ought to have a little of their background and know something about previous statements, which they have made before you swallow everything they have said.

Here is section 201 of title XVIII, Criminal Code of the United States:

> Use of appropriations to pay for personal service to influence Members of Congress to favor or oppose legislation: No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device intended or designed to influence in any manner a Member of Congress to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers and employees of the United States from communicating to Members of Congress, on the request of any Member of Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Then it provides:

> Any officer or employee of the United States who, after notice and hearing by the superior officer vested with the power of removing him, is found to have violated or attempted to violate this section, shall be removed by such superior officer from office or employment. Any officer or employee of the United States who violates or attempts to violate this section shall also be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not more than $500 or by imprisonment for not more than 1 year, or both.

Congress wrote the National Labor Relations Act; it created a Board and the President appointed Mr. Madden as Chairman of that Board. Mr. Madden is charged with the duty of

administering the law. Mr. Madden, as Chairman of the Board, has not one single thing to do with the enactment of the law of the amendment or the law or with any attempt to repeal the law. Mr. Madden is not content to be investigator, prosecutor, judge, jury, and executioner under the National Labor Relations Act.

Mr. GROSS. I was just going to add that word—executioner is right.

Mr. HOFFMAN. That is what he is, and in addition to that he wants to add to his functions as Chairman of the Board the right to tell the Members of Congress that we should not amend the law, and he does that in violation of that statute, does he not? Judge for yourselves whether he does or does not. I am not trying to say or to give a statement of what Mr. Madden does or of what he did with reference to that statute. I shall read to you what he did, his own statement of what he did. Here it is by question and answer, questions by Mr. Toland and answers by Mr. Madden, on February 8, 1940, before the Smith committee (p. 678 of the hearings):

Q. Now, let me ask you this question, Mr. Madden. Do you have any recollection of trying to incite unions connected with the American Federation of Labor or labor leaders to appear before the Senate Committee on Education and Labor in opposition to amendments to the Wagner Act?—A. Yes; I have some recollection. I would not adopt your term.

Let me pause there for a moment.

Mr. Madden is charged with administering this law impartially and fairly, and he steps out of character, and attempts to incite—oh, he objects to that word—he advises, some of the officials of the unions, like Dubinsky's, and members of the A. F. of L. to go against the A. F. of L. organization leaders, which, of course, they have a right to do. He also advises them to appear before the Congress and oppose amendments to the law. Does he use Federal money? He sends out communications, or his Board sends out communications, and if they are franked and do not need postage, the paper at least costs something. Does he not send them out in violation of that Federal statute—this man who said that the employer may not even say to the boy or girl who works in a factory that they need not pay tribute to work there—this man says that such a statement is an unfair labor practice, and condemns the employers for that, and then if they are guilty of that and men cease work, he orders a reinstatement of these men and the payment to them of back wages. That is what this man Madden does in violation of that statute. He lobbies to induce Congress to refuse to amend the law and he endeavors to incite members of a union to oppose a course advocated by their leaders. What kind of an Administrator is that? Is it not enough that the American Federation of Labor has charged him with bias and prejudice? Must we retain him longer? Must we still keep on the books an act which is unfair and retain a Board, a member of which lobbies in violation of a Federal statute?

Here is some more of his testimony:

Q. Let us strike out the word "incite." Let us say that you sought their assistance.—A. I have a recollection that I invited David Dubinsky to appear before the Senate committee.

What would you think of a judge, or what would you think of a man at the head of a committee, even though it is not a judicial committee, but who is charged with sitting there fair and impartial, holding the scales of justice, sending out to have witnesses come in to testify in behalf of what the judge thought we ought to have? Is it true that this Congress is not competent, is not able to enact legislation? Must we submit to lobbying on the part of the chairman of a board who is presumed to be exercising judicial functions?

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. MURDOCK of Utah. Has the gentleman ever heard tell of a Federal judge appearing before a legislative committee of Congress for the purpose of having certain legislation enacted?

Mr. HOFFMAN. Personally I have not, but I know of no reason——

Mr. MURDOCK of Utah. May I inform the gentleman that as a member of the Committee on the Judiciary it was my privilege during the last session of Congress to have some of the ablest Federal judges in the United States appear before that committee and advocate the passage of legislation?

Mr. HOFFMAN. That has no application to this case. Mr. Madden appeared before the Senate and House committees and before the House special committee. That is proper enough. But that is an entirely different thing than using Federal money to induce others to advocate or oppose legislation which he is employed to administer. There is another thing that does not put Mr. Madden in that class, and that is his bias and prejudice and his evident sympathy for and acts in behalf of one organization as against the other; nor does the practice change the law in any respect. I know nothing about what these Federal judges have done, but the fact that some Federal judge did something does not make it proper; and I do recall that not long ago a Federal judge somewhere in these United States had the robes stripped from him, and that is what I am advocating should be done about Mr. Madden.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield further?

Mr. HOFFMAN. I think not. The gentleman can get all of the time he wants here in this debate. To continue with the testimony:

Q. Do you have any recollection as to any other labor leader?

A. I don't; it may have happened, but I have no recollection of any other.

Q. Do you have any recollection of seeing any correspondence that was sent out to regional directors asking them to see what they could do to get American Federation of Labor unions to oppose the American Federation of Labor amendments?

A. Well, I am not sure whether I saw any of that correspondence. I have no doubt that there may have been some.

What business have the employees of the Labor Board lobbying against or for amendments, as long as that statute remains on the books?

Those questions and the answers to those questions disclose that Chairman Madden, forsaking his position as administrator of the law, sought to become a creator of legislation, a preserver of legislation; that he not only sought to do this himself, but that, using time paid for by Federal appropriations, he besought others to lobby toward the same end.

The testimony shows that he attempted to influence members of the American Federation of Labor to revolt against their leadership and to appear before a committee of the Senate in opposition to amendments to the National Labor Relations Act.

Chairman Madden is not an impartial administrator. He is not an impartial judge. He is an advocate. He is an assistant to the C. I. O. He is a lobbyist. He is a lobbyist whose time is paid for by appropriations made by Congress. Is there any reason why he, who is so ready to condemn employers, who many times innocently violate the law, should not be subject to the law? Why not give him an application of his own methods? Why not let him appear before a jury of his peers and answer to the charge that he has violated the criminal statute of the United States?

That Mr. Madden did not act inadvertently when he indulged in this improper conduct, when he became a lobbyist, is further shown by the questions asked him by the gentleman from Ohio [Mr. ROUTZOHN], and the answers of Mr. Madden, which will be found beginning on page 699 of the Smith hearings, under date of February 8, 1940:

A. * * * We have regarded ourselves, although our people have jobs out of this enterprise, and are to that extent interested in it, in addition to that, as trustees of this enterprise for the benefit of those who are to be protected by this law.

Q. Is there anything in the law which indicates that you are the trustees of the law itself?

A. I think any public official whose duty it is to enforce a law for the protection of people is a trustee of that law for those people.

Q. And you think that that justified you in doing something that was an inappropriate thing, that is, soliciting something from those who had to deal with you week in and week out throughout the administration of this act?

A. Well, that was our justification for it, Congressman.

Q. What do you think about it at this time, having given it some consideration? Do you think that that was the proper thing to do?

A. I am inclined to think that if we were in a situation where some congressional action were about to be taken on 24 hours' notice so that the people who are the real beneficiaries of this act would not even be aware that there was a problem before Congress by the time that this problem was to be decided, I am inclined to think that we would tell them that that problem was up.

Q. Mr. Madden, didn't you take into consideration, if you were considering it at all—that is, the propriety of what you were doing—that you had a friendly administration, and that that administration had a fairly good sized majority in the Congress, and it, itself, could take care of that for you?

A. Well, the situation was that the Appropriations Committee of this friendly administration had made an adverse report in which they had cut our funds to the point of destruction, and that even after our effort in lobbying it was a rather narrow squeak by which we got the money.

Q. Let's work this down to the last analysis. Did you get the money?

A. Yes.

Q. Did it come through your efforts or did it come through the efforts of the administration? Which had the most influence?

A. Well, that time I think what we did was needed.

Q. At that time you thought it was needed, is that it?

A. Yes.

The point I am trying to make is this, that all through the activities of this Board—and you will find plenty of illustrations if you will run through the hearings of the Smith committee—runs the theory that the members of the Board are charged with the duty of forcing all workers into a labor organization. That is what is back of it all. Not only that, but if you will go a little further in these hearings, you will find in the record of February 8, 1940, where Mr. Witt, secretary of the Board, with the sanction and approval of Mr. Madden, sent out to regional directors throughout the country a letter of instruction, written by Lee Pressman, attorney for the C. I. O., advocating the practice of reducing the complaints as much as possible. That was for the purpose of charging one single act, on which an order of the Board holding that the employer was guilty of unfair labor practice might be based; then get a general, widesweeping order of the Board to cease and desist, and you have a blanket order against the employer. If ever in the future that employer is guilty of an unfair labor practice, prohibited by the general terms of the order, then you could bring that employer before a Federal court, in a contempt proceeding, without a hearing before the Board, for the violation of that order of the Board, which may have been issued on just one narrow, insignificant charge and conviction. And the employer would have no opportunity to get out of the trap in which he had been caught.

In March of 1939, I introduced a bill, which, if passed, would insure to employees the right to bargain collectively through representatives of their own choosing—a right which the present act does not in practice always give them, but which it was supposed to protect. The Supreme Court has said at least once and the Circuit Courts of Appeals more than once that the act, as administered, sometimes did not permit employees to bargain collectively through representatives of their own choosing.

So now we have come down to the time when the A. F. of L. admits, in the interest of fair play, that the act should be amended. We have come down to the time when not only the employers, but the public generally admits that the act should be amended.

How much longer are we going to sit here without acting? Are we going to wait for the Smith committee? We do not know when they will report. They are doing a wonderful job, but they cannot disclose any fundamental principles which are being disregarded, of which we are not now aware. Are we going to wait for the House Labor Committee? One member of the Smith committee asked me if the regular House Labor Committee was holding a side show. I was unable to enlighten him. That committee held hearings during the last regular session. They were here during the special session. Is it the policy of this body to let those two committees go on indefinitely and then, when the summer has rolled away and autumn comes along, to turn about and send, late in the session, a bill to the Senate when we know we are not going to get any action?

Speaking, if I could—and I cannot—only as a Republican with political ideas in mind, I would say, "If you of the majority keep that Wagner law just as it is, refuse to make it fair and just, you will give us some of the best political ammunition for the next campaign that we could get anywhere." Speaking as an American, who believes in fair play; speaking as a Representative who has a duty to the people who sent me here, I would say, "Let us get about our business and amend the National Labor Relations Act so as to make it fair." Oh, yes; I see the gentleman from Georgia [Mr. RAMSPECK], a true friend of labor; even he recognizes today that the Board's conduct has been rotten; that you have got to have a board with membership of five, as the gentleman said in the beginning, and that you have got to make the law fair and just, and the Board judicial.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. My time has just expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. PATRICK. I just wanted to ask, since we have clothed the Smith committee with the authority and have given it the time and money to make this investigation along the lines discussed by the gentleman, whether we had better get all the facts we can before undertaking the sort of legislation recommended by the gentleman from Michigan.

Mr. HOFFMAN. That Smith committee has been doing a wonderful job. They have disclosed a mess that stinks to high heaven, but if we wait for the Smith committee to disclose all of the bias and prejudice and iniquities of the Labor Board, we will wait here until we meet again in some other session. There is no question about that.

Mr. PATRICK. Does not the gentleman feel that if we wait for that Smith committee to make its report, we will make a law then too strong for him to support?

Mr. HOFFMAN. Oh, that is just a silly, foolish question.

Mr. PATRICK. Oh, of course. [Laughter.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, I wanted to speak for a brief moment concerning the National Youth Congress.

Long accustomed to the legal philosophy that all persons and all organizations are entitled to the benefit of all doubts, and that regardless of things derogatory or detrimental said of or about them they are presumed to be innocent until proven guilty. When many weeks ago it was said this organization was communistically inclined and other prominent folks said that it was not, I had no opinion, for I had no evidence. But I want to say that the demonstrations which we have had and the evidence which has been disclosed in the past week should no longer leave any doubt in any man's mind that the organization has not only within its ranks Communists, but that the ultimate aim is that these Communists shall control and direct its movements, if you take an organization by what it does as well as what it says.

In the first place, there is not any organization in America of any discretion that would object to a resolution being placed before it to purge it of Communists, unless it had Communists within its ranks. Such mere refusal is equivalent to pleading guilty. Or, take again an organization that is so impolite, whether it be made up of youth or mature folks, as to boo its own invited speakers, as to follow the unparliamentary procedure of forcibly ejecting one of its members from the audience, a member who wanted to introduce a resolution, instead of tabling the resolution in the parliamentary manner, or voting it down, if they saw fit; an organization that would visit the galleries of Congress and hiss Members in the disorderly manner that they did—these three things show that regard for recognized procedure has very little place in their mode of doing things. [Applause.]

Yes; I recognize, as some have said, that they are proceeding under the Bill of Rights. Yes; the Bill of Rights that they flaunt so gallantly. But what bill of rights or its equivalent is in operation in communistic Russia? And if the Communists of America should assume control, then how long

would that blessed Bill of Rights be in use and in practice by the same ones who are now holding it up as one of their constitutional rights? How long would the right of constitutional trial by jury and the presumption of innocence and the regularity of procedure be followed? How long would it be until we would revert to the firing squad of Russia?

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CREAL. I will yield to the gentleman from New York.

Mr. MARCANTONIO. Now that the gentleman has made his criticism of the procedure and various activities of the American Youth Congress, will the gentleman tell us what his idea is with regard to the program that these young people have set before Congress and their appeal that Congress do something with regard to the 4,700,000 young men and women who are out of work and without opportunity of education?

Mr. CREAL. I have voted for the N. Y. A. programs of the past few years, I will say to the gentleman from New York.

Mr. CALDWELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Kentucky.

Mr. CREAL. That, however, was a different organization and must not be confused, as probably it is confused by a great many, with the National Youth Congress. But as to the program to which the gentleman refers, I would not be influenced to be more for it by reason of being asked by Communists to support it. They do it harm and no good; and I say to the gentleman from New York that as long as Communists are in that organization, they are making one devil of a mess of attempting to advance a program. Communists will do them 10 times more hurt than help.

But if we were to have a program sent to Congress by an organization which has sent the Communists out of it, if the program were asked in the name of Americanism, it would awaken much more sympathetic consideration in the Members of Congress.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CREAL. I yield.

Mr. MARCANTONIO. Would the gentleman delay any handling of the youth problem until the American Youth Congress has expelled the Communists? Is that the gentleman's viewpoint?

Mr. CREAL. I have no objection to saying that I would not oppose anything that was good for the country that was advocated by somebody, regardless of how much I disliked their general affiliations; I would not oppose anything that was good. But I may say that I would not be induced one particle to favor it because it had a certain amount of Communists within it; and I want to say that when it is known that Communists are in the organization, the overwhelming majority of this House of the Congress would not be inclined to look favorably upon it. These organizations do themselves no good by having Communists help advocate their programs.

Does that answer the gentleman's question as to my position?

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CREAL. I think those who are within that organization will continue the effort to purge that organization of the Communists within it, or else withdraw and form an organization composed of people who are not Communists. We look with more or less lethargy and disinterest on this so-called "red" talk, but when you come to invade the youth of America, there is a different issue involved. I am not very much afraid of the bewhiskered, wild-eyed Russian trying to influence the older people, but when you invade the youth and try to entice them into something by statements that you are going to give them jobs and big things, that is the most dangerous thing I have ever heard discussed with reference to the activities of the "reds" during the 5 years I have been a Member of this Congress. When they said 10,000 would come back here next year, most of those will be Communists; the other people will have gone if they cannot purge the organization.

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CREAL. Mr. Chairman, it may be true that there is only a small percentage of Communists in there, but does the gentleman believe that nine Americans will ever be able to convert one Communist radical to the American point of view? It is a ravenous, poisonous, dangerous disease that inflicts itself upon certain people who are already partly afflicted mentally and further deranged by the disease when it lights on them. One of these nine might perhaps to some extent influence the others, but the nine will never convert a single Communist to one single idea of American procedure and American ideals.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CREAL. I yield to the gentleman from New York.

Mr. MARCANTONIO. Does not the gentleman believe that the best guarantee against any "ism" is for this Congress to do something about the youth unemployment problem, particularly in view of the proposed cuts in the present N. Y. A. appropriations, which have proven to be entirely inadequate and have not even begun to touch the problem? Let us discuss and solve the youth unemployment problem, and you will not have to worry about communism or any other "ism."

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CREAL. Mr. Chairman, the gentleman has asked me several questions. I am going to ask him one. Is he in favor of communism?

Mr. MARCANTONIO. No; I am opposed to communism or any other "ism." I am for capitalism, and I want to preserve American democracy, but you cannot preserve that democracy if you permit 4,700,000 young people to starve in the richest country in the world. You cannot preserve that democracy by evading the problem by means of raising a "red" scare.

Mr. CREAL. And you are not going to promote their interests by defending, commending, and alibiing for communism either. [Applause.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MARCANTONIO. May I say to the gentleman that the question of communism has been raised solely for the purpose of putting up a smoke screen in order to conceal the real issue. I am telling you how to handle the issue of communism or any other "ism." The only way to handle it is to get jobs for our young people. That is the way you fight any kind of "ism" in this country.

Mr. CREAL. Can the gentleman say that he has any method in particular how to get Communists out of the Government and out of the youth organizations?

Mr. MARCANTONIO. Pass the American Youth Act and I repeat you will have no occasion to worry about any "ism" among our young people.

Mr. CREAL. Does the gentleman think that will make good American citizens out of the Communists?

Mr. MARCANTONIO. That will make Americans respect and want to live for America. The best guarantee for Americanism is to give Americans a real stake in the American democracy.

Mr. BOREN. Will the gentleman yield?

Mr. CREAL. I yield to the gentleman from Oklahoma.

Mr. BOREN. I have listened with great attention to the gentleman's remarks and I think he is eminently correct. I might add as one Member of Congress, and I hope the gentleman will agree with me, if there is anybody in the United States who wants to live under a Communist government there is one in existence in this world and they are welcome to go over there.

Mr. CREAL. No legislative program good, bad, or indifferent will enhance its chance of becoming a law by admitting that part of its ranks are Communists, but such

admission will do much to weaken it. It had better be an organization smaller in number and all with American ideals.

Mr. CASEY of Massachusetts. Mr. Chairman, I yield to the gentleman from Alabama [Mr. PATRICK] 5 minutes.

Mr. PATRICK. Mr. Chairman, I did not intend to get up and speak on this, but I understand the gentleman from Wisconsin [Mr. KEEFE] got up the other day in my unfortunate absence and made reference to me. I have a high regard for him. I have been looking for him to smile ever since he came to Congress, but I have yet to see him smile. I had hoped he would be here this afternoon so that we might prod him a little and possibly get him to smile.

In my absence the other day he got up in Congress and said that three of those who had been invited to the White House the other night were not accounted for, mentioning me as one of the three. I do not know what he meant by that. I do not know why we should have to account to the gentleman from Wisconsin. I was invited.

Mr. DITTER. Will the gentleman yield?

Mr. PATRICK. Yes, I yield to the gentleman from Pennsylvania.

Mr. DITTER. I wonder if the distinguished gentleman from Alabama would permit me to have the gentleman from Wisconsin here? Does the gentleman feel he would like to have the gentleman from Wisconsin here? He is engaged in committee at the present time, but I could probably get him here.

Mr. PATRICK. Yes, please, get him over here. I would be glad to have him present. I only have 5 minutes, and the gentleman is taking that up.

Mr. DITTER. Shall I take the rest of it up, sir?

Mr. PATRICK. It probably would be better spent. I know the gentleman and I could both agree on that.

Mr. Chairman, I was invited. I got a very polite letter from Mrs. Roosevelt. I assume the others did too. I did not know what it was all about and I did not inquire. I knew it would be all right, or she would not invite us. So I gladly accepted the invitation. She said a few people would be there. There were three of this Youth Congress there, a boy and two girls, or rather a young man and two young ladies, sitting up front beside the First Lady.

I think they had some other things they wished to discuss which were never reached. There were in attendance some, incidentally, that the gentleman from Wisconsin did not happen to get tab on that are absolutely unaccounted for. He did not quite get his personnel right of those who were at the White House. I believe if he had been invited, he would have been there. I hope surely he would have.

The question came up at this White House meeting about this communistic matter. I raised it myself, I think; either I or Senator LEE, of Oklahoma, was the first to raise it. They stated that out of 61 organizations among the young people, 1 was acknowledged as Communist. So Senator LEE and Senator WHEELER, who was there, and I assailed that and stated that as long as there was one communistic organization——

Mr. HOFFMAN. A point of order. Well, I will state it in the form of a request. Is it a violation of the rules to talk about Members of the other body this way?

Mr. PATRICK. No; I think not. We will talk that way. [Laughter.]

So we were there and discussed that matter as to the communistic idea. Those who spoke thought the idea of a little communism in there would ruin their whole program. That matter took up the whole evening. We got there about 9 o'clock and left at nearly 11.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Is it true that the Members who voted against the Dies committee were all there?

Mr. PATRICK. Some were and some where not. I do not know. I voted for the Dies committee.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Connecticut.

Mr. MILLER. I was just wondering if the gentleman was there as a Member of the House or as a member of the Youth Congress.

Mr. PATRICK. As an invitee of the White House and nothing else. I am a Member of the House, and I could not keep from being a Member of the House, but I did not try to represent either. I do not belong to the Youth Congress.

Mr. MILLER. That is what I was getting at.

Mr. PATRICK. There were no Republicans there, if that is what is paining you in the stomach.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Yes; I yield.

Mr. HOFFMAN. Will the gentleman leave his remarks in the RECORD just as he makes them?

Mr. PATRICK. Well, I will not consult the gentleman about whether I do or not.

Mr. HOFFMAN. I know; but would the gentleman just leave them in? I should like to see the gentleman leave them in as he makes them.

Mr. PATRICK. I am pretty careful about that. I might this time.

Mr. HOFFMAN. I noticed him taking them out. The gentleman is careful.

Mr. PATRICK. Well, once, I will admit; but I will probably leave them in just as they are made this afternoon. But if I see anything in there that I think ought not to be in, if I can, I will get it out. [Laughter.]

After the last day of the youths' conference was over I did have one interesting little conversation. Some of those young folks stayed down at the hotel where I live. This will let a little light in on how they overestimate their importance in this country. However, I do think they have something, if they could get the Communists out, that is worthy of our listening to. This is one little point they brought out that night.

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 3 additional minutes to the gentleman from Alabama.

Mr. DITTER. Mr. Chairman, I should like to be generous enough to yield 2 minutes so the gentleman may yield to the gentleman from Wisconsin [Mr. KEEFE] in due order.

Mr. PATRICK. Yes; I would be glad to do that.

I think sometimes there is no danger of a Congressman overestimating the importance of his job, but there is danger of a Congressman overestimating his own importance. So when I hear a Congressman get up and take the others to task and give an account of their presence, and all that, I think he is taking the wrong attitude; too important. So I have intended not even to answer that, but since it is out we will go into it.

I do think this young group, however, overestimate their own importance; and this is an example: They were standing around there, as I started to say, at the hotel where I live, and I said, "Well, you young people had the President talk to you today." One of them said, "Yes; he talked to us, but," he said, "you know his talk did not go over so hot with us today."

That is what he said about the President of the United States you know. They all seemed to chime in. If there had been just one who said that I would not have thought anything about it but they all seemed to chime in. I do not know whether that was a part of its communistic group or not. They say only one out of the 61 organizations, a comparatively small part of their organization, is communistic.

Of course, I do not believe any true American has any sympathy or can compromise with the communistic program. I do not think they will get anywhere as long as there is a taint of communism in their organization. I do not believe either House of Congress, either the upper or lower branch—whichever you consider upper or lower; I have serious doubts about this House being the lower—will have any hesitation in

refusing to go along with a program for the reason that they are behind it so long as they carry the taint of communism. But we do not want to let that feeling of anticommunism shadow our action and have the effect of disrupting an American program for putting over things that ought to be done, because somebody way across the hollow will be hollering communism. I think there is that danger. I do think there was one thing—regardless of all that, there is one cry that that group is making that is justified, and that is that business, taking up its slack in this Nation, has a tendency to take up the slack with those already employed and those that are older and is leaving a lot of young people out in the cold. I do think there ought to be some constructive legislation enacted that would, if possible, try to reach that threatening trouble.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Yes; we took the courtesy to get the gentleman over here so that I might reply to him about anything he had to say.

Mr. KEEFE. I was not privileged to be here while the gentleman was making his remarks.

Mr. PATRICK. Oh, you missed it. [Laughter.]

Mr. KEEFE. Well, I shall have the privilege, perhaps, of reading it in the RECORD tomorrow.

Mr. PATRICK. Yes.

Mr. KEEFE. And I want to say to the gentleman that I am prepared, and will at the proper time, answer not only the gentleman who is on the floor, but the other gentlemen who were kind enough to talk of and concerning me the other day in reference to this youth movement.

Mr. PATRICK. We do not doubt that.

Mr. KEEFE. And I shall be glad to give the gentleman an opportunity when I make that statement to be present. In view of the statement just made——

Mr. PATRICK. Oh, I am sure, the gentleman can do it, brother, believe me.

Mr. KEEFE. Will the gentleman not elaborate a little bit, instead of being quite so vague, and tell us just what he proposes in the shape of legislation to give these young people jobs, instead of just talking about it?

Mr. PATRICK. I have no bill; I have no program. So far as I know, I am the only man in Congress without some sort of a bill of this nature.

Mr. KEEFE. Has your party any bill or program?

Mr. PATRICK. Well, my party is a big bunch of folks. About 2 to 1 of the people in America now are Democrats.

Mr. KEEFE. But have you any program?

Mr. PATRICK. So it would be hard for me to announce my program, or anybody's program, for that big group of folks. You know I am just a little pebble on a big beach, and that beach is getting bigger and bigger every day.

Mr. KEEFE. You have suggested this Congress has an obligation to do something to give these people jobs.

Mr. PATRICK. Yes.

Mr. KEEFE. We agree on that. Now, have you a suggestion, as one of the great representatives of the people here in Congress—have you a single, concrete suggestion of legislation that will give a single job?

Mr. PATRICK. No; I am simply one of the little ones in the Congress, and I am not saying, "Here is a program." I want to hear you wise boys do something about that, some of you boys with wisdom from up in the Middle West ought to shed some light on that. You have been qualifying to shed light on every other subject that has come up here.

Mr. KEEFE. At least, the gentleman will admit he has no program.

Mr. PATRICK. No program; no. The Democratic Party has a great program, but I am just here, that is all. [Laughter and applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. JENKS].

Mr. JENKS of New Hampshire. Mr. Chairman, as a comparative novice insofar as national-defense questions are concerned, I hesitate to rise in opposition to an item in the bill under discussion which has been recommended by the Appropriations Committee, whose members are men of long and broad experience. However, this bill contains one item to which I am unalterably opposed—not only because of the expenditure it would eventually involve but because I believe there is a principle at stake. I refer to the item for the development of Guam. I believe that it is incumbent upon the Members of Congress to view any situation affecting our country in its entirety. We all know that the Navy Department is favorable to the fortification of Guam for defense purposes, but in view of the proximity of this island to the coast of Japan, I am wondering if the fortification of Guam would not be interpreted by Japan as an affront and might serve to make even more tense the atmosphere between the United States and the Island Empire. A situation is rarely so bad that it cannot be made worse, and in these times of stress and strain it seems to me that the fortification of Guam would be adding fuel to the fire.

On May 17, 1938, Congress directed the Secretary of the Navy to appoint a board to investigate and report upon the need, for purposes of national defense, of additional submarine, destroyer, mine, and naval air bases on the coasts of the United States, its Territories, and possessions. No less an authority than Rear Admiral Arthur J. Hepburn was chairman of the investigating board. On January 3, 1939, the Secretary of the Navy submitted the so-called Hepburn report to the House. Permit me to read one paragraph from that report:

> On December 18, 1919, the Joint Army and Navy Board recommended that "Guam be fortified and garrisoned adequate to its defense against any force that could be brought against it," and that a first-class naval base be prepared in Apra Harbor. The Washington Treaty of 1922 put an end to those plans, but that treaty has now expired.

Last year this House rightly and properly, in my opinion, rejected this proposal for the fortification of Guam. I believe it was then the consensus of opinion that this activity would at least appear like an unwarranted affront to Japan, but aside from that surmise it was largely conceded that it would be an unjustifiable expenditure because Guam is away and beyond our natural sphere of defense. But here we are again confronted with the same proposal, as carried in this naval appropriation bill under discussion, although, I dare say, no one would hardly contend that anything has happened in the interim to clear the atmosphere between this country of ours and Japan or to make the necessity for intelligently expanding our Navy less urgent.

My colleague on the Naval Affairs Committee the gentleman from Minnesota [Mr. MAAS] contends that it would be a wonderful thing to have an air base at Guam, where scouting planes could be on guard for the protection of the United States. I am sorry to disagree with him, but I frankly admit that it is somewhat beyond me to understand why we would want or need to have either Navy or Army planes scouting for purposes of protection some 5,000 miles away from the Pacific coast line of our country.

I am for a strong and thoroughly adequate national defense. In view of world conditions, I want to see our Navy efficiently built up and properly equipped so as to be able to defend the United States, and, if need be, this entire hemisphere; but I believe if we are to have a Navy capable of doing that we will have to concentrate our efforts on building such a Navy solely for defense purposes rather than unnecessarily and unwisely scattering our forces hither and yon over the face of the globe.

I hope this proposed expenditure for the development of Guam will be eliminated from this bill.

I yield back the remainder of my time.

Mr. SCRUGHAM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose, and Mr. RAYBURN having resumed the chair as Speaker pro tempore, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8348, the naval appropriation bill for 1941, and had come to no resolution thereon.

EQUALIZATION OF LETTER CARRIERS (H. DOC. NO. 635)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. 2001, Seventy-sixth Congress, entitled "An act for equalization of letter carriers."

I withheld my approval of bill H. R. 4285, passed by the Seventy-fifth Congress, which contained a similar provision and set forth my reasons therefor in a memorandum dated June 25, 1938, reading in part as follows:

Under existing law the annual salary rates for village delivery carriers are fixed at $1,150 for grade 1, $1,250 for grade 2, and $1,350 for grade 3. This bill proposes to increase the salary rates of each grade by $75 per year, or to $1,225 for grade 1, $1,325 for grade 2, and $1,425 for grade 3. The bill also provides for the increase in the hourly pay of substitutes in said service from 50 to 55 cents. The salary rates for postal employees at post offices of the first-, second-, and third-classes were prescribed by the act approved February 28, 1925. Since that time the workweek was first reduced by law from 48 hours to 44 hours, and again further reduced to 40 hours, which in effect results in a decrease of 16⅔ percent in service actually rendered for the same rate of pay. Until the financial situation of the Government becomes greatly improved and until the postal receipts and expenditures are brought more nearly into balance, I cannot, as a matter of sound policy, look with favor upon any proposed legislation which would provide for an increase in the salary rates of postal employees. I do not consider that there are sufficient reasons in support of this proposal to increase the salaries of village delivery carriers to justify an exception to the above-stated policy.

The bill, H. R. 2001, proposes to increase the minimum salary rate of carriers in the village delivery service from $1,150 to $1,200 and the maximum rate from $1,350 to $1,440, and the hourly rate for substitutes in that service from 50 to 60 cents an hour. This bill has been referred to the Postmaster General who advises that under the authority contained in the bill, should it become law, he proposes to fix the pay grades at $1,200, $1,320, and $1,440, and that the additional annual cost of the bill would amount to about $178,820. This would represent an increase of more than 10 percent in the annual cost of village delivery service.

My objections and observations respecting H. R. 4285, Seventy-fifth Congress, have equal application to this bill, H. R. 2001. I regret that I feel obligated to take this stand with respect to this class of employees, but I do not think that I would be justified in approving legislation that would give preferential treatment to this single group of employees.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 13, 1940.*

The SPEAKER pro tempore. The objections of the President will be spread at large in the Journal.

Mr. BURCH. Mr. Speaker, I move that the bill and the President's message be referred to the Committee on the Post Office and Post Roads and ordered printed.

The motion was agreed to.

TRANSPORTATION AT GOVERNMENT EXPENSE OF CERTAIN AUTOMOBILES

The SPEAKER pro tempore also laid before the House the following message from the President of the United States which was read, and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to permit, where ocean transportation is necessary and subject to certain other limitations, the transportation at Government expense of personally owned automobiles by certain officers of the Foreign Service of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 13, 1940.*

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and to include therein certain excerpts from naval authorities.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by the Postmaster General on the first day of the issue of the Washington Irving stamps.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. JACOBSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to extend my remarks and embody in them an editorial from the Birmingham Age-Herald.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend the remarks I made today in Committee of the Whole and to include brief quotations from the Board of Army Engineers.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

NATIONAL YOUTH CONGRESS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. MARCANTONIO] is recognized for 15 minutes.

Mr. MARCANTONIO. Mr. Speaker, rather than take the time of the House, I ask unanimous consent to insert in the RECORD a radio speech that I delivered last night with regard to the solution of the American youth unemployment problem, and I will waive the time that was assigned to me.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MERRITT, indefinitely, on account of illness.

To Mr. EDMISTON, for 3 days, on account of business in his district.

To Mr. MOUTON (at the request of Mr. DEROUEN), for 10 days, on account of illness.

ADJOURNMENT

Mr. SCRUGHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock p. m.) the House adjourned until tomorrow, Wednesday, February 14, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, February 14, 1940, at 10:30 a. m., for the public consideration of H. R. 8023 and H. R. 8292.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

On Wednesday, February 14, 1940, at 11 a. m., the Committee on Merchant Marine and Fisheries will hold hearings on H. R. 6983, to provide for the construction of a marine tuberculosis hospital in California.

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs of the House in room 1310, New House Office Building, at 10:30 a. m., February 14, 1940, for the consideration of all bills pending before this committee relative to taxation of Tennessee Valley Authority properties.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Wednesday, February 14, 1940, at 10:30 a. m., in room 328, House Office Building, to consider H. R. 2436.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs on Wednesday, February 14, 1940, at 10 a. m., on H. R. 8026, to establish the composition of the United States Navy, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 14, 1940, at 10 a. m., there will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary on the bill (H. R. 8016) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (municipal compositions). The hearing will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 6877, to protect the United States in patent-infringement suits; and S. 547, to amend section 23 of the Copyright Act.

EXECUTIVE COMMUNICATIONS, ETC.

1391. Under clause 2 of rule XXIV a letter from the Chairman, Securities and Exchange Commission, transmitting sections II and III of chapter VI of part 3 of the Commission's over-all report on the study of investment trusts and investment companies made pursuant to section 30 of the Public Utility Holding Company Act of 1935 (H. Doc. No. 279) was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SCRUGHAM: Committee on Appropriations. H. R. 8438. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes; without amendment (Rept. No. 1587). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Expenditures in the Executive Departments. H. R. 8307. A bill to change the date of transmission to Congress of the Budget of the United States in years in which a new President takes office; without amendment (Rept. No. 1588). Referred to the House Calendar.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 3765. A bill to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California," approved May 18, 1928 (45 Stat. 602); without amendment (Rept. No. 1589). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK of Arizona: Committee on Indian Affairs. H. R. 7551. A bill authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry; with amendment (Rept. No. 1590). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOODRUM of Virginia: Committee on Appropriations. House Joint Resolution 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriations acts; without amendment (Rept. No. 1591). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAVENNER:

H. R. 8439. A bill to assist public agencies and nonprofit organizations in safeguarding the health of the Nation and to promote the general welfare; to the Committee on Appropriations.

By Mr. JOHNS:

H. R. 8440. A bill authorizing an appropiration for purposes of a memorial to Jean Nicolet; to the Committee on the Library.

By Mr. ARENDS:

H. R. 8441 (by request). A bill to afford greater protection to the purchaser of patent rights; to the Committee on Patents.

By Mr. BOYKIN:

H. R. 8442 (by request). A bill to prohibit proof of acts done by an inventor in foreign countries; to the Committee on Patents.

By Mr. CAMP:

H. R. 8443 (by request). A bill to give the Commissioner of Patents power to protect inventors by establishing adequate standards of professional conduct among attorneys; to the Committee on Patents.

By Mr. KRAMER:

H. R. 8444 (by request). A bill to permit the assignee of an application for letters patent to make certain supplemental applications; to the Committee on Patents.

H. R. 8445. A bill to amend the act entitled "An act to provide additional protection for owners of patents of the United States, and for other purposes," approved June 25, 1910 (36 Stat. 851), as amended (40 Stat. 705; 35 U. S. C. 68), so as to protect the United States in certain patent infringement suits; to the Committee on Patents.

By Mr. BLOOM:

H. R. 8446. A bill to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended; to the Committee on Foreign Affairs.

By Mr. FITZPATRICK:

H. R. 8447. A bill to grant to home owners the right to extend the period for amortization of loans under section 4 (d) of the Home Owners' Loan Act of 1933, and to reduce the rate of interest on such loans to 4 percent; to the Committee on Banking and Currency.

By Mr. HORTON:

H. R. 8448. A bill to provide for the extension of certain oil- and gas-prospecting permits; to the Committee on the Public Lands.

By Mr. SPARKMAN:

H. R. 8449. A bill to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who were physically injured in line of duty while performing active duty or engaged in authorized training between the dates of February 28, 1925, and July 15, 1939, both inclusive, and for other purposes; to the Committee on Military Affairs.

By Mr. JONES of Texas:

H. R. 8450. A bill to make permanent the reduced rates of interest on Federal land bank and land bank commissioner loans; to the Committee on Agriculture.

By Mr. KEFAUVER:

H. R. 8451. A bill to authorize the construction of flood-control works on the Tennessee River at Chattanooga, Tenn., and Rossville, Ga.; to the Committee on Flood Control.

By Mr. GARTNER:

H. R. 8452. A bill to declare Frankford Creek, Pa., to be a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Maine:

H. R. 8453. A bill for the relief of the State Highway Commission of the State of Maine; to the Committee on the Judiciary.

By Mr. WOODRUM of Virginia:

H. J. Res. 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriations acts; to the Committee on Appropriations.

By Mr. CELLER:

H. J. Res. 457. Joint resolution for the transfer of the marketing laws survey to the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. VOORHIS of California:

H. J. Res. 458. Joint resolution designating the third Sunday in May of each year National Citizenship Day; to the Committee on the Judiciary.

By Mr. SHANLEY:

H. Con. Res. 47. Concurrent resolution to effect an armistice in the Finnish-Soviet hostilities; to the Committee on Foreign Affairs.

By Mr. HILL:

H. Res. 383. Resolution authorizing an investigation of the fruit industry to increase markets; to the Committee on Rules.

H. Res. 384. Resolution providing for the expenses of the select committee created by House Resolution 383; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States against discrimination of older persons in the Federal civil service; to the Committee on the Civil Service.

Also, memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States to enact into law Senate bill 2420, known as the Federal mine-inspection bill; to the Committee on Mines and Mining.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 8454. A bill for the relief of James R. Hess; to the Committee on Military Affairs.

By Mr. BRYSON:

H. R. 8455. A bill granting a pension to Dorace Ben Whitener; to the Committee on Invalid Pensions.

By Mr. COURTNEY:

H. R. 8456. A bill for the relief of the Union Bank of McEwen, Tenn.; to the Committee on Claims.

By Mr. GORE:

H. R. 8457. A bill for the relief of James M. Duggan; to the Committee on Claims.

By Mr. GREGORY:

H. R. 8458. A bill for the relief of Martha Morrison Hale, of Hickman, Ky.; to the Committee on Claims.

By Mr. LEWIS of Colorado:

H. R. 8459. A bill for the relief of Edna S. Gardiner; to the Committee on Claims.

By Mr. MOSER:

H. R. 8460. A bill granting a pension to Amelia H. Commings; to the Committee on Invalid Pensions.

By Mr. O'NEAL:

H. R. 8461. A bill for the relief of Alice E. Shinnick; to the Committee on Claims.

By Mr. PACE:

H. R. 8462. A bill for the relief of John R. Beard; to the Committee on Military Affairs.

By Mr. REES of Kansas:

H. R. 8463. A bill granting a pension to Thomas G. Red; to the Committee on Pensions.

By Mr. REECE of Tennessee:

H. R. 8464. A bill for the relief of H. S. Hill; to the Committee on Claims.

H. R. 8465. A bill for the relief of Walter T. Blackwelder; to the Committee on Claims.

By Mr. VOORHIS of California:

H. R. 8466. A bill for the relief of William Bowen; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6473. By Mr. ANDREWS: Petition of L. A. Pender and Felix Bilger, of Buffalo, N. Y., and sundry others; to the Committee on Ways and Means.

6474. Also, resolution adopted by the Echo Society of Niagara Falls, N. Y., favoring the enactment of House Joint Resolution 412 for the relief of distressed and starving women and children of Poland; to the Committee on Foreign Affairs.

6475. By Mr. CONNERY: Petition of sundry citizens of Lawrence, Mass., protesting against American participation in Japanese aggression against China in supplying war materials, particularly airplane gasoline, to Japan; to the Committee on Foreign Affairs.

6476. Also, petition of sundry citizens of Saugus, Mass., requesting a strong move for international peace by urging the belligerents to declare a truce and to appoint delegates from each country to engage in a parley relative to possible conditions on which all sides could agree that would result in permanent peace without leaving conditions which would lead to further aggression; to the Committee on Foreign Affairs.

6477. By Mr. FLAHERTY: Petition of the Department of Agriculture, Commonwealth of Massachusetts, State House, Boston, Mass., urging support of Senate bill 2212, to provide for the development of marketing and marketing services for farm commodities; to the Committee on Agriculture.

6478. Also, petition of the Women's International League for Peace and Freedom, Massachusetts branch, Boston, Mass., opposing establishment of military training in Civilian Conservation Corps; to the Committee on Labor.

6479. Also, petition of the Metropolitan District Dental Society, Boston, Mass., urging enactment of modern dental law for the District of Columbia; to the Committee on the District of Columbia.

6480. By Mr. MARTIN J. KENNEDY: Petition of the Ohio Chamber of Commerce, Columbus, Ohio, concerning the

Logan-Walter administrative bill (H. R. 6324); to the Committee on the Judiciary.

6481. Also, petition of the Queensboro Homing Pigeon Club, affiliated with the Combine Concourse Association, of Long Island, N. Y., urging support of House bill 7813, which guarantees the protection of the homing pigeon; to the Committee on Agriculture.

6482. By Mr. McKEOUGH (by request): Petition of Priscilla B. Sayre, of Chicago, Ill., and 29 others, favoring enactment of the proposed General Welfare Act (H. R. 5620); to the Committee on Ways and Means.

6483. By Mr. SCHIFFLER: Petition of H. W. Shawhan, director, and J. W. Hesen, Jr., fish technician, Conservation Commission, of Charleston, W. Va., and the sportsmen of West Virginia, participating in the regional sportsmen's meeting, held at Morgantown, W. Va., January 31, 1940, and representing the counties of Hancock, Marshall, Monongalia, Gilmer, Preston, Ohio, Harrison, Doddridge, Brooke, Taylor, Lewis, and Marion, favoring the passage of the Mundt bill, in lieu of all other antipollution bills; to the Committee on Rivers and Harbors.

6484. By Mr. SUTPHIN: Memorial of the New Jersey Society, Sons of the American Revolution, unalterably opposing Senate bill 1650, for, in the opinion of their organization, the measure is considered un-American, confiscatory, and destructive of rights to private property and leading to general centralized control of individual wealth and industry; to the Committee on Immigration and Naturalization.

6485. By Mr. WELCH: Brief submitted by the San Francisco Chamber of Commerce, opposing House bill 7361, Seventy-sixth Congress, which proposes to take away the right of several States including California, to divide community property income for the purpose of Federal income tax; to the Committee on Ways and Means.

6486. By the SPEAKER: Petition of the Polish American Council and others (mass meeting), Chicago, Ill., petitioning consideration of their resolution with reference to Polish relief; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 14, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, our Father in heaven, in the onward march of time we are brought together for another day. O God, we pray for the needs of men. May we be planted in that divine vineyard in which Thou art the husbandman, where the fruitless branches are cut away and those that bear fruit are cleansed that they may bear more fruit; thus whatsoever we doeth shall prosper, and we shall rejoice that there is no waste energy, no contagious doubt, and no annoying weariness. O river of God, flow this way, that its crystal tides may enrich the soil of our souls, bearing fruit in every good work. O Lord of life and light, we humbly pray Thee to let the golden morning break over this troubled world. May all peoples soon see the vision that transfigures sorrow, lightens the darkness, and immortalizes hope. Flowing from our hearts is a prayer for our beloved Speaker. In the name and for His glory, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7922) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, Mr. MCCARRAN, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The SPEAKER pro tempore laid before the House the following letter from the Clerk of the House:

THE SPEAKER,
House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. M. MICHAEL EDELSTEIN as a Representative-elect to the Seventy-sixth Congress, from the Fourteenth Congressional District of New York, to fill the vacancy caused by the death of Hon. William I. Sirovich, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

SWEARING IN OF MEMBER

Mr. M. MICHAEL EDELSTEIN presented himself at the bar of the House and took the oath of office.

EMPLOYEES' COMPENSATION FUND, EMERGENCY RELIEF

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 456.

The Clerk read as follows:

Resolved, etc., That the paragraph of the Independent Offices Appropriation Act, 1940, under the heading "Employees' compensation fund, emergency relief," is hereby amended by striking out the sum "$3,200,000" and inserting in lieu thereof the sum "$4,700,000."

Mr. TABER. Mr. Speaker, reserving the right to object, as I understand it, the amounts required to take care of and pay the compensation of W. P. A. employees who have been injured in line of duty has been exhausted, that funds available to meet these payments are gone.

Mr. WOODRUM of Virginia. That is correct.

I may say that when we started making relief appropriations the sum of $25,000,000 was set aside and earmarked in the Treasury out of relief funds for the purpose of being administered by the Employees' Compensation Commission to pay claims of W. P. A. workers who were injured in line of duty, they being held under the law to be employees of the Government. From time to time Congress has authorized the use of a portion of this fund. During the current year we authorized the use of $3,200,000. Subsequent to the time of that authorization relief expenditures were increased. The fund, therefore, has run out. This resolution authorizes an additional $1,500,000 to be allocated from the fund heretofore set aside. It does not require the appropriation of any money, it is merely an authorization.

Mr. TABER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MAUDE MAY MACARTHUR

Mr. WARREN. Mr. Speaker, from the Committee on Accounts, I present a privileged resolution (H. Res. 382, Rept. No. 1592) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Maude May MacArthur, sister of James Bruce MacArthur, late an employee of the House, an amount equal to 6 months' salary compensation, and an additional amount not to exceed $250, to defray funeral expenses of the said James Bruce MacArthur.

The resolution was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial by Mr. West, the chief Boy Scout executive.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by The Assistant Secretary of War, Hon. Louis Johnson, before the Boston City Club, on January 25, 1940, containing historical allusions to England and national defense.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DOUGLAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by the gentleman from Ohio [Mr. VORYS] in Utica, N. Y., on February 10.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I made at Naperville, Ill., on February 12.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief editorial from the Indianapolis Star of February 12.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a few short excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. RANDOLPH and Mr. LARRABEE asked and were given permission to revise and extend their own remarks in the RECORD.

RECIPROCAL-TRADE AGREEMENTS

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to file individual views of Members to accompany the majority report on House Joint Resolution 407, which has reference to the reciprocal-trade agreements.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. DISNEY]?

There was no objection.

CALENDAR WEDNESDAY

The SPEAKER pro tempore. This is Calendar Wednesday. The Clerk will call the roll of committees.

PAYMENT TO SAN CARLOS APACHE INDIANS

Mr. ROGERS of Oklahoma (when the Committee on Indian Affairs was called). Mr. Speaker, by direction of the Committee on Indian Affairs, I call up the bill H. R. 7551, authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry, and ask unanimous consent that this bill be considered in the House as in the Committee of the Whole House on the state of the Union.

The Clerk read the title of the bill.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 22]

Allen, La.	Darrow	Lemke	Sacks
Arends	DeRouen	McAndrews	Sasscer
Austin	Dies	McArdle	Schwert
Ball	Dirksen	McGranery	Seccombe
Barden	Ditter	Maas	Shafer, Mich.
Barnes	Drewry	Maciejewski	Shannon
Barry	Duncan	Maloney	Sheridan
Barton	Dunn	Marshall	Short
Beam	Durham	Martin, Ill.	Simpson
Bell	Elliott	Mason	Smith, W. Va.
Bender	Evans	Merritt	Starnes, Ala.
Boland	Fernandez	Mills, La.	Steagall
Boykin	Fish	Mouton	Stearns, N. H.
Brewster	Folger	Murdock, Utah	Sullivan
Brooks	Ford, Leland M.	Myers	Sumner, Ill.
Buckley, N. Y.	Ford, Thomas F.	Nelson	Taylor
Bulwinkle	Garrett	Norton	Thomas, N. J.
Camp	Gehrmann	Patman	Tinkham
Casey, Mass.	Grant, Ind.	Patton	Treadway
Celler	Harness	Pfeifer	Vinson, Ga.
Chapman	Hart	Rabaut	Voorhis, Calif.
Clark	Harter, Ohio	Reece, Tenn.	Vorys, Ohio
Cole, N. Y.	Hendricks	Reed, N. Y.	Weaver
Collins	Hinshaw	Robsion, Ky.	Whelchel
Cooley	Jarrett	Rockefeller	Winter
Crowther	Jenkins, Ohio	Romjue	Woodruff, Mich.
Culkin	Johnson, Ind.	Routzohn	
Darden	Knutson	Sabath	

The SPEAKER pro tempore. Three hundred and eleven Members have answered to their names. A quorum is present.

On motion of Mr. COOPER, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. MAHON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a few paragraphs from a speech made by Mr. Dumont, of the Biological Survey, on conservation of wildlife.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. MAHON]?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by Mr. Milo Perkins, President of the Federal Surplus Commodities Corporation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a recent statement by certain labor officials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. WIGGLESWORTH]?

There was no objection.

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter addressed to me by the Honorable Oscar Johnson, president of the National Cotton Council of America, together with a statement made by the National Cotton Council of America.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. ZIMMERMAN]?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include some informative tables prepared by a member of a committee of the American Bar Association.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short statement from the Izaak Walton League.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa [Mr. HARRINGTON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of the RECORD.]

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Hon. Robert Jackson before the Youth Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief statement by Bishop F. J. McConnell.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief appreciation of the late Dr. Oliphant by Eugene Kelly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. THORKELSON asked and was given permission to extend his own remarks in the RECORD.

PAYMENT TO SAN CARLOS APACHE INDIANS

The SPEAKER pro tempore. The gentleman from Oklahoma [Mr. ROGERS] calls up the bill H. R. 7551 and asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

Mr. COCHRAN. Mr. Speaker, there is opposition to the bills to be called up today, and I feel we should abide by the rules. Therefore I object.

The SPEAKER pro tempore. The gentleman from Missouri objects.

This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7551, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. ROGERS of Oklahoma. Mr. Chairman, as I understand, we have an hour of debate on each side?

The CHAIRMAN. The gentleman from Oklahoma is entitled to recognition for 1 hour, and a member of the minority on the committee who may be opposed to the bill is entitled to recognition for 1 hour.

Permit the Chair to inquire, Is any minority member of the Committee on Indian Affairs opposed to the bill and seeking recognition? The Chair hears none. Is any member of the minority opposed to the bill and seeking recognition?

Mr. TABER. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from New York is recognized for 1 hour in opposition to the bill, and the gentleman from Oklahoma is recognized for 1 hour in support of the bill.

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill provides for payment to the San Carlos Apache Indians for lands ceded by them. By an agreement in 1896 the San Carlos Indians ceded approximately 232,230 acres to the United States in trust for disposal under the mineral-land laws for the benefit of the tribe. Part of the land was disposed of under the general homestead laws and part taken by the United States, in violation of the agreement. The Indians have received only about $12,800 for the land and now claim that they should be paid at least $1.25 per acre, or a total of $290,400, less the $12,800 heretofore paid. The records of the Federal Government disclose that no claim settlement has been made with this tribe.

Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, the chairman of the Committee on Indian Affairs has given you briefly the set-up as it appears. This bill provides for the payment of approximately $278,000 to the San Carlos Indians for a tract of land which they ceded in trust to the United States Government in 1896 for a certain purpose. In 1896 it was provided that this land should be open for mineral entry. It was thought there were considerable coal deposits on the land. However, it was found that not much coal could be developed there, so the Indians have received only a little over $12,000 in royalties for the coal which has been taken out of this tract. Meanwhile, since 1896, this land has been homesteaded and all the water holes have been patented, so that today white settlers have the valuable portions of this land in their possession.

This bill provides for the payment of a cash settlement to the San Carlos Indians and the return of the remainder of the land which has not been patented to the public domain, open to mineral entry and to use under the Taylor Grazing Act.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I am pleased to yield to the gentleman from Michigan.

Mr. WOLCOTT. How did the white settlers get possession of the land which they occupy?

Mr. MURDOCK of Arizona. I believe, if anyone is to blame, it was the fault of the Government in permitting them to take possession by homesteading. Now they have acquired title to the water holes in this tract, and I want to protect them in their homemaking.

Mr. WOLCOTT. Did they pay anything for it?

Mr. MURDOCK of Arizona. I presume they got it under the usual homestead provisions.

Mr. WOLCOTT. What right had the Government to give these white settlers permission under the homestead laws if this is an Indian reservation? They must have gotten it by purchase.

Mr. MURDOCK of Arizona. They have patents now to certain tracts, and their rights must be protected, even if the Government had no legal right to permit those acquisitions.

Mr. WOLCOTT. The question is, Did they get it by purchase or are they there by squatter right or homestead right?

Mr. MURDOCK of Arizona. They have their patents. I believe they are there by homestead right.

Mr. WOLCOTT. Then they had to pay for the land, did they not?

Mr. MURDOCK of Arizona. Apparently they paid the usual fee which all homesteaders pay.

Mr. WOLCOTT. Where does this usual fee go that is paid for the land?

Mr. MURDOCK of Arizona. I presume it goes into the Treasury of the United States.

Mr. WOLCOTT. Instead of these Indians being paid for mineral rights, were they not paid this $12,800 for the land which the white settlers purchased and for which the settlers paid money into the Treasury of the United States?

Mr. MURDOCK of Arizona. I do not so understand it.

Mr. WOLCOTT. Has the gentleman read the letter of the Secretary of the Interior?

Mr. MURDOCK of Arizona. I understand that the Indians received something over $12,000 as royalties on the coal that was removed from these lands.

Now, Mr. Chairman, here are Indians who have been deprived of something over 230,000 acres of land which was a part of their reservation until this very hour, and now the land is valueless to them, because all of the water holes have come into the possession of white settlers. I feel that if we

do not pass this bill in substantially the same form in which it is today a grave injustice will be done to the San Carlos Indians, and also a grave injustice will be done to these white settlers. Many of the settlers have spent considerable money in developing their homes, and they also have a claim upon our consideration.

Let me picture the situation as it is. You know throughout the West in the mountain area—and this is mountain land, and very rough, fit only for grazing purposes—white settlers or cattlemen go into a new country, get possession of the water holes, preempt it, and finally patent it in blocks of 160 acres, or 320 acres, or 640 acres. This permits them to use a vast portion of the surrounding area, otherwise without water, for grazing purposes. This is the practice throughout all the West, so that 10 or 15 or 20 times the patented area is useful to these cattlemen, because they own the water holes and can use the surrounding territory as far as cattle can safely graze.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. MURDOCK of Arizona. Not until I have completed my picture.

I believe you will agree with me that these cattlemen who have patented the water holes will maintain that to return any part of this strip to the Indians now—and the Indians do not want it returned to them now—would make the holdings of the white settlers valueless. These white holdings are valuable only so far as the settlers are able to make use of the surrounding lands for grazing. To return this land, other than the patented land, would mean that it would be worthless to the Indians. They cannot use it for grazing without the water holes. The Indian Bureau does not want this land returned to the Indians. The Indian Bureau prefers a cash settlement, and I have a statement here from the Commissioner himself.

Therefore you might say that justice requires the passage of this act with some sort of cash settlement. What amount of cash settlement? The bill provides for the equivalent of about $1.25 an acre.

Now, Mr. Chairman, you know that throughout our entire history public domain has been appraised at about $1.25 per acre. You may say that that is too much for some of this land, but I would call your attention to the fact that $1.25 an acre is too little for the land that has passed to private ownership. The Indians have been deprived of that, and you must take into consideration lands containing water as well as the mountain grazing land in considering $1.25 an acre as a fair price.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I will be very pleased to yield.

Mr. O'CONNOR. At the time of the grants of land to the railroad companies throughout the United States, when the Government wrote a provision in those land grants to the effect that they could not be sold at less than $2.50 an acre, is it not a fact that Congress passed an act setting the same limitation upon the same kind of land you are talking about of $2.50 an acre?

Mr. MURDOCK of Arizona. The gentleman is right. Although the price of Government land before the day of the railroads had been $1.25 per acre, it was raised to $2.50 per acre on Government lands checkerboarded with railroad lands in alternate sections, because it was assumed that when railroads built through the country they would increase the value of the half remaining in the public domain or double it in value. That was one very purpose of the legislation making railroad land grants.

Now, Mr. Chairman, what is the history of this bill? This bill, to my knowledge, has three times passed the Senate. This bill has been reported out favorably by the Indian Affairs Committee unanimously to my knowledge twice. This bill was before Congress before I became a Member. For 3 years my predecessor had been struggling to get this act of justice for the Indians passed. It has come up each time on the unanimous Consent Calendar. Each time it has been objected to, I think improperly and without a sufficient understanding of the implications of the whole thing.

Mr. COCHRAN and Mr. TABER rose.

Mr. MURDOCK of Arizona. I will be very glad to yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman states this bill has been objected to on every occasion. Let me remind the gentleman that last August this bill passed the House, went to the President, and was vetoed by the President.

Mr. MURDOCK of Arizona. The gentleman is correct.

Mr. COCHRAN. That was during the present Congress.

Mr. MURDOCK of Arizona. The gentleman is correct. I was not quite through with my history of the bill. Since I have been a Member of the Congress the bill has been objected to——

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield at that point?

Mr. MURDOCK of Arizona. I will be very pleased to yield.

Mr. O'CONNOR. A bill exactly like this was not vetoed, but the bill that was vetoed by the President was similar to this one.

Mr. MURDOCK of Arizona. That is correct, too. This bill has been changed.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield the gentleman from Arizona 5 additional minutes.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. Not just yet. This question should be answered. In my statement I said that the bill was objected to on the Consent Calendar and that has prevented the passage of the bill up to the present time, excepting that at the calling of the last Consent Calendar at the last regular session of Congress I went to the objector and I said, "What is your objection to this bill?" He said, "The amount of money is too great. If you will drop that to about $33,000, I shall remove my objection." Gentlemen will understand that right here in the Well of the House it is pretty difficult to come to any agreement of that sort. I said to the objector, "It is unfair and unjust to the Indians to pay them only $33,000 in a cash settlement for this land, but in order to get action on this bill, which has been so long delayed, I shall consent to decreasing the amount"; and we modified it, agreeing on the amount of about $33,000. I felt then and still feel that I did a wrong thing by the San Carlos Indians by that hasty agreement. I shall not do it again. The bill was passed. It went to the President. As the gentleman from Missouri [Mr. COCHRAN] said, it was vetoed. That bill was vetoed. This bill is not the same thing. The bill before us has been modified. One of the President's objections in his veto was that an insufficient sum of money was paid to the Indians for 232,000 acres of land plus. We offered to pay them $33,000, approximately.

Another objection raised by the President was that the legislation seemed hasty and ill-considered in that it was not consistent in all of its parts. The gentleman from Missouri [Mr. COCHRAN] is responsible for that inconsistency. Right in the Well of this House I pointed out to him that you cannot change your arithmetic here in the Well of this legislative body. A certain sum of money was indicated. A certain number of acres at $1.25 an acre. You cannot legislate to multiply 24 by 10 and get a product of 15. That cannot be done, and that was the shape of the bill as we passed it at that time.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. Yes.

Mr. TABER. How does the gentleman explain this paragraph of the letter of the Secretary of the Interior:

> The failure of the Indians to receive substantial compensation from the ceded lands not included in reserves has been due, not to the breach of any obligation imposed upon the Government by the agreement, but to the absence of mineral in commercial quantities, the existence of which the Government did not, of course, guarantee.

Mr. MURDOCK of Arizona. The Government was going to see that the Indians were to be paid a royalty on the

coal. There was not much coal there, and they got only $12,000. Of course it was not the responsibility of the Government to put the coal there. No; but the Government ought to pay these Indians a fair price for this land even if no coal was found.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. Yes.

Mr. WHITE of Idaho. Is it not a fact that 10,000 acres of national forests were withdrawn from this tract, and would not $3 per acre be a ridiculous price to pay for timberland?

Mr. MURDOCK of Arizona. The gentleman is exactly right. I feel these Indians ought to have fair treatment in this case, and paying these Indians $33,000 for that tract of land is not fair treatment. Let me disabuse your minds of what may be going through them now. This bill does not provide for putting $278,000 into the pockets of the San Carlos Indians. It provides that this money shall go into the Treasury of the United States, to be held in trust for these Indians, and to be appropriated as we appropriate other funds for Indians. I call attention to the fact that we are appropriating annually in the neighborhood of $200,000 as a gratuity to these Indians, so that it is not a matter of paying this on a pro rata basis.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, in part the gentleman from Arizona [Mr. MURDOCK] is correct when he refers to my interest in this bill. I did say that the amount in the original bill was not in keeping with the recommendation of the Bureau of the Budget. It was from the report of the Bureau of the Budget that I secured the figures of $33,725. Probably a month or six weeks, if not more, passed between the time I first objected to this bill on the Consent Calendar and the time when the gentleman from Arizona agreed to the amendment. If the bill was hastily drawn, he certainly had plenty of time to draft the proper amendments within that time. Surely I was not obligated to perfect his bill. My opposition to this bill now is based on the veto message of the President. You are sending a bill containing certain language right back into the lap of the President which in his veto message he says he will not approve. I have the message before me. The President said, in part:

> While I would not favor legislation that would provide for the payment to the Indians of $1.25 per acre for this remaining acreage, I would favor its restoration to the Indians.

Now, while $1.25 is stricken out in this bill, still the amount involved is based upon $1.25 an acre. Probably the President also knows something about arithmetic. When he starts to figure out this amount represents $1.25 an acre, he is going to keep his word when he says he does not favor paying $1.25 an acre for this land and veto this bill if it ever gets to him.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the author of the bill.

Mr. MURDOCK of Arizona. The bill we passed did not provide for the payment of $278,000. It provided for only $33,000. That is $1.25 an acre for that which has gone into private ownership. I am not surprised that the President vetoed such a gross injustice to the Indians.

Mr. COCHRAN. Now that may be true, due to the fact that the amount was reduced to $33,725, but nevertheless it was based upon $1.25 an acre, and so is this bill, and the President said in his veto message he—

> Would not favor legislation that would provide for the payment to the Indians of $1.25 per acre for this remaining acreage, but would favor its restoration to the Indians.

The President further said in his message. I quote:

> The provision of the pending bill for opening this land to public entry and thus depriving the Indians of the future use of the land and even their present receipts for such lands, appears to me definitely objectionable.

That is the President's language—not mine.

Mr. MURDOCK of Arizona. The President said he would object to paying $1.25 an acre for the remaining lands. Now, if you take all the water holes out of that area—and they are taken out now—I do not blame the President for objecting to paying $1.25 an acre for the remaining lands, but this bill provides at the rate of $1.25 an acre for all of it, including the water lands. This is not too much.

Mr. COCHRAN. Now, if the gentleman will take the water out of the bill and reduce the amount to $33,000 and strike out section 2, I will vote for the bill.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Not just now.

We did not have an opportunity to see this revised bill until this morning. This bill was not reported to the House until yesterday. You have another bill that you intend to call up today—a big bill—involving plenty of money, that was only reported to the House last night. We did not have an opportunity to see that report until a few minutes ago. We have had no time to read it up to this moment.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. In just a minute.

While the language in this bill is somewhat different from the measure vetoed, it is certainly similar, as the gentleman from Arizona stated. Its objective is to reach the same purpose as the bill that the President vetoed with about $220,000 added. Now, why send it back to the President? Why take up the time of the House today considering a bill which the President, in his veto message, said he would not approve of?

Mr. O'CONNOR. Will the gentleman yield at that point?

Mr. COCHRAN. I yield.

Mr. O'CONNOR. Does not the gentleman feel that the President of the United States, the same as the gentleman and myself, has a right to change his mind? How do we know that the President is going to veto a bill because he vetoed a similar bill sometime in the past? He may in the meantime have gotten additional information.

Mr. COCHRAN. Is the gentleman from Montana able to speak for the President of the United States and say that if this bill is passed in its present form the President of the United States has advised him he will sign it?

Mr. O'CONNOR. Absolutely not. I have no right to speak for the President of the United States, but I do say he has got a right to change his mind.

Mr. COCHRAN. In the absence of such assurance, let us feel that the President of the United States is going to stand on his objections to the original bill. This so-called similar bill contains those same objections.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman.

Mr. WHITE of Idaho. Does the gentleman take issue with the statement of the Secretary of the Interior when he says, "The fact remains, however, that the consideration so far received by the Indians, a little more than $12,000 spread over a period of nearly 40 years, is grossly inadequate for the surrender of their rights in more than 230,000 acres of land"?

Remember, in that land there were 10,000 acres of forest land which the Indians had a right to receive the benefit of.

Mr. COCHRAN. All right, but the gentleman should not make a speech in my time. I yielded for a question.

Mr. WHITE of Idaho. That land contains 10,000 acres of forest land to which the Indians were entitled. Do you want to deprive them of that?

Mr. COCHRAN. If the Indians did not receive a sufficient amount, let us go back and give them the $33,000 which the Bureau of the Budget says is all right. I am willing to go along with that, provided you strike out section 2, which relieves the other objection of the President.

Mr. WHITE of Idaho. Will the gentleman yield further?

Mr. COCHRAN. I refuse to yield further. The gentleman can get some time. The chairman of the committee has 1 hour.

When the time arrives, if I get an opportunity, I am going to move to strike out $277,966.37 and put back in $33,725; and if that carries, I will also move to strike out section 2. If the bill goes to the President in that form, his objections will be removed, and, in my opinion, he will then sign the bill.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MUNDT. Do I understand the gentleman is basing his protest against this bill on the assumption that the President would veto it in its present form?

Mr. COCHRAN. Yes. The President stated in his veto message why he vetoed it. The objectionable features that were in the original bill remain in this bill until you remove the figure $1.25 per acre. Your total is based upon $1.25 per acre, and the President stated that he would not favor $1.25 per acre for the remaining land. He also wants the land returned to the Indians.

Mr. MUNDT. Does not the gentleman believe in view of the frequency with which the President has changed his mind on other points that he should be permitted to change his mind on this?

Mr. COCHRAN. I can say to the gentleman from South Dakota that I am not in a position to speak for the President on this matter. My views are based on his veto message.

Mr. MUNDT. Then let us give him a chance to reconsider the bill.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, to my way of thinking it is farfetched, indeed, for a legislative body such as this House to refuse to legislate upon a matter exclusively within its jurisdiction upon the theory that the Executive is going to nullify the act of Congress. This is the legislative branch of this Government. If the President of the United States does not like what we do here, does not like the sort of legislation we pass here, he has the right and the prerogative of vetoing it. But that is up to him. That is his responsibility, and should not, in my opinion, Mr. Chairman, deter Members of Congress from exercising their congressional rights and performing their legislative functions.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MURDOCK of Arizona. I agree with the gentleman. Certainly we can pass a bill over the President's veto if it is necessary.

Mr. O'CONNOR. Exactly so.

Mr. MURDOCK of Arizona. However, I am glad the President vetoed the other bill. The point I wanted to make with regard to this bill is that two of the objections mentioned by the President concerning the other bill have been removed. The bill he vetoed contained a mathematical inconsistency. This bill has ironed that out. The President did say that he was not in favor of paying the Indians $1.25 per acre for the remaining acres; but this bill does not do that. This bill provides for the payment of $1.25 an acre for the entire tract, which is fair.

Mr. O'CONNOR. I thank the gentleman for his contribution.

The liberality of the gentleman from Missouri is on a par with the decisions of the Court of Claims. There have been presented to the Court of Claims in 192 cases claims involving $2,187,000,000 on behalf of the Indians of this country for determination. What has happened? Thirty million dollars has been recovered in those 192 cases, 1½ percent; and when the gentleman from Missouri says today that he is willing to concede $30,000 he is acting on a par with the decisions of the Court of Claims. That is the kind of treatment an involuntarily subjected people in this country, namely, the Indians, have gotten before this Court of Claims; that is to say, that when they go before that court with their claims, regardless, they come out with an average of the sum of 1½ percent of the amount of the claims they presented to the court. Let us see, Mr. Chairman, whether or not we should give these Indians a square deal.

I cannot forget the words of the immortal Will Rogers, whom we all loved, from the State of Oklahoma. They are still ringing in my ears. He was asked at one time in his life, "Did your ancestors come over in the *Mayflower?*" He replied, "No, my ancestors met the *Mayflower.*"

The Indians were here before the white men. What was the first act of Congress dealing with these Indians? Remember, the Revolutionary War was closed between this country and England in 1783. Congress, in 1787, in one of the first acts concerning the Indians, laid down a policy. Why? Because the Indians were here; they were in possession of this country, and we attained sovereignty over this group at the time of the making of the peace treaty between this country and Great Britain. This policy was written into the laws of this country, and it has never been repealed:

> The utmost good faith shall always be observed toward the Indians. Their lands and property shall never be taken from them without their consent, and in their property rights and liberty they never shall be invaded or disturbed unless in just and lawful wars authorized by Congress; but laws founded in justice and humanity shall from time to time be made for perfecting wrongs being done to them and for preserving peace and friendship with them.

Have we treated these Indians squarely? Remember, Mr. Chairman, they were an unlettered and ignorant race of people. What have we done? How did we acquire the territory of the State of Pennsylvania? It was bought from the Indian tribes with a lot of trash—stockings, shirts, bolts, nuts, rags—and, yes, they went a little further; they gave them two or three auchess of beer, two or three auchess of cider, if you please, and of rum, I may say to the distinguished gentleman from New York. The whites just stole the Indians' lands from them for little or nothing, and then poisoned them with alcoholic drink as well. That is a matter of history. Right in my own State, when they were trying to get the Crow lands away from the Indians, they did the same thing, as is shown by the following statement. An Indian was appealing to the authorities and the powers that be to give them justice. What did he say? Here are his words:

> The treaty (of 1868), you say, has bought all our land except on the side of the river. And what do we get for it? We get a pair of stockings, and when we put them on they go to pieces. They get some old shirts and have them washed, and give them to us; we put them on and our elbows go right through them. They send us tin kettles; we go to get water to carry to our lodges; we dip the water up, but it all runs out again.

That is the kind of situation we have. That is the way we took the Indians' property away from them, and that is how we paid for it, and this is a sample of our brand of justice to the Indians.

Mr. Chairman, in 1870 the Indian population of this country was about 250,000. I have a chart in my hand here. The black line shows the tribal-owned land in 1871. I want you gentlemen who claim to be the watchdogs and guardians of the Treasury to look at this for a moment. Do you see where that black line reaches in 1871? Do you see it dropping down gradually? Now, the Indian population has increased, but the land holdings have decreased.

There were 100,000 Indians in this country who were homeless, landless, and going any place they could to get some place to live. What has happened? We have the Indian population increasing. Look at that line—1887, 1900, 1911, 1933, and 1938—gradual raiding of the Indians' property. You will notice there is a little up in the black streak there in 1938. Do you know how that came about? Congress, tired of the robbery of the Indians, wrote into the laws of this country the Reorganization Act, which, among other things, created a revolving fund to buy land for homeless, landless, roaming Indians so that they could live.

Mr. TABER. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman think that any of the things he has been talking about is any reason why we should authorize a payment to Indians who are not entitled to it under their contract?

Mr. O'CONNOR. I may say in answering the gentleman: Perhaps he is technically correct, and I may be dealing with collateral matters. The bill has been very well explained by its author, but these are matters I want the Members of Congress to hear. I want the country to know. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Chairman, I happen to be a member of the Committee on Indian Affairs, which held extensive hearings on the pending bill. Following these hearings, the bill was unanimously reported by the members of the committee, after a thorough consideration. Insofar as prohibiting indefensible raids on our Federal Treasury is concerned, I believe that I can put my record up against any spokesman for economy on the floor of the House—even that of the distinguished chairman of the Committee on Expenditures in the Executive Departments, the gentleman from Missouri [Mr. COCHRAN]. Like the gentleman, I have no Indians in my district. I will qualify that. Perhaps I have half a dozen Indians in my district. However, I approach this legislation on its merits. I am glad that in the committee there was no division along political party lines. The consideration was free from politics, and I therefore hope the Republican and Democratic Members of the House will carry on this nonpartisan attitude when we consider the bill today.

I am a new member of the Committee on Indian Affairs, although I have served in Congress for 11 years. I find during my brief service on the Indian Affairs Committee that the record of the Government of the United States with reference to its treatment of the real original Americans is nothing to boast about.

There are Members of this House who advocate that Uncle Sam play Santa Claus in a big way to foreign nations and foreign people in the name of humanity. They advocate the pouring out of hundreds of millions of dollars from the Treasury of the United States to foreign countries in the name of taking care of the poor people whose land has been invaded. The record of the United States insofar as our Indian brethren are concerned indicates it is just as bad as the invasion of Belgium, just as bad as the invasion of Poland and the invasion of Finland. The American Indians are the real 100-percent Americans, and the record shows the United States Government drove the Indians from their homes, took possession of their property, killed them, debauched their squaws, and put the survivors in concentration camps, which we call for politeness' sake Indian reservations.

The only criticism I have about this bill is that it does not go far enough. If we pass it, I believe the President will sign the bill, and it will not take one dollar out of the Treasury. It will not put one dollar into a single Indian's pocket. It merely assigns the money justly due to the Indians, and I intend to show you it is due the Indians, in a few minutes. It will be placed to the credit of the Indians, a mere bookkeeping arrangement, and before the Indians may receive one dollar of the money or receive one dollar of benefits, action will have to be taken by a future Congress.

Now let us look at the facts. Perhaps some of you have not had an opportunity to carefully consider the committee report, which contains a great deal of the information which was brought to the attention of the Committee on Indian Affairs—information, facts, and evidence upon which your committee, after holding extensive hearings, voted unanimously to favorably report this bill to the House. The testimony and the Interior Department report show the Indians ceded this land to the United States, but ceded it for mineral exploitation only. The admission of the Department, contained in the Assistant Secretary of the Interior's letter appearing on page 3, clearly indicates that the law has been violated and, although the Indians ceded this land to the United States for mineral exploitation only, the Government of the United States literally hijacked and stole the most valuable portions of the land belonging to these Indians.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 4 additional minutes to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. The report from the Secretary of the Interior clearly indicates that in addition to selling the water holes, which are the heart of this reservation—you take away the water holes and you make the other part of the reservation practically useless and worthless—there have been other violations of the law by the United States Government. Much of the valuable land has been taken for school land-grant purposes, for water-reserve sites, for power dams, and for homestead entry, as well as turned into the national forest. The report of the Secretary of the Interior admits that the only authority Uncle Sam had with reference to these Indian lands under his contract with the Indians—a solemn, binding contract—was to exploit and make use of the mineral rights.

This report states:

> The records of the General Land Office indicate that some of the lands in the ceded area have been included in homesteads; that various tracts have been selected by the State of Arizona as school-land grant, lieu, or indemnity selections; that there have been a number of withdrawals for power sites and public water reserves; and that approximately 10,500 acres have been included in a national forest. The Indians have received no payment whatever for any of these lands. An examination of the provisions of the agreement with the Indians and of the ratifying act, quoted above, indicates that the cession by the Indians in the agreement of 1896 was to the United States, not absolutely but in trust. The trust was to be executed by disposing of the ceded lands in a stated manner, under the mineral-land laws only, and the Indians were to receive, the proceeds accruing therefrom. All of the lands were subject to that stated purpose. Neither the agreement nor the ratifying act contains any provision, express or implied, authorizing disposal of the lands in any other manner, or for purposes which would net no return to the Indians. The plain language used precludes any other interpretation. It follows that the disposal of a portion of the lands under the general homestead laws and the withdrawal of other lands from entry and sale for national forest, power sites, and water reserves was authorized and in violation of the agreement and the statute. Likewise the selections made by the State of Arizona under its school-land grant were improperly allowed.

Mr. Chairman, the gentleman from Missouri [Mr. COCHRAN] says that he is in favor of righting this wrong by paying $1.25 an acre for only the water holes and the other valuable lands which Uncle Sam has illegally taken from his Indian wards. If the gentleman from Missouri had a farm with a homestead and 100 acres of land, and the entire farm was worth $12,500, would he feel that justice would be done if Uncle Sam would take the value of the farm, divide it by the number of acres, then take 2 acres, with the house and other buildings, and pay the gentleman $125 an acre for it? That is just what the gentleman proposes to do under his amendment.

I sincerely hope that this Congress will right this wrong and will take care of these poor, defenseless Indians, the original American citizens, who have been shamefully treated by the Government of the United States. Remember that charity begins at home. Particularly to those who advocate hand-outs of hundreds of millions of dollars to people in foreign lands, I say, take care of our American Indian wards first.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman says this is merely an authorization bill, which it is. If it becomes law and an appropriation is made, the gentleman says, not a dollar of it will be taken out of the Treasury. The gentleman knows as well as I know that if that procedure is followed, that is, the authorization is passed and the money is appropriated, then a bill will be brought in immediately to pay that money per capita to the Indians.

Mr. SCHAFER of Wisconsin. The gentleman does not know any such thing.

Mr. COCHRAN. Yes, he does. Experience shows it.

Mr. SCHAFER of Wisconsin. In fact, I know the gentleman from Missouri took the directly opposite position when the authorization for the expenditure of about $5,000,000 to erect a Jefferson Memorial in the gentleman's own State and district came before the Congress.

Mr. COCHRAN. There never was a cent authorized by Congress for that memorial. I may say to the gentleman I

did take the opposite position. I took a position at the time the resolution was passed creating the Commission I would not ask for an appropriation. All I wanted was the Commission. If the gentleman will look at the RECORD, he will find that is so. I always keep promises I make to this House.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 2 additional minutes to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. I may say to the gentleman from Missouri that I have the highest regard and affection for him. Before I left Congress, riding out on the New Deal tidal wave in 1932, I served as a member of the Committee on Expenditures in the Executive Departments, of which he is now the chairman. I took a place on that committee at the request of Martin Madden, who explained to me that a great deal of saving could be brought about in the operations of the Government by an effective committee, such as the Committee on Expenditures in the Executive Departments, which had just been created. I believe the gentleman would be furthering the interest of economy and furthering the interest of our Federal Treasury if he would follow the unanimous report of the Republican and Democratic members of the Committee on Indian Affairs and not waste his time opposing a bill which is as fair and just as this pending measure. He should devote the time and energy he is wasting on this bill to perform the duties which the Committee on Expenditures in the Executive Departments is charged with.

I frankly state that if the gentleman would investigate some of the unwarranted, unauthorized, and illegal expenditures that have been made he would be doing a fine thing, and he would save billions of dollars instead of the few thousands which he is trying to keep out of the pockets of the poor Indians who have been exploited by Uncle Sam.

Mr. COCHRAN. I may say to the gentleman that my opposition to the Indian bills results from a hearing held by the Committee on Expenditures in the Executive Departments, where it was brought out that there were then pending in the Court of Claims Indian suits against the Government in the amount of $3,000,000,000 filed by attorneys for the Indians of all tribes throughout the country. As a result, I have been opposing these bills, which I believe are unjust to the taxpayers of the country. We heard the testimony of the Comptroller General and the Attorney General while the Appropriations Committee heard judges of the Court of Claims.

Mr. SCHAFER of Wisconsin. The gentleman will admit, however, that most of these suits are to determine the equities of the claims, and only an infinitesimal portion of the claims are allowed. I sincerely hope the gentleman will not oppose this bill on those grounds because his position would not be tenable. If someone would divest the gentleman of his property and drive him off it, and breach a contract with him, and exploit and rob him, he would certainly want to have an opportunity to go into the courts or before the Congress to protect his legal rights, rights which every American citizen, including our Indians, have under our American constitutional system of government, which, thank God, still remains in this troubled and distressed world. [Applause.]

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I would like to have everybody in here just throw away his prejudices for about 3 or 4 minutes, forget he is a Republican or a Democrat or whether he is opposed to legislation or not, and let us find out what there is to this bill. I have always been opposed, as you know, to any rule of Congress by which one man may prevent legislation, but I am not responsible for the making of that rule, and every day in Congress with me is a day in Congress, and when that page is closed I hold no resentment; I look forward to another day.

Now, in this particular case the facts are substantially as follows:

In 1896 these Indians owned all this land—230,000 acres in Arizona—and if you know anything about the West you know about what kind of land that is. In the great arid West there is no land worth anything unless it is attached to some kind of water. The Indians ceded this land, or agreed to cede this land, to the Government so that it might sell it for mineral purposes, and the Indians were to receive the money. They did not agree to hand this land over for homesteads, they did not agree to hand this land over for forest reserves, but for the purpose of selling it for them. This land was turned over in trust to the Government and it turned out there was not very much coal land of value. There is a dispute here whether the Indians got this money as royalty or for the land, but it does not make a bit of difference, because they both agree on the amount received. The amount they received for these three quarter sections of land for coal purposes was a net of $12,000. Now, see what happened right at that time, too. The Government opened up this land that they had no right to open up for homestead settlements.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman.

Mr. SMITH of Ohio. When this land was ceded did that act specifically provide that this should apply only to mineral rights?

Mr. BURDICK. Yes; I can read the stipulation right here, the gentleman will find it on page 6, that "the net proceeds accruing from the disposal of such coal and mineral lands lying within the ceded territory," and it applied to mineral lands only.

Mr. SMITH of Ohio. If the gentleman will permit a further question, how does it happen that the Federal Government did cede or grant patents?

Mr. BURDICK. How does it happen that the Federal Government took all of the land in North Dakota that belonged to the Indians and never paid them a dime for it? The same process has been going on for 150 years.

Mr. SMITH of Ohio. Inasmuch as the Government, then, had no right to do this, does the land actually belong to these squatters or these settlers?

Mr. BURDICK. Whenever the Government opens up a piece of land for homestead entry and the entrymen comply with the law and get the patents, they have a title to it, and the only recompense you can give these Indians is to pay them for the land.

Now, in opening up this land, remember that the ranchers took the water holes first, of course. If you do not have water on the range, you have not anything. They went around this reservation and patented these particular places, and the other land is left there.

Now, I agree with the gentleman from New York [Mr. TABER] that the rest of this land is not worth $1.25 an acre. Of course it is not; but when you consider the fact that the Government permitted homesteaders to go in and take the best of it, which was worth maybe $50 an acre, then it is not too much of a stretch of the imagination to say that the entire tract before the best lands were taken was worth $1.25 an acre.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. And is it not a fact that some of these water-power and dam sites, which the Government illegally took possession of, are worth far more than $100 an acre or $200 an acre or $500 an acre?

Mr. BURDICK. That is right.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Is it not a fact that more than 10,000 acres of this tract is set aside as a national forest now?

Mr. BURDICK. Yes.

Mr. MURDOCK of Arizona. And is certainly worth more than $1.25 an acre?

Mr. BURDICK. Yes. The Government took absolute possession of this land and farmed it out to anybody that wanted it as forest reserves, power sites, homesteads, or school land. The State of Arizona went in and selected portions of this land. Look at the report of the Secretary of the Interior and the report of the Comptroller of the Currency. They all admit that the Indians never got a dime for this land.

Now, here is the only question before this Congress. We are asking that you pay the Indians $1.25 an acre for all of the land, the land that has been taken by the homesteaders, the valuable part of it, the land selected for power sites, the land taken for school purposes of Arizona, and the land taken for forest reserves, pay them $1.25 an acre for all the land you took away from them because you mishandled it. There is not a man who can stand up in this Congress and say the Government did not mishandle this property, because the Indians gave them this land for one particular purpose and the Government used it for different purposes.

Here is a case where one man cannot stop this legislation. You never should have a rule like that, anyway—to let one man say that we cannot pass this bill, but here all of us can pass upon it. You can all say, is it just to pay these Indians this money, or to say that we will turn them away with $33,000?

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. WOLCOTT. Can the gentleman cite to the House any rule of the House that allows any one man to prevent the passage of a bill?

Mr. BURDICK. Yes, I can. The gentleman knows it just as well as I do. What is the use of asking me that question? He knows it better than I do.

Mr. WOLCOTT. I think the gentleman is misinterpreting the rule with respect to the passage of bills under the Consent Calendar. There is no rule which provides that any one man can stop the passage of a bill, excepting on the Consent Calendar, and the Consent Calendar is for the purpose of expediting legislation. It does not deprive any Member of the House from proceeding in any other manner by which legislation can be passed to have his bill considered.

Mr. BURDICK. How long has the gentleman been a Member of this House?

Mr. WOLCOTT. Ten years.

Mr. BURDICK. I have been a Member of the House for 6 years, and since I have been in Congress has the gentleman ever heard of a rule being brought in for the consideration of an Indian bill?

Mr. WOLCOTT. I do not know of any rule that prohibits the consideration of an Indian bill.

Mr. BURDICK. Does the gentleman know of any rule ever being brought in for the consideration of an Indian bill?

Mr. WOLCOTT. I do not know of any rule which prohibits the Indian committee from calling up a bill and having it considered, and we are doing that very thing today.

Mr. BURDICK. Oh, I cannot deal in generalities. I deal with what happens here every day. I have been here, as I say, for 6 years, and I never saw a rule brought in for the consideration of an Indian bill.

Mr. WOLCOTT. Has the gentleman ever heard of an Indian bill being called up under suspension of the rules?

Mr. BURDICK. No; I never have.

Mr. WOLCOTT. In what way are the Indian bills called up?

Mr. BURDICK. Most of the bills I have seen here called up have been called up under the Consent Calendar.

Mr. WOLCOTT. They are called up under a rule.

Mr. BURDICK. And whenever the gentleman from Missouri [Mr. COCHRAN] did not object, the gentleman from Michigan did.

Mr. WOLCOTT. Oh, I have objected to Indian bills, I admit.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. MURDOCK of Arizona. I have been a Member of Congress for 3 years. This bill has been before this House at several different times, and today is the first time this bill has ever been on call on Calendar Wednesday.

Mr. BURDICK. You gentlemen here are responsible for what you do. I do not know what you want to do. I do not know what your people want you to do, but I assume that there is not a man here who does not want to be just. Take the facts in this case as they are—how the Government has reached out and taken all this land and never paid the Indians anything—and then you decide just the way you would want somebody to decide for you and just forget your party. I can talk to you, because I am the only member of a nonpartisan party in this Congress speaking at this time.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. COCHRAN. The gentleman can also talk to us because he can talk the Indian language. Did the gentleman hear my remarks on this bill?

Mr. BURDICK. Yes.

Mr. COCHRAN. Did the gentleman hear my statement that there is another man who has to pass on this, the President?

Mr. BURDICK. Yes.

Mr. COCHRAN. And he has already passed upon it.

Mr. BURDICK. Yes.

Mr. COCHRAN. And he vetoed a similar bill last August, so why waste all this time and throw it back in his lap?

Mr. BURDICK. The one thing that I can say about the President is that he did veto a similar bill to this bill, and that he vetoed the bill on a statement prepared in the Accounting Office, not in the Department of the Interior.

Mr. COCHRAN. The Bureau of the Budget and the Attorney General prepare such statements.

Mr. BURDICK. The President never knew when he vetoed the bill that the Government had gone in and taken possession of this best land.

Mr. COCHRAN. According to the veto message, he knew something about it, because he did say in his veto message that he would be willing to put the land back into the hands of the Indians.

Mr. BURDICK. That is not our job. Our job is to legislate, and if the President sees fit to veto the legislation, that is his business. It is not our job to legislate on the theory that he will veto or approve a bill. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, being a member of the Indian Affairs Committee, I am very anxious to know the facts about this bill. I just talked to the Indian department, and I learn that this land was ceded to the United States Government by the Indians only as to mineral rights, and that the United States Government did, in violation of its own agreement, cede the water holes to the whites, or other individuals.

So that those individuals received title to them. Those titles now are valid, so I am informed by the department. They cannot be changed. Nevertheless, without the remaining portion of this land it is impossible for the people who have these water holes to do anything with them. It is impossible to do anything with the remaining land without them. The fact is that these Indians had their land taken from them by the Government without the right of the Government to take that land away. We cannot get away from that fact. Under those conditions and circumstances, I believe the Indians are entitled to compensation. I am not saying what that compensation ought to be. I do not know. But I do make the point that the Indians in this particular instance should be compensated for having land taken away from them, having it given to someone else by the Government, which had no right to do that. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, personally I have too much confidence in the membership to believe that if every Member of this body understood the facts in this bill there would be made some of the statements that have been made today, or that the Members would hold the attitude some have expressed toward Indian bills in general.

I just happened to be talking with a Member, who is of the opinion that the General Accounting Office holds the Indians have been paid for the land that has been taken, as well as the mineral land that has been sold. That is not correct. You will find in the report a letter from the Comptroller General giving the record of the General Accounting Office. It does show that the Indians received a net of $12,433 for four tracts of land containing 160 acres each. The total amount from the sale was $12,800, but deducting the expenses of the survey it left a net of $12,433. But to say that that means that the Indians have been compensated for all the land that the United States has actually taken or appropriated entirely overlooks the plain record that is given in the letter from the Department of the Interior on page 3 of the report. Payment for 640 acres, but more than 31,000 acres have been appropriated to other uses or given to other owners. I want to call your attention to the language there:

> The records of the General Land Office indicate that some of the lands in the ceded area have been included in homesteads.

Now, what is a homestead? That means land that has been homesteaded under the general jurisdiction of the Land Office. That land is gone. They are not going to be paid for that land unless you pay for it here. I read further:

> That various tracts have been selected by the State of Arizona as school-land grant in lieu of indemnity selections.

What is that? It means that some of the Indians' land has been used to supply the guaranty under the organic act of the State that so much land would be given the State for endowment of its school funds; that the State of Arizona selected some of that land within the boundaries of this reservation. It means that the United States Government, to whom this land was committed in trust for the benefit of the Indians, has permitted the State of Arizona to take some of the Indians' land for its school endowments. There is no record anywhere that there has been any compensation whatsoever for that land.

Further:

> That there have been a number of withdrawals for power sites and public water reserves.

Nowhere in the letter from the General Accounting Office is there any contention that this power site and public-water reserve land has been compensated for in any manner whatsoever.

Then further the report states:

> That approximately 10,500 acres have been included in a national forest.

That means that 10,500 acres of this land which was placed in the hands of the United States Government to hold in trust for the Indians has been appropriated by the guardian to be put into a national forest. Those 10,500 acres are today a part of the national forest, and there is no record anywhere in any part of this report or in the letter from the General Accounting Office that those 10,500 acres have been paid for in any degree or manner whatsoever.

Further in the report you will find this summarizing statement of the amount of land disposed of without compensation:

> Information compiled from the records of the General Land Office several years ago indicates that approximately 31,951.58 acres of land within the ceded area of the reservation have been disposed of.

So that out of 230,000 acres or more of land, 31,951 acres of land have been disposed of. The only record that the General Accounting Office shows of any payment at all is for the four tracts of land containing 160 acres each, for which they received this $12,433. So that over 31,000 acres of land, the choice land, has been wholly unpaid for, even though appropriated and put beyond recovery.

The purpose of this bill is to provide payment for the entire area on the basis that the choice tracts have been taken out and appropriated to the use of the Government, or given to the State of Arizona.

Certainly the Indians are entitled to payment for the land that has been used, sold, or given to the State in payment of a Federal obligation. No one can contend that that land, some of which is worth $25 or more an acre should be paid for at $1.25 an acre; either it should be paid for at a proper price and the remaining land returned or an over-all average price paid, as the bill proposes.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. MURDOCK of Arizona. The gentleman has made a strong case showing that this land which has passed into private ownership is valuable land, far in excess of $1.25 an acre. To bolster that a little further, I want to call attention to the fact that the constitution of the State of Arizona requires that all public-school lands be valued at not less than $3 an acre. This school land was chosen as "lien land" and must have been considered as worth more than the average.

Mr. CASE of South Dakota. This land that the State of Arizona has selected must be worth at least $3 an acre. When you speak of constitutions, the Indians read the Constitution of the United States. Some of the best expositions I have heard of the Constitution of the United States have been in an Indian council meeting out on the prairie or in an Indian tent. I have heard some of these Indians quote parts of the Constitution that many of us have forgotten. They recall that in the Constitution and in the Bill of Rights and in the amendments to the Constitution there are guarantees that a citizen of the United States shall not be deprived of his property without due process of law, although that has happened repeatedly in the history of the Government's dealings with the Indian lands of this country. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman——

Mr. JOHNS. Mr. Chairman, will the gentleman yield for a question?

Mr. MUNDT. Yes; I shall be happy to yield to the gentleman from Wisconsin.

Mr. JOHNS. I was interested in what the gentleman from South Dakota [Mr. CASE] had to say about the Indians' knowledge of the Constitution, and also what the gentleman from North Dakota [Mr. BURDICK] had to say about the Constitution, and the rights of these Indians thereunder. I am wondering under this trust here whether the Government has any title to this land to convey to anybody. Can the gentleman answer that?

Mr. MUNDT. I imagine they took it in the first place the same as the whites took the States of Wisconsin, New York, and Ohio from the Indians, and that is by virtue of having better rifles and better guns. The white man has taken most of the lands from the Indians, the gentleman knows as well as I, by force of arms.

Mr. JOHNS. The point I am trying to get at—I do not know whether the gentleman understood me or not—is whether there is any title in a trustee to convey to anybody.

Mr. MUNDT. I think I can best answer that by quoting from the report of the Secretary of the Interior found on page 3 of the committee report accompanying the pending bill. This statement came to the committee in the form of a letter. It was on the basis of this evidence that the committee unanimously reported this bill to the House. I quote:

> Neither the agreement nor the ratifying act contains any provision, express or implied, authorizing disposal of the lands in any

other manner, or for purposes which would net no return to the Indians. The plain language used precludes any other interpretation.

I think that probably answers the gentleman's question, that the Government acted illegally in so conveying the land.

Mr. JOHNS. Yes. I think the Indians did have a right to bring an action against the United States Government.

Mr. MUNDT. I thank the gentleman for his contribution.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. In just a minute, if the gentleman will permit. I want to say in substantiation of the situation prompting the question asked by the gentleman from Wisconsin [Mr. JOHNS] that there is no agreement with the Indians under which we can take an acre of this land. There is no question about the equities of the situation. There is no question, either, but what this is a white man's legislature and that we can vote them down; nor is there a question but what in justice and in equity the Indians are entitled to a settlement on the basis of the evidence before our committee.

I now yield to the gentleman from Michigan.

Mr. DONDERO. Is there any suit pending in the Court of Claims for this identical amount of money filed on the part of the Indians?

Mr. SCHAFER of Wisconsin. If the gentleman will permit, I will answer that there is not.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. MURDOCK of Arizona. There is no suit pending. There never has been a suit pending with reference to this matter.

If I may say one more thing, the statement was made here some time ago that there are many suits pending before the Court of Claims involving large sums for the American Indians. Even so, I believe it is unethical to penalize this particular Indian tribe, because there may be many suits brought in the Court of Claims. It is just as unethical for us to do that as it was for the red man decades ago to punish white men who never engaged in a massacre.

Mr. DONDERO. But the point I was making was whether or not there was any claim filed on behalf of this tribe.

Mr. MURDOCK of Arizona. There is not.

Mr. MUNDT. I think the answer to the gentleman's question is that there is not.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. Mr. Chairman, these gentlemen are making some very fine speeches, but I would like to use some of my time myself. [Laughter.] Yes; I yield briefly to the gentleman from Missouri.

Mr. COCHRAN. I simply wanted to state that the only reason I mentioned the suits, and it was not in connection with this bill, but because the gentleman from Wisconsin [Mr. SCHAFER] brought the question up, and I simply stated the reason I was opposed to Indian bills. I did not bring it up in connection with this bill. I want this to be perfectly understood by the House. This is not a jurisdictional bill but one authorizing an appropriation.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. O'CONNOR. Just to keep the RECORD straight on this matter of Indian claims aggregating $2,000,000,000 now pending in the Court of Claims of the United States: I hold in my hand a docket of the cases pending in the United States Court of Claims in the month of December 1939. These claims now total the sum of $381,572,573.33 instead of $2,000,000,000; and according to the rate of recovery in past cases the recovery would be about 1½ percent of the claim.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield the gentleman from South Dakota 2 additional minutes.

Mr. TABER. Mr. Chairman, I yield the gentleman from South Dakota 2 additional minutes.

The CHAIRMAN. The gentleman from South Dakota is recognized for 4 minutes.

Mr. MUNDT. I would like to read another passage from the same letter from the Secretary of the Interior establishing the justice of this claim. He states:

> The fact remains, however, that the consideration so far received by the Indians—a little more than $12,000—spread over a period of nearly 40 years, is grossly inadequate for the surrender of their rights in more than 230,000 acres of land.

Now, Mr. Chairman, it is a difficult thing to serve on the Indian Affairs Committee, representing at best some 350,000 citizens of the United States, most of them coming from a few segregated States, and in some of those States restrictions having been established so that the Indians do not vote. It is a difficult thing to get legislation through, because all we can depend upon is the establishment of a just and equitable claim. Even if we are successful this afternoon in convincing those who are now in the assemblage of the justice and equity of the claim, can you not see the difficulty confronting us when it comes to the matter of voting, when there is no longer an adequate opportunity to present the evidence? The Members come rushing in to vote, and somebody suggests, "Here is a chance to save some money. This is an Indian bill."

I think it may be conceded that the Indian Affairs Committee is conducting itself rather graciously thus far in not asking that a quorum be present, but we hope you who are here will talk to the Members who come in late so that they may see the justice of this particular claim. It is not a question today of saving money or spending money. It is a question whether we are going to deprive the Indians of this money which belongs to them.

Mr. Chairman, the American Indian was deprived of his home and hunting ground by the white man in the first instance, and it is our solemn obligation to treat him with justice today as he struggles manfully to fit himself into the white man's society. There is no danger that we shall ever overpay the Indian for the manner in which we have taken from him that which he held most dear. It is important, however, that we give serious consideration to legislation such as this which is intended so far as is possible to rectify past injustices and to increase the opportunities confronting the Indian population of today.

As a member of the Indian Affairs Committee, I have had the opportunity to devote considerable personal study and research to the Indians' problems. I know that the American Indian of today is a splendid, patriotic type of citizen, and that the Indian youth of this country are rapidly training themselves to become genuine economic assets in this Nation, as they take their places in industry, in agriculture, and in the professions. Let us deal with justice and generosity to these red brothers of ours who, after all, are the real Americans. There would have been no Indian problem had we not taken the Indians' paradise away from them. It is only just, therefore, that we now make amends by giving the full measure of justice and humanity to the Indians who, in the final analysis, have been the victims of our avarice and not the beneficiaries of our charity.

The only proposition advanced in opposition is by the gentleman from Missouri [Mr. COCHRAN], and he has repeatedly stated that the President vetoed a similar bill, therefore he might veto this bill. Everyone in this Chamber knows that the President of the United States has never been accused of not being willing to change his mind. He has changed his mind, I believe, more frequently than most of the citizens of our communities have been able to change their clothes during the depression of the New Deal. I want to give him an opportunity to reconsider this bill, in view of the evidence which is now available. Perhaps someone gave him bad advice. In the first place the bill is different from the one which he vetoed previously. I would not be willing to condemn the President in advance like the gentleman from Missouri [Mr. COCHRAN], and say he is going to veto a bill which will give some degree of justice to the aboriginal citizens of this country. I want to give the President a chance to demonstrate that on second thought the President may correct the injustice he has admittedly wrought upon the

American Indian, and that he will give adequate consideration to this bill. If he does I believe he will change his mind now in the direction of justice and equity and sign this legislation if it passes.

It is true and it cannot be denied as it has been repeatedly stated on this floor today, and no man has challenged the accuracy of the statement that if President Roosevelt had not vetoed this bill the last time it passed, the Indians of Arizona would, today, be enjoying the benefits of this justice-providing legislation. However, the President vetoed this bill which was passed only after so much hard work on the part of Congress and the Indians are consequently today denied the use of the money to which they are rightfully entitled. To correct the President's error, we must pass this legislation. It is to be hoped the President will give the Indians a fair break this time but, at least, it is all that we can do now to offset the unhappy results of President Roosevelt's previous veto.

Mr. MILLER. Will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Connecticut.

Mr. MILLER. Is there any reason why the State of Arizona should not pay for the valuable lands it has taken?

Mr. MUNDT. The State of Arizona has taken but a very small portion of this land. Most of the land that has been taken was taken illegally by the Federal Government for water-hole areas which are now owned by individual cattlemen in that country.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. This land taken by the State of Arizona is lieu land, was taken instead of school land which the State of Arizona was entitled to under the organic act creating the State of Arizona, but it was not entitled to Indian land. The Federal Government had no authority to use the Indians' land to discharge its obligation.

Mr. MUNDT. It is the valuable water holes which comprise the crux of the whole matter. This is grazing land and, of course, without water the grazing land is worthless. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I do not claim to know very much about Indian affairs. I have always considered Indian bills on the Consent Calendar and those which we have considered on the floor of the House in the same manner I would consider bills affecting any class of our American citizens. The Indians have been made citizens by law in most instances and have the vote the same as other American citizens. They have very elaborate tribal organizations, most of which are represented here in Washington by either a chief or headman, and they have done a very fine job in presenting their cases to the Congress.

During the 6 years I have studied the Consent Calendar, upon which most of these Indian bills are placed, I have come to the conclusion that most of them are claims originating from treaties, and that the failure on the part of the Government to pay the claim is a contractual question. In other words, we are called upon to determine whether there has been a breach of contract between the Government and the Indians.

In the instant case it seems to me we have a clear-cut issue of whether there has been a violation of the contractual relationship between the San Carlos Apache Indians and the Federal Government. In studying the contract between the Government and the Indians, we find that they entered into the agreement on February 25, 1896. Article I of that agreement provides as follows:

> That the said Indians do hereby cede, grant, and relinquish to the United States all right, title, and claim which they may have in and to all the land embraced within the following-described tract, now a part of the said San Carlos or White Mountain Indian Reservation, to wit.

Then follows a description of the land ceded, granted, and relinquished to the United States.

Let me emphasize that all right, title, and claim to that land was ceded, granted, and relinquished to the United States Government. In consideration of that granting, that relinquishment, and that ceding, the United States Government undertook certain obligations, which are expressed in article II, as follows:

> That in consideration of the lands ceded, relinquished, and conveyed, as aforesaid, the United States stipulates and agrees to place in the Treasury of the United States to the credit and for the sole benefit of the said Apache, Mohave, and Yuma Indians, and to account therefor annually to them through their agent, the net proceeds accruing from the disposal of such coal and minerals lands, lying within the ceded territory, under the laws applicable thereto; and that said money shall be paid to them in cash from time to time as the same shall become available, pro rata, share and share alike to each man, woman, and child of the tribes now living upon and entitled to the privileges of the said reservation.

Therefore the Indians ceded to the Government this land, and in consideration of that the Government agreed to pay the Indian tribes certain sums for coal and mineral lands as they are disposed of. The consideration for the ceding of the land for all purposes—homestead, school, and everything else—is the payment to the Indians annually for distribution to the members of the tribe of moneys received from the coal and the mineral lands disposed of.

The Secretary of the Interior says there cannot be put any other interpretation on this agreement than that the Indians ceded and relinquished and conveyed to the Federal Government only the mineral and coal rights. I believe the language of the contract is open to some other interpretation, an interpretation which I believe any lawyer Member of this House would place upon it and any court would place upon it. Therefore, the only question we have to consider here now is whether the United States has lived up to its contract and, if the United States has not lived up to its contract, then what damages may be assessed or stipulated for the failure of the United States to live up to its contract.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman is a lawyer, and he is a good lawyer.

Mr. WOLCOTT. I thank the gentleman.

Mr. CASE of South Dakota. The gentleman is too good a lawyer, however, to try to say to the Members of this House that a guardian who has been ceded in trust certain property from a ward, with the understanding and the obligation that the ward shall be paid the returns the guardian gets from the property ceded to him is thereby given the right to give away a great deal of the property and dispose of it in any way he sees fit, without any determination of whether there are mineral rights on the land that goes to the State or the land that goes to the national forest or anywhere else. The gentleman is a good lawyer and knows very well that no guardian has a right to dissipate the property of a ward in any such fashion.

Mr. WOLCOTT. If a trust relationship was contemplated, I believe the lawyer drafting this agreement would have said, "The said Indians do hereby cede, grant, and relinquish to the United States in trust all rights, title, and claim." But the agreement does not say that they are establishing a trust estate or are ceding this land to the United States Government in trust. So I still say this becomes a question as to whether the United States has violated its contract with these Indians.

I grant you that under other laws there is a strong presumption that the United States Government is the trustee of all Indians, but this is an agreement which must stand on its own feet as far as the determination of any damages is concerned.

What damages have they suffered? It is claimed that the Federal Government, in violation of this agreement, ceded certain lands for certain purposes. According to the bill, we are to deduct $12,433.63 received by the Indians "as royalty under mining permits." According to the Acting Comptroller General of the United States, this money represents the net proceeds from a sale by the United States land office at Phoenix, Ariz., of four tracts of land containing 160 acres each within the involved area at $20 an acre.

[Here the gavel fell].

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Michigan.

Mr. WOLCOTT. I presume that refers to this much-considered land upon which there is some water, the most desirable land. If the Indians have any claim against the Government for a violation of this agreement, alleging that the United States had no right to deed these lands for any other purpose than the mining of coal or other purposes named specifically as a part of the consideration in the grant, then their claim is against the United States Government for the depreciation of the value of all the land involved due to the usurpation by the Federal Government of the choice portions of the property and cannot be compensated for in the manner expressed in this bill. That is a question for the Court of Claims of the United States to decide.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from North Dakota.

Mr. BURDICK. If the gentleman will turn to page 6 of the report, in the second paragraph he will find this language, and I will ask the gentleman if he considered that when he said this land was not deeded in trust:

> The Secretary of the Interior is authorized to negotiate with the Indians on the San Carlos Reservation, Ariz., through an inspector, for the cession or relinquishment to the United States of the lands embracing the coal fields.

That is all the act of Congress provides—that the Government shall make a contract with the Indians extending to coal lands only.

Mr. WOLCOTT. The ceding clause is article I of the agreement.

Mr. BURDICK. It was an act of Congress authorizing us to go out there and make a contract.

Mr. WOLCOTT. What the gentleman has just read has to do with what I discussed as a part of the consideration for the ceding, relinquishing, and granting.

This is what the Comptroller General of the United States has to say about it, and I agree with the conclusions he has come to. On page 6 of the report the acting Comptroller General of the United States says this:

> It is clear from the terms of the agreement that the United States is not legally obligated to pay the San Carlos Apache Indians for this land, except as sales of parcels thereof may be made from time to time.

We have already paid them $12,433.63 for the land sold. I repeat that if the Federal Government had no right to sell that land, then the claim is against the Federal Government for the usurpation of that right. If this trust relationship which we hear so much about is involved in this question at all, it seems to me the Court of Claims should have before it the question of a breach of trust and the damages attending such breach of trust, rather than have the matter of the interpretation of a contractual relationship brought to the Congress for decision.

It has been said that this money cannot be distributed to the Indians except by act of Congress. That may be right. But if the Congress does not distribute this money to the Indians, then the Government is guilty of a breach of this agreement because the agreement specifically provides—

> And that said money shall be paid to them in cash from time to time as the same shall become available, pro rata, share and share like to each man, woman, and child of the tribes now living upon and entitled to the privileges of the said reservation.

You cannot have your cake and eat it, too. You cannot say that this is for the benefit of the tribe and not say that it is for the benefit of the individuals. If it is for the benefit of the individuals, there should be a set-off here against any amount which these individuals or the tribe itself may owe the United States. Therein lies, I believe, the gist of this legislation. [Applause.]

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 5 minutes to the author of the bill, the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, I am not a lawyer, and it may be that I could scarcely follow the intricacies of the argument of the gentleman who has just preceded me. I want to call attention to the fact that this bill takes up the matter from an entirely different angle—not a legalistic consideration of a contractual matter, but a matter of simple justice to Indians and whites. You are thinking of the previous agreement entered into in 1896 with these Indians, wherein they were to receive payments or royalties for coal. We will admit that twelve-thousand-and-some-odd dollars has been paid to the Indians, but that is all they have received. This bill proposes to pay the Indians for certain land, because it is a part of their reservation and has been taken away from them by white settlers, leaving the remaining area without water and therefore useless.

I do not care to go into the legal aspects of it at all. I shall simply say to you that valuable land has been taken from the San Carlos Indians. The Government has been responsible for this passing into private hands and more than 10,000 acres of it was probably worth $50 or $100 an acre as timbered land. Valuable land has been ceded to the State of Arizona as lieu land, and I want to remind you again that the organic or enabling act for Arizona of June 20, 1910, provided that four sections in every township, the second, sixteenth, thirty-second, and thirty-sixth, should be set aside for public-school purposes. That was an act of Congress, and if any of those sections had passed to private ownership, the State might select lieu lands. The State has done that. It has gone right into this particular tract and selected school lands. Now, such school land cannot be valued at less than $3 an acre, and under these circumstances it must be worth a great deal more than $3 an acre.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. Yes; briefly, for a question.

Mr. SCHAFER of Wisconsin. Is it not a fact that page 4 of the committee report contains this language from the report of the Secretary of the Interior:

> It is believed $1.25 per acre would adequately compensate the Indians for the cession. This figure has been used as the minimum figure at which the value of ceded lands should be placed.

Should we send this matter to the Court of Claims, we might double or triple the cost to the Treasury by reason of the United States embezzling these trust lands. We will also have additional expenditures which are necessary to defend the case and furnish reports from the various departments, which would be no small amount.

Mr. MURDOCK of Arizona. I thank the gentleman. Certainly that is not only possible but probable. We can settle this thing in justice to the Indians by passing this bill as it is, or we can turn this bill down and run a very great chance of being out a lot more by having to pay out of the Treasury for the very things that the gentleman from Wisconsin mentions.

Mr. Chairman, I beg the Members of this Committee to give this matter their most earnest consideration and a favorable vote.

[Here the gavel fell.]

Mr. CHAIRMAN. I beg the Members of this Committee to ment.

The Clerk read as follows:

> *Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, as payment in full to the San Carlos Apache Indians, at the rate of $1.25 per acre for 232,320 acres of land ceded by them under the agreement of February 25, 1896, ratified by the act of June 10, 1896 (29 Stat. 358), less $12,433.63 received by the Indians as royalty under mining permits, the sum of $277,966.37 to be deposited in the Treasury of the United States to the credit of the San Carlos Apache Indians, and to be available for expenditure for the benefit of such Indians: *Provided*, That none of the funds herein authorized to be appropriated shall be subject to the payment of any claims, judgments, or demands against the San Carlos Apache Indians accruing prior to the approval of this act.

With the following committee amendment:

> Page 1, line 6, after the word "Indians", strike out "at the rate of $1.25 per acre."

The committee amendment was agreed to.

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 2, in line 3, after the word "of", strike out "$277,966.37" and insert "$33,725."

Mr. COCHRAN. Mr. Chairman, in the President's veto message of last August he stated:

While I would not favor legislation that would provide for a payment to the Indians of $1.25 per acre for this remaining acreage, I would favor its restoration to the Indians.

My amendment carries the amount recommended by the Bureau of the Budget in the original bill. If the amendment carries, I shall move to strike out section 2, which is also objectionable to the President, according to his veto message.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if you adopt the pending Cochran amendment, you give this bill a kiss of death.

The committee report and the record in the case indicates that these Indians ceded the land in question to the United States. The United States had possession of this land in trust as guardian for the Indians. The agreement under which the Indians ceded the land to the United States as trustee provided that they ceded the land for mineral exploitation only. The report of the Secretary of the Interior, as well as uncontroverted evidence before the Indian Affairs Committee, indicates that Uncle Sam has unjustly deprived his Indian wards of their valuable property rights without due process of law which we talk so much about when praising the benefits, rights, virtues, and glories of our constitutional democracy. Right now and here is the time to act as well as talk about these sacred privileges of our constitutional democracy, and we can do so by voting down the pending amendment.

As I read, when the author of this bill, the gentleman from Arizona [Mr. MURDOCK], kindly yielded to me, the Interior Department indicated that the minimum value of this land, the entire amount of land ceded by the Indians for mineral exploitation, was $1.25 an acre. It is now proposed, although the Department admits that the value of the entire tract was $1.25 an acre, by the gentleman from Missouri to pay $1.25 an acre for the valuable portion of the land, which the Government, in violation of law, used for school-land grants, power sites, water reserves, national forests, and homestead entry. Mr. Chairman, that is manifestly unfair and unjust.

Furthermore, if this Congress, when it finds money due to our Indian wards, would have the courage to make appropriations and rectify the wrongs which the Government has committed, it would be in the interest of economy. One of the opponents of this bill advocated that we send the matters which it covers to the Court of Claims. It costs many thousands of dollars to defend a suit before the Court of Claims, and many thousands of dollars to prepare the reports which are necessary when these Indian claims bills are considered by the Court of Claims. Furthermore, when we have the facts before us, the uncontroverted facts, that Uncle Sam has robbed his Indian wards, when the Indian Bureau admits it, when the Secretary of the Interior, a member of the President's Cabinet, admits it, I do not think that this Congress should adopt this amendment and cut the heart out of the bill in the name of standing by the President. I feel confident that the President, when all of the facts are presented to him, will not hesitate a moment to sign the bill to remedy some of the wrongs and help restore Uncle Sam in the eyes of the Indians to a better position than that of an exploiter, a hijaker, and a robber of his Indian wards.

I sincerely hope, without respect to party affiliations, that the Members of this Congress will oppose the pending amendment and vote for the bill, which was favorably reported from the Committee on Indian Affairs with a unanimous vote after thorough consideration. Let us resolve here, irrespective of party politics, to give these Indians a square deal and send this bill to the White House. If the gentleman from Missouri [Mr. COCHRAN] cannot trust his own President, that is no reason why we should hesitate to send the bill to the White House. If the President is opposed to it, as the gentleman from Missouri [Mr. COCHRAN] states, then he need not worry about it, because the President will tomahawk the bill, as the gentleman from Missouri is trying to do with his amendment.

Mr. MURDOCK of Arizona. Mr. Chairman, I move to strike out the last word. The amendment proposed by the gentleman from Missouri [Mr. COCHRAN] would change the amount in the bill and reduce it to about $33,000. Manifestly $33,000 is not an adequate price for 232,000 acres of land. Of course, the mover of the amendment is really not trying to pay for it all, but for just that portion which has passed to private ownership. It is a ridiculously small amount to pay for that, as the valuable parts have been taken, including the sources of water. If this amendment were adopted, it would mean that the rest of the land should be returned to the Indians, returned dry, without water, worthless. It would be checkerboarded with white holdings, decreased in value by such a move. Surely the Congress would not be guilty of perpetrating that sort of wrong on our American Indian or upon white settlers among them. As the gentleman from Wisconsin [Mr. SCHAFER] said, I feel that the President was ill-advised in one respect in regard to the other bill, but I also feel that the President will sign this bill as is if we do not amend it. I ask you to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 24, noes 39.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 2, line 6, after the word "provided", strike out the remainder of the paragraph and insert in lieu thereof the following: "That before the deposit of the amount so appropriated to the credit of the San Carlos Apache Indians the Comptroller General of the United States is authorized and directed to ascertain and deduct therefrom the total gratuities theretofore paid to such Indians of the character provided for set-off by section 2 of the Second Deficiency Act, 1935 (49 Stat. 596)."

Mr. WOLCOTT. Mr. Chairman, this amendment merely authorizes the Comptroller General to set off against any payments which might be made to the Indians any sums which the Indians might owe to the Federal Government. It has been quite customary to so provide in Indian bills, and so far as I know there are few, if any, Indian bills ever passed by Congress including the proviso on page 2, whereby money may be paid to them without regard to any of the moneys which they owe to the Government. As a matter of fact, under the agreement with the Indians, it was provided that none of the money—

credited to said Indians under this agreement shall be subject to the payment of any claims, judgments, or demands against said Indians for damages or depredations claimed to have been committed prior to the signing of this agreement.

So if we want to be consistent and carry out the terms of this agreement, and if we rely upon this agreement for any equities that might be found in this bill, then, of course, we must conclude that the proviso on page 2 is a gross inequity so far as the Federal Government is concerned. We at least should treat the San Carlos Indians the same as all other Indians are treated; and under the general laws of the United States, as expressed in the second Deficiency Act, there must be offset against any sums due to the Indians these gratuities which previously have been paid to them. Now, that is only fair and just. It is not only fair to the contract relationship but it is also only fair to the taxpayers of this Nation that these Indians who have received gratuities should have them set off against indebtedness of the Government due them. Some people on relief in the States have to put up any security they have against the day when they might reimburse the State and possibly the Federal Government for gratuities advanced to keep body and soul together. So why should we treat one class of our citizenry any different than another class of our citizenry? The Acting Comptroller General has suggested an amendment in the very language of the amendment which I have sent to the Clerk's desk.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MUNDT. The gentleman is offering what purports by the amendment to increase the degree of equity offered by this bill. I am wondering, if the amendment were adopted by the committee, whether the gentleman from Michigan would join in supporting this piece of legislation.

Mr. WOLCOTT. No; I would not. It is my duty as a Member of Congress to perfect legislation against the mistakes that others might make. [Laughter.]

Mr. MUNDT. Does not the gentleman think it is equally important to give equity to the Indians by passing legislation, the same as in your instance you are attempting to give equity to the white man by amending it?

Mr. WOLCOTT. Are the Indians taxpayers?

Mr. MUNDT. They are.

Mr. WOLCOTT. Are they citizens?

Mr. MUNDT. They are.

Mr. WOLCOTT. Then why should they be put in any other category than you or I or any other taxpayer? I am trying to protect the large body of taxpayers against the granting of any favor to any particular group of taxpayers. That is all I ask you to do.

If I owe the Government money, why should not the Government have the right to offset my indebtedness against anything the Government owes me? With respect to the veterans—and you are all veteran minded—we compelled a situation which would allow the Federal Government to deduct any claim the Federal Government had against a soldier before he could get his bonus or any other compensation. I know, because they had me charged with $26 for some equipment that I lost somewhere in the mud of France. That is how I happen to know that the veterans had to reimburse the Government for any lost property. Why should not the Indians reimburse the Federal Government for gratuities furnished them? [Applause and laughter.]

[Here the gavel fell.]

Mr. BURDICK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the main purpose of the amendment is to encumber the legislation so that it would not amount to anything, because the gentleman has admitted that he would not vote for it even if we adopted his amendment. The fact remains that if this matter of gratuity is to be applied to Indians, the matter has to go before the accounting department, and the case that required the shortest time in the history of the Government for accounting was 6½ months, and the longest case was 6 years and 8 months. So you can take your choice about how long that will be.

The second reason I am opposed to the amendment is that this Congress in 150 years has refused to define what a gratuity is. There have been bills before this Congress for 10 years, to my knowledge, defining gratuity, but they have never come out of committee.

I want to treat the Indians in no better way than the white people, but I am certain of one thing—that if anybody had taken half of Michigan away from the gentleman from Michigan [Mr. WOLCOTT] and his friends for nothing, you would have heard more about it than you have heard in this Congress about this bill. We want to treat them alike. When we grant aid to the poor, the W. P. A., and one thing and another, that applies to all citizens alike. We have received in North Dakota probably the highest rate of any State in the Union. South Dakota was next, not because of their representation in Congress but because those States were hard hit.

Now, if you do not understand what a gratuity is you will charge to these Indians all the relief money that all the people of the United States had the benefit of. There is no definition to prevent it. You will simply scuttle this bill if you amend it this way.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. BURDICK. I yield.

Mr. SCHAFER of Wisconsin. And if they want to be fair, they would have to take the value of the land at the time of the taking by the United States and include interest going back over all those years. If you wanted to be fair in the matter, and if you are going to deduct offsets, that would have to be considered also.

Mr. BURDICK. That is right. Now, whenever the Indians have received any money from the Government, directly paid to them for their benefit, I am willing to have that deducted.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. O'CONNOR. Is not the legal definition of the word "gratuity" a gift? Is that not what a gratuity is, as defined by the courts and as defined by Webster's Dictionary?

Mr. BURDICK. That is my understanding of it; yes.

Mr. O'CONNOR. And is it fair to charge up these people with something that the United States has given them as a gift?

Mr. BURDICK. The gentleman is right. As an example, I want to explain to the gentleman that many Indian tribes in this country who never received a dollar of benefit from any gratuity have been charged up with the same. I have in mind the Osage Indians, who were charged with $2,000,000 for services of the Government performed for the benefit of other Indians. There is no regulation as to gratuity at all.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. SCHAFER of Wisconsin. If we adopt this amendment, would it not be putting this Congress in the position of playing Santa Claus at Christmas time and then sending the recipient a bill the day after Christmas?

Mr. BURDICK. Now you have it, now you do not.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. WOLCOTT. Except there is constantly a controversy with respect to what constitutes a gratuity. I call the gentleman's attention to the wording of the amendment:

> And deduct therefrom the total gratuities theretofore paid to such Indians of the character provided for set-off by section 2 of the Second Deficiency Act, 1935.

In the Second Deficiency Act of 1935, I am advised, that gratuities are explained and identified and characterized. So there is no controversy as to what will constitute a gratuity under the terms of this amendment.

Mr. BURDICK. They never have been defined. I can pick 11 different cases in the Court of Claims and find 11 different decisions as to what constitutes a gratuity. This Congress has never defined a gratuity in any legislative act which definition could be applied to all cases.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. MURDOCK of Arizona. The gentleman from Michigan sometime ago said something about one group of taxpayers exploiting another group of taxpayers. I call the gentleman's attention to the fact that American Indians are citizens. Some of them, however, are on reservations and are wards of the Government. The San Carlos Indians are of that character. This being the case, we cannot regard the situation as that of one group of taxpayers trying to raid the Treasury and exploit all the rest of the taxpayers.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 39, noes 41.

So the amendment was rejected.

The Clerk read as follows:

> SEC. 2. The lands referred to in the first section of this act are hereby reopened to location and entry under the public land and mineral entry laws of the United States.

Committee amendments:

> Page 2, line 13, strike out "public land and."
> Page 2, after the word "States", in line 13, insert the following: "and, subject to existing valid private rights, are returned to and made a part of the public domain for administration under the Taylor Grazing Act of June 28, 1934 (48 Stat. 1269), as amended and supplemented."

The committee amendments were agreed to.

Mr. ROGERS of Oklahoma. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7551) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry, he reported the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. ROGERS of Oklahoma. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. WOLCOTT. Mr. Speaker, I can qualify, and I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am.

The SPEAKER pro tempore. The gentleman qualifies.

The Clerk read as follows:

Mr. WOLCOTT moves that the bill be recommitted to the Committee on Indian Affairs with instructions to report the same back forthwith with the following amendment: On page 2, line 6, strike out all the remainder of the paragraph after the word "Indians."

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 39, noes 48.

Mr. WOLCOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors; the Sergeant at Arms will notify absent Members; and the Clerk will call the roll.

The question was taken; and there were—yeas 161, nays 143, not voting 119, as follows:

[Roll No. 23]

YEAS—161

Allen, Ill.	Crowe	Hartley	Larrabee
Anderson, Mo.	Darden	Healey	LeCompte
Andresen, A. H.	Ditter	Hennings	Lewis, Colo.
Arnold	Dondero	Hess	Ludlow
Ball	Doughton	Hoffman	McGehee
Barnes	Duncan	Holmes	McLean
Bates, Mass.	Durham	Hope	McLeod
Beam	Elston	Houston	Mahon
Beckworth	Engel	Jacobsen	Mansfield
Blackney	Faddis	Jenks, N. H.	Martin, Iowa
Boehne	Fenton	Jensen	Martin, Mass.
Brown, Ohio	Ford, Miss.	Johnson, Luther A.	May
Bryson	Fries	Johnson, Lyndon	Michener
Burgin	Fulmer	Jones, Ohio	Miller
Byrns, Tenn.	Gamble	Jones, Tex.	Mitchell
Carlson	Gearhart	Kean	Moser
Carter	Gerlach	Kee	Norrell
Chiperfield	Gifford	Keefe	O'Brien
Church	Gillie	Kelly	Osmers
Clason	Gore	Kerr	Parsons
Claypool	Gossett	Kilday	Pearson
Clevenger	Graham	Kinzer	Peterson, Ga.
Cluett	Gregory	Kitchens	Poage
Cochran	Gross	Kleberg	Polk
Colmer	Gwynne	Kocialkowski	Powers
Cooper	Hall, Edwin A.	Kramer	Rees, Kans.
Costello	Hall, Leonard W.	Kunkel	Rich
Crawford	Hancock	Lambertson	Risk
Creal	Hare	Landis	Robertson
Crosser	Harter, N. Y.	Lanham	Rodgers, Pa.
Rogers, Mass.	Smith, Ohio	Thomason	Wigglesworth
Routzohn	Snyder	Tibbott	Williams, Del.
Rutherford	South	Van Zandt	Williams, Mo.
Sandager	Spence	Vincent, Ky.	Wolcott
Satterfield	Springer	Vreeland	Wolfenden, Pa.
Schaefer, Ill.	Sutphin	Walter	Wolverton, N. J.
Schiffler	Taber	Ward	Woodrum, Va.
Schuetz	Talle	Warren	Zimmerman
Seger	Tarver	West	
Shanley	Terry	Wheat	
Smith, Conn.	Thomas, Tex.	Whittington	

NAYS—143

Alexander	Dempsey	Jarman	O'Connor
Andersen, H. Carl	Dickstein	Jeffries	O'Day
Anderson, Calif.	Dingell	Jennings	Oliver
Andrews	Disney	Johns	Pace
Angell	Douglas	Johnson, Ill.	Patrick
Austin	Doxey	Johnson, Okla.	Patton
Bates, Ky.	Dworshak	Johnson, W. Va.	Peterson, Fla.
Bland	Eberharter	Kefauver	Pierce
Boland	Edelstein	Keller	Pittenger
Boren	Elliott	Keogh	Plumley
Boykin	Ellis	Kirwan	Ramspeck
Bradley, Mich.	Ferguson	Lea	Rankin
Bradley, Pa.	Flaherty	Leavy	Reed, Ill.
Brown, Ga.	Flannery	Lemke	Richards
Buck	Gartner	Lesinski	Robinson, Utah
Buckler, Minn.	Gathings	Lewis, Ohio	Rogers, Okla.
Burdick	Gavagan	Luce	Sacks
Byrne, N. Y.	Geyer, Calif.	McCormack	Schafer, Wis.
Byron	Gibbs	McDowell	Scrugham
Cannon, Fla.	Gilchrist	McKeough	Secrest
Cannon, Mo.	Grant, Ala.	McLaughlin	Smith, Ill.
Cartwright	Green	McMillan, Clara G.	Smith, Wash.
Case, S. Dak.	Griffith	McMillan, John L.	Sparkman
Casey, Mass.	Guyer, Kans.	Maas	Stefan
Coffee, Nebr.	Halleck	Marcantonio	Sweeney
Coffee, Wash.	Hart	Massingale	Tenerowicz
Cole, Md.	Havenner	Mills, Ark.	Thill
Connery	Hawks	Monkiewicz	Thorkelson
Corbett	Hendricks	Monroney	Tolan
Courtney	Hill	Mott	Vinson, Ga.
Cravens	Hobbs	Mundt	Wallgren
Crowther	Hook	Murdock, Ariz.	Weaver
Cullen	Horton	Murdock, Utah	Welch
Curtis	Hull	Murray	White, Idaho
D'Alesandro	Hunter	Myers	Youngdahl
Delaney	Izac	Nichols	

NOT VOTING—119

Allen, La.	Drewry	McGranery	Seccombe
Allen, Pa.	Dunn	Maciejewski	Shafer, Mich.
Arends	Eaton	Magnuson	Shannon
Barden	Edmiston	Maloney	Sheppard
Barry	Englebright	Marshall	Sheridan
Barton	Evans	Martin, Ill.	Short
Bell	Fay	Mason	Simpson
Bender	Fernandez	Merritt	Smith, Maine
Bloom	Fish	Mills, La.	Smith, Va.
Bolles	Fitzpatrick	Mouton	Smith, W. Va.
Brewster	Flannagan	Nelson	Somers, N. Y.
Brooks	Folger	Norton	Starnes, Ala.
Buckley, N. Y.	Ford, Leland M.	O'Leary	Steagall
Bulwinkle	Ford, Thomas F.	O'Neal	Stearns, N. H.
Burch	Garrett	O'Toole	Sullivan
Caldwell	Gehrmann	Patman	Sumner, Ill.
Camp	Grant, Ind.	Pfeifer	Sumners, Tex.
Celler	Harness	Rabaut	Taylor
Chapman	Harrington	Randolph	Thomas, N. J.
Clark	Harter, Ohio	Rayburn	Tinkham
Cole, N. Y.	Hinshaw	Reece, Tenn.	Treadway
Collins	Jarrett	Reed, N. Y.	Voorhis, Calif.
Cooley	Jenkins, Ohio	Robsion, Ky.	Vorys, Ohio
Cox	Johnson, Ind.	Rockefeller	Wadsworth
Culkin	Kennedy, Martin	Romjue	Welchel
Cummings	Kennedy, Md.	Ryan	White, Ohio
Darrow	Kennedy, Michael	Sabath	Winter
DeRouen	Knutson	Sasscer	Wood
Dies	McAndrews	Schulte	Woodruff, Mich.
Dirksen	McArdle	Schwert	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr. McAndrews with Mr. Dirksen.
Mr. Bulwinkle with Mr. Short.
Mr. Maloney with Mr. Jenkins of Ohio.
Mrs. Norton with Mr. Simpson.
Mr. Dies with Mr. Barton.
Mr. Dunn with Mr. Darrow.
Mr. Martin J. Kennedy with Mr. Jarrett.
Mr. Drewry with Mr. Harness.
Mr. Fernandez with Mr. Cole of New York.
Mr. Sabath with Mr. Bender.
Mr. Smith of Virginia with Mr. Brewster.
Mr. Starnes of Alabama with Mr. Knutson.
Mr. Bloom with Mr. Robsion of Kentucky.
Mr. Durham with Mr. Johnson of Indiana.
Mr. Barden with Mr. Reece of Tennessee.
Mr. Romjue with Mr. Rockefeller.
Mr. Mouton with Mr. Mason.
Mr. Collins with Mr. Vorys of Ohio.

Mr. Mills of Louisiana with Mr. Treadway.
Mr. Cox with Miss Sumner of Illinois.
Mr. DeRouen with Mr. Arends.
Mr. Clark with Mr. Grant of Indiana.
Mr. Burch with Mr. Reed of New York.
Mr. Caldwell with Mr. Fish.
Mr. Rabaut with Mr. Eaton.
Mr. Garrett with Mr. Engelbright.
Mr. Rayburn with Mr. Hinshaw.
Mr. Whelchel with Mr. Wadsworth.
Mr. Fitzpatrick with Mr. Smith of Maine.
Mr. Sullivan with Mr. Stearns of New Hampshire.
Mr. Chapman with Mr. August H. Andresen.
Mr. Brooks of Louisiana with Mr. Bolles.
Mr. Camp with Mr. Thomas of New Jersey.
Mr. Harter of Ohio with Mr. Winter.
Mr. Smith of West Virginia with Mr. White of Ohio.
Mr. Sumners of Texas with Mr. Marshall.
Mr. Taylor with Mr. Woodruff of Michigan.
Mr. Nelson with Mr. Seccombe.
Mr. Allen of Louisiana with Mr. Tinkham.
Mr. Flannagan with Mr. Shafer of Michigan.
Mr. Randolph with Mr. Pfeifer.
Mr. Patman with Mr. O'Neal.
Mr. Fay with Mr. Magnuson.
Mr. Maciejewski with Mr. O'Leary.
Mr. Somers of New York with Mr. Bell.
Mr. Harrington with Mr. Merritt.
Mr. Allen of Pennsylvania with Mr. Cummings.
Mr. Ryan with Mr. Barry.
Mr. Kennedy of Maryland with Mr. Michael J. Kennedy.
Mr. Steagall with Mr. Wood.
Mr. O'Toole with Mr. Sasscer.
Mr. McGranery with Mr. Buckley of New York.
Mr. Schulte with Mr. Schwert.
Mr. Evans with Mr. Shannon.
Mr. Sheppard with Mr. McArdle.
Mr. Thomas F. Ford with Mr. Martin of Illinois.
Mr. Voorhis of California with Mr. Sheridan.

Mr. HOBBS and Mr. LESINSKI changed their votes from "yea" to "nay."

Mr. LUTHER A. JOHNSON and Mr. FULMER changed their votes from "nay" to "yea."

The doors were opened.

The result of the vote was announced as above recorded.

Mr. ROGERS of Oklahoma. Mr. Speaker, pursuant to the instructions of the House, I refer the bill back to the House with an amendment.

The Clerk read as follows:

Page 2, line 6, strike out all the remainder of the paragraph after the word "Indians."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 11, noes 14.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. COCHRAN. Is that the amendment offered by the gentleman from Michigan [Mr. WOLCOTT] just adopted by a roll-call vote?

The SPEAKER pro tempore. The gentleman is correct. It was included in the motion to recommit. The House voted on the amendment provided for in the motion to recommit, and there were—ayes 11, noes 14.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand the regular order.

The amendment was rejected.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 111, noes 81.

Mr. WOLCOTT. Mr. Speaker, I object to the vote on the ground a quorum is not present, and I make the point of order a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and four Members are present, not a quorum.

The Doorkeeper will close the doors; the Sergeant at Arms will notify the absent Members; and the Clerk wil call the roll.

The question was taken; and there were—yeas 142, nays 168, not voting 113, as follows:

[Roll No. 24]

YEAS—142

Alexander	Douglas	Johnson, Ill.	Pace
Andersen, H. Carl	Duncan	Johnson, Okla.	Parsons
Anderson, Calif.	Dworshak	Kefauver	Patrick
Andrews	Eberharter	Keller	Patton
Angell	Edelstein	Kennedy, Michael	Peterson, Fla.
Austin	Elliott	Keogh	Peterson, Ga.
Bates, Ky.	Ellis	Kirwan	Pierce
Bland	Ferguson	Lea	Pittenger
Bloom	Flaherty	Leavy	Ramspeck
Boland	Gartner	Lemke	Rankin
Boren	Gavagan	Lesinski	Rayburn
Boykin	Geyer, Calif.	Lewis, Ohio	Reed, Ill.
Bradley, Mich.	Gibbs	Luce	Richards
Brown, Ga.	Gilchrist	McCormack	Rogers, Okla.
Buck	Gore	McDowell	Ryan
Buckler, Minn.	Gossett	McKeough	Schafer, Wis.
Burdick	Grant, Ala.	McLaughlin	Scrugham
Byrne, N. Y.	Green	McMillan, John L.	Secrest
Cartwright	Griffith	Maas	Sheppard
Case, S. Dak.	Guyer, Kans.	Magnuson	Smith, Ill.
Casey, Mass.	Halleck	Mansfield	Smith, Wash.
Coffee, Nebr.	Hart	Marcantonio	Snyder
Connery	Havenner	Massingale	Sparkman
Corbett	Hawks	Mills, Ark.	Stefan
Courtney	Hendricks	Monkiewicz	Sweeney
Cravens	Hill	Monroney	Tenerowicz
Crawford	Hobbs	Mott	Thorkelson
Crowther	Hook	Mundt	Tolan
Cullen	Horton	Murdock, Ariz.	Vinson, Ga.
Curtis	Hull	Murray	Wallgren
D'Alesandro	Hunter	Nichols	Weaver
Delaney	Izac	O'Connor	Welch
Dempsey	Jarman	O'Day	White, Idaho
Dickstein	Jeffries	O'Leary	Youngdahl
Dingell	Jennings	Oliver	
Disney	Johns	O'Toole	

NAYS—168

Allen, Ill.	Evans	Kinzer	Sandager
Anderson, Mo.	Faddis	Kitchens	Satterfield
Andresen, A. H.	Fenton	Kleberg	Schaefer, Ill.
Arnold	Flannery	Kocialkowski	Schiffler
Ball	Ford, Miss.	Kramer	Schuetz
Barnes	Fries	Kunkel	Schulte
Bates, Mass.	Fulmer	Lambertson	Seger
Beam	Gamble	Landis	Shanley
Beckworth	Gathings	Lanham	Simpson
Blackney	Gearhart	Larrabee	Smith, Conn.
Boehne	Gerlach	LeCompte	Smith, Maine
Bradley, Pa.	Gifford	Lewis, Colo.	Smith, Ohio
Brown, Ohio	Gillie	Ludlow	South
Bryson	Graham	McGehee	Spence
Burgin	Gregory	McLean	Springer
Byrns, Tenn.	Gross	McLeod	Sumners, Tex.
Byron	Gwynne	McMillan, Clara G.	Sutphin
Carlson	Hall, Edwin A.	Mahon	Taber
Carter	Hall, Leonard W.	Martin, Iowa	Talle
Chiperfield	Hancock	Martin, Mass.	Tarver
Church	Hare	May	Terry
Clason	Harter, N. Y.	Michener	Thill
Claypool	Healey	Miller	Thomas, Tex.
Clevenger	Hennings	Mitchell	Thomason
Cluett	Hess	Moser	Tibbott
Cochran	Hoffman	Myers	Van Zandt
Cole, Md.	Holmes	Norrell	Vincent, Ky.
Colmer	Hope	O'Brien	Vreeland
Cooper	Houston	Osmers	Walter
Costello	Jacobsen	Pearson	Ward
Creal	Jenks, N. H.	Plumley	Warren
Crosser	Jensen	Poage	West
Crowe	Johnson, Luther A.	Polk	Wheat
Darden	Johnson, Lyndon	Powers	Whittington
Ditter	Johnson, W. Va.	Rees, Kans.	Wigglesworth
Dondero	Jones, Ohio	Rich	Williams, Del.
Doughton	Jones, Tex.	Robertson	Williams, Mo.
Doxey	Kean	Rodgers, Pa.	Wolcott
Durham	Kee	Rogers, Mass.	Wolfenden, Pa.
Elston	Keefe	Routzohn	Wolverton, N. J.
Engel	Kelly	Rutherford	Woodrum, Va.
Englebright	Kilday	Sacks	Zimmerman

NOT VOTING—113

Allen, La.	Cannon, Fla.	Drewry	Harrington
Allen, Pa.	Cannon, Mo.	Dunn	Harter, Ohio
Arends	Celler	Eaton	Hartley
Barden	Chapman	Edmiston	Hinshaw
Barry	Clark	Fay	Jarrett
Barton	Coffee, Wash.	Fernandez	Jenkins, Ohio
Bell	Cole, N. Y.	Fish	Johnson, Ind.
Bender	Collins	Fitzpatrick	Kennedy, Martin
Bolles	Cooley	Flannagan	Kennedy, Md.
Brewster	Cox	Folger	Kerr
Brooks	Culkin	Ford, Leland M.	Knutson
Buckley, N. Y.	Cummings	Ford, Thomas F.	McAndrews
Bulwinkle	Darrow	Garrett	McArdle
Burch	DeRouen	Gehrmann	McGranery
Caldwell	Dies	Grant, Ind.	Maciejewski
Camp	Dirksen	Harness	Maloney

Marshall	Randolph	Shannon	Tinkham
Martin, Ill.	Reece, Tenn.	Sheridan	Treadway
Mason	Reed, N. Y.	Short	Voorhis, Calif.
Merritt	Risk	Smith, Va.	Vorys, Ohio
Mills, La.	Robinson, Utah	Smith, W. Va.	Wadsworth
Mouton	Robsion, Ky.	Somers, N. Y.	Whelchel
Murdock, Utah	Rockefeller	Starnes, Ala.	White, Ohio
Nelson	Romjue	Steagall	Winter
Norton	Sabath	Stearns, N. H.	Wood
O'Neal	Sasscer	Sullivan	Woodruff, Mich.
Patman	Schwert	Sumner, Ill.	
Pfeifer	Seccombe	Taylor	
Rabaut	Shafer, Mich.	Thomas, N. J.	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gehrmann (for) with Mr. Hartley (against).

General pairs:

Mr. McAndrews with Mr. Dirksen.
Mr. Bulwinkle with Mr. Short.
Mr. Maloney with Mr. Jenkins of Ohio.
Mr. Dies with Mr. Barton.
Mr. Dunn with Mr. Darrow.
Mr. Martin J. Kennedy with Mr. Jarrett.
Mr. Drewry with Mr. Harness.
Mr. Fernandez with Mr. Cole of New York.
Mr. Sabath with Mr. Bender.
Mr. Smith of Virginia with Mr. Brewster.
Mrs. Norton with Mr. Robsion of Kentucky.
Mr. Barden with Mr. Reece of Tennessee.
Mr. Romjue with Mr. Rockefeller.
Mr. Mouton with Mr. Mason.
Mr. Collins with Mr. Vorys of Ohio.
Mr. Mills of Louisiana with Mr. Treadway.
Mr. Cox with Miss Sumner of Illinois.
Mr. DeRouen with Mr. Arends.
Mr. Clark with Mr. Grant of Indiana.
Mr. Burch with Mr. Reed of New York.
Mr. Caldwell with Mr. Fish.
Mr. Rabaut with Mr. Eaton.
Mr. Garrett with Mr. Culkin.
Mr. Whelchel with Mr. Wadsworth.
Mr. Fitzpatrick with Mr. Hinshaw.
Mr. Sullivan with Mr. Stearns of New Hampshire.
Mr. Brooks of Louisiana with Mr. Bolles.
Mr. Camp with Mr. Thomas of New Jersey.
Mr. Harter of Ohio with Mr. Winter.
Mr. Smith of West Virginia with Mr. White of Ohio.
Mr. Sumners of Texas with Mr. Marshall.
Mr. Taylor with Mr. Woodruff of Michigan.
Mr. Nelson with Mr. Seccombe.
Mr. Allen with Mr. Tinkham.
Mr. Flannagan with Mr. Shafer of Michigan.
Mr. Coffee of Washington with Mr. Johnson of Indiana.
Mr. Folger with Mr. Leland M. Ford.
Mr. Cooley with Mr. Risk.
Mr. Randolph with Mr. Pfeifer.
Mr. Patman with Mr. O'Neal.
Mr. Fay with Mr. Robinson of Utah.
Mr. Maciejewski with Mr. Thomas F. Ford.
Mr. Somers of New York with Mr. Bell.
Mr. Harrington with Mr. Merritt.
Mr. Allen of Pennsylvania with Mr. Cummings.
Mr. Barry with Mr. Kerr.
Mr. Kennedy of Maryland with Mr. Murdock of Utah.
Mr. Steagall with Mr. Wood.
Mr. Cannon of Missouri with Mr. Sasscer.
Mr. McGranery with Mr. Buckley of New York.
Mr. Schwert with Mr. Cannon of Florida.
Mr. Chapman with Mr. Shannon.
Mr. Voorhis of California with Mr. Sheridan.
Mr. McArdle with Mr. Martin of Illinois.
Mr. Starnes of Alabama with Mr. Celler.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RECIPROCAL-TRADE AGREEMENTS

Mr. DOUGHTON, from the Committee on Ways and Means, reported the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which was read a first and second time and, with the accompanying papers, referred to the Commitee of the Whole House on the state of the Union and ordered printed.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that it may be in order on Monday next to take up for consideration House Joint Resolution 407, which has just been reported, and that there shall be not to exceed 12 hours of general debate, one-half to be controlled by myself and one-half by the gentleman from Massachusetts [Mr. TREADWAY].

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand this represents an agreement between the gentleman from North Carolina and the gentleman from Massachusetts, who happens to be absent from the Chamber at the moment.

Mr. DOUGHTON. Between the gentleman from Massachusetts [Mr. TREADWAY] and myself, and this agreement was concurred in by the full committee. It is a unanimous agreement.

Mr. MARTIN of Massachusetts. You are going to try to get a vote on Friday of next week?

Mr. DOUGHTON. We hope to.

Mr. MARTIN of Massachusetts. I have no objection, Mr. Speaker.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, is this the reciprocal trade agreements bill?

Mr. DOUGHTON. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES OF CANDIDATES FOR HOUSE OF REPRESENTATIVES

Mr. LEWIS of Colorado, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 344

Resolved, That a special committee of seven be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1941, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1940, or any special election held prior to January 3, 1941. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of the Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

JOINT COMMITTEE TO MAKE ARRANGEMENTS FOR THE INAUGURATION OF THE PRESIDENT-ELECT OF THE UNITED STATES IN 1941

Mr. LEWIS of Colorado, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

Senate Concurrent Resolution 32

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1941.

CLAIMS OF THE ASSINIBOIN INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (H. R. 2776) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in

any claims which the Assiniboin Indians may have against the United States, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. COCHRAN. Mr. Speaker, several million dollars are involved in this bill, and I think the bill ought to be considered in Committee of the Whole. I object to the request.

The SPEAKER pro tempore. The gentleman from Missouri objects.

This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 2776, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Oklahoma is entitled to recognition for 1 hour. Permit the Chair to inquire whether any minority member of the Committee on Indian Affairs is opposed to this bill?

Mr. GILCHRIST. I am, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Iowa desire recognition in opposition to the bill?

Mr. GILCHRIST. I do.

The CHAIRMAN. The gentleman is entitled to recognition for 1 hour in opposition to the bill. The gentleman from Oklahoma is recognized for 1 hour in support of the bill.

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, under the treaty of Fort Laramie in 1851, the Assiniboin Tribe had title to a reservation of some 6,477,940 acres. The Government took all of this land from the Assiniboins without compensating the tribe. Suit was brought in the Court of Claims, but was dismissed because the gratuity and other offsets exceeded the value of the land, which was first fixed at approximately $3,250,000. The purpose of the present bill is to reinstate this suit, exclude certain offsets, and raise the land damages to 93 cents per acre. The committee has amended this to read $1.25 per acre, less cost of survey and sale.

If enacted, the bill would probably give the Assiniboins a chance to recover about $2,000,000.

There has been no prior payment on this claim. Gratuity and treaty expenditures to the Assiniboins are shown in the report of the General Accounting Office, filed in the Court of Claims suit.

Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, while the hour is getting late, I hope the Members will indulge us in a fair discussion of this bill. I have been a member of the Committee on Indian Affairs since I came to the Congress. This is the third call since then the Committee on Indian Affairs has had on Calendar Wednesday to have the Members of the House consider bills affecting the rights of the Indians. Owing to parliamentary procedure, a sample of which we saw here this afternoon, solely for the purpose of delay and to prevent consideration of Indian bills, we have been able to consider only four or five bills affecting the rights of the Indians of this country, except those on the unanimous Consent Calendar.

Mr. Chairman, as was said here earlier in the afternoon, we are dealing with a subjected race. They are involuntarily as subjugated people. The relationship of guardian and ward has been imposed upon these people, and the Government of the United States has assumed the position of looking after them. Remember, also, that the fee title to every acre of land the Indians are in possession of throughout the United States is in the United States Government. It is held in trust for the Indians, so to speak.

Now, going back to 1851, the United States Government was trying to find a way to the Pacific coast; in other words, to extend the western border of the civilized portion of this country as far west as the Pacific coast. They found along the line, as they were proceeding west, in such territories as are involved in this bill, many Indian tribes in possession of land. Some of them were warlike, some were peaceful, and the United States Government attempted, in order to settle up that country and protect the white men that found their way into that country, to induce the Indians to enter into treaties, and so forth, with the end in view of having peace between the white men and the Indians. These treaties primarily were made for the benefit of the white men. As an illustration of what I am talking about, the first Governor of Montana, Thomas Francis Meagher, called upon the United States Government to make a treaty—this was back in 1860, I think it was—with the Crow Indians, and he used this language, in substance, to try to make a treaty with the Crows to protect the thousands and thousands of men and women who were going into that western country to make homes for themselves upon lands and to develop the mining interests of that country.

This was what the treaty was for. The Government proceeded to the job of treating with the Crows, and what is true of the Crows is true of every other tribe in that country, including the tribe that is involved in the bill before us. So I want the Members of the House to bear in mind that these treaties were made at the request of the United States Government and those treaties should be carried out, and the piece of land involved in this case is land that was granted to the Assiniboin Indians by reason of the Fort Laramie Treaty of 1851.

Let me quote from the letter of the Assistant Secretary of the Interior as to just what happened with reference to the piece of land I am talking about:

> In 1851 the Assiniboin Tribe, along with other tribes, entered into a treaty with the United States, known as the Fort Laramie Treaty, in which the Government set aside a reservation of some 6,477,940 acres to the Assiniboin Tribe.

Remember this was done in 1851; in other words, the United States Government goes out there and finds out what these Indians have and then because they were powerful enough to do it, they say, "We will set aside for your benefit and for the benefit of the people who are to follow you 6,447,940 acres," out of their own territory, and grabbed the rest.

> Some years later, beginning in 1868, the United States took all of this reservation from the Assiniboin Indians without payment of any compensation.

Beginning in 1868 the United States took all of this reservation from the Assiniboin Indians without payment of any compensation. This is an admission and a statement by the Interior Department as to what happened.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. No; not now. I will yield to the gentleman later on.

Now, bear in mind the fact that this land was taken from the Assiniboin Indians without pay or without compensation and contrary to the Fort Laramie Treaty of 1851.

Now, in 1927 Congress authorized the Assiniboin Indians to commence an action before the Court of Claims to recover the reasonable value of the 6,447,940 acres.

I may say that what I am going to state now is technical involving the jurisdictional acts.

The jurisdictional act provided—

> That jurisdiction be and is hereby conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party, notwithstanding all lapse of time or statutes of limitations, to hear, examine, and adjudicate, and render judgment in any and all claims arising under or growing out of the Treaty of Fort Laramie of September 17, 1851.

You will observe that this jurisdictional act, passed and approved March 2, 1927, dealt only with an express violation of the treaty-owned land and the treaty rights of the Assiniboin Indians in and to this land as fixed by the Fort Laramie Treaty.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 5 minutes more to the gentleman from Montana.

Mr. O'CONNOR. Mr. Chairman, I ask my friend from Iowa [Mr. GILCHRIST] to come here and help me hold this map.

Mr. GILCHRIST. Mr. Chairman, I shall be very glad to render any assistance that will throw light on this subject to the gentlemen who are to vote upon it.

Mr. O'CONNOR. Now, here is the Missouri River running in this direction. We are now in the State of Montana on this map. Here is the treaty land of September 17, 1851, which is bounded on the north by the Missouri River, on the south by the Yellowstone River, and you will notice here at this point the famous Powder River, connecting up with the Yellowstone River, and here is the Missouri, and here is the Musselshell River, flowing into the Missouri River at this end of the treaty land. This is the land in this territory, approximately six and a half million acres, in the shaded portion of the map involved in this bill. That is the land that was involved in the suit originally brought to recover in the Court of Claims under the original jurisdictional act. It was discovered after the suit was brought that the Assiniboin Indians claimed this land north of the Missouri River by immemorial possession; in other words, that they had had it for nearly two centuries, and had been in possession of it, and they wanted pay for it.

As a matter of fact the Federal Government recognized the rights of the Indians in and to the lands north of the Missouri River, because it paid them in the neighborhood of a million dollars for this land, and then divided the land between the Blackfeet Indians, the Fort Belknap Indians, the Sioux Indians, and the Fort Peck Indians. When that fact was discovered Congress then, in order to give these Indians their day in court, said, "Yes, we will extend that jurisdiction to the right to fight out the claims for the land north of the Missouri River as well as for the treaty-acquired land south of the Missouri River," and passed a second jurisdictional act which contained the following language:

Resolved, etc., That in any action pending or hereafter brought under the provisions of an act entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboin Indians may have against the United States, and for other purposes," approved March 2, 1927, jurisdiction is hereby conferred upon the courts therein named and in the manner therein defined to hear, examine, adjudicate, and render judgment for any damages resulting from the appropriation by the United States to its own use or to the use of any other Indian tribe by the treaty of October 17, 1855 (11 Stat. 657); between the Government of the United States and the Blackfeet Nation and other Indian nations therein specified, and/or the act of Congress of April 15, 1874 (18 Stat. 28), of any land, title to the occupancy and use of which was in the said Assiniboin Indian Nation by immemorial possession and the rights or claims to which land the last paragraph of article V of the treaty of Fort Laramie of September 17, 1851, expressly provided, the Assiniboin Nation did not abandon or prejudice; and if the said courts shall find that any such lands of the said Indians were so appropriated they shall award damages for the land so appropriated as provided in the said act of March 2, 1927:

This jurisdictional act, involving the recovery of land north of the Missouri, contained this provision—and this is significant, and I ask the Members of the House to bear the language in mind:

That if the court shall award damages for land appropriated by the said treaty of 1855 and/or the said act of Congress of 1874, the United States shall be allowed credit for any sum or sums paid the Assiniboin Indian Nation under the act of Congress of May 1, 1888.

It will be seen that this provision limited the offsets for recovery for the land north of the river to a violation of the rights of the Indians subsequent to the Fort Laramie treaty, dated in 1851. They did not go back to the Fort Laramie treaty of 1851 at all—had nothing to do with it. Here was a separate tract on one side of the river that the Indians claimed by immemorial possession, brought in in a separate paragraph in the amended complaint under the second jurisdictional act, and here was the original suit brought under the first jurisdictional act, involving recovery for the land south of the Missouri River, title to which was established in 1851 by the Fort Laramie treaty. There was no connection whatever between the two causes of action. A trial was had before the Court of Claims. The court found that the Government of the United States had appropriated six and a half million acres of land belonging to the Assiniboin Indians, and that they were entitled to certain set-offs with which we agreed, but further found that the Assiniboin Indians failed to prove by a preponderance of evidence that they had title by immemorial possession to the land north of the river and set off over $1,000,000 against the claim for lands south of the river which had no connection at all and in express violation of the terms and conditions and instructions of Congress in the second jurisdictional act.

That is what this bill is about. The Court of Claims violated absolutely the express instructions of Congress. Remember this, that the Court of Claims is simply the judicial agency of this body. It has only the powers that Congress gives it. It must obey the instructions of Congress. If it violates those instructions, then it is not performing the duty that Congress directed; the duty of Congress to the Indians throughout the United States, because it is the only forum to which the Indian may appeal, is a continuing one at least until justice is finally done. My distinguished friend the gentleman from Iowa [Mr. GILCHRIST] will argue that you have had your day in court and the matter is res adjudicata. My answer to this is, first, that it is not res adjudicata; second, if it were, it makes no difference, because the Congress of the United States is the defendant in the action. It is the only representation the Indians have. It is the only place where the Indians may sue. The President of the United States has nothing to say about it. You are the guardians; you are the defendants in the suit brought by the Indians. You may waive the defense of res adjudicata in any court if you wish.

Mr. GILCHRIST. No one disputes that.

Mr. O'CONNOR. Then why all this argument?

Mr. GILCHRIST. You can waive anything.

Mr. O'CONNOR. Furthermore, I think I can tell the distinguished gentleman that it is not res adjudicata, for this reason: The court found that the land that is shaded was taken by the United States Government without compensation. The court found that and fixed its value at 50 cents an acre.

Mr. GILCHRIST. Will the gentleman yield? I would like to know where that language is in any finding of the court.

Mr. O'CONNOR. If the gentleman will read the judgment, I think it is clear.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. O'CONNOR. There is no dispute but what the land was taken from the Indians and that it was unpaid for. If the gentleman will examine the bill, he will see that the dispute comes in where the court allowed as a set-off a million or more dollars that was paid the Assiniboin Indians for their rights north of the river. The distinguished gentleman from Missouri [Mr. COCHRAN] is a very able man, and I have a very high respect and regard for him and a deep affection.

Mr. COCHRAN. And I reciprocate it.

Mr. O'CONNOR. I want to say to the gentleman, the United States Government never paid any million dollars to the Assiniboin Indians or any other tribe of Indians unless it got value received and unless it figured that those Indians had a right there. What happened when it did that? It took the land. It took the land, and what did it do with it? It gave a portion to some of the Sioux. It gave another portion to the Blackfeet. It divided it up after it took it from these people. Then what else did it do? The Court of Claims in addition allowed as a set-off, if you please, what was received by the Assiniboin Indians for the surplus land that was sold. Where? In the Fort Peck Reservation and in the Fort Belknap Reservation north of the river. Why should the United States Government sell that land and give the money to the Indians if they did not own the land? That answers itself.

Mr. GILCHRIST. Do you want me to answer that?

Mr. O'CONNOR. No. You can answer it in your own time.

Now, they have offset these claims, if you please—in the first place, to make it brief, the Government of the United States got value received when it gave this money; but in addition to that, now when we ask for pay for land south of the river, they want to offset, if you please, the money that was

paid to the Indians for their rights north of the river. Now, that is what is wrong.

Mr. BURDICK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BURDICK. As a matter of fact, when this present case was in the court, the court allowed the Indians' claim for this specific tract of land?

Mr. O'CONNOR. That is right.

Mr. BURDICK. And then they offset the consideration for this tract of land by going over and taking the consideration for the other tract and putting it into this case.

Mr. O'CONNOR. Exactly; and that is what this bill is about.

Now, my distinguished friend from Missouri [Mr. COCHRAN] made the statement to the Speaker of the House:

> I object to the House considering this bill because it involves millions of dollars.

I will say the gentleman for once is in error. Approximately 50 cents or a dollar an acre for about 4,000,000 acres of land, with two offsets that are conceded, that is what is involved. One would be $600,000, an amount that the Assiniboin Indians had received as a gratuity or something for the land south of the river; and in addition to that $600,000 administrative expenses, and so forth, which would make in the neighborhood of $1,200,000. Now, if we follow the Court of Claims and value the land at 50 cents an acre, the probable recovery would only be about three million and some thousand dollars less $1,200,000. Now, that is all that could be recovered. That is the value of the land south of the river, less these offsets, in the neighborhood of $1,200,000.

Mr. PIERCE. Would the interest be accumulated?

Mr. O'CONNOR. No. My judgment is that the bill excludes interest, and I will tell you why. The Supreme Court held in what is known as the Klamath case that language such as this in a case of eminent domain, where the land was taken by the process of eminent domain, would include interest.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 5 additional minutes to the gentleman from Montana.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield at that point?

Mr. O'CONNOR. In a moment. This, however, is not a case of eminent domain.

Mr. Chairman, my friend opposing this bill might say that it is wrong to include in the bill provision for an appeal to the Supreme Court. We took that language out of the bill to meet the criticism of the Attorney General: "And its review in the Supreme Court." The difference, I suppose, is that an appeal indicates a review of the merits whereas certiorari does not. You will remember that rule was inaugurated by the Supreme Court to enable it to dispose of a lot of cases at once, for it allows the Court to take jurisdiction or decline to take jurisdiction within their discretion. They assume jurisdiction in those cases only where there is great public interest involved.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. COCHRAN. Under the terms of the first section the case would go to the Supreme Court if the defendant desired to take it after a decision in the Court of Claims.

Mr. O'CONNOR. The writ of review?

Mr. COCHRAN. Yes; and the Supreme Court cannot refuse to hear it.

Mr. O'CONNOR. Oh, yes. That writ will bring the case to the Supreme Court, but the writ of review has been interpreted to mean certiorari, which does not go into the merits of the case at all.

Mr. COCHRAN. Does the gentleman know any citizen of the United States who has that right?

Mr. O'CONNOR. I may say to the gentleman from Missouri that we are dealing with a white man's court. The history of this court, however, is one not to be proud of where Indian cases were involved. I realize, of course, that fantastic figures have been presented to the court for Indian claims, but out of 192 cases involving $2,500,000,000, only $30,000,000 has ever been recovered before this court—about one and a half percent, if you please. So far as I am concerned, I tried to place an Indian on that court so that the Indians would get justice; and I would like to see the Supreme Court compelled to take jurisdiction of these Indian cases in the light of the findings of the Court of Claims.

I now yield to the gentleman from Wisconsin [Mr. SCHAFER]. I believe he wanted me to yield.

Mr. SCHAFER of Wisconsin. I think my question has been answered.

Mr. O'CONNOR. All right. Now, let us start out with the bill. I think nearly every objection made by the Attorney General has been met. If the gentleman wants to modify the language of the review provision of the bill to read "review by certiorari" I shall not object.

The gentleman objected that we should strike out of the bill the language that there should be set off for credit or disbursement. I think that should have been in the bill, but to meet his objection we took it out.

Again, do you note the language with reference to the value of this property? In line 17, page 4, it is provided that a maximum value of the lands shall be $1.25 less the cost of survey and sale. It has been judicially determined not only by the Congress but also by commissions that 32 cents an acre is a reasonable charge to make that survey. This would bring the land value down to 93 cents an acre. While a maximum is provided there is no minimum. The court could find 25 cents an acre, if it wanted to, under this bill.

Mr. BURDICK. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from North Dakota.

Mr. BURDICK. I just want to say that the power of the Court of Claims to hear, try, and determine one of these cases is limited entirely by the authority given to it by the Congress.

Mr. O'CONNOR. That is right.

Mr. BURDICK. In this particular case, when the question came up and they raised the defense, citing this very consideration, the court said it did not have power which Congress granted it in the Authorization Act to go back of the facts and see what was paid. It did not have that authority. It is very difficult in these Indian cases to get justice done under the authority given, because if we lack one bit of authority, the court can only look through one glass at the facts, and if we have not provided a large enough glass, they send it back and say they have no authority.

Mr. O'CONNOR. That is right. I call attention to another fact. This bill does not directly cost the United States Government one cent. It simply gives these people their day in court and fixes that court's limitation. That is all this bill does.

I want to say another thing to the gentleman from Missouri. I know that his people have great faith in him; I know his voice will be ringing in this forum for years to come. The bill provides that every dollar recovered in this action will be deposited in the United States Treasury subject to appropriations in the future for the benefit of the Indians. Not one dime goes to those poor Indians. Their land was taken from them and yet, when recovery is had, the money is put into the United States Treasury subject to disposition and use by the Congress in the future. I know my friend from Missouri will be here.

I ask you gentlemen, the powerful men in this House, the leaders of the House, to take your heavy hands off the Congress and give these men their day in court. They have no place to appeal except to this forum. The Congress of the United States is the only place they can appeal to. They have no right to go to the President and they cannot go to the courts. They must appeal to the Congress. We are their forum. I do not need to call your attention again to the first ordinance that was passed by the Congress, in which the Congress pledged itself to give a square, honest deal to the Indians of this country and never take their land away from them without their consent and without just compensation. I ask you in the name of justice to give these men their day in court. If the Court of Claims had followed the instructions

of Congress, this bill would not be here. But the Court of Claims must be taught that it has the Indians' rights to view, as well as the white men's rights to view, and, in my opinion, it has been ignoring the Indians' rights in the past. [Applause.]

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, the gentleman from Montana is to be complimented for the manner in which he presented his case. Regardless as to whether we agree or not, no one can deny his sincerity, and his efforts to help his constituents are commendable. In conclusion, he appealed to you to give the Indians their day in court. Congress gave them their day in court in 1927 when it passed a jurisdictional act. The gentleman referred to statements in reference to amounts of claims heretofore filed as being fantastic. When the attorneys for the Assiniboin Indians filed their original petition with the Court of Claims the claims aggregated $62,000,000. That was the amount which the attorneys for the Indians asked. Is there anything fantastic about that? No; it was not a dream, but as the records will show, a fact. While the case was pending in the Court of Claims it developed, or at least the attorneys saw that they could not look for a favorable decision, so what happened? They came back to the Congress and in 1930 another jurisdictional act was passed expanding the jurisdiction of the Court of Claims in this case.

The court considered the case and denied the claim. An application for a new trial was denied. The Supreme Court was requested to review. A writ of certiorari was also denied by that Court. Therefore, Mr. Chairman, the Indians have had their day in court. By this bill the gentleman from Montana wants the Congress to give this tribe another day in court.

The Congress having passed two jurisdictional acts we are now asked to pass a third.

To my great surprise, we have a minority report on this bill, and I want to congratulate the members of the Indian Affairs Committee who are responsible for it. If you go back and look through the records you will see few minority reports have been filed by members of the Committee on Indian Affairs. Let the Members of the House read this minority report, an outstanding legal argument urging the defeat of this legislation. It cites its reasons in detail, and those who read it, I am sure, will join us in our efforts to defeat this bill.

There is provided in this bill provisions for a review on behalf of either party by the Supreme Court. No citizen of this country under present procedure is entitled to that. Are you going to give these Indians, who have already had their day in court, something which you deny to your constituents?

The gentleman from Montana states that this bill has been amended so as to practically meet the suggestions of the Attorney General. He did not state that the bill met the suggestions of the Attorney General. He said it practically met the suggestions of the Attorney General. But the Attorney General writes me that the bill would undoubtedly limit the United States in its right of set-offs, especially those that rose prior to March 2, 1927. Secondly, this bill specifically states that certain set-offs shall not receive consideration by the court, although in other cases these very set-offs, which this bill provides cannot be considered, have been credited to the Government. There is no sound reason why they should not be allowed in this instance if the pending bill becomes law. What does the provision mean that denies the Government to show set-offs prior to March 2, 1927? It means that although for about 60 years the Government has been making advances and gratuities to the Indians, the Attorney General will be denied the right to present them to the court as set-offs against this claim. Why not provide for an outright appropriation from the Treasury, as that provision will mean beyond question a favorable decision for the Indians. As to the amount, the gentleman from Montana says only a million or two, but no one knows what it will mean if the Government is denied the right to set off the claims of the Indians. The gentleman from Montana says as a lawyer he will say interest dating from around 1860 cannot be paid under the wording of the bill. He admits others take a different view, but when asked if he will accept an amendment specifically denying interest, he fails to reply in the affirmative. If, as he says, the wording of the bill does bar interest, then why not write in language that will make it certain? Interest from around 1860 will run into millions.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield at that point?

Mr. COCHRAN. Just one second, and I will yield to the gentleman.

If we are going to go along year by year and continue to pass jurisdictional bills so worded that the United States Government will be divested of its right to submit proper evidence, there is no telling what is going to happen in regard to the amount that will be recovered. Why not let the Government submit its evidence in this case the same as you have in other cases? Why send the case back to the Court of Claims when we have already passed two jurisdictional bills and a decision has been rendered? I can see no reason why this bill should be passed.

The Department of the Interior, as everyone who is interested in Indians and Indian claims will have to admit, has been extremely liberal in making reports to the committee concerning jurisdictional bills, but in this case a letter was sent to the committee stating that this legislation will likely create a precedent which will be used by other tribes to reopen claims. The letter also stated the Director of the Budget had advised that the legislation was not in accord with the President's program.

I am going to read you the concluding paragraph of the minority report:

> The legislation proposed is dangerous. It will open the Treasury to innumerable future raids. It is an affront to recognized legal and equitable procedure. It will encourage people to continue to try cases over and over again until they themselves win decisions just as they want them. It avoids the equities of the situation because it imposes taxes upon the people of every congressional district to pay unwarranted, improper, and unearned appropriations. It avoids the procedure asked by the Department of Justice and the Attorney General and is inequitable and unjust in every particular. If these people are destitute, if they need supplies or relief, we ought to vote it to them; but we should not do this in the guise of a suit in the Court of Claims.

That is signed by the gentleman from Iowa, Hon. FRED C. GILCHRIST, the gentleman from Ohio, Hon. FREDERICK C. SMITH, and the gentleman from Michigan, Hon. FRED BRADLEY, three members of the Committee on Indian Affairs. Their report covers four pages besides what I have read.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I yield 5 additional minutes to the gentleman from Missouri.

Mr. COCHRAN. These gentlemen have given consideration to this proposed legislation, heard all the evidence, and strongly appeal for the defeat of the bill.

I say to the Members of the House, be careful. Do not open the door, because if you do, when the other bills come up you will hear the appeal, "You passed such a bill for the Assiniboins, why not pass it for this tribe?" The time has arrived when we should discontinue passing jurisdictional bills, especially when one such bill has already been passed.

I now yield to the gentleman from Montana.

Mr. O'CONNOR. I just wish to call the attention of the gentleman to this. I believe the gentleman will find the letter to which he referred, written by the Attorney General, was written to the gentleman before the amendments were made in the bill by the committee. We tried to meet every criticism of the Attorney General in the amendments to this bill.

Mr. COCHRAN. The gentleman himself in his own remarks admitted that certain items would not be permitted as off-sets. Is not that true?

Mr. O'CONNOR. I said this. The bill excludes the set-off received by the Indians for their rights for land north of the river. That is all this excludes.

Mr. COCHRAN. It includes others, everything prior to March 2, 1927.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Iowa.

Mr. GILCHRIST. The gentleman from Montana knows that the Attorney General is still in opposition to this bill. Despite any statement that you have amended the bill so as to avoid any criticism the Attorney General made, the Attorney General is still against the bill.

Mr. O'CONNOR. I do not know this, but the Attorney General is against all these bills.

Mr. COCHRAN. No; he is not.

Mr. O'CONNOR. I have not seen him for any of these bills yet.

Mr. COCHRAN. The Attorney General may be for a bill if the bill is amended to meet his objections, but not when you take the Government's rights away.

Mr. O'CONNOR. Yes; they want to amend the heart out of it, as the gentleman did this afternoon with the other bill. The gentleman wanted to take the heart out of it.

Mr. COCHRAN. I made a statement with reference to the other bill that was based on facts. I read from the President's veto message and wanted to eliminate the objections the President had.

Mr. O'CONNOR. The gentleman wanted to take the heart out of that bill, and he would like to take the heart out of this bill, and the Attorney General's office, through some understrapper, would like to take it out. Why should we permit the attorneys on the other side of the case to tell this Congress what we are going to do—how we are going to legislate? Because one department wants us to do it or the President of the United States wants us to do it? Have we reached that point? If we have, of what use is any Member of this Congress? What are we doing here? If the Attorney General is going to legislate or the President of the United States is going to legislate, or tell us what we can do or cannot do, we had better get out of here, because we no longer have any business here. Such yieldings of our powers and duties would simply mean a government by bureaus or by dictatorship, and I fear very much there is more to this thought than many of us would care to admit. I might add in this connection that it is mighty difficult, if not impossible, to get a bill out of a committee or through the House that has departmental or Executive opposition. Does a man who sits here in Washington in a swivel chair know the needs of the people better in the various congressional districts than the Representatives who were elected by the people?

Mr. COCHRAN. May I say this to the gentleman as long as he has brought that up: Who is legislating in this case?

Mr. O'CONNOR. We are trying to legislate so that the Indians will have justice.

Mr. COCHRAN. It is not the gentleman from Montana.

Mr. O'CONNOR. Yes; it is all of us—Members.

Mr. COCHRAN. It is the attorneys that have written this bill.

Mr. O'CONNOR. What if they did? The committee acted upon it and reported it out, 16 to 3.

Mr. COCHRAN. That is who is legislating here. They wrote this bill, and the gentleman knows it.

Mr. O'CONNOR. I will admit, I may say to the gentleman, that they wrote the bill, but I stand back of it 100 percent, because it is just and honest; it gives to the Indians their day in court.

Mr. COCHRAN. Yes; they wrote the bill; not the gentleman from Montana. Now that is admitted.

Mr. O'CONNOR. The bill is properly written. If the Court of Claims had carried out the other instruction, this bill would not have been here.

Mr. COCHRAN. I may say to the gentleman from Montana that I would prefer to see the Attorney General of the United States prepare legislation rather than an attorney or attorneys who want to tie the hands of the Government and divest the Government of its right to file proper evidence when the case is called.

Mr. O'CONNOR. Have we reached the point that the Department of Justice is going to tell this Congress what to do? There is a difference between writing a form of a bill, presenting it for introduction, and a department giving us its views and expecting us to abide by those views. That seems to be the gentleman's position—that we should abide by the views of the Department of Justice.

Mr. COCHRAN. I hope we have not reached the point that we are going to let some outside attorney tell us what we are going to do.

That has been my contention for years—that attorneys write the jurisdictional bills—but this is the first time that I recall a Member has been honest and admitted it.

Attorneys who write jurisdictional bills so word them that they can win their cases if Congress passes them. Whenever you find a bill resubmitting a case to the Court of Claims you can just be sure provisions are made that will overcome some feature of the decision of the court in the previous case.

Mr. O'CONNOR. Sixteen members of this committee are asking you to pass this bill, while only three members on the other side are asking you not to pass it.

Mr. COCHRAN. So far as I am concerned, I am going to vote against this bill because I do not think we are justified in passing it, and I would vote against it if all members of the committee favored it.

Mr. O'CONNOR. I asked the gentleman a few moments ago to lift his heavy hand off of this House because he controls it, so far as blocking Indian relief bills. I do not criticize the gentleman because of his power—for that he is to be admired. The power comes from long and sincere service. I am only appealing to him in behalf of an injured people.

Mr. COCHRAN. I thank the gentleman for his compliment, but I know I do not control this House. However, when the roll is called on this bill I hope I do control sufficient influence to defeat it.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, it is rather odd that we are here with just a small number present, less than 50, perhaps only 35 or 40, and only 15 or 20 listening to the discussion, and yet we are discussing a bill that involves nobody knows how much money, because the sky is the limit. We have a figure of somewhat over $6,000,000. Someone has said it might be $3,000,000 or it might be $2,000,000. The bill says over $6,000,000. I just now communicated with the Bureau of Indian Affairs downtown who says there is a possibility of interest being allowed of around 5 or 5½ percent from 1868. Now, if you have the time to figure out how much this bill amounts to, just go ahead and do it. If $6,000,000 draws interest at 5 percent it will amount to more than $20,000,000. Of course, if you are going to consider this measure seriously I shall offer an amendment not to allow any interest.

This is really a streamlined bill from top to bottom. It beats anything you ever saw. Here we are going way back to 1851 or 1868 and trying to recover or save some money for some Indians who were dead and gone years and years ago. Nobody seems to know who is going to get the money if and when it is paid. This bill provides not only that these matters shall come before the Court of Claims but tells you how the whole proceeding is to be conducted. It provides that if the Court of Claims finds certain facts it shall allow so much of a judgment, and it also provides that you are allowed to deduct only certain items, but certain other items you must not deduct. When the whole thing comes up the court must do thus and so. It can consider certain things but must not consider certain other items.

I really do not believe the gentleman from Montana wrote this bill. He may stand behind it 100 percent, and glory in his spunk. He has made a good fight.

I have no objection to attorneys' fees. I am a lawyer myself; but it looks on the face of the bill that if you allow 10 percent for attorneys' fees—and I do not know what other expenses would come out of it—there would be a considerable amount allowed for legal services. I do not know what legal services are to be performed by the attorneys in connection with this matter. That, of course, must be determined by

the facts, but they must, of course, expect to perform a considerable amount of legal services to be allowed somewhere between $60,000 and $100,000.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. SCHAFER of Wisconsin. I am not an attorney, but let us be fair and reasonable about this matter. The bill contains a committee amendment, which was offered by myself, as follows:

Provided, That the Court of Claims shall recognize its duty to protect the assets of the Indians of the Assiniboine Nation by scaling down all attorneys' fees and expenses involved to a point as far below the 10 percent maximum as the court may consider commensurate with the services rendered and costs incurred in this case.

This is a very drastic limitation on attorneys' fees, and I say that as one who is opposed to excessive attorneys' fees.

Mr. REES of Kansas. I think the gentleman has rendered a service to the country, if this bill is ever passed, by limiting the attorneys' fees to somewhere around, possibly, $1,000,000. I mean by that if there is $6,000,000 involved and you add interest to the extent of probably $10,000,000 or $20,000,000 more, you have around $16,000,000 and therefore you will have fees of about $1,600,000; but even at that, I think the gentleman has rendered a splendid service to the country in limiting the amount of fees.

There are only a few of us here, but I just do not believe you want to accept this bill. These people have had their day in court over and over again and it amounts simply to this, they did not get what they thought they ought to have in the court and they are asking the Congress to give them another chance. I think they have had their day in court and should be satisfied.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. MAY. Have not these bills been passed heretofore and vetoed by the President several times?

Mr. REES of Kansas. I do not know that these particular bills have been passed and vetoed, but bills similar to them have been before Congress a number of times.

Mr. MAY. Similar bills; yes.

Mr. REES of Kansas. I have all the sympathy in the world for the Indians, but the Indians who are entitled to any payments for these lands, if there ever were any, are dead and gone a long time ago, and if any funds are allowed the Indians who were entitled to it will not get it. I am in favor of protecting our Indians, and if they are in need, why, let us help them, appropriate whatever funds that may be fair and reasonable for their care and be liberal about it, but do not let us do it in this way. This is not the way to do it.

Mr. BROWN of Ohio. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Ohio makes the point of order that there is no quorum present. The Chair will count. [After counting.] Fifty-one Members present, not a quorum, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 25]

Allen, Ill.	Carlson	Dunn	Harter, Ohio
Allen, La.	Carter	Eaton	Hill
Andrews	Casey, Mass.	Edmiston	Hinshaw
Arends	Celler	Englebright	Hook
Barden	Chapman	Evans	Jarrett
Barnes	Clark	Fay	Jeffries
Barry	Collins	Fernandez	Jenkins
Barton	Cooley	Fish	Jensen
Beam	Cox	Fitzpatrick	Johnson, Ind.
Bell	Crosser	Flannagan	Kefauver
Bender	Crowther	Folger	Keller
Bolles	Culkin	Ford, Leland M.	Kennedy, Md.
Boren	Cummings	Ford, Thomas F.	Knutson
Boykin	Darrow	Fulmer	Lambertson
Brewster	DeRouen	Garrett	McAndrews
Brooks	Dies	Gehrmann	McArdle
Buckley, N. Y.	Dirksen	Gifford	McGranery
Bulwinkle	Disney	Grant, Ind.	McLean
Byron	Ditter	Gross	Maciejewski
Caldwell	Drewry	Hall, Edwin A.	Magnuson
Camp	Duncan	Harness	Maloney
Mansfield	Randolph	Shannon	Treadway
Marshall	Reece, Tenn.	Sheridan	Vinson, Ga.
Martin, Ill.	Reed, N. Y.	Short	Voorhis, Calif.
Mason	Rich	Simpson	Vorys, Ohio
Merritt	Risk	Smith, Wash.	Wadsworth
Mills, La.	Robsion, Ky.	Smith, W. Va.	Weaver
Mitchell	Rockefeller	Somers, N. Y.	Wheat
Mouton	Romjue	Spence	Whelchel
Nelson	Sabath	Starnes, Ala.	White, Idaho
Norton	Sacks	Steagall	White, Ohio
O'Day	Sasscer	Stearns, N. H.	Winter
Osmers	Satterfield	Sullivan	Wood
Pace	Schiffler	Sumner, Ill.	Woodruff, Mich.
Patman	Schwert	Taber	Zimmerman
Pfeifer	Seccombe	Taylor	
Plumley	Seger	Thomas, N. J.	
Rabaut	Shafer, Mich.	Tinkham	

The Committee rose; and Mr. RAYBURN having resumed the chair as Speaker pro tempore, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having under consideration the bill H. R. 2776, and finding itself without a quorum, he caused the roll to be called, when 274 Members answered to their names, a quorum; and he handed in the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its session.

Mr. COCHRAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. RAYBURN having resumed the chair as Speaker pro tempore, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 2776, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DUNN, for several days, on account of illness.

To Mr. WOODRUFF of Michigan, for 4 days, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. COCHRAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Thursday, February 15, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Thursday, February 15, 1940, at 10 a. m., there will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary on the bill (H. R. 8016) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (municipal compositions). The hearing will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 6877, to protect the United States in patent-infringement suits; and S. 547, to amend section 23 of the Copyright Act.

COMMITTEE ON FOREIGN AFFAIRS

On Tuesday, February 20, 1940, there will be a meeting of the Committee on Foreign Affairs at 10:30 a. m., to consider H. R. 8446, to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended, and H. R. 7809, authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1392. A communication from the President of the United States, transmitting a copy of his letter to the President of the Senate with reference to the estimate of appropriation for the purchase of strategic and critical materials, appearing on page 750 of the 1941 Budget; to the Committee on Appropriations.

1393. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Temporary National Economic Committee amounting to $90,000, to be immediately available and to remain available until the expiration of the Seventy-sixth Congress (H. Doc. No. 636); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 382. Resolution for the relief of Maude May MacArthur (Rept. No. 1592). Ordered to be printed.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 8026. A bill to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes; with amendment (Rept. No. 1593). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 407. Joint resolution to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended; without amendment (Rept. No. 1594). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEWIS of Colorado: Committee on Rules. House Resolution 344. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives, and for other purposes; with amendment (Rept. No. 1595). Referred to the House Calendar.

Mr. LEWIS of Colorado: Committee on Rules. Senate Concurrent Resolution 32. Concurrent resolution authorizing the appointment of a joint committee to make arrangements for the inauguration of the President-elect of the United States in 1941; with amendment (Rept. No. 1596). Referred to the House Calendar.

Mr. DEROUEN: Committee on the Public Lands. S. 1780. An act to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes; without amendment (Rept. No. 1598). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK of Arizona: Committee on the Public Lands. S. 2152. An act to protect scenic values along the Catalina Highway within the Coronado National Forest, Ariz.; with amendment (Rept. No. 1599). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 5961. A bill granting to the regents of the University of New Mexico the right to alienate certain lands conveyed to them under authority of the act of Congress, approved August 19, 1935 (Public, No. 284, 74th Cong.), in exchange for an equivalent amount of land more expediently situated; with amendment (Rept. No. 1600). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on the Public Lands. H. R. 6975. A bill to provide for the reconveyance to the State of Montana of a portion of the land in such State within the boundaries of the Yellowstone National Park; without amendment (Rept. No. 1601). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MURDOCK of Arizona: Committee on the Public Lands. S. 2299. An act for the relief of Hubert Richardson; without amendment (Rept. No. 1597). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3738) for the relief of Willard Twitchell; Committee on Claims discharged, and referred to the Committee on Pensions.

A bill (H. R. 7782) for the relief of Oscar C. Olson; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7817) for the relief of Daniel N. Farnell; Committee on Claims discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 7964) for the relief of Thomas L. Hughes; Committee on Claims discharged, and referred to the Committee on the Civil Service.

A bill (H. R. 8268) for the relief of the heirs of William Young; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNE:

H. R. 8467. A bill authorizing the Superior Oil Co., a California corporation, to construct, maintain, and operate a free highway bridge or causeway across the old channel of the Wabash River from Cut-Off Island, Posey County, Ind., to White County, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. MAAS:

H. R. 8468. A bill to create a National Defense Staff Corps, and for other purposes; to the Committee on Military Affairs.

H. R. 8469. A bill granting retirement benefits to certain employees of the United States transferred from a classified position to an unclassified position in the civil service; to the Committee on the Civil Service.

By Mr. NICHOLS:

H. R. 8470. A bill to amend section 6 of the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

By Mr. RUTHERFORD:

H. R. 8471. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at a point near Wyalusing, between Terry and Wyalusing Townships, in the county of Bradford, and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. SANDAGER:

H. R. 8472. A bill to provide for the use of local native materials in the construction of public buildings of the United States, and to provide for the payment of the maximum prevailing wage to workmen employed on such construction work; to the Committee on Public Buildings and Grounds.

By Mr. BRADLEY of Michigan:

H. R. 8473. A bill to amend the National Firearms Act; to the Committee on Ways and Means.

By Mr. DIMOND:

H. R. 8474. A bill to further amend the Alaska game law; to the Committee on the Territories.

By Mr. OLIVER:

H. R. 8475. A bill to define "American fishery"; to the Committee on Merchant Marine and Fisheries.

By Mr. ROBINSON of Utah:

H. R. 8476. A bill to adjust the boundaries of the Cedar Breaks National Monuments and the Dixie National Forest, in the State of Utah, and for other purposes; to the Committee on the Public Lands.

By Mr. STEAGALL:

H. R. 8477. A bill to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANKIN:

H. R. 8478 (by request). A bill to grant benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden; to the Committee on World War Veterans' Legislation.

By Mr. STEFAN:

H. R. 8491. A bill authorizing the county of Knox, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Niobrara, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. MURDOCK of Arizona:

H. R. 8492. A bill to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)"; to the Committee on the Public Lands.

By Mr. BOLAND:

H. Res. 385. Resolution for the relief of Katherine L. Myers; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 8479. A bill for the relief of William Costa; to the Committee on Naval Affairs.

By Mr. BLOOM:

H. R. 8480 (by request). A bill authorizing the appointment of James T. Simpson as major in the Chaplain Corps, United States Army; to the Committee on Military Affairs.

By Mr. BRADLEY of Pennsylvania:

H. R. 8481. A bill for the relief of Harold J. Sandt; to the Committee on Naval Affairs.

By Mr. GIFFORD:

H. R. 8482. A bill for the relief of Lucia Humble; to the Committee on Claims.

By Mr. KINZER:

H. R. 8483. A bill granting an increase of pension to Emma Gehr; to the Committee on Invalid Pensions.

By Mr. McGRANERY:

H. R. 8484. A bill for the relief of Anna Mulligan; to the Committee on Claims.

By Mr. JOHN L. McMILLAN:

H. R. 8485. A bill for the relief of Roberta Muldrow Brown; to the Committee on Claims.

By Mr. PEARSON:

H. R. 8486. A bill for the relief of G. F. Brown; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 8487. A bill for the relief of Bernie Bennett; to the Committee on War Claims.

By Mr. SUTPHIN:

H. R. 8488. A bill for the relief of Fred Cranmer; to the Committee on Merchant Marine and Fisheries.

By Mr. VREELAND:

H. R. 8489. A bill for the relief of Peter J. Sweeney; to the Committee on Claims.

By Mr. HENDRICKS:

H. R. 8490. A bill for the relief of Alice W. Miller; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6487. By Mr. ANDERSON of California: Resolution adopted by the Assembly of the State of California and signed by Jack Carl Greenburg, chief clerk, relative to discrimination in steamship service and freight rates between New York and California ports to the Panama Canal Zone; to the Committee on Interstate and Foreign Commerce.

6488. By Mr. FLAHERTY: Petition of the Sugar Refinery Workers' Local Industrial Union, No. 4, Everett, Mass., opposing curtailment of appropriations for Work Projects Administration, National Youth Administration, and United States Housing Authority; to the Committee on Appropriations.

6489. By Mr. MICHAEL J. KENNEDY: Petition of the Central Trades and Labor Council of Greater New York, petitioning the Congress to provide generously for Federal aid and assistance in the financing of public works, housing projects, and similar types of construction to the end that employment may be created, essential facilities afforded to our people in their various communities, and that there be added such valuable permanent improvements as will result through a Public Works Administration program; to the Committee on Banking and Currency.

6490. Also, petition of the Central Trades and Labor Council, representing 650,000 organized workers, petitioning the Congress to reinstate and reestablish the prevailing rate of wage on Work Projects Administration projects by amending the Emergency Relief Act so as to provide therefor; to the Committee on Appropriations.

6491. By Mr. MERRITT: Resolution of the Syracuse (N. Y.) Production Credit Association, urging that the Farm Credit Administration be returned to its original independent status or to some form of independent governing board, whose terms will not all expire concurrently, and so that there will not be any connection with other governmental departments, making it possible to set requirements of compliance with agriculture programs for the obtaining of credit through this association; to the Committee on Agriculture.

6492. By Mr. PFEIFER: Petition of the Williamsburgh Manufacturers and Merchants Association, Brooklyn, N. Y., concerning sugar legislation; to the Committee on Agriculture.

6493. Also, petition of the Green Mountain Club, Inc., New York section, Bellerose, Long Island, N. Y., favoring the

Mundt bill (H. R. 7971); to the Committee on Rivers and Harbors.

6494. By Mr. SCHIFFLER: Petition of the Ohio County Medical Society, Wheeling, W. Va., urging the establishment of a National Department of Health; to the Committee on Interstate and Foreign Commerce.

6495. By Mr. SPRINGER: Motion of the eighth district of the Indiana Farm Bureau, that Congress give earnest consideration to measures pertaining to parity of income to the American farmer; to the Committee on Agriculture.

6496. Also, resolution of the United Cutlery Workers Local Union, No. 354, Muncie, Ind., requesting that Congress exclude by legislation the importation of refined sugar made by unorganized labor; to the Committee on Ways and Means.

SENATE

THURSDAY, FEBRUARY 15, 1940

The Chaplain, Rev. Zebarney T. Phillips, D. D., offered the following prayer:

O Eternal God, who dost measure out our lives in these hasting days, whose every dawning reveals what we have long since known, and in whose light we see again the faces of those we have long since loved: Teach us the secret of finding something new in the familiar relationships of life, that we may welcome each day as a fresh beginning, and fill it with the happiness born of the consciousness of work well done in Thy name and in the service of our beloved country.

Forbid that we should stand unchanged through any stubborn pride. Give us instead the nobler courage to confess our foolish ways. Grant that we may find even in the day's routine the possibility of doing old tasks with new-born joy, of working with old friends with ever-increasing gladness, that each adventure made under Thy direction may be a step in the stairway of the years leading up to that height where love refuses to be bound by time, where faith transcends each changing circumstance, and hope sees always a new dawn beyond the darkest night. In our Saviour's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Tuesday, February 13, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on February 13, 1940, the President had approved and signed the act (S. 2624) to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 456) making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain Emergency Relief Appropriation Acts, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bilbo	Capper	Danaher
Andrews	Brown	Chandler	Davis
Ashurst	Bulow	Chavez	Donahey
Bankhead	Burke	Clark, Idaho	Frazier
Barbour	Byrd	Clark, Mo.	George
Barkley	Byrnes	Connally	Gerry
Gibson	King	Nye	Thomas, Idaho
Gillette	La Follette	O'Mahoney	Thomas, Okla.
Glass	Lee	Pepper	Thomas, Utah
Green	Lodge	Pittman	Tobey
Guffey	Lucas	Radcliffe	Townsend
Gurney	Lundeen	Reed	Tydings
Hale	McCarran	Reynolds	Vandenberg
Harrison	McKellar	Russell	Van Nuys
Hatch	McNary	Schwartz	Wagner
Hayden	Maloney	Schwellenbach	Walsh
Herring	Mead	Sheppard	Wheeler
Hill	Miller	Shipstead	White
Holt	Minton	Smathers	Wiley
Hughes	Murray	Smith	
Johnson, Calif.	Neely	Stewart	
Johnson, Colo.	Norris	Taft	

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. TRUMAN], and the Senator from California [Mr. DOWNEY] are absent from the Senate because of illness.

The Senator from Illinois [Mr. SLATTERY] and the Senators from Louisiana [Mr. ELLENDER and Mr. OVERTON] are detained on important public business.

Mr. McNARY. My colleague [Mr. HOLMAN] and the Senator from Vermont [Mr. AUSTIN] are absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably absent.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

MESSAGES OF CONDOLENCE RECEIVED BY THE STATE DEPARTMENT ON DEATH OF SENATOR BORAH

Mr. PITTMAN. Mr. President, I have in my possession a letter from the Secretary of State conveying to me various messages of condolence received from the governments of other countries on the occasion of the death of the late Senator WILLIAM E. BORAH. I ask leave to have these messages published in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The communications are as follows:

MESSAGES OF CONDOLENCE RECEIVED BY THE DEPARTMENT OF STATE UPON THE DEATH OF SENATOR WILLIAM E. BORAH, OF IDAHO

His Excellency Dr. Hu Shih, the Chinese Ambassador.

His Excellency Señor Dr. Pedro Martínez Fraga, the Ambassador of Cuba.

The Honorable Señor Dr. Don Hector David Castro, the Minister of El Salvador.

The Honorable Señor Dr. Don Julian R. Caceres, the Minister of Honduras.

The Honorable John Pelényi, the Minister of Hungary.

The Honorable Dr. Alfred Bilmanis, the Minister of Latvia.

The Honorable Señor Dr. Don León De Bayle, the Minister of Nicaragua.

The Honorable W. Boström, the Minister of Sweden.

His Excellency Dr. E. Gil Borges, the Minister of Foreign Relations of Venezuela.

His Excellency Constantine A. Oumansky, the Ambassador of the Union of Soviet Socialist Republics.

His Excellency Señor Dr. Don Diógenes Escalante, the Ambassador of Venezuela.

CHINESE EMBASSY,
Washington, January 20, 1940.

Hon. CORDELL HULL,
Secretary of State.

MY DEAR MR. SECRETARY: The Chinese Government is deeply grieved to hear of the death of Senator WILLIAM E. BORAH. The demise of a statesman of his caliber is, indeed, an irreparable loss not only to the United States but also to the world. The Chinese people especially mourn the loss of a friend who played an important part both during the Washington conference and during the early stages of the Sino-Japanese conflict.

On behalf of my Government, I have the honor to extend to you our deep sympathy and heartfelt condolences.

I am, my dear Mr. Secretary,
Very sincerely yours,

HU SHIH.

DEPARTMENT OF STATE,
Washington, January 27, 1940.

His Excellency Dr. HU SHIH,
Chinese Ambassador.

MY DEAR MR. AMBASSADOR: I have received Your Excellency's note of January 20, 1940, offering the sincere condolences of your Government on the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

Please be assured that my Government deeply appreciates your kind expression of sympathy.

I am, my dear Mr. Ambassador,

Sincerely yours,

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, January 26, 1940.

His Excellency Señor Dr. PEDRO MARTÍNEZ FRAGA,
Ambassador of Cuba.

EXCELLENCY: I have received Your Excellency's note of January 20, 1940, expressing deepest sympathy in the name of the Government of Cuba and in your own name on the untimely death of the Honorable WILLIAM E. BORAH, late Senator from Idaho.

Please be assured that my Government greatly appreciates these expressions of sympathy.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

GEORGE S. MESSERSMITH.

EMBAJADA DE CUBA,
Washington, D. C., January 20, 1940.

His Excellency Mr. CORDELL HULL,
Secretary of State, Washington.

EXCELLENCY: Permit me to express in the name of the Government of Cuba, and in my own, sincere and deepest sympathy in the untimely passing of the outstanding statesman of this great Republic, Senator WILLIAM E. BORAH.

Accept, Excellency, the assurances of my highest and most distinguished consideration.

For the Ambassador:

JOSÉ T. BARÓN,
Minister Counselor.

[Translation]

LEGATION OF EL SALVADOR,
Washington, January 20, 1940.

His Excellency Mr. CORDELL HULL,
Secretary of State, Washington, D. C.

MR. SECRETARY: On behalf of my Government, I beg to express to Your Excellency its most sincere participation in the grief which is felt by the people and Government of the United States of America at the loss of one of your most eminent citizens, the Honorable Senator WILLIAM EDGAR BORAH.

The long and conspicuous career of this high official carried his prestige beyond the frontiers of the United States of America; in El Salvador his name has been known for many years, and high esteem was felt for his work, particularly with respect to the branch of Foreign Relations, to which he devoted a very great part of his efforts, showing special zeal in learning thoroughly the problems of the American Republics in order thus to be able to give efficacious help in the solving of international questions which might arise between them. Accordingly, to the distressing loss of a very valuable servant of the United States of America, is added that of a deep student and an acute observer of inter-American relations.

In transmitting to Your Excellency the expressions of my Government's very heartfelt condolences on this occasion, sad for the United States of America, I beg to add that of my own grief at the deplorable passing of the illustrious Senator WILLIAM EDGAR BORAH.

I beg Your Excellency to accept the assurances (etc.)

HECTOR DAVID CASTRO.

DEPARTMENT OF STATE,
Washington, January 30, 1940.

The Honorable Señor Dr. DON HECTOR DAVID CASTRO,
Minister of El Salvador.

EXCELLENCY: I have received with deep appreciation your kind note of January 20, 1940, expressing the sincere sympathy of your government, as well as your own, upon the loss suffered in the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

Accept, sir, the renewed assurances of my highest consideration.

For the Secretary of State:

GEORGE S. MESSERSMITH.

[Translation]

LEGATION OF HONDURAS,
Washington, D. C., January 22, 1940.

The Minister of Honduras presents his respects to His Excellency the Secretary of State and hastens to offer, in his own name and in that of his government, the expression of most sincere condolence at the death of the Honorable Senator WILLIAM E. BORAH, whose funeral he attended.

DEPARTMENT OF STATE,
Washington, January 29, 1940.

The Secretary of State presents his compliments to the Honorable the Minister of Honduras and has the honor to acknowledge the receipt of his note of January 22, 1940, conveying the sincere condolences of the Government of Honduras, as well as his own, on the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

The kind message which the Minister has conveyed on behalf of his government and himself is deeply appreciated.

ROYAL HUNGARIAN LEGATION,
Washington, D. C., January 20, 1940.

The Honorable CORDELL HULL,
Secretary of State, Washington, D. C.

SIR: I have the honor to convey through you to the Government of the United States an expression of deepest sympathy and profound regret, on behalf of the Royal Hungarian Government as well as myself, at the great loss which it has been called upon to sustain in the death of the Honorable WILLIAM E. BORAH, late United States Senator from Idaho.

Accept, sir, the renewed assurances of my highest consideration.

JOHN PELÉNYI.

DEPARTMENT OF STATE,
Washington, January 29, 1940.

The Honorable JOHN PELÉNYI,
Minister of Hungary.

SIR: I have the honor to acknowledge the receipt of your note of January 20, 1940, offering the sincere condolences of the Royal Hungarian Government, as well as your own, on the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

I wish to convey the thanks of my Government and my own appreciation for this expression of sympathy.

Accept, sir, the renewed assurances of my highest consideration.

For the Secretary of State:

GEORGE S. MESSERSMITH.

LATVIAN LEGATION,
Washington, D. C., January 22, 1940.

The Honorable CORDELL HULL,
Secretary of State, Washington.

SIR: Kindly accept my deepest sympathy in connection with the death of the great statesman and legislator, Senator WILLIAM E. BORAH. This great American was well known in my country as a promoter of international peace, and his death will be felt as a great loss not only by the United States but by all peace-loving countries of the world.

Accept, sir, the renewed assurances of my highest consideration.

Dr. ALFRED BILMANIS, *Latvian Minister.*

DEPARTMENT OF STATE,
Washington, January 30, 1940.

The Honorable Dr. ALFRED BILMANIS,
Minister of Latvia.

SIR: I have received with deep appreciation your note of January 22, 1940, expressing your sincere condolences upon the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

Accept, sir, the renewed assurances of my highest consideration.

For the Secretary of State:

GEORGE S. MESSERSMITH.

LEGACION DE NICARAGUA,
Washington, D. C., January 22, 1940.

The Secretary of State presents his compliments to His Excellency the Secretary of State and, on behalf of his Government and personally, has the honor to express sincere condolences on the death of the eminent statesman and Senator, the Honorable WILLIAM EDGAR BORAH. The loss of the distinguished services of Mr. BORAH to his country is profoundly to be regretted.

Unfortunately, as the Minister was out of town he was unable to attend the funeral services on January 22.

DEPARTMENT OF STATE,
Washington, January 27, 1940.

The Secretary of State presents his compliments to the honorable the Minister of Nicaragua, and has the honor to acknowledge the receipt of his note of January 22, 1940, conveying the sincere condolences of the Government of Nicaragua, as well as his own, on the great loss sustained through the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

The kind message which the Minister has conveyed on behalf of his Government and himself is deeply appreciated.

LEGATION OF SWEDEN,
Washington, D. C., January 20, 1940.

The Honorable CORDELL HULL,
Secretary of State.

SIR: On account of the death of the Senator from Idaho, the Honorable WILLIAM E. BORAH. I have the honor to convey to the Government of the United States the sincere condolences of my Government in the great loss suffered by the entire Nation.

In adding my personal expression of deep sympathy, I have the honor to remain, sir,

Your most obedient servant,

W. BOSTRÖM.

DEPARTMENT OF STATE,
Washington, January 26, 1940.

The Honorable W. BOSTRÖM,
Minister of Sweden.

SIR: I have the honor to acknowledge the receipt of your note of January 20, 1940, in which you were so good as to convey the sincere condolences of your Government, as well as your own, on the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

Please be assured that my Government deeply appreciates these expressions of sympathy.

Accept, sir, the renewed assurances of my highest consideration.

For the Secretary of State:

GEORGE S. MESSERSMITH.

[Translation]

CARACAS, *January 20, 1940.*

His Excellency CORDELL HULL,
Secretary of State, Washington.

The Government of Venezuela shares the sorrow of the United States of America at the death of the illustrious statesman WILLIAM E. BORAH.

E. GIL BORGES,
Minister of Foreign Affairs.

DEPARTMENT OF STATE,
Washington, January 24, 1940.

His Excellency Dr. E. GIL BORGES,
Minister of Foreign Relations of Venezuela, Caracas:

I sincerely appreciate the message of condolence Your Excellency has sent me in the name of the Venezuelan Government on the death of Senator BORAH.

CORDELL HULL,
Secretary of State.

JANUARY 20, 1940.

The Honorable CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: I was deeply distressed to learn of the passing of Senator BORAH. His death is a sad loss to the Nation to which he devoted his great energies through so many years. His devotion to the cause of peace and his contributions to a better understanding among nations are widely known in my country.

I should appreciate your conveying my expression of deep sympathy to the Senate of the United States and to Mrs. Borah.

I am, my dear Mr. Secretary,

Sincerely yours,

CONSTANTINE OUMANSKY.

DEPARTMENT OF STATE,
Washington, January 29, 1940.

His Excellency CONSTANTINE A. OUMANSKY,
Ambassador of the Union of Soviet Socialist Republics.

MY DEAR MR. AMBASSADOR: I acknowledge with deep appreciation your kind note of January 20, 1940, expressing your sincere sympathy on the death of the Honorable WILLIAM E. BORAH, late Senator from the State of Idaho.

In compliance with your request, the expression of your deep sympathy will be conveyed to the United States Senate and to Mrs. Borah.

I am, my dear Mr. Ambassador,

Sincerely yours,

CORDELL HULL.

EMBAJADA DE VENEZUELA,
Washington, January 20, 1940.

His Excellency the SECRETARY OF STATE OF THE UNITED STATES OF AMERICA,
Washington, D. C.

SIR: It is with deep regret that I have learned today of the death of the Honorable WILLIAM E. BORAH, dean of the United States Senate, whose demise deprives your country of one of its outstanding political figures.

I have the honor to express to Your Excellency my most sincere sympathy in this deplorable occasion.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

DIÓGENES ESCALANTE.

DEPARTMENT OF STATE,
Washington, January 26, 1940.

His Excellency Señor Don DIÓGENES ESCALANTE,
Ambassador of Venezuela.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of January 20, 1940, expressing your deep regret in the great loss sustained through the death of the Honorable WILLIAM E. BORAH, late a Senator from the State of Idaho.

The kind condolences conveyed in your note are deeply appreciated.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

GEORGE S. MESSERSMITH.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 456) making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain Emergency Relief Appropriation acts, was read twice by its title and referred to the Committee on Appropriations.

SPECIAL COMMITTEE ON INVESTIGATION OF CAMPAIGN EXPENDITURES, 1940

The VICE PRESIDENT appointed the Senator from Iowa [Mr. GILLETTE], the Senator from Arkansas [Mr. MILLER], the Senator from Alabama [Mr. HILL], the Senator from Kansas [Mr. REED], and the Senator from New Hampshire [Mr. TOBEY] members of the Special Committee on Investigation of Campaign Expenditures of Presidential, Vice Presidential, and Senatorial Candidates in 1940, authorized by Senate Resolution 212, agreed to on the 9th instant.

STRATEGIC AND CRITICAL MATERIALS

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, submitting and recommending the adoption of a proposed provision pertaining to an item for the Treasury Department in the Budget for the fiscal year 1941, as follows: "To the text of the item 'Strategic and critical materials, Procurement Division, act of June 7, 1939,' appearing on page 750 of the Budget, insert the following phrase immediately following the amount of the estimate, $15,000,000: 'to be immediately available'", which was referred to the Committee on Appropriations and ordered to be printed.

FINANCIAL AND OTHER DATA PERTAINING TO SUNDRY GOVERNMENTAL AGENCIES AND CORPORATIONS

The VICE PRESIDENT laid before the Senate a report from the Secretary of the Treasury, in compliance with Senate Resolution 150 (76th Cong., 1st sess.; submitted by Mr. BYRD), concerning the financial condition and operations of certain corporations and agencies of the Government, which was referred to the Special Committee to Investigate Executive Agencies of the Government.

COAST GUARD STATIONS AT SEATTLE, WASH., AND CHATTANOOGA, TENN.

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the enlargement of the Coast Guard Depot at Seattle, Wash., and for the establishment of a Coast Guard servicing base at or near Chattanooga, Tenn., which, with the accompanying paper, was referred to the Committee on Commerce.

WHITE HOUSE POLICE FORCE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to authorize an increase in the White House Police force, which, with the accompanying paper, was referred to the Committee on Public Buildings and Grounds.

PUNISHMENT FOR COUNTERFEITING CONSPIRACIES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the punishment of persons conspiring to violate the laws relating to counterfeiting, and certain other laws, which, with the accompanying paper, was referred to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from Sandalio E. Alonso, president of the Consejo Insular de las Uniones de los Oficios Constructores, Afiliada a la Federacion Libre de los Trabajadores de Puerto Rico, of San Juan, P. R., relative to the prevailing wage scale and retail prices in Puerto Rico in connection with projects under the supervision of the W. P. A., which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of the Shiloh National Farm Loan Association, of Richland Springs, Tex.,

favoring the restoration of the Farm Credit Administration to the status of an independent bureau and the placing of the operations of the Federal land banks, national farm-loan associations, and other units of the Administration under the supervision of a bipartisan board appointed by the President, by and with the advice and consent of the Senate, which was referred to the Select Committee on Government Organization.

Mr. HARRISON. Mr. President, in behalf of my colleague [Mr. BILBO] and myself, I present for appropriate reference a memorial in the form of a house concurrent resolution of the Legislature of the State of Mississippi dealing with making funds available for rural housing, which I request may be printed in the RECORD under the rule.

The VICE PRESIDENT. The concurrent resolution will lie on the table and be printed in the RECORD, as requested by the Senator from Mississippi [Mr. HARRISON].

The resolution is as follows:

Concurrent resolution memorializing Congress to make available funds for rural housing

Whereas the United States Housing Authority has inaugurated a program of rural housing which makes available to farmers of low incomes decent houses at an annual cost they can afford to pay; and

Whereas Lee County, Miss., has presented a feasible program to the U. S. H. A. for funds to construct 300 farm homes in the county at no cost to the county, and the Lee County proposal has been approved by the U. S. H. A.; and

Whereas 17 additional counties in Mississippi—Alcorn, Copiah, Forrest, Hinds, Kemper, Lamar, Lauderdale, Lee, Madison, Neshoba, Newton, Perry, Pontotoc, Prentiss, Scott, Tishomingo, and Union—have appointed county housing authorities; and

Whereas the Mississippi State Planning Commission is working with the county housing authorities in the preparation of applications from each of these 17 counties; and

Whereas many additional counties are contemplating creation of a county housing authority to make application to the U. S. H. A. for funds to construct good homes for the low-income farmers at a cost they can afford; and

Whereas the Senate of the National Congress has approved Senate bill 591 providing, among other things, $200,000,000 for a rural housing program; and

Whereas the House of Representatives of the National Congress has not passed this legislation: Now, therefore, be it

Resolved by the house of representatives (the senate concurring therein), That the members of the Legislature of the State of Mississippi memorialize the House of Representatives of the National Congress to speedily approve Senate bill 591 and make available funds for the construction of good farm homes available to the low-income farmers of Mississippi, the South, and the Nation at a cost they can afford to pay; be it further

Resolved, That the clerk of the house be ordered to send copies of this resolution to the President of the United States, the National Administrator of the United States Housing Authority, and Mississippi Congressmen.

Adopted by the house of representatives January 26, 1940.

SAMUEL E. LUMPKIN,
Speaker of the House of Representatives.

Adopted by the senate February 7, 1940.

DENNIS MURPHREE,
President of the Senate.

Mr. TYDINGS presented a memorial of members of the Epworth League, of Whiteford, Md., remonstrating against renewal of the trade treaty with Japan, which was referred to the Committee on Foreign Relations.

Mr. HOLT presented a resolution adopted by the Conservation Commission of West Virginia, at Morgantown, W. Va., for district No. 4, comprising the counties of Hancock, Monongalia, Marshall, Gilmer, Preston, Ohio, Harrison, Doddridge, Brooke, Taylor, Lewis, and Marion, favoring the enactment of the so-called Mundt conservation bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the West Virginia Bakers' Association, favoring amendment of the National Labor Relations Act in such manner as to make the act operate uniformly upon both employer and employee, etc., which was referred to the Committee on Education and Labor.

GOLD-PURCHASE PROGRAM

Mr. DAVIS. Mr. President, I present an editorial from the Philadelphia Record under date of February 15, 1940, entitled "Fool's Gold." It points out that America now has 65 percent of the world's total of gold, and that on February 8 that total passed the $18,000,000,000 mark, an increase of three and a quarter billion dollars in 1 year. I ask that the editorial be printed in the RECORD and referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, it is so ordered. The editorial is as follows:

[From the Philadelphia Record of February 15, 1940]

FOOL'S GOLD

America's holdings of gold now amount to 65 percent of the world's total. The Treasury revealed Saturday that on February 8 our total passed the $18,000,000,000 mark—an increase of three and a quarter billion dollars in 1 year.

At the same rate of increase we will own all the gold in the world by the spring of 1943.

What will happen then? As the Record has frequently predicted, every other nation will probably repudiate gold as a monetary base, which would leave us with all the chips on the table and nobody to cash them. In other words, the gold placed in the Fort Knox hole in the ground wouldn't be any more valuable than so much hay.

The Scandinavian countries, during World War I, finally refused to accept gold in payment for goods. They recognized 'way back there that commodities are more valuable than any so-called monetary metal.

If we simply must accept gold from abroad, let's shoot it right back to other countries in exchange for rubber, tin, tungsten, manganese, other commodities we can't produce ourselves. And if we must bury something, let's bury the rubber, tin, tungsten, manganese, etc., against the day when we will need it and when gold won't buy anything.

INVASION OF POLAND

Mr. WILEY. Mr. President, I present for appropriate reference a resolution adopted by the Thaddeus Kosciuszko Society, Group 358, Polish National Alliance, in its meeting held on January 15, 1940, at Milwaukee, Wis. I ask that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolutions adopted by the Thaddeus Kosciuszko Society, Group 358, Polish Society Alliance, at its meeting held Friday, January 15, 1940

Whereas we members of the Thaddeus Kosciuszko Society, Group 358, Polish National Alliance, and Americans of Polish birth or extraction, are fully informed of the brutal invasion of the land of our forefathers by the satanic forces of Hitler Germany and Stalin Russia, such information having been given to us not only through the columns of the daily American and Polish press but also by direct cables and letters from our relatives and friends, citizens of the most unhappy country, now lying bleeding under the heels of those barbaric forces; and

Whereas such invasion of a peaceful, liberty-loving, cultured, and civilized nation was had without the slightest reason, without declaration of war, and the deliberate disregard for nonaggression pacts, for no other reason than to rob that people of their arch-Polish territory and to exterminate the Polish Nation; and

Whereas the barbaric purposes has been officially declared by those in control of the invading forces as follows: "We shall not stop in our work until the last vestige of former Poland has disappeared. We swear that we shall never change the course of our politics and that we shall fight in unified determination in the maintenance of German racial supremacy. This is no time for sentiment and pity, and we must persist in our position of steely indifference"; and

Whereas the cruelties committed by such brutal invaders upon the inoffensive Polish Nation, the weak and aged, women and children, noncombatants, and upon the soldiers bravely defending their Polish soil, and open land without natural defenses, have been of such diabolic nature as to beggar description; and

Whereas the executions of civilians and noncombatants and air bombings were systematically committed upon defenseless citizens, upon rural population, upon hospitals and orphanages, upon churches and synagogues; and

Whereas the population of Poland by such cruel invaders has been stripped of the last vestige of property, either real or personal, and is left without food, shelter, or sufficient clothing, without protection against the forces of invaders who continue their barbaric cruelties upon an innocent nation; and

Whereas the history of the world has never recorded such unbelieveable cruelty instituted, practiced, and threatened for many centuries past has never waged a war of aggression but has stood in defense of cultural rights and civilization and of the liberty of religion and speech; and

Whereas such a nation is entitled to the sympathies and material help from all cultured and civilized people of the globe: Now, therefore, be it

Resolved, That we, liverty-loving and loyal Americans of Polish birth or extraction, hereby appeal to our Government, to our fellow Americans, to take cognizance of the brutal injustice which has been perpetrated upon the people of Poland.

We therefore protest against this barbaric invasion and occupation of Poland by the forces of Hitler Germany and Stalin Russia, and we ask our fellow citizens to join us in our protest and join us in our work for relief and assistance to this most unhappy of nations, and we implore our fellow citizens and our Government to give expression of their horror at the barbarism, the physical and moral cruelties imposed upon and perpetrated against a civilized and cultured nation which for more than 200 years has been united in close friendship with the history of the American people; be it further

Resolved, That the original of these resolutions be forwarded to the President of the United States, United States Senators, and to United States congessional Representatives of the State of Wisconsin.

THADDEUS KOSCIUSZKO SOCIETY, GROUP 358,
OF THE POLISH NATIONAL ALLIANCE,
FRANK WARCHOL, *President*.
VALENTINE A. KUSKOWSKI, *Secretary*.

REELECTION OF PRESIDENT ROOSEVELT

Mr. SMATHERS. Mr. President, I present and ask unanimous consent to have published in the RECORD a communication addressed to me by William Conklin, Jr., enclosing copy of a paper in the nature of a petition being circulated in Teaneck, N. J., urging the American people to reelect President Roosevelt in 1940.

There being no objection, the matter was ordered to lie on the table and to be printed in the RECORD, as follows:

ROOSEVELT DEMOCRATIC CLUB OF TEANECK,
February 13, 1940.

Hon. WILLIAM H. SMATHERS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR SMATHERS: Enclosed is a petition which we are circulating in Teaneck. It is our thought that a "draft Roosevelt movement" coming from the bottom up is the best way of expressing the true sentiment of the people. It is our great desire to see every New Jersey municipality join with Teaneck in sending a similar petition to the President. We have written to Mayor Hague asking him to take the lead in such a movement. If we could do this in New Jersey it could be done in every other State.

Very sincerely yours,
ROOSEVELT DEMOCRATIC CLUB OF TEANECK,
By WM. CONKLIN, Jr., *President*.

DRAFT PRESIDENT ROOSEVELT AND MAKE AMERICA SAFE FOR DEMOCRACY

To the American People:

This year we elect a President of the United States for a term of 4 years. But of far greater importance will be the decision of the voters on the issues of the campaign, for that will not only determine many serious questions that bear on the future welfare and happiness of the American people, but will also fix the course of our American democracy for many years to come.

The preamble of the United States Constitution sets forth the objects intended to be obtained through the institution of the United States Government. It says:

"We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

President Roosevelt has said, "I conceive the first duty of government is to protect the economic welfare of all the people, in all sections and in all groups." To prove that he has faithfully executed the Office of President of the United States, let facts be submitted to a candid public:

At the beginning of his first administration, on March 4, 1933, there existed an acute economic and financial crisis. By prompt action he saved the Nation from a serious financial disaster, and afterward set up the Federal Deposit Insurance Corporation to insure the country against a repetition of such a crisis.

He provided aid for the stricken farmers through the A. A. A. and the Farm Credit Administration.

He gave help to the small-home owners through the H. O. L. C. and encouraged the construction of new and modern homes through the F. H. A. and the United States Housing Authority.

He promoted the general economic welfare of the Nation through the rehabilitation of the works at Muscle Shoals, the creation of the Tennessee Valley Authority, and the construction of similar projects at Grand Coulee, Bonneville, and Fort Peck.

He provided protection to the investing public through the S. E. C.

He has promoted general economic recovery through the reciprocal trade agreements.

He has provided economic security to millions of our citizens through the Social Security Act.

He has brought the conveniences of electricity to over 300,000 rural families through the R. E. A.

He provided a medium for the establishment of a better relationship between labor and management through the N. L. R. B.

He put an end to child labor through the Wages and Hours Act.

He provided emergency relief from the devastating effects of the depression through the C. C. C., C. W. A., and W. P. A.

He constructed many parks, playgrounds, hospitals, schools, and other public buildings; and he made many other public improvements all over the Nation through the instrumentality of the P. W. A.

These and many other acts and agencies of great public benefit were adopted and established under his vigorous and able leadership.

Under the neglect and incompetence of past national Republican administrations, the economic organization of the Nation was thrown into violent disruption, causing great suffering and hardships. The national income dropped to $40,000,000,000 in 1932. Since President Roosevelt was first inaugurated the national income has steadily increased year by year until it reached $64,000,000,000 in 1936, $70,000,000,000 in 1937, and an estimated $85,000,000,000 in 1939—the highest in the Nation's history. The 1940 annual report of the Chase National Bank of New York City, the largest bank in the world, says:

"The quickened business activity of the United States now manifested in trade and industry can be laid principally to domestic causes and only in limited degree to the war or to preparations for war. Business started to revive about the middle of 1938. Since then the volume of production has increased with interruptions until the present time, and the Federal Reserve index of manufacturing production now stands at the highest point yet reached."

For these reasons we sincerely and fully believe that the Nation's welfare demands that President Roosevelt be continued in office for another term. Furthermore, the Democratic Party must present a united front as a liberal party in order to win the confidence and support of the independent voters, and President Roosevelt is the only candidate who can command the respect and support of all factions within the Democratic Party. Therefore, in the spirit of that great leader of democracy, Andrew Jackson, we endorse for reelection President Franklin Delano Roosevelt, with these words: "Our American democracy! It must be preserved!"

THE UNEMPLOYMENT PROBLEM—RELIEF OF PEOPLE OF POLAND

Mr. BARBOUR. Mr. President, I ask unanimous consent to have incorporated at this point in the RECORD a resolution of the Board of Commissioners of the City of Trenton, N. J., memorializing Congress to lend its efforts to eliminate and reduce unemployment throughout the Nation; also a resolution by the United Polish Societies of Irvington and vicinity, New Jersey, petitioning aid for the population of Poland.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas conditions of unemployment throughout the Nation have been extant in such measure as to add fiscal burdens to municipalities and States in every section of the country; and

Whereas the problem of unemployment has assumed such proportions that its amelioration must necessarily be inaugurated as a national policy; and

Whereas technological advances in industry have created a grave problem in the distribution of workers of multifarious trades: Now, therefore, be it

Resolved, That the board of commissioners do hereby memorialize the Congress of the United States to lend its efforts to eliminate and reduce to a minimum unemployment throughout the Nation; and be it further

Resolved, That the mayor be empowered, and he is hereby designated, to represent the city of Trenton at any hearings or conferences that may be held relative to the solution of unemployment; and be it further

Resolved, That any legitimate expenses incurred by the mayor in attending such conferences or hearings be defrayed by the city, upon the presentation of a duly itemized bill; and be it further

Resolved, That certified copies of this resolution be submitted to the President of the United States, the New Jersey Members of the Senate, and the Member of the House of Representatives from this district, for the purpose of securing their active interest and support for the solution of the unemployment problem.

BERNARD J. WALSH.
LEO J. ROGERS.
EDWARD W. LEE.
JOHN A. HARTMAN.
GEO. W. PAGE.

Whereas the cataclysm of war and destruction has fallen with unspeakable horror upon the population of Poland; and

Whereas the inhuman brutality and intentional cruelty of powers of occupation intensify the suffering of hunger and want of said population; and

Whereas the general aid and succor to this population from the outside is prohibited or unnecessarily hindered by the powers of occupation: Now, therefore, be it

Resolved, That the United Polish Societies of Irvington and vicinity, at a meeting assembled, petition, and hereby do petition, His Excellency Franklin D. Roosevelt, the President of the United States, to use his good offices with the Governments of the Union of Soviet Socialist Republics and Germany to open channels for

outside relief of food, clothing, and medicine for the distressed population of all creeds and races in the occupied areas of Poland; and be it further

Resolved, That a copy of this resolution be also forwarded to His Excellency Cordell Hull, Secretary of State, and Senators and Representatives from New Jersey at Washington.

FRANK WIYCIAK,
Chairman.
CHARLES MISHALSKI,
Secretary.

GUAM

Mr. GIBSON. Mr. President, the senior Senator from Maryland [Mr. TYDINGS], chairman of the Committee on Territories and Insular Affairs, has joined me in introducing a bill making effective certain provisions of the Treaty of Paris so far as the people of Guam are concerned. I ask unanimous consent that I may have printed in the RECORD a statement concerning the island and its people.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GUAM

The American people, generally speaking, know little of the island of Guam. Their picture is that of a barren island located somewhere in the Pacific. This is not, however, a true picture. The island is one of 17 which comprise the Mariana group. It is about 30 miles in length, and from 4 to 8½ miles in width. Its area is estimated at 225 square miles. Guam had been under the jurisdiction of Spain for nearly 300 years until it was captured by the Americans during the Spanish-American War. It was ceded to the United States under the terms of the Treaty of Paris, December 10, 1898, with a provision in article 9, paragraph 2, of the treaty, as follows:

"That the civil rights and political status of the native inhabitants of the territory hereby ceded to the United States shall be determined by Congress."

At the end of the Spanish-American War, Germany purchased all of the islands of the Mariana group except Guam. These islands came under a Japanese mandate at the end of the World War. Among the other islands of the group are Saipan, 121 miles from Guam; Rota, 49 miles from the coast of Guam; and Tinian, 121 miles from Guam. So it will be noted that the island of Guam is in close proximity to Japanese-mandated territory.

The people of Guam are Chamorros descendants of the Malay race. The population is now mixed with the Malay strain predominating. English is the language of the younger generation. The old Chamorran language, as modified by Spanish influence, is still used by the older people. Since coming under the control of the United States we have built roads, provided for a system of sanitation, built electric light and power plants, provided an excellent school system, and have given the people a fairly full measure of liberty and freedom.

Guam was at one time fortified, and was not dismantled until after the adoption of the Washington Treaty of 1922.

The Government of the island is under the Navy Department. On December 23, 1898, the President of the United States signed an order placing the island under the control of the Navy Department. The instructions for the military commander, dated January 12, 1899, signed by President McKinley and Secretary of the Navy Long, reads in part:

"It will be the duty of the military commander to announce and proclaim in the most public manner that we come not as invaders or conquerors, but as friends. All persons who, either by active aid or by honest submission, will cooperate with the Government of the United States, to give effect to these beneficent purposes, will receive the reward of its support and protection. Finally, it should be the earnest and paramount aim of the naval administration to win the confidence, respect, and affection of the inhabitants of the island of Guam by assuring them in every possible way that full measure of individual rights and liberties which is the heritage of free peoples, and by proving to them that the mission of the United States is one of benevolent assimilation substituting the mild way of justice and right for arbitrary rule."

The paramount aim of the naval administration was successfully accomplished. The confidence, respect, and affection of the people was won, and they have proved themselves American-minded. They have been loyal and law-abiding, and in all ways have cooperated with our Government. No group of American citizens under the American flag are more loyal to it than the people of Guam. Every day, when school is in session, 4,000 school children stand at attention in the plaza at Agana and renew their pledge of allegiance to the American flag.

Government by the Navy has been very successful. It is one part of the world where the budget is always balanced. The soil is very rich and produces copra, alligator pears, pineapple, sugarcane, citrus fruit, breadfruit, coffee, corn, rice, and potatoes in abundance. The population in July 1938, was 22,314, including about 20,000 natives. There are fewer than 100 foreign residents on the island, and 61 of these are Filipinos born under the American flag.

During the present Congress the bill (S. 830) provided for an appropriation which would have been very beneficial to the people of Guam. It was proposed in this bill, on the recommendation of the Hepburn Board, to make some harbor improvements in Apra Harbor on the island. The only improvements contemplated were the building of a breakwater and dredging to improve the seaplane take-off area, and if carried out would increase the area of relatively calm water for the take-off and landing of planes. The island is vitally important from the standpoint of naval as well as commercial aviation. It is of value as a possible naval station at which to base our Asiatic fleet when the United States withdraws from the Philippines in 1946. Its strategic position in the western Pacific makes it of inestimable value to the United States as a possible defense base which would act as a strong deterrent to any foreign power contemplating a hostile move toward the Hawaiian Islands or continental United States.

Immediately upon the consideration of the bill opposition was organized by the "peace at any price" group based on the assumptions that what is really intended is a fortification of the island, and they carried that opposition to a defeat of the proposal when the only improvements intended was the improvement of the harbor.

The people of Guam have been loyal to the United States for 40 years, and have cooperated willingly and helpfully for the development of the island. The people of the island are appreciative of all that America has done for them. Their spirit of cooperation is set forth in a resolution adopted by the Guam Congress, as follows:

"*Be it resolved*, That we renew our pledge of allegiance to the United States of America, to its institutions, to its ideals of justice and democracy, and that we affirm our happiness to be a part of that great Nation over which waves the Stars and Stripes."

These people have been upholding American ideals out in the Pacific and have never asked for appropriations, other than through the Navy Department, to support their government, and I submit that they are entitled to helpful consideration from the American Congress and the American people; and yet the Congress turned its back on the recommendations and the peace group claimed that a great victory had been won for the cause of peace when, in effect, the net result could well be appraised as a rebuff to a people who are the most loyal as those of any of our posesssions.

They are entitled to have United States citizenship conferred upon them, including the extension of naturalization laws. A bill to that end has been introduced, but do not expect that it will be acted upon at this session. It should receive consideration from the next session; and, in addition, it is my firm belief that Guam and our other dependencies should be represented in the Congress of the United States. As conditions now exist there is no one of authority to look out for the interests of the people who are so loyal to their home Government. We solemnly agreed in the Treaty of Paris that the civil rights and political status of the native inhabitants of the territory ceded to the United States shall be determined by Congress. Now the people of Guam ask that the United States carry out its solemn pledge.

REPORT OF COMMITTEE ON APPROPRIATIONS DURING ADJOURNMENT

Under authority of the order of the 13th instant,

Mr. GLASS, from the Committee on Appropriations, to which was referred the bill (H. R. 8068) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes, reported it on February 14, 1940, with amendments, and submitted a report (No. 1205) thereon.

REPORTS OF COMMITTEES

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 206) creating a joint committee to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law, reported it without amendment.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3195. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department (Rept. No. 1207); and

S. 3196. A bill to amend the act approved May 24, 1938, entitled "An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama" and for the relief of Jose Antonio Sossa D (Rept. No. 1208).

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 815) for the relief of Christine Lund, reported it with an amendment and submitted a report (No. 1209) thereon.

Mr. HUGHES, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 1531. A bill for the relief of Edmund S. Dennis (Rept. No. 1210); and

S. 2988. A bill for the relief of Bessie Sharrah (Rept. No. 1211).

Mr. HUGHES also, from the Committee on Claims, to which was referred the bill (S. 3061) for the relief of Andrew Olson, reported it with an amendment and submitted a report (No. 1212) thereon.

He also, from the same committee, to which was referred the bill (H. R. 2860) for the relief of Ben Willie Jones, as legal representative of Thelma Jones, a deceased minor, reported it without amendment and submitted a report (No. 1213) thereon.

Mr. BROWN, from the Committee on Claims, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 2132. A bill for the relief of Katherine Scott, Mrs. J. H. Scott, Jettie Stewart, and Ruth Mincemeyer (Rept. No. 1217);

S. 2199. A bill for the relief of Isadore J. Friedman (Rept. No. 1218); and

H. R. 808. A bill to confer jurisdiction upon the District Court of the United States for the Southern District of Florida to hear, determine, and render judgment upon the claim of Zook Palm Nurseries, Inc., a Florida corporation (Rept. No. 1214).

Mr. BROWN also, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 1456. A bill for the relief of Maj. Herbert A. Jacob (Rept. No. 1219); and

H. R. 3784. A bill for the relief of the estate of J. D. Warlick (Rept. No. 1220).

Mr. BROWN also, from the Committee on Claims, to which was referred the bill (H. R. 3481) for the relief of C. Z. Bush and W. D. Kennedy, reported it with an amendment and submitted a report (No. 1221) thereon.

Mr. SMATHERS, from the Committee on Claims, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 2667. A bill for the relief of Mr. and Mrs. John W. Finley (Rept. No. 1215); and

S. J. Res. 133. Joint resolution to confer jurisdiction on the Court of Claims or the District Court of the United States for the Northern District of Georgia to hear, determine, and render judgment upon the claim of Mrs. J. W. Marks, of Stephens County, Ga. (Rept. No. 1216).

SENATE MANUAL

Mr. HAYDEN. I report back favorably from the Committee on Printing Senate Resolution 233, authorizing the printing of a revised edition of the Senate Rules and Manual, and ask for its immediate consideration.

There being no objection, the resolution (S. Res. 233, reported by Mr. NEELY from the Committee on Rules on the 8th instant) was read, considered, and agreed to, as follows:

Resolved, That the Committee on Rules be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Seventy-seventh Congress, and that 1,500 additional copies shall be printed and bound, of which 1,000 copies shall be for the Senate, 200 copies for the use of the Committee on Rules, and the remaining 300 copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

INVESTIGATION OF RAILROADS, HOLDING COMPANIES, AND AFFILIATED COMPANIES

Mr. HAWDEN. I also report back favorably from the Committee on Printing, Senate Concurrent Resolution 38, authorizing the printing of additional copies of Senate Report No. 1182 entitled "Investigation of Railroads, Holding Companies, and Affiliated Companies," and ask for its immediate consideration.

There being no objection, the concurrent resolution (S. Con. Res. 38, submitted by Mr. WHEELER on the 6th instant) was read, considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 3,000 additional copies of each part and subsequent parts of Senate Report No. 1182, submitted pursuant to Senate Resolution 71 (74th Cong.), entitled "Investigation of Railroads, Holding Companies, and Affiliated Companies," of which 2,000 copies shall be for the use of the Committee on Interstate Commerce, 500 copies for the use of the Senate document room, and 500 copies for the use of the House document room.

COMPENSATION BENEFITS

Mr. McKELLAR. By direction of the Committee on Appropriations I report favorably, without amendment, House Joint Resolution 456, making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain Emergency Relief Appropriation Acts, and I submit a report (No. 1206) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution?

Mr. McNARY. Mr. President, this is quite unusual, and out of order. What is the reason for the urgency?

Mr. McKELLAR. I shall be glad to state the reasons. I was just about to do that.

The House of Representatives has just passed this joint resolution, and sent it to the Senate. There are a large number of unemployment dues which have not been paid, and the Compensation Commission has asked very earnestly that an allotment be made for certain special employee-compensation funds heretofore carried in the emergency-relief measure. There are a number of them, and there is a balance available for the unemployment obligations as of February 1, 1940, of $14,607,242.

Mr. President, this joint resolution merely makes available an additional million and a half dollars from appropriations already made, for the payment of unemployment compensation benefits which have already been allowed, but have not been paid because of lack of money. The House undertook to take this matter out of the deficiency bill and put it in a special joint resolution, and they have sent it to the Senate. Mr. WOODRUM, of the House committee, notified us of the very great importance and urgency of the matter, and asked that it be taken up at once. Our committee felt that it should be taken up immediately, and the committee yesterday authorized that it be reported. Those are the reasons why I am asking unanimous consent that the Senate now consider the measure, providing for the payment of claims which have already been allowed and which are payable.

Mr. McNARY. Mr. President, that is a fair and frank explanation. I do not like the practice——

Mr. McKELLAR. I agree with the Senator entirely.

Mr. McNARY. Pardon me until I conclude. I fail yet to see any particular urgency about the situation. Perhaps we will have a call of the calendar today, or tomorrow, or on Monday; and would anything be lost if we should not take up the matter today?

Mr. McKELLAR. May I read from the House report?

Mr. McNARY. I shall object at the present time.

The VICE PRESIDENT. Objection is heard.

Mr. McKELLAR subsequently said: Mr. President, earlier today I asked unanimous consent that House Joint Resolution 456 be considered and acted on. At that time the Senator from Oregon [Mr. McNARY] stated that he would like to have the matter go over so that he might look into it. I ask him now whether I may not bring it up at this time and have the joint resolution passed, as it is very important that it be passed, and I understand that the Senate is to adjourn to Monday.

Mr. McNARY. Mr. President, the statement of the able Senator from Tennessee is quite correct. I have looked into the situation and all the surrounding circumstances, and I have no objection to the immediate consideration of the joint resolution.

There being no objection, the joint resolution (H. J. Res. 456) making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain

Emergency Relief Appropriation Acts was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, I should like to have inserted in the RECORD the report of the committee on the joint resolution and also a statement.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

Senate Report No. 1206

The Committee on Appropriations, to whom was referred the joint resolution (H. J. Res. 456) making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain Emergency Relief Appropriation Acts, report the same without amendment and with a recommendation for its early consideration and passage.

Concerning this resolution, the Appropriations Committee of the House said:

"Under the provisions of prior relief appropriation acts, there has been set aside in a special fund from the relief appropriations, each year a sum estimated to be sufficient to pay all compensation claims for death and disability arising because of injuries received by persons engaged in emergency work and employed under that year's appropriation. In accordance with law, it is necessary, before this fund can be used, to have authorization in an appropriation bill for the amount thereof to be used in any fiscal year.

"The Independent Offices Appropriations Act for the fiscal year 1940 set aside $3,200,000 out of this special fund for the payment of claims of this character during the fiscal year 1940. This sum has proved to be insufficient and was exhausted by February 1 last and in addition thereto unpaid claims aggregate over $100,000. This joint resolution authorizes an additional $1,500,000 to be used from the special fund for the remainder of the fiscal year 1940. The next payments of death and disability claims are due on February 16, 1940, and other payments are due regularly again at the end of February. No funds are available to meet these payments. The Employees' Compensation Commission estimates the amount to be disbursed on February 16 at $500,000. There are 4,500 cases involved. These persons are in low-income groups and many of them without any other means of support, and as the first deficiency appropriation bill, which would normally carry this item, in all probability will not be a law until after March 1, the committee recommend the carrying of this item in a joint resolution. If this procedure is not followed there will be over a month's delay in the payment of these amounts due fortnightly to a large group of unfortunate persons."

Upon this state of facts and for these reasons, your committee report the above resolution favorably.

STATEMENT No. 6.—*Special fund, Employees' Compensation Fund, emergency relief*

Allotment from 1935 appropriation		$28,000,000
Rescissions		14,200,000
Total, 1935 appropriation		13,800,000
Allotment from 1936 appropriation	$14,000,000	
Rescissions	7,800,000	
Total, 1936 appropriation		6,200,000
Allotment from 1937 appropriation		13,925,000
Total, special funds		33,925,000
Total expenditures to June 30, 1939		16,868,298
Balance June 30, 1938		17,056,702
Appropriation, 1938 act	$5,500,000	
Obligated, 1938 act	4,749,460	
Balance transferred to special fund		750,540
Total available June 30, 1939		17,807,242
Authorized for 1940		3,200,000
Balance available for obligations, Feb. 1, 1940		14,607,242

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARKLEY:

S. 3356. A bill to provide for the return to employees of contributions paid by them under unemployment-compensation laws, and to make funds available therefor; to the Committee on Interstate Commerce.

By Mr. McCARRAN:

S. 3357. A bill to provide for the employment of unemployed miners in prospecting areas on the public lands; to the Committee on Appropriations.

By Mr. CAPPER:

S. 3358. A bill for the relief of Christopher Rogers (with accompanying papers); to the Committee on Claims.

By Mr. STEWART:

S. 3359. A bill to authorize the construction of flood-control works on the Tennessee River at Chattanooga, Tenn., and Rossville, Ga.; to the Committee on Commerce.

(Mr. CLARK of Missouri introduced Senate bill 3360, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

By Mr. MALONEY:

S. 3361. A bill for the relief of Aron Pitt and Cecilia Pitt; to the Committee on Immigration.

By Mr. BURKE:

S. 3362. A bill for the relief of Charles H. Craig; to the Committee on Military Affairs.

By Mr. ANDREWS:

S. 3363. A bill for the relief of James R. Davis, Jr.; to the Committee on Military Affairs.

S. 3364. A bill authorizing the Bradenton Co., its successors and assigns, to construct, maintain, and operate a bridge across Sarasota Pass where Manatee Avenue, Bradenton, if extended, would cross Sarasota Pass, county of Manatee, State of Florida; to the Committee on Commerce.

By Mr. MURRAY:

S. 3365. A bill to amend the Social Security Act and the Internal Revenue Code, to establish adequate standards of unemployment compensation, and for other purposes; to the Committee on Finance.

By Mr. NEELY:

S. 3366. A bill for the relief of John C. Gardner; to the Committee on Finance.

S. 3367. A bill to make Younghill Kang eligible for naturalization; to the Committee on Immigration.

By Mr. BULOW (for himself and Mr. FRAZIER):

S. 3368. A bill to amend the Civil Service Retirement Act and other retirement acts; to the Committee on Civil Service.

By Mr. BARBOUR:

S. 3369. A bill granting an increase of pension to Sarah Warn; to the Committee on Pensions.

S. 3370. A bill to provide a 2-year moratorium on foreclosures of Home Owners' Loan Corporation mortgages;

S. 3371. A bill to reduce the interest rate on Home Owners' Loan Corporation mortgages; and

S. 3372. A bill to reduce the interest rate on Home Owners' Loan Corporation mortgages, to limit the interest rate collectible by institutions borrowing funds from Federal home-loan banks, and to further limit the interest rate collectible on mortgages insurable by the Federal Housing Administration; to the Committee on Banking and Currency.

By Mr. PITTMAN:

S. 3373. A bill to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932, (ch. 314, sec. 209, 47 Stat. 405); to the Committee on Foreign Relations.

By Mr. WALSH:

S. 3374. A bill for the relief of J. Walter Bowers; to the Committee on Claims.

By Mr. MEAD:

S. 3375. A bill for the relief of Louis Anastasia; to the Committee on Military Affairs.

S. 3376. A bill relating to the supply of quarters, subsistence, laundry service, or other allowance to any officer or employee in the Veterans' Administration or in any other Government agency; to the Committee on Finance.

By Mr. HATCH (for himself and Mr. CHAVEZ):

S. 3377. A bill authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico; to the Committee on Military Affairs.

By Mr. REYNOLDS:

S. 3378. A bill granting an increase of pension to Gus Hughes; to the Committee on Finance.

S. 3379. A bill to adjust the status of Lt. Comdr. Mortimer T. Clement, Medical Corps, United States Navy, retired, on the retired list of the Navy; to the Committee on Naval Affairs.

By Mr. PEPPER:

S. 3380. A bill granting a pension to Thomas P. Doyle;

S. 3381. A bill granting an increase of pension to May Elaine Lawson; and

S. 3382. A bill granting an increase of pension to Mary J. Van Denbergh; to the Committee on Pensions.

By Mr. VAN NUYS:

S. 3383. A bill to authorize certain future adjustments in the accounts of the Treasurer of the United States when erroneous payments have been made by him in good faith and without negligence, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McKELLAR:

S. 3384. A bill amending acts extending the franking privilege to widows of ex-Presidents of the United States; and

S. 3385. A bill to extend to the Pan American Sanitary Bureau the franking privilege with respect to the transmission of its official mail matter; to the Committee on Post Offices and Post Roads.

By Mr. PEPPER:

S. J. Res. 211. Joint resolution conferring jurisdiction upon the Court of Claims to hear and determine the claim of Trent Trust Co., Ltd., a corporation of the Territory of Hawaii, and Cooke Trust Co., Ltd., a corporation of the Territory of Hawaii, as receiver for said Trent Trust Co., Ltd.; to the Committee on Claims.

By Mr. GUFFEY:

S. J. Res. 212. Joint resolution making applicable to certain coal deliveries the prices established by the National Bituminous Coal Commission; to the Committee on Interstate Commerce.

BRITISH INTERFERENCE WITH AMERICAN MAIL AT BERMUDA

Mr. CLARK of Missouri. Mr. President, when the so-called Neutrality Act was amended and a substitution made for it at the last session of Congress, an exception was made in the case of American aircraft landing at the British dependency of Bermuda. Since that time possibly no greater cause of international friction has arisen than the practice—the illegal practice, as our State Department has denominated it—of the British Government insisting on rifling United States mail landing at Bermuda. Very recently a United States clipper bearing an Ambassador of the United States, returning from his station abroad for consultation in Washington, was detained in Bermuda, and the mail on that clipper was rifled, and more than half of it was consficated. I therefore introduce a bill upon that subject, and, since it is very brief, I ask unanimous consent that it be reported for information.

The VICE PRESIDENT. Without objection, the bill will be read for the information of the Senate.

The bill (S. 3360) to prohibit aircraft transporting United States mail from landing at Bermuda, was read the first time by its title, and the second time at length, as follows:

Be it enacted, etc., That section 2 of the Neutrality Act of 1939 is amended by adding at the end thereof the following new subsection:

"(m) Notwithstanding the exceptions contained in subsection (h), it shall be unlawful for any aircraft transporting United States mail to land, other than a forced landing, at the Island of Bermuda while a proclamation issued under the authority of section 1 (a) and naming the United Kingdom is in effect. The penalty provided for in subsection (b) shall apply to any violation of the provisions of this subsection."

SEC. 2. This act shall take effect on the day following the date of its enactment.

The VICE PRESIDENT. Has the Senator any suggestion as to the committee to which the bill should be referred?

Mr. CLARK of Missouri. I think it should be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. The bill will be referred to the Committee on Foreign Relations.

NATIONAL MISSISSIPPI RIVER PARKWAY—AMENDMENT

Mr. LA FOLLETTE submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 1978) to authorize a National Mississippi River Parkway and matters relating thereto, which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

AMENDMENT TO RIVER AND HARBOR AUTHORIZATION BILL—HACKENSACK RIVER, N. J.

Mr. BARBOUR submitted an amendment intended to be proposed by him to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

PRINTING OF MATERIAL RELATIVE TO LIFE AND WORKS OF LINCOLN

Mr. LUCAS submitted the following resolution (S. Res. 237), which was referred to the Committee on Printing:

Resolved, That the documents and material relating to the life and works of Abraham Lincoln, consisting of historical documents, papers, and reports, which constitute about 2,750 items, none of which have heretofore been published, together with copies of photographs and paintings from life, a complete bibliography and a chronological index to Lincoln material, which have been compiled by and are now in the possession of Emanuel Hertz, Esq., of New York, be printed as a Senate document.

LINCOLN DAY ADDRESS BY POSTMASTER GENERAL FARLEY

[Mr. LUCAS asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Hon. James A. Farley before the Midday Luncheon Club of Springfield, Ill., on February 11, 1940, which appears in the Appendix.]

IMPORTATION OF RUSSIAN GOLD

[Mr. MCNARY asked and obtained leave to have printed in the RECORD a statement by Senator TOWNSEND entitled "Ten Reasons Why I Want to Keep Out Russian Gold," which appears in the Appendix.]

TOLERANCE—ADDRESS BY SENATOR BARBOUR

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an address by Senator BARBOUR at the dinner of the American Jewish Congress held at the Mayflower Hotel, in Washington, on Sunday night, February 11, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR MEAD BEFORE AMERICAN JEWISH CONGRESS

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD an address delivered by Senator MEAD on February 12, 1940, before the American Jewish Congress at its meeting held in the Willard Hotel, Washington, D. C., which appears in the Appendix.]

ARTICLE BY SENATOR REYNOLDS ON A NEW WEAPON FOR PEACE INSURANCE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by himself, published in Liberty Magazine for December 2, 1939, entitled "A New Weapon for Peace Insurance," which appears in the Appendix.]

DEDICATION OF THE POST OFFICE AT LINCOLN'S NEW SALEM, ILL.—ADDRESS BY SENATOR LUCAS

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an address delivered by him at the dedication of the post office at Lincoln's New Salem, Ill., on February 12, 1940, which appears in the Appendix.]

THE AMERICAN HERITAGE OF RELIGIOUS LIBERTY—ADDRESS BY SENATOR WALSH

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address delivered by him on August 20, 1939, on the occasion of the unveiling of a monument presented by the Jewish people of Newport, R. I., to the city of Newport, dedicated to the "American Heritage of Religious Liberty," which appears in the Appendix.]

ADDRESS BY SENATOR BROWN BEFORE CANADIAN BAR ASSOCIATION

[Mr. BROWN asked and obtained leave to have printed in the RECORD an address delivered by him before the Canadian Bar Association at Windsor, Canada, on January 27, 1940, which appears in the Appendix.]

ADDRESS BY GOVERNOR SPRAGUE AT SEATTLE, WASH.

[Mr. MCNARY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Charles A. Sprague, Governor of Oregon, before the King County Young Men's

Republican Club at Seattle, Wash., February 10, 1940, which appears in the Appendix.]

ARTICLE BY EMANUEL HERTZ

[Mr. WAGNER asked and obtained leave to have inserted in the RECORD an essay entitled "Lincoln on His Last Birthday," written by Emanuel Hertz, which appears in the Appendix.]

THE FARM PROBLEM

[Mr. MURRAY asked and obtained leave to have inserted in the Appendix of the RECORD an address made before a farm group by Hon. Edward Corneaby, of Minnesota, on farm and labor problems, which appears in the Appendix.]

JULIEN N. FRIANT—TRIBUTE BY ALPHONSE C. LA FARGE

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD a tribute by Mr. Alphonse C. La Farge to the late Julien N. Friant, Special Assistant to the Secretary of Agriculture, which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS

[Mr. GREEN asked and obtained leave to have printed in the RECORD an article and an editorial from the Providence Evening Bulletin relative to the reciprocal-trade agreements, which appear in the Appendix.]

LINCOLN DAY ADDRESS BY ALFRED M. LANDON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Alfred M. Landon on February 11, 1940, at Springfield, Ill., which appears in the Appendix.]

EDITORIAL FROM NAUTICAL GAZETTE ON FINLAND

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD an editorial published in the Nautical Gazette of January 1940 with reference to the attitude of the United States toward Finland, which appears in the Appendix.]

SILVER-PURCHASE PROGRAM

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an editorial from the New York Journal of Commerce of February 15, 1940, and an editorial from the New York Times of the same date relative to the silver-purchase program, which appear in the Appendix.]

WORKERS' PROFIT—ARTICLE BY DR. JOSEPH F. THORNING

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an article by Dr. Joseph F. Thorning published in the Sign for January 1940 entitled "Workers' Profit," which appears in the Appendix.]

ORDER DISPENSING WITH CALL OF THE CALENDAR

The VICE PRESIDENT. The routine morning business is closed. The calendar under rule VIII is in order.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the calling of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I may say, for the information of the Members of the Senate, that I hope we may have a call of the calendar on next Monday for the consideration of unobjected-to bills.

THE HUMAN NEEDS OF THE STEEL INDUSTRY

Mr. DAVIS. Mr. President, as you look at the seething inside of a Bessemer furnace you welcome the protection of dark-colored glasses. The fire is terrific. The molten metal does not simply boil; it leaps viciously against the sides of the furnace, like surf beating against a cliff. The temperature is around 2,900°. You do not find it comfortable to look at it for more than a few seconds at a time. Although you stand a considerable distance from the mouth of the furnace, the scorching heat is fierce beyond my power of words to describe. Your face feels blistered. The awfulness of the power in that golden maelstrom turns your body tense. You feel as though, if you did not hold onto the railing, you might fall, although there is no such actual danger.

These furnaces are built in the shape of an immense urn or vase, big at the bottom, curving to a smaller neck at the top. The only opening is at the top. They are three or four stories high and set on huge cradles so they can be tipped over and the molten metal poured out. The wrong pull on the lever would turn the whole vat over and dump tons and tons of molten metal all over the place. The men at the furnace are carefully trained, but there is constant danger. Formerly the danger was greater than at the present time. In the days of my mill experience I have known of a workman completely submerged in molten metal as though he were battling against the waves of the ocean. He was buried where he had fallen. Only men of courage, strong of body, alert of mind, and skilled of hand are fitted for this rugged enterprise. It is their life and they glory in it. These furnace men have to judge, merely by the color of the golden heat rising from the furnace, the amount of every chemical element in that boiling mass. In other words, they have to cook metal to an infinitesimally accurate mixture of a dozen elements, sampling it merely by their eyes upon a fiery glow.

My purpose in speaking today is to portray as accurately as possible the human side of the steel industry and the human needs that I see there. Unquestionably misunderstanding exists. The public has been led to believe that the steel companies are heartless corporations, harsh and selfish in their attitude toward labor, operated along monopolistic lines, feeding upon fat profits at the expense of the workers, who are pictured as being driven like slaves. This is an extreme point of view and does not make room for the many changes that have come in the steel industry with the passing years. Actually in no trade is competition more severe and no other industry has been so subjected to financial losses during these depression years.

The steel industry in the past has been reluctant to take the public into its confidence and tell the country the facts, especially in the field of relationships between management and employees. Consequently, there is prevalent today a curious and widespread assortment of misinformation and distorted facts concerning the steel industry.

Perhaps the attitude of the steel industry in the past was justified. It had gone about its own business quietly and efficiently, without feeling that it was called upon either to pat itself on the back or to defend itself. With the coming of the National Industrial Recovery Act, however, conditions changed. Corporations no longer did their business privately. Relationships between management and employees became matters of broad public interest. In the steel industry in particular employee-employer relationships were brought into the limelight. In justice to both labor and industry a review of these facts is now imperative. In my opinion, the steel industry, with but few exceptions, is not excelled, from the standpoint of the welfare of the workers, by any other large industry in the United States.

At least 2,500,000 men, women, and children look to the steel industry for their daily bread. In other words, the steel industry sustains directly the lives of as many people as live in Arizona, Delaware, Idaho, Montana, Nevada, New Mexico, and South Dakota combined. And this says nothing of the lives of millions of our citizens whose income is derived solely from servicing the needs of steel workers. The steel industry services the Nation; and the workers of farm, field, mine, mill, and factory service the steel industry. This is a reciprocal relationship that holds within its circling power the future destiny of the Nation. The steel industry is the industrial thermometer of America. When it is up, conditions are prosperous; when it is down, the adverse influence is felt in every crossroads town.

The total investment in the steel industry of this country is approximately $5,000,000,000. The stock represented by this investment is probably divided among at least a half million stockholders. The holdings naturally run from a few shares each to thousands of shares. Steel stocks are to be found in the safe-deposit boxes of hundreds of small-wage earners, professional men, school teachers, and others who have purchased stock in the steel companies with the belief that they were making a stable investment in a permanent, basic industry. These people have a right to expect a fair return on their investment.

Returns on capital investment in the steel industry throughout a period of years are illuminating. A recent analysis of net earnings on aggregate net worth of leading steel companies of the country in the comparatively prosperous period from 1921 to 1932, for a period of 12 years, shows them to have been 4.3 percent. In 1932 there was a loss of 4.3 percent. Rate of earnings naturally reflected broad variations in volume of production and indicated, on the whole, that profits in the steel industry materialize only when the industry is operating at 45 percent of capacity, or above, and that 80 percent of capacity, in past experience at least, has been necessary before earnings reach 6 percent.

In 1923 the 13-hour day gave way to the 8- and 10-hour day. I am glad to have been associated with President Harding when this important development took place. President Harding gave splendid leadership in this good cause. In the beginning there were some who said an 8-hour day would ruin the steel industry. But it was not long before a three 8-hour-shift program was found to have many advantages over the older 12-hour day. I can recall the 12-hour day from personal experience, and know how it seems to work in the darkness both at the beginning and end of the day. In 1933 the 10-hour day gave way completely to the 8-hour day and an average weekly maximum of 40 hours. At the same time the number of hours worked per week per employee was decreased to approximately 40 hours, average earnings per hour increased 22 percent. With the return of more normal operations at the present time the earnings of individual employees have increased.

Men who have risen from the factory and mill, in considering such matters as wages, hours, and working conditions, understand the worker's needs and judge sympathetically from practical experience and personal knowledge. The steel industry is now very largely in the leadership of men who have risen from the ranks. These men now have heavy responsibilities in finance, sales, and other executive branches of their companies, but their early associations bind them to the men with a deep friendship and sympathy. They want to keep in touch. They know, too, from their own knowledge that men in the mills like to deal directly with management. They believe that industrial relations should be on a man-to-man basis, with all the facts on the table.

In the old days, when plants were small and employees few, the problem of direct contact between management and workers was not as complex as today. My thought goes to my early mill experience in Sharon and Farrell, Pa. I think of Frank Buhl, whose name is honored throughout that valley because of the personal interest which he and his family took in the human needs of the steel workers. Every August a great celebration is held in that area to perpetuate the splendid spirit of cooperation which grew up out of the business vision and humanitarian purpose of Frank Buhl.

Today the size of an enterprise complicates the human relationships. Many steel companies require thousands of men to operate the plants. The census of 1879 showed that less than 141,000 wage earners were employed in the manufacture of iron and steel, whereas today the industry employs 500,000. In an earlier day the membership of the Amalgamated Association of Iron, Tin and Steel Workers, to which I belong, included the greater percentage of workers in the industry. It was a strong organization, and one of which I am indeed proud. It came to the high point of its strength under a number of exceptionally able and public-spirited men.

During the last 50 years the trend of steel employment has been strongly upward. Although the substitution of mechanical equipment has released labor from some forms of toil it has not diminished the total number of jobs available. On the contrary the introduction of machines has created new fields of employment. There are two sides to this question. The machine has been both the glory and scandal of our age. It is the glory when it makes possible better workmanship, high-quality production, and lower prices. It is a scandal when machines are introduced with such rapidity as to deprive workers of their jobs, leaving thousands of them uncared for in the midstream of their lives. It is exceedingly difficult for a man trained solely to do the work of the steel mill, with his muscles, mind, and spirit developed for a single task, to transform his life and find a new line of work. This is a serious problem, especially serious for the man about 50 years of age. The problem must be faced resolutely and met in a practical way. The earnings of the machine must be geared to the human needs of all the workers lest the machine become a tyrant as unwelcome as the harsh rule of an oriental despot.

I am glad to say that a new cycle of industrial relations has been instituted with the passing years. Workers may associate themselves together into a group or trade-union for their mutual protection. Workers may select representatives of their own choosing to advance their mutual interests. Workers may enjoy these rights without interference from their employers. These rights are protected by law.

Obviously it is impossible for the chief executives to meet and talk to each one of the hundreds of thousands of wage earners in person. The problem has to be solved in the steel industry, as in many other industries, by employee representation plans adopted by employees themselves. These plans present a method of conserving the contact between workers and management.

Organized cooperation between unions and employers offers the best hope of meeting the obstacles to success which baffle society as a whole. Only when cooperation is complete can the full social advantage be taken of our wealth of natural resources, the skill of our labor, and the technological advances which have been the fruits of our brains. The employer willing to cooperate with labor brings out the negotiator whose greatest effectiveness comes over the conference table. A lot of good, hard brain work, and much education of labor and industry must be added to a willingness to use conference methods before the full measure of our national strength can be realized.

The wage earner desires continuous work at good wages, reasonable hours, fair and considerate treatment, a safe and healthful place to work, and a chance to rise on merit. The employer seeks increasing and profitable business, and insofar as possible he supports the workers' ambitions for increased purchasing power and a higher standard of living upon which progress in industry depends. There is no conflict between these objectives. There can be no class war over them. Employee representation plans are now in effect throughout a major part of the steel industry. Recently a survey was completed which shows that the employees of some 101 companies which employ more than 90 percent of the total number on steel-company pay rolls are participating in and actively supporting representation plans in effect there to the extent of 89 percent of all workers on pay rolls.

A study is now being conducted of the basing point system of the steel industry before the Temporary National Economic Committee. This relates to the old Pittsburgh-plus pricing system. I am grateful to the Senator from Wyoming [Mr. O'MAHONEY], chairman of this committee, who has so courteously provided me with much of the data which I have used in the preparation of my remarks on the basing point system. However, the points of view I express are my own and not necessarily his.

There was a time when all steel producers, regardless of their location, adhered very closely to the prices prevailing in Pittsburgh and also added the cost of transportation from Pittsburgh to the point of delivery. Thus, if a Chicago steel producer sold to a Chicago customer, he quoted the Pittsburgh price plus the cost of transportation from Pittsburgh to Chicago, although no such transportation was involved. Pittsburgh-plus was practiced in the steel industry as early as 1875, and thereafter was extended to many steel products. Not all iron and steel products, however, were sold on this basis. Steel rails and pig iron were not sold on the Pittsburgh-plus basis. In 1909 the United States Steel Corporation yielded to complaints against the sale on a Pittsburgh-plus basis of steel products manufactured in Birmingham, Ala., and agreed to sell Birmingham manufactured steel bars at the Birmingham base price, which was fixed at $3 per ton above the Pittsburgh price. The delivered price of bars

from Birmingham was calculated, therefore, by adding to the Birmingham base price the actual freight from Birmingham.

In 1922 the Federal Trade Commission filed a complaint against the Pittsburgh-plus method. United States Steel then commenced selling bars, plates, and shapes on a Chicago basis, but Pittsburgh-plus continued to apply to sheets, tin plates, wire, and wire products. In 1924 the Commission ordered the industry to cease the Pittsburgh-plus system, and it was abandoned for sheets, wire, and pipe. Gradually, over the years, the independents established new basing points.

During the N. R. A. explicit provision was made in the code for the basing-point system, which had then become known as the multiple basing-point system. The code provided, with a few minor exceptions, an average of 4.6 basing points for each of 32 products, the range being from a minimum of 1 to a maximum of 11. In 1938 the industry established additional basing points, which are today represented by some 80 towns or cities. Of these, about 13 may be considered as major basing points.

The Federal Trade Commission has recommended the establishment of an f. o. b. mill price, which would require that each mill making steel be considered a basing point. However, the most comprehensive and widely accepted study of the steel industry now available, a two-volume work by Daugherty, De Chazeau, and Stratton on the Economics of the Iron and Steel Industry, does not support this point of view. I can do no better than present some of the findings of these scholars whose work was published in 1937.

Prof. Frank Fetter has long been an outstanding critic of the basing-point system. His point of view has been wholeheartedly adopted by the Federal Trade Commission. In his book, entitled "The Masquerade of Monopoly," Professor Fetter shows the discrimination inherent in a basing-point system of delivered prices, but his analysis of the evolution of this pricing system is couched entirely in terms of conspiracy and collusion. Nowhere in his book is there the faintest recognition that the economic conditions of production and distribution may have become fundamentally inconsistent with the existence of perfect competition. Professor Fetter never raises the question, What method of pricing can be made to work in the steel industry? His defense of the mill-base price rests not on an analysis of the steel industry, but on a deduction from the concept of a free market under perfect competition.

Mr. President, this is most unfortunate, for it brands as theoretical and visionary the findings of a scholar whose word has had its due measure of value. The conclusion of the Federal Trade Commission that an f. o. b.-mill system should be imposed on the industry because the basing-point system has somewhat restricted price competition is neither sound or logical. If we were to begin to advocate changes in existing conditions of our American life irrespective of what better provision may be made for them we should find ourselves in the position of the Federal Trade Commission as it now advocates the destruction of the multiple basing-point system.

The basic question is not whether free price competition actually exists in the steel industry. It is whether free price competition can be maintained or even imposed on the steel industry, and, if not, what method of pricing is socially and economically desirable. The opponents of the present prevailing system are basing their criticism on theoretical abstractions which are actually nonexistent. They exist only in the minds of the critics. They assume large proportions of astronomical value. Practically they are of little worth; and if they were actually to be imposed on the steel industry, they would produce such chaos and confusion as to retard business recovery, accentuate unemployment, and increase the already mounting burdens of grievance, of which labor today is carrying a full pack.

Price stabilization in the steel industry is impossible without either price fixing or a system of delivered prices. Since steel is a highly standardized commodity, produced and sold to exacting specifications, and generally ordered in large quantities for further production, even a relatively small price differential may be a deciding sales factor. The market for each group of mills and for each mill within the group is more national than local. That stabilization must be on a national rather than a local basis is the logic of the basing-point system. The breaking down of the prevailing system will be an open invitation to price cutting and destructive competition, which was a source of public menace many years ago when the steel industry was comparatively young. The burden of proof is on those who now call for an end of the basing-point system to show that a return to those conditions is now desirable. I am unwilling to accept this philosophy until something more constructive is presented than has heretofore been made available. I ask, How many thousands of workers will be put on relief as a penalty for such abrupt action? How many workers will lose their jobs? What provision will be made for their wives and children? How much will be added to taxes in relief and work-relief burdens? Who will be responsible for sound returns to investors in the steel industry? Who will wish to carry the task of promoting collective cooperation between management and employees under the instability of new and theoretical conditions? Who will find anything of practical value for any section of the country under the proposed change? What will the practical benefit be? Mr. President, I can see no benefit; and until one is clearly shown I shall continue to oppose this measure with all the logic and persuasion at my command.

Mr. President, I expect to continue to oppose the anti-basing-point bill. In my judgment the human considerations involved far outweigh the theoretical objections to the multiple basing-point system now in effect. The proposed legislation holds a threat against the jobs, savings, and general welfare of workers in the steel industry at the points where the industry is best established. It holds a threat which has no sufficient justification in terms of public welfare or prospect for improved conditions.

I know the life of steel workers. I know how happy they are in their work, how independent and free the average workers in the mills are, and how independent and free they insist they shall continue to be. I know the glory they feel in the work of their hands. I have seen them standing in front of the furnace, their fine supple bodies beaded with sweat, the perspiration glistening on their backs like dew in the morning sun. I know the character and the temperament of these men. I know that when you penetrate deep down in the heart of a mill worker you find the embodiment of the Scriptural injunction "Love they neighbor as thyself"; for these men live and work together in the true spirit of brotherhood.

Mr. President, in conclusion I wish to say that the spirit of the steel men of America is the spirit of the youth of our land. The steel business is a challenge to the enthusiasm and independence of a young man. It is a symbol of the youth and strength of our glorious Nation. Let us understand the true spirit of our American youth and uphold it.

Recently a so-called youth conference assembled in Washington. The press carried front page stories of the demands which these young people were making on the Government. There was much question as to who these young people were and what they represented. I believe in American youth. I believe in American strength and courage. I believe in the independent spirit from first to last. Believing as I do, I am convinced that the great majority of the young men and women of this country do not wish to be represented as coming to the Government primarily to make demands upon it, but rather to present themselves for service to it. American youth has ability, brains, stamina, strength, and good heart. Our boys and our girls not only want to get something for themselves; they want to give their very best to humanity and to the Nation. In this spirit I propose that a genuine youth conference be assembled in Washington in behalf of the contribution to good citizenship which our young people are prepared to make. Let them come with colors flying, heads up, bodies erect, smiles on their faces,

and proud of the land that gave them birth. Certainly American youth has lost neither its independence nor its sense of humor. As a man from the mills, speaking to the young men and women of the Nation, I wish to go on record that they still have the American spirit, which I have loved and cherished all my days, and that they still believe in their homes, their country, their God, and their Government. They believe, and they stand willing to back up their belief, with intelligent, forward-looking action and a definite program of American citizenship.

SALUTE TO THE BRAVE

Mr. KING. Mr. President, in every part of the United States tributes are being paid to the brave and gallant people of Finland because of their heroic defense of the sacred soil of their country. There is unanimity in this Republic in the condemnation of the brutal and cowardly assaults which are being made upon Finland by Stalin and his Bolshevik forces. Indeed, in every democratic country, the view is entertained that Finland is fighting the cause of democracy against the forces of evil and autocracy. Many persons believe that civilization, as we understand the term, is being menaced by the Bolshevik regime, and that the danger to liberty and justice and civilization is perhaps greater than at many periods of world history.

If Hitler and Stalin should win, the democratic nations of Europe would be destroyed, and a system as cruel and reactionary as that which prevailed in the dark ages would be superimposed upon European nations, if not upon other peoples of the world. There are growing evidences of the solidarity of the Bolshevik and Nazi governments, and of the sinister purposes which unite them together, and of the hateful objectives which they seek to attain. It seems incredible that in this century, with the struggles, defeats, and victories of the past, with the advancement which has been made in many lands toward the summits of justice and moral and spiritual power, there should be those dangerous, dark, and ugly repercussions, which threaten democratic institutions, and civilization itself.

Bolshevism incarnates the most sinister and reactionary forces that have manifested themselves in ages of the past. Bolshevism is not only revolutionary; it is the destruction of the finest and best that can be found in life. It finds in Hitlerism and nazi-ism kindred spirits, and seeks association with them in order to achieve the objectives of both. Nazi-ism is not only a kindred spirit, but, to use common parlance, is a blood brother to Stalin and bolshevism; and so we find Hitler and Stalin—bolshevism and nazi-ism—linked together to destroy the finest and best in the world today, and to destroy democratic institutions and civilization in its highest form, and to subject the peoples of the world to the despotic rule of both.

Evidences are multiplying of the comradeship between Hitler and Stalin. If these evil forces prevail, not only will Finland be destroyed, but all democratic nations of Europe; and if Europe is brought under the rule of Stalinism and Hitlerism, then peoples in other lands, and governments in other parts of the world, may not escape. Austria has been destroyed; Czechoslovakia has been brought under the iron rule of Hitler; Latvia, Estonia, and Lithuania live under the shadow of the Soviet authority, and other nations in Europe are compelled to shape their external and internal policies to meet the threats and dangers which hang over them like a dark and ominous cloud. Not only is the peace of Europe disturbed, but throughout the world the specter of communism and nazi-ism is an ever-present source of grave apprehension.

Finland is fighting not only for the homes and lives of her people but for the cause of liberty and justice and civilization. She is carrying the banner which in many ages has been borne by brave and patriotic people who have been willing to sacrifice their lives in defense of justice and liberty and those ideals which have been the inspiration of the leaders of the world.

For a thousand years the Finnish people have occupied the land which we know as Finland. They are not Slavs, nor have they the characteristics nor qualities of the Slavic race. Though for a short period Finland was regarded as a part of Russia, it never was Russian in spirit, in culture, religion, and ideals. It is an independent democratic nation possessing those qualities which find expression among the greatest and most progressive peoples in the world. Its independence was recognized by Russia, and treaties entered into by Finland and Russia recognized the territorial integrity and political independence of Finland and the Finnish people. Stalin now orders the destruction of this brave and chivalrous people. He has marshalled hundreds of thousands of the Bolshevik forces against a pitifully small army defending the Finnish Republic. Stalin is not carrying on a civilized war. He is resorting to the most fiendish and horrible methods ever conceived by man to destroy men, women, children, hospitals, homes, churches, and to blot out and destroy an entire people. There have never been more barbarous or savage methods of destruction employed by man than those directed against the Finns by Stalin and his unnumbered hordes. Stalin with his 180,000,000 people may destroy homes, churches, hospitals, and butcher the Finnish people, but among all civilized peoples of the world there will be resentment and a fierce spirit of anger that will increase in intensity as the years pass by. In this and in future ages monuments will be erected to the Finnish people, and the genius of man will be employed in depicting their courage and patriotism. The Finnish spirit will never die. It will inspire men and women in future ages who are struggling for justice and freedom to fight on against all foes in order that peace and justice and righteousness may become the inheritance of all.

Mr. President, I have received during the past few days a number of letters from various parts of the United States in which the writers, speaking for themselves and in some instances for others, indicate a desire to aid Finland not only in a financial way but to associate themselves with its military forces. A letter which I received this morning gives the names of more than a score of persons—pilots, gunners, machinists—who express a desire to immediately depart for Finland to there take part in the contest which is being waged. The same letter states that other persons are ready to follow those whose names were submitted for the same purpose. The letters which I have received, as well as statements appearing in the press, indicate the deep resentment which the American people have against the Bolsheviks because of their assault upon Finland. They also indicated a desire upon the part of many to proceed immediately to Finland, there to join with the Finnish forces in the defense of that country.

The example of the Finnish people has aroused more than the imagination of the American people. It has awakened in their hearts a profound admiration for those who are struggling to maintain their homes and their liberty. Finland is being regarded as a symbol of the highest and noblest attributes of man, of those who love justice and liberty. The Finns are regarded by the American people, and by Christians throughout the world, as the defenders of not only their country but of Christian civilization.

I have just finished reading an editorial in this morning's New York Times, entitled, "Salute to the Brave," which, because of its beauty and eloquence, should be read by all Americans and all who believe in liberty and in the triumph of justice and righteousness.

The closing sentence in the editorial is so lofty that I close these brief remarks by quoting it:

> But of this we may be certain, after the experience of these weeks the struggle has not been in vain. In victory or defeat, in safety or disaster, Finland will remain a living symbol and a present influence on the affairs of men as long as liberty is cherished.

I shall not be satisfied by having the editorial appear at the close of my remarks. I send it to the desk and ask that it may be read by the clerk of the Senate.

The VICE PRESIDENT. Without objection, the editorial will be read.

The legislative clerk read the editorial, as follows:

SALUTE TO THE BRAVE

For 77 days the Finnish Army, fighting with its back to the wall, has staved off the inevitable. There has never been any reason to believe that a nation of a few million people could prevail against an adversary many times its size unless it had assistance from its friends. The very courage of the Finns has tended to conceal this fact. Nothing can conceal it any longer. An enemy that can use its overwhelming superiority in the air to cripple lines of communication; an enemy that can throw literally hundreds of thousands of shells against a short front in a single day; an enemy that can bring up wave on wave of fresh troops from an almost inexhaustible stock of manpower—such an enemy cannot be held back forever. It is typical of the Finns that even after losing the first outposts of the only line that stands between them and destruction, they fight as gallantly as ever. But the Russians have served notice now of the preemptive force of numbers.

For 77 days the Finnish people, as well as the Finnish armies, have given a performance that entitles them to receive promptly, and not merely at the convenience of others, such help as the outside world is prepared to give them, whether that help takes the form of loans for "nonmunitions," munitions themselves, volunteers, or contributions for relief. No people ever came through a bitter ordeal with a finer record. From the start they faced the fact that the longer their armies fought and the more damage they did to the prestige of the invader the more terrible would be their punishment in defeat. They have not let that prospect rob them of their courage. They have not lost their fire or their self-restraint. To the bravery of their own troops they have responded with quiet sacrifice. To the cheap taunts and the vicious slander of the Kremlin they have replied with dignity. To the outside world they have given an example of democracy as every democrat must hope to find it in the hour of its trial—resourceful, self-reliant, generous, determined. The example humbles those who are forced to wonder whether their own faith could meet this cruel test.

Whether outside aid will come in time to turn the tide that now runs toward catastrophe only the future can reveal. But of this we may be certain, after the experience of these weeks: The struggle has not been in vain. In victory or defeat, in safety or disaster, Finland will remain a living symbol and a present influence on the affairs of men as long as liberty is cherished.

CREDIT NEEDS OF INTERMEDIATE-SIZE BUSINESS

Mr. MEAD. Mr. President, I desire to call to the attention of the Senate an article appearing in the current February issue of the Nation's Business on the subject of the credit needs of intermediate-size business entitled "The Plight of the Medium-Sized Business," and written by Mr. Roy A. Foulke. This is a most effective and convincing discussion of the credit needs of smaller enterprise in the United States.

The Nation's Business, official organ of the United States Chamber of Commerce, has not been in sympathy with many of the recently enacted social and economic measures designed to buoy up our national economic welfare. Therefore this article emphasizing the credit needs of intermediate-size business is all the more significant. It points clearly to the increasing realization on the part of all industrial and financial groups that some constructive and substantial proposal must be approved by Congress to meet the unsatisfied long-term credit requirements of small- and medium-size business.

I trust that this article will receive the attention of the Senate, and I ask to have it inserted in the RECORD for that purpose.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The article is as follows:

[From Nation's Business for February 1940]

THE PLIGHT OF THE MEDIUM-SIZE BUSINESS

(By Roy A. Foulke)

Probably no enterprise has ever made such an extensive variety of loans as the Reconstruction Finance Corporation; loans to carry figs, prunes, butter, pecans, and cotton; loans to commercial banking institutions to forestall runs; loans to closed banks to bail out depositors; loans to build bridges and aqueducts; to railroads, insurance companies, building and loan associations, and public school authorities; loans where the funds have gone to meet pay rolls, to assist in refunding operations, and to build income-producing property.

These loans have ranged from $27.50—a disaster loan to a blacksmith in Tennessee at the time of a flood—to $208,500,000 to finance construction of a 240-mile-long aqueduct in Lower California. Over the 7-year period ending February 1, 1939, 7,371 loans totaling $447,324,578 were authorized to business enterprises. Of these authorizations 2,720, or 37 percent, were for $5,000 or less; 53 percent for $10,000 or less, and 83 percent for $50,000 or less.

From June 19, 1934, when Congress authorized the 12 Federal Reserve banks to extend credit for working capital purposes to established business enterprises, to December 29, 1938, the Federal Reserve banks approved 2,653 applications for loans involving $175,011,000. The smallest loan was $300 to a small eastern retail grocer to replenish his inventory, and the largest was $6,000,000 to an important middle-western industrial corporation. Approximately 23 percent of these loans were for $5,000 or less, 37 percent for $10,000 or less, and 77 percent for $50,000 or less.

Practically all of the commercial and industrial business enterprises that applied to these two lending agencies were financially extended and unable to obtain any or sufficient credit accommodations from their depository banks.

LOANS FOR SMALL BUSINESS

In the past year it has been the small business enterprises that have received the fatherly attention and consideration of our national legislators. I have seen at least 14 bills which have been introduced into Congress providing that credit be made available, whether needed or not, with or without a 90-percent guarantee against loss by an agency of the Federal Government. Paternalism has been creeping up.

What is this organism that is so widely termed a small business enterprise? Is it a corner drugstore with a net investment of $500, a wholesaler of candy with an invested capital of $10,000, or a manufacturer of shoes with a tangible net worth of $200,000, or all of them? The Securities and Exchange Commission has raised this question for investigation but, as far as I know, has come to no published conclusion.

In July 1939, there were 2,120,000 active commercial and industrial business enterprises in the United States; that is, concerns which manufactured, converted, assembled, imported, exported, wholesaled, and retailed merchandise, and concerns engaged in construction activity. That number does not include other types of concerns such as railroads, public utilities, banks or financial institutions, insurance companies, personal holding companies, professional men, or farmers.

Of these commercial and industrial business enterprises, 78.8 percent have a tangible net worth of $10,000 or less. According to a recent estimate, approximately 67½ percent of all concerns in this entire group are retailers. For a modest portion of these retailers, bank credit is available. Most of them are restricted to the use of credit from their merchandise suppliers, with some additional credit obtained here and there when a piece of machinery, a refrigerator, or a showcase is bought on the installment basis.

Economic activity in a capitalistic system is based upon the existence of this tremendous number of small-business enterprises. It is also based upon the existence of a steady flow of concerns in and out of the group, the liquidation of tens of thousands of these enterprises each year as they are unsuccessful, and upon a similar ease in starting new ventures. There is no other way, at this stage of our economic development, to obtain the refined distribution of all kinds of merchandise into every community, except by a gigantic development in the consumer-cooperative movement, and that would put hundreds of thousands of small retailers out of business even if it might otherwise be desirable. It should also be kept in mind that it costs little to open a small retail store and that a substantial proportion of such concerns are operated from homes so that they take only part of the owner's time.

So I would stress the fact that small-business enterprises are those which have a tangible net worth of $10,000 or less. They represent 78.8 percent of all active commercial and industrial concerns. It is hardly these business enterprises that are being considered when legislators, politicians, and economists talk about "small business." They are too small.

Now, on the other extreme, 2.5 percent of all commercial and industrial business enterprises have a tangible net worth of $500,000 or more. It is between these two groups—concerns that have a tangible net worth more than $10,000 but below $500,000—which represent the business enterprises that have really been receiving the attention of Washington. The concerns within this bracket represent 18.7 percent of the active commercial and industrial business enterprises of the country.

CREDIT FOR MEDIUM CONCERNS

Over recent years a feeling has grown up that enterprises in this middle group have not been able to obtain adequate financing. The statement is, of course, a broad one. To analyze it, we must remember that there are really three broad types of credit: Short-term credit, long-term—also called intermediate—credit, and permanent credit, otherwise known as capital financing.

A concern in this intermediate-size group—that is, with a tangible net worth between $10,000 and $500,000—in need of short-term credit would always go to its bank. If the concern was financially healthy, it would have no difficulty in obtaining the loan. If it was not, the banker would try to obtain some form of adequate security so that it would be good business for his bank to make the loan.

In the past 3 to 5 years, progressive bankers have gone out of their way to find methods and techniques for making such loans safely and securely. If, however, no adequate basis could be arrived at, the concern could then go to the Reconstruction Finance Corporation or to one of the Federal Reserve banks as these institutions do not need or require the same degree of liquidity as local commercial banking institutions, and they have been and are able to extend loans to marginal risks.

The second type of credit is long-term credit. Here we have a different story. During the past 5 years, the larger commercial banks have shown a tendency to make what has come to be known as term loans, a banking policy previously considered unsound.

Term loans are a form of long-term credit. They run mostly from 3 to 5 years, although occasionally such a loan is granted for 10 years, generally reduced by annual or semiannual installments. Such loans have been made primarily by the larger commercial banks to outstanding, successful, nationally known corporations at low interest rates to retire funded obligations carrying higher rates, for plant expansion, and for working capital.

Concerns in the intermediate-size group have been able to obtain long-term funds in the form of mortgage money if they owned real estate and fixed assets acceptable to insurance companies, building and loan companies, or local savings banks. The market for mortgage money is freer than ever in our history. Few intermediate-size concerns have obtained "term loans" from their depository banks.

Loans for working capital purposes can, moreover, be made by Federal Reserve banks with the maturity up to 5 years and the Reconstruction Finance Corporation has made loans to business enterprises up to 20 years.

We are finally left with two problems, as far as financing is concerned, but they blend together. These two problems visualize:

1. The need for an organized market to provide intermediate financing, not short-term financing for 3 to 6 months for seasonal operations, but long-term financing for 2 to 20 years.

2. Permanent equity financing to develop profitable growing corporations in expanding industries.

These are the definite, positive needs to assist in solving many of our economic ills and they are needed, not for small business or big business, but for the enterprises sandwiched between these two groups and with tangible net worths between $10,000 and $500,000.

THE PROBLEM OF FINANCING

When we come to the problems of raising long-term money and permanent capital by issuing securities, we arrive at the crux of our economic dilemma, at the actual needs of business enterprises which, in turn, is the crucial point in our entire commercial and industrial system. The financing of successful intermediate-size corporations has largely dried up.

There are 8,000,000 unemployed in the United States. There are only two ways to get jobs for them—either the Government must give them jobs or private industry must do so.

For private industry to provide jobs the flow of investment money into business must be increased.

The larger, well-known national corporations that have profits ranging upward from $200,000 a year have an organized market in normal times for raising funds by selling securities. The intermediate-size corporations, however, have no organized money market and have never had one.

Concerns that have a tangible net worth between $10,000 and $500,000 have obtained funds in the past largely from wealthy individuals and from affiliated concerns.

There is every indication, however, that wealthy individuals have been investing a steadily decreasing proportion of their funds in business enterprises of this character with the income-tax rates where they stand today in the higher brackets, and with the opportunity of investing in tax-exempt securities.

I have just said that there has never been an organized financing market to raise funds for concerns in this group. This is absolutely so, but there has always existed the chance that there would be some local public distribution of securities by concerns of this size. Where that has taken place, from time to time, the cost of raising funds has been high, and often after the security issue has been offered to the public it has been only partially sold.

A recent study shows the cost of raising money in 1937 by 118 industrial corporations for which comparable data was available to the Securities and Exchange Commission.

In this tabulation, mining corporations were omitted, as the cost of raising capital has been much heavier for these enterprises than for typical industrial corporations. Retail corporations have also been omitted as information on only 19 corporations in this category was available and, when that number was broken down into size categories, there were too few to give reliable information. No similar studies have been made covering 1938 or 1939 security registrations.

WHERE FINANCING IS EXPENSIVE

It is evident from this study that intermediate-size corporations selling bond issues of less than $250,000 had to pay $9.10 on the average for each $100 bond sold; $18.10 for each $100 of preferred stock and $18.10 for each $100 common stock.

In contrast, we find that large corporations—not the biggest—which sold issues ranging in size from $1,000,000 to $5,000,000 paid $5.60 for each $100 of preferred stock and $14 for each $100 of common stock.

Where less than $1,000,000 was raised by an issue of securities, the costs were materially higher than where more than $1,000,000 was raised. Even in those few instances where intermediate-size corporations have raised long-term money or permanent capital from the public, the costs have been heavy.

Moreover, a study released by the Research and Statistics Section of the Trading and Exchange Division of the Securities and Exchange Commisison last June indicated the extreme difficulty of smaller unseasoned issuers in marketing securities even with these heavier costs.

The study covered 584 issuers of this type that had registered $321,000,000 of securities between July 7, 1933, and June 30, 1937. The conclusions were:

1. These issuers succeeded in selling only 23 percent of the securities registered within a year from the date the registration became effective.

2. About one-third of these 584 issuers did not attempt to or did not succeed in selling any part of the securities registered. The remaining 393 issuers reported sales equivalent to only 34 percent of the amount registered.

3. Going concerns were considerably more successful in selling their securities than were new ventures. Of the 393 issuers reporting any sales at all, the going concerns sold 44 percent of the amount registered while the new ventures sold only 27 percent.

4. Success or failure of these smaller issues was evidently determined within a relatively short period after registration. About 71 percent of the reported sales were made within 3 months after registration.

So, under the existing set-up of our economic structure, we find no organized facilities to provide long-term money or permanent capital to intermediate-size concerns.

Here is our outstanding fundamental American problem, our economic vacuum, and it is growing bigger and more important day by day.

RECIPROCAL-TRADE AGREEMENTS

Mr. LUCAS. Mr. President, the Chicago Daily Times is one of the influential newspapers published in the Midwest. I am informed that it has a circulation of approximately 400,000 rural and city readers.

On February 8 last there appeared in that daily newspaper an editorial entitled "They Can't All Be Wrong." The editorial deals rather realistically with one of the fundamental economic problems now before the Congress of the United States.

I ask the indulgence of the Senate for a few moments to read some of the telling and trenchant points made in this plain and understandable editorial dealing with reciprocal-trade agreements:

THEY CAN'T ALL BE WRONG

During the economic upheavals of the past 10 years, American economists, considered as a collective whole, have spent most of their time mounting a horse and riding off in all directions. On abandonment of the gold standard, the silver-purchase policy, Government deficits, social security, wage-hour laws, agricultural aids, taxation theories, securities-market regulations, and a dozen other subjects, they have disagreed with each other loudly and emphatically.

This does not necessarily indicate that economists, or a large part of them, are always wrong. All the golf pros in the Nation have violent disagreements as to the best golf form. But there are certain fundamentals, such as keeping the eye on the ball, holding the head down and steady, keeping the left arm straight, and following through, upon which all the pros agree.

So there are certain fundamentals upon which economists are so nearly unanimous that it is sheer folly to disagree with them. For example, 10 years ago practically every economist in the Nation warned that the Hawley-Smoot Tariff Act would be disastrous. And see what happened to our foreign trade in the years following passage of that monstrosity.

Last week W. W. Waymack, Des Moines editor of a stanchly conservative, Republican newspaper, and chairman of the National Economic Policy Committee, released the results of a poll taken among 530 leading American economists on the subject of Cordell Hull's reciprocal-trade treaties. The vote was 520 to 10—in favor of the Hull policy.

Digressing from the editorial for just a moment upon that poll, I say it is a remarkable thing to find 520 out of 530 economists in this Nation agreeing that the reciprocal-trade agreements should be continued at this session of Congress. I have had some experience with economists. I have witnessed them as they appeared before committees and in other activities throughout the Nation; and to find a majority such as the senior Senator from Illinois has presented to the Senate through the editorial agreeing upon any given fundamental proposition is, in my humble opinion, a marvelous tribute to the principles of the Hull trade agreements.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Tennessee.

Mr. McKELLAR. Is it not also true that in addition to the economists, the great body of the people of the Senator's State and of all our States agree with the principles of the Hull agreements?

Mr. LUCAS. I do not think there is any question about that, once the people of the country thoroughly understand and appreciate what the treaties are. That is one of the reasons why I am submitting this editorial here today, for the sole purpose of disseminating some information through the

CONGRESSIONAL RECORD, in order that the people may have a better understanding of what the economists of the country—who are at least presumed to know something about the fundamentals of a problem of this kind—are thinking about at this moment. What I hope is that independent, sincere, thinking citizens everywhere will give studious and thoughtful consideration to the vast policy of economics involved in these agreements. They affect us all.

The editorial continues:

Seldom has any governmental policy about which the facts are plain and indisputable been subjected to as much bald misrepresentation and misinterpretation as has the reciprocal-trade program. * * *

IT'S JUST A MATTER OF SIMPLE ARITHMETIC

The overwhelming endorsement given the trade treaties by the Nation's economists is easy to understand. The primary basis for the economists' approval is just elementary arithmetic. It is simply that you can't subtract something from nothing. If we try constantly to sell more abroad than we buy, it is only a question of time until we're trying to take something from nothing. That is, foreign nations don't have anything with which to pay us for our goods unless we pay them something by buying from them.

The second fact which the economists recognize is that since 1935 our exports to countries with whom we have reciprocal treaties have increased 60 percent, while to those countries with whom no such treaties exist, the increase in exports has been only 39 percent.

And finally the economists have seen that despite the reciprocal-trade treaties, in the past couple of years our excess of exports over imports has increased to new record highs. They know that unless that condition is arrested it cannot be long until our exports shrink up and disappear.

One does not need to be an economist to recognize these simple truths. Any sensible person can understand facts as elementary as these. And any citizen who does not have some selfish reason for desiring a monopolistic bar against imports can realize the utter folly of abandoning the policy laid down by Mr. Hull at this time.

OLD-AGE ASSISTANCE—NOTICE OF SPEECH

Mr. ANDREWS. Mr. President, last week I gave notice that on last Monday I should discuss Senate Joint Resolution 145, introduced by myself and the junior Senator from Massachusetts [Mr. LODGE] last June, and now on the Senate Calendar with a favorable report from the Senate Judiciary Committee.

The Senate did not convene last Monday, so I now give notice that on next Monday, prior to the calling of the calendar, I shall discuss the provisions of Senate Joint Resolution 145, relating to old-age assistance, as it may affect not only the economic life of the old people and our youth, but the social and economic life of all our citizens.

Several Senators have asked that I give this notice, and have expressed a desire to be present at the time of this discussion.

AMERICAN YOUTH

Mr. WILEY. Mr. President, in these trying times there is a dangerous growth of a "defeatist" philosophy in America. The growth of this philosophy parallels a growing dependence of the people on government.

Today my attention was directed to a very gratifying article indicating that the youth of America do not subscribe to this school of thought.

A special poll on the state of mind of a national cross section of high-school students who learned to read during the depression years has just been concluded by a professional publication sent to high-school teachers all over America. The results of this poll demonstrate the rising tide of a spirit of youthful American individualism. The poll reaffirms the faith of American youth in the future of democracy as opposed to governmental regimentation. In this poll the boys and girls of America restate their American heritage of initiative in their expression of preference for a job in private industry over a Government job. From every State in the Union came the ballots in this poll of youth asserting the independence of American boys and girls between the ages of 16 and 17.

In a day when elsewhere the youth of other lands are being prodded into the dreary lock step of war drills, it is a genuine thrill to know that in America our boys and girls have not given in to defeatism. Probably the finest heritage our youth can have is the unconquerable spirit of independence, of courage, and of confidence.

It is encouraging to know that the drab depression years have not taken the starch out of the next generation. This next generation is not a generation given to blind unreasoning idealism. It is a generation which has had its "ears pinned back" during the bitter rock-bottom years when its members learned to read—learned to read the sordid story of the vanishing paper profits of a bull market. But this generation has refused to become discouraged, knowing that America still possesses the great enduring values.

These are the sons and daughters of the "lost war generation." That their composite picture is one of courage and high expectations stems from the fact that they have confidence in themselves and in the future of the country.

Mr. President, I ask unanimous consent to have a thought-provoking article entitled "American Youth Is Still Full of Fight" inserted in the RECORD at this point as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

AMERICAN YOUTH IS STILL FULL OF FIGHT—SCHOLASTIC POLL OF HIGH-SCHOOL STUDENTS' VIEWS ON PROBLEMS OF YOUTH AND OPPORTUNITY SHOWS STRONG FAITH IN AMERICA'S FUTURE

There is always someone ready to view with alarm the actions and opinions of the younger generation. The subject continues a favorite topic of conversation or gossip among the elders in spite of the fact that young people usually beat their elders to the gun with a "tsk, tsk, these deplorable youngsters!" Scholastic's frequent student opinion polls continue to prove that the high-school students of today have all the admirable characteristics symbolic of youth in every age: independence, courage, and confidence. And today's high-school students continue to typify the American spirit of individualism, faith in the future of our country, and determination to better themselves.

Many people wonder what the depression has done to today's high-school students. Has it destroyed the admirable attributes of youth? Has it taken the starch out of the younger generation? Scholastic received a resounding "No!" to these questions when it polled the state of mind of a cross section of high-school students and analyzed the answers to 7 questions on ballots filled out by 6,082 boys and girls. One thousand of the students we polled as groups; the other 5,000 filled out individual ballots. Ballots were obtained from every State and every type of community.

The Your State of Mind poll as published in Scholastic is reproduced below with the percentages showing how today's high-school students answered the questions. (The answers of boys to all questions were practically the same as the answers of girls. Also, the replies of students living in cities of over 100,000 population differed little from those responses coming from towns of less than 100,000 population.) In the same issue with the poll, we published an article by Dorothy Thompson entitled "Youth and Opportunity" in which she took young people to task for some of their attitudes, including their apparent unwillingness to take any job at hand. In the face of this very criticism, the high-school students admitted the truth of Miss Thompson's accusation; 62 percent said they were determined to hold out for jobs that include a living wage, a chance for advancement, or an opportunity to exercise their special talents.

AMERICAN YOUTH INDEPENDENT

But these same young people, by their answers to other questions, sharply challenged Miss Thompson's interpretation of their attitudes. Only 10 percent of them expressed the belief that Government jobs should be provided for young people until times improve, and 61 percent said that if they had trouble finding jobs they would blame themselves.

Furthermore, young people are quite aware of their independence. Only 16 percent of them believe that young people adopt and stick to their parents' opinions in political, social, and economic matters—and the remaining 84 percent say they intend to make up their own minds about these problems.

Only 44 percent said "Yes" when they were asked whether—because of present conditions—it is more difficult to get ahead today than at any other time. This percentage contrasts sharply with the 80 percent who gave an affirmative answer to the same question in the Y. M. C. A. poll of young people in New York City. The group responding to the Scholastic poll evidently believe that their chances for the future are good—so good that the Government need not provide for them—so good that the direction of their lives and the solution of their problems lie largely with themselves.

They have their own answer for the unemployment problem: 90 percent of them believe that the best cure for unemployed youth and for young people in dead-end jobs is further preparation. Of this 90 percent, 31 percent voted for more school and college, and 59 percent recommended expert vocational counsel.

The response to question 5, regarding where students will place the blame if they have difficulty in finding a job, was an enlightening revelation of their thinking. Sixty-one percent will be inclined to blame themselves on the grounds that they have not taken advantage of the training opportunities offered them. Only 1 percent will blame their parents for not guiding them toward the

proper field. Only 6 percent will blame their education for not teaching them the necessary skills. And, in spite of the constant talk of their elders, only 32 percent will blame an economic situation that has less than enough jobs to go around. Answers to this question show plainly that these young people are no generation of bellyachers. These young people have very little inclination to "let themselves off" in the final analysis.

FAITH IN AMERICA'S FUTURE

Some people will dismiss the convictions of high-school students as the blind idealistic thinking of people who "haven't had their ears pinned back" and who will change their minds soon enough when they come to grips with the outside world. Others will say the opinions are the result of little knowledge about present conditions.

It's quite true that these young people give Miss Thompson further proof that they are not in the market for just any job. Only 10 percent of them will take a dead-end job, and only 25 percent will take a routine job with a chance to learn skills. The remaining 62 percent ask much of the job they seek for themselves in the future: 44 percent say that it must give them a chance for advancement and a living wage, and 18 percent say that they will take only a job in which they can exercise their special talents.

But we're inclined to think that these high expectations stem from the fact that American young people have confidence in themselves, place real value on their talents, and have faith in the future of their country. We also see, in this attitude of young people, an affirmation of the traditions of American independence and democracy. The right to a choice. A refusal to be regimented. In effect, an encouraging example of the privileges of democracy which Miss Thompson champions so effectively.

Nor can we believe that these young people are ignorant of the Nation's problems. They are between 16 and 17 years of age. Having learned to read during the depression, they could not escape the constant publicity given to our Nation's problems in the press, the newsreels, over the radio, and in the schoolrooms. Then, too, many of them have faced hardships as children of the unemployed.

The church will look with concern upon the 85 percent who feel that they are guided less by religion than their parents were. The normal impression would be that the large cities are less religious than the more rural areas; but, according to our poll, exactly the opposite is true. Eighty-five percent of students in towns under 100,000 said that they were less guided than their parents by religion; in cities over 100,000 the percentage dropped to 82 percent.

But, generally speaking, the composite portrait of American youth which this poll paints for us is a pleasant one. Courage, high expectations, determination, and a willingness to take responsibility are the keynotes of high-school thinking. And, if the students who show these qualities are due for some disappointments in the future, we believe this very poll proves they will be able to take the blows, and bounce back, because they've plenty of gumption.

HERE'S WHAT YOU THINK—RESULTS OF THE POLL

1. Do you think young people are guided more or guided less by religion than their parents were? (Check below.)
(a) More: 10 percent.
(b) Less: 85 percent.
(c) Don't know: 5 percent.

2. Which of the following do you believe would be of the greatest value to unemployed young people or those in dead-end jobs?
(a) More school or college: 31 percent.
(b) Expert vocational advice: 59 percent.
(c) Government jobs until times improve: 10 percent.

3. Check below the statement which seems to you closer to the truth:
(a) Because of present conditions, ability no longer offers assurance of success: 44 percent.
(b) Young people with ability are finding it no more difficult today than at other times to get ahead: 56 percent.

4. Which of the following statements do you believe is closer to the truth:
(a) Young people adopt and stick to their parents' opinions on political, social, and economic matters as much as they ever did: 16 percent.
(b) Young people tend to make up their own minds about these matters today: 84 percent.

5. Which of the following statements is closest to the truth in your case:
(a) When I am finished with my education, I will willingly accept any job, even a dead-end one: 10 percent.
(b) I will be willing to take a routine job that offers nothing but a chance to learn skills, even if I do not like the work: 28 percent.
(c) I will take only a job which offers chance of advancement and a living wage: 44 percent.
(d) I will take only a job in which I can exercise my special talents: 18 percent.

6. If I have trouble in finding a job, I will be inclined to blame:
(a) My education, which has not taught me the necessary skills: 6 percent.
(b) The present economic situation, which does not offer enough jobs to go round: 32 percent.
(c) My elders, because they have not guided me to train for a field in which there are still openings: 1 percent.
(d) Myself, because I have not taken advantage of the training opportunities offered me: 61 percent.

7. Do you believe your generation shows a lack of ideals and a lowering of standards that affect your attitude toward employment?
(a) Yes: 25 percent.
(b) No: 58 percent.
(c) Don't know: 17 percent.

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS

Mr. GLASS. Mr. President, I move that the Senate proceed to the consideration of House bill 8068, which is the appropriation bill for the Treasury and Post Office Departments.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8068), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. GLASS. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none. The clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department—United States Processing Tax Board of Review," on page 20, line 21, after the numerals "1936", to insert "as amended,"; so as to read:

Salaries and expenses: For salaries and expenses of the Board of Review established by section 906 of the Revenue Act of 1936 for review of the disallowance by the Commissioner of Internal Revenue of claims for refund of processing taxes filed under title VII, Revenue Act of 1936, as amended, including personal services and rent in the District of Columbia and elsewhere, stationery and office supplies, equipment, furniture, mechanical devices, law books and books of reference, press releases, trade journals, periodicals, and newspapers, contract reporting services, telegraph and telephone services, postage, freight, express, printing and binding, notarial fees, travel expenses, and such other miscellaneous expenses as may be authorized or approved by the Secretary of the Treasury for the work of this Board, $145,000.

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard," on page 26, line 18, after the word "signals" and the semicolon, to strike out "not to exceed $100,000 for the acquisition of a site and commencement of construction of the station authorized by the act approved June 29, 1936 (49 Stat. 2031);"; on page 29, line 16, after the word "heading", to strike out "$11,260,000" and insert "$11,160,000", and in line 17, after the word "item", to strike out "$10,225,000" and insert "$10,125,000"; so as to read:

General expenses, Coast Guard: For fuel, lubricating oil, illuminants, kerosene, and water; the furnishing of heat, light, and power (service) for vessels, shore stations, depots and offices; outfits, including necessary supplies and equipment, medals, newspapers, technical books and periodicals, and library books for shore stations and vessels; rental of mechanical accounting machinery and other equipment; repairs to portable equipment at shore units; ship chandlery, engineers' stores, draft animals and their maintenance; purchase (not to exceed $5,000), exchange, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles for official use at headquarters and in the field; the rebuilding, repairing, maintenance, and incidental expenses of shore stations, including lighthouses, lights, beacons, and other fixed aids to navigation, radio stations, depots and offices; temporary leases and rentals; improvement of property for Coast Guard purposes, including rental or use of additional land where necessary and the purchase of land for beacons, day marks, and fog signals; repairs to Coast Guard vessels, boats, and aircraft, including cost of salvage operations when incident to the repair thereof; repair, maintenance, and operation of vessels forfeited to the United States and delivered to the Treasury Department under the terms of the act approved March 3, 1925 (27 U. S. C. 41); coastal communication lines and facilities and their maintenance, and communication service; establishment, maintenance, repair, and improvement of post lights, buoys, submarine signals, fog signals, beacons, day marks, and other aids to navigation; construction of necessary outbuildings, including oil houses at light stations, at a cost not exceeding $2,500 at any one light station in any fiscal year; wages of persons attending post lights; temporary employees and field force while engaged on works of general repair and maintenance, and laborers and mechanics at lighthouse depots; rations and provisions, or commutation thereof, for working parties in the field, officers and crews of light vessels and tenders, and officials and other authorized persons of the Coast

Guard on duty on board of such tenders or vessels, but money accruing from commutation of rations and provisions for the above-named persons on board tenders and light vessels or in working parties in the field may be paid on proper voucher to the person having charge of the mess of such vessel or party; not exceeding $3,500 for packing, crating, and transporting personal household effects of employees, not to exceed 6,000 pounds in any one case, when transferred from one official station to another for permanent duty; purchase of rubber boots, oilskins, rubber gloves, goggles, and coats, caps, and aprons for steward's department on vessels; fuel, light, and rent of quarters where necessary for keepers of lighthouses; traveling expenses of teachers while actually employed by States or private persons to instruct the children of keepers of lighthouses; not to exceed $1,500 for traveling expenses of new appointees from ports of embarkation in the United States to first post of duty at isolated light stations in districts outside the continental limits of the United States, and not to exceed $2,500 for the transportation of the children of lighthouse keepers at isolated light stations where necessary to enable such children to attend school, as authorized by the act of May 13, 1938 (52 Stat. 353); necessary traveling expenses of lighthouse keepers at isolated stations incurred in obtaining medical attention as authorized by the act of February 25, 1929 (45 Stat. 1261); purchase of provisions for sale to Coast Guard personnel at isolated stations, and the appropriation reimbursed; contingent expenses, including subsistence and clothing for shipwrecked and destitute persons succored by the Coast Guard, and including reimbursement, under rules prescribed by the Secretary of the Treasury, of Coast Guard personnel who furnish from their personal stock subsistence and clothing to such persons; subsistence of prisoners while in the custody of the Coast Guard; instruments, apparatus, and services necessary to the carrying on of scientific investigation, and not to exceed $4,000 for experimental and research work; motion-picture equipment (not to exceed $30,000) and material for official purposes; care, transportation, and burial of deceased officers and enlisted men, including those who die in Government hospitals; apprehension of deserters; wharfage, towage, freight, storage, advertising, surveys, entrance fees in matches for the rifle team and special equipment therefor; not to exceed $2,500 for contingencies for the Superintendent, United States Coast Guard Academy, to be expended in his discretion; payment of rewards for the apprehension and conviction, or for information helpful to the apprehension and conviction, of persons found interfering, in violation of section 6 of the act of May 14, 1908 (33 U. S. C. 761), with aids to navigation maintained by the Coast Guard; and all other necessary expenses which are not included under any other heading, $11,160,000 (composed of "A" item, $10,125,000, and "B" item, $1,035,000);

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I think I should explain a few of the changes which have been made in the bill.

The amount of the bill as it passed the House was $1,032,154,612. The net increase recommended by the Senate committee was only $629,503, and $400,000 of that increase was due to an item which had been furnished by the Budget and recommended by the President, which came in after the House had passed the bill and was not considered by the House at all, the item being an item of $400,000 for putting another machine in the air-mail clipper service between America and Europe, which I will explain in just a moment.

The amount of the bill as reported by the Senate committee is $1,032,784,115, which, as I have stated, is only $629,503 more than the amount appropriated by the House.

The amount of the regular and supplemental estimates for 1941 was $1,044,000,000, in round figures, and the amount of the appropriation for 1940, in the Post Office and Treasury appropriation bill, was $1,772,000,000. The increase appears to be very large, but it is not as large as it seems to be, for the reason that $580,000,000 for social security, which is appropriated as a social-security fund, has by previous law been made a continuing appropriation, and that item is not contained in the bill before us.

There are two departments covered by the pending bill, the Treasury Department and the Post Office Department, and the appropriations for the Treasury Department are under the appropriations for 1940 by $739,000,000, in round figures. The appropriation is under the estimate for 1941 by $11,262,000. The total appropriation for the Treasury under the bill as passed by the House was $218,691,000, and as reported to the Senate is $218,652,000, in round figures.

The regular estimates for 1941 amounted to $226,748,000, in round figures. The bill as reported to the Senate is $8,096,647 under the estimates; and it is $759,905,530.05 under the appropriations for 1940. But it must be remembered that from that must be taken the $580,000,000 of social-security funds.

There are perhaps only half a dozen amendments to the Treasury appropriation bill. There are fewer amendments made by the Senate committee than in the case of any bill with which I have had anything to do in the 21 years I have been a member of the Committee on Appropriations. The bill not only carries less than was appropriated last year, but less than the estimates, and it seems to me it is a very excellent bill.

As to the Post Office appropriation bill, the amount appropriated by the House was $813,463,082, and there have been increases by the Senate committee of $669,000, and the amount as reported to the Senate is $814,132,082, instead of $813,463,082, as passed in the House.

The amount of the regular and supplemental estimates for 1941 was $817,000,000, in round figures. The amount of the appropriations last year was $794,000,000, in round figures. Therefore the post office bill is under the estimates for 1941 by $3,165,000, in round figures, and it exceeds the appropriations for 1940 by $20,000,000.

Now I come to the several items which constitute the changes. The first one is an item in the appropriation for the Procurement Division, which has been added by the Senate committee, amounting to $60,503. They asked for a great deal more, and the testimony before the committee called for a great deal more, but the item of $60,503 was added to the bill by the Senate committee because there have been employed in that office—which, by the way, is a very busy and a very efficient office—a number of temporary employees, paid out of relief funds and other special funds. The $60,503 is merely to continue those employees permanently, and it was shown that they were needed.

The next item is one in which the Senator from Connecticut [Mr. MALONEY] is interested, and we need not discuss that. It was decided to send it to conference for reasons which will be explained later.

The next item is a decrease of $100,000. This is an item which the House inserted, for the construction of a Coast Guard Station on Lake St. Clair, Mich., amounting to $100,000. After learning all the facts, the committee was of the view that that item should be stricken out, and therefore an appropriation of $100,000 was stricken out.

So the Treasury appropriation bill comes before the Senate calling for appropriations $39,000 lower than those agreed to by the House.

In the Post Office appropriation bill there were several items of increase, to which I shall now refer.

In the office of the Second Assistant Postmaster General work has been in progress in addition to the regular work the assistant superintendent had been doing for some time, and a requisition was made for an extra clerk at $2,600. On the showing made before the committee, it was determined to allow this extra clerk in the office of the Second Assistant, and that increase of $2,600 was allowed.

The office of the Solicitor of the Post Office Department has to do with the prosecution of mail fraud cases, and it is a very busy division of the Post Office Department. As these frauds have been on the increase, and the office is behind in its work, they are asking for an increase of $25,000 for the employment of several additional lawyers and stenographers.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McNARY. It has been my observation that most of the departments and bureaus of the Government are "overlawyered." I am curious to ascertain how many lawyers this office has now.

Mr. McKELLAR. In just a moment I will get the figure. Does the Senator mean the whole Department.

Mr. McNARY. No; in the Division about which the Senator is now speaking.

Mr. McKELLAR. I will have the figure for the Senator in just a moment. The committee felt that what was asked for was too much, and they allowed only 3 extra employees, whereas about 11 were requested.

Mr. McNARY. What compensation did the committee allow?

Mr. McKELLAR. The total was $8,020 for all three; one at $3,800, one at $2,600, and a third at $1,620. I think that was less than one-third of what was requested.

Mr. McNARY. Was this matter brought to the attention of the House committee?

Mr. McKELLAR. I think it was, and the House disallowed it. The Senate committee allowed the item in the sum of $8,020.

Mr. McNARY. Was there a Budget estimate for it?

Mr. McKELLAR. Oh, yes. Another item, a small one, relates to the Bureau of Accounts, an item of $2,080. That was due to a mistake made by the House committee, I am informed.

In the office of the First Assistant Postmaster General there was an additional item of $100,000. That was for miscellaneous items in the Post Office Department. There are over 4,000 post offices which made necessary that requirement, and we thought the evidence sustained the request, and the committee allowed it.

The next item is one of $400,000, which is the largest item in the bill. That is for the purpose of adding an airplane to the clipper service.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CLARK of Missouri. Where is that ship to fly?

Mr. McKELLAR. It is going to fly across the Atlantic Ocean from the American coast. It depends on the weather as to when it will fly and where it will fly.

Mr. CLARK of Missouri. Will it stop at Bermuda?

Mr. McKELLAR. No; the purpose is not to have it stop at Bermuda. That is one of the purposes.

Mr. CLARK of Missouri. Let me ask the Senator, then, if the purpose is not to have it stop at Bermuda, would the Senator have any objection to an amendment withholding any part of this $400,000 from aircraft which do stop at Bermuda, except in case of a forced landing?

Mr. McKELLAR. I think that would be unwise, and I think, when the Senator hears what the situation is, he will agree with the statement that it would be unwise to insert such an amendment in the bill.

Mr. CLARK of Missouri. In the operation of these clipper ships the carriage of mail is for the convenience of the inhabitants of Bermuda and the British Government, and for the convenience of the tourist trade, as well as for the improvement of the mail service generally; and it is true, is it not, that the British authorities have stopped American aircraft, even those carrying American ambassadors, holding them up more or less indefinitely, rifling the mail, confiscating what portion of it they please to confiscate? The State Department has protested at some length against that practice.

Mr. McKELLAR. All of that is true.

Mr. CLARK of Missouri. It seems to me Congress should not at this time be going ahead appropriating money for an extension of the very service interference with which we are protesting.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. McKELLAR. If the Senator will permit me to make an explanation of the matter, I shall be glad then to yield.

The Atlantic clipper service of the Pan American Airways was actually begun under the authorization of Congress last July. For the first 5 months it did not pay; they were just getting the service instituted, and naturally it did not pay as much as the so-called subsidy provides. But in December it did pay, and paid quite a sum. It paid in the neighborhood of $250,000, as I recall.

In January there have been stoppages and difficulties of several kinds. The ships have been stopped at Bermuda, which has delayed the service and, of course, interfered with the business.

In addition to that, the very cold weather in the North Atlantic required the ships to go south, and some of them have left from Miami and some have landed at Miami.

It may be that more of the trips will have to be made from southern ports, but it is believed from the evidence which came before us that these trips may be made from New York and even from Norfolk direct to the Azores, which are under the control of Portugal. I think from the evidence it was shown that the distance is about 2,200 miles, and it is believed that these clippers, especially the new ones, can make the trip directly from New York to the Azores.

I will say to the Senator from Missouri if that is done there will be no question of examination of mails or anything else against which our Secretary of State has protested and against which the American people generally have protested.

In the next place, the service has been remarkably successful, although the Atlantic Ocean is probably the most turbulent ocean of all, especially the North Atlantic. Although this clipper service has been in existence now for nearly 7½ months, there have been no accidents of any kind, and I hope to Heaven there will not be. The service seems to be conducted in a very safe and efficient manner.

It is believed by those who testified before the committee that instead of being an expense to the American Government, certainly by next July the service would show a profit to the Government. In view of the fact that the service has been so successful, so necessary, so popular, and that so many people use it both as a passenger service and a mail service, and especially because of the fact that the mail service is increasing all the time, an additional ship is desired. Witnesses appeared before the Budget Director, and the Budget Director recommended an additional ship, which would cost initially $400,000, and that is where the $400,000 increase, the principal increase, is made.

I hope that explanation will be satisfactory to the Senator from Missouri and to other Senators.

I now yield to the Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I do not think any assurance was given that these ships could be flown from this country to the Azores without stopping at Bermuda. Certainly nothing of that kind appears in the Senate hearings. My impression is that while they hoped to be able to do it, there was no assurance of that kind. Of course, they can fly direct to the Azores by the northern route from Newfoundland, but there you would have the question, of course, of the mail being censored in Newfoundland. You would have another British stopping place there.

Mr. McKELLAR. Yes. I will say to the Senator I have been informed since this matter was before the committee that it is not only hoped, but it is believed the trip from New York to the Azores directly can be made. I hope very much that it can be made, and I think we should do all we can to provide that service.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. Yes; I yield.

Mr. KING. In view of the turbulent conditions in Europe and the uncertainty of our ships being permitted to land at ports where it might be advantageous for them to land, does the Senator believe it is necessary at the present time to authorize another ship at the expense of the Government for what is in the nature of an experiment?

Mr. McKELLAR. It is hardly an experiment at the present time. Concerning the place of landing of the ship, let me say there is more uncertainty about the place of starting and landing on our own shores than there is on foreign shores, because it is very thoroughly believed that the airships, and especially this new airship, can go to the Azores. If the new airship goes to the Azores they will all go to the Azores, and thus avoid conflicts of the kind mentioned by the distinguished Senator from Missouri a few minutes ago.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CONNALLY. The landing of these ships at Bermuda is not simply for the benefit of the people who live in Bermuda. It is for the accommodation of United States citizens who want to go to Bermuda and come back from Bermuda.

Mr. McKELLAR. Yes; that is true.

Mr. CONNALLY. And I do not think that the Senate should act directly as a result of irritation, because of the fact that occasionally the mails are inspected.

Mr. McKELLAR. Oh, that is not the question at all.

Mr. CONNALLY. I understand the Senator is not raising it; but it is the question of the Senator from Missouri and others who are insisting that the ships not be permitted to land at Bermuda if they carry mails and the mails are examined by British authorities. It seems to me we ought not to cripple a service, if it is a necessary or desirable service, simply because the British inspect some mails.

Mr. McKELLAR. The Senator is entirely correct.

The next item is for an increase in the Star Route Service to the extent of $50,000. Under the orders of the Interstate Commerce Commission certain short lines of railroad are being discontinued. Where that occurs it is necessary to have a mail route, and a star mail route is provided instead of the former railway-mail route.

The next item of $55,000 is for the purpose of securing a larger vessel for service in the Aleutian Islands. We have a vessel there which carries the mail to various islands off the coast of Alaska. The boat we have now for that purpose is not large enough to carry, with reasonable comfort and in sufficient number, those passengers who want to use it to go from one island to the other.

A very strong appeal was made not only by the Delegate from Alaska but by the post-office authorities themselves, and the committee felt that since these islands were a long distance away, and were under our control, and inasmuch as there were 8,000 or 9,000 people living on those islands, they ought to have this facility, especially as it would mean the addition to the bill of only $55,000. For that reason the item was added.

Another item, and the last item that needs to be mentioned, is one for rent, light, fuel, and water in the office of the Fourth Assistant Postmaster General. The item was increased by $50,000 because the officials of that Department came before the committee and said it was absolutely necessary to have that amount in order to do the work required by law, and for the payment of rent of buildings used by the postal service in various parts of the country.

I again say that there are fewer changes in this bill than in any bill carrying post-office appropriations that has come from the House in a long time, and I hope the Senate will agree to them. I ask that the amendments be stated.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McNARY. I am curious to know if the able Senator has the data which I sought a few minutes ago?

Mr. McKELLAR. There are 16 attorneys in the Solicitor's Office of the Post Office Department. As the Senator knows, that office investigates cases involving the use of the mails to defraud. Many cases arise throughout the country from the use of the mails to defraud. Quite a number of lawyers are required to do the work.

I think the Senator is correct in his position. We probably have all the lawyers that are necessary, if they were properly distributed in the Government. The witness who appeared before the committee and presented the facts made a very excellent case. If the Senator will look through the hearings I feel sure he will agree that the three additional employees that were allowed, the stenographer and the two extra lawyers, represent a proper allowance to be made, and we will take it to conference and thresh it out with the House if the Senator from Oregon is willing.

Mr. McNARY. Mr. President, I am frank to observe that we have in the departments and bureaus here a surplus of lawyers receiving large compensations, who are unable to do more than make a living in their own home towns. In this particular instance I shall let the item go by, because I am not prepared to meet it. But I expect to give some attention along that line in connection with the other appropriation measures.

Mr. McKELLAR. I hope the Senator will.

Mr. McNARY. Will the Senator address himself for a moment to the amendments found on page 40? I am not conversant with the items or the reasons for the changes, but I shall have to suggest the absence of a quorum when we reach those amendments, because there is some opposition to the change that is manifest in the attitude of the Senate committee in overturning the position of the House.

Mr. McKELLAR. The Senator from Connecticut [Mr. MALONEY] is also interested in that particular matter. Let me explain why the amendments were made.

Mr. McNARY. Just a moment, please. I have no knowledge of the subject, but I think we can save a little time. I know that two Senators wish to oppose the amendment. I am just saying that I shall suggest the absence of a quorum when we reach that point, and then the Senator can make his explanation. I do not ask for it myself.

Mr. McKELLAR. It is a very simple thing.

Mr. McNARY. Very well, if the Senator desires, he may proceed.

Mr. McKELLAR. Let me make the explanation at this point. The language is as follows:

> No part of any money appropriated by this or any other act shall be used during the fiscal year 1941 for the purchase of any standard typewriting machines, except bookkeeping and billing machines, at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: Ten inches (correspondence models), $70.

And so on through the list. We asked the procurement officers who testified before the committee what prices they paid for these machines.

It seems that they are all now secured through the procurement office. The witness said that the highest price was paid in each particular. In other words, while he did not claim so, the committee was of the opinion that under the language of the bill the price was fixed at the highest price; namely, at $70 for the first one, and $75 for the next one, $77.50 for the next one, and $82.50 for the next one. The highest price named in the statute was always fixed for them. In other words, the Congress itself fixes the prices at which these machines are bought.

After consideration the committee reduced each of those classes by the sum of $10, for the purpose of taking it to the Senate and to the House, so that the committee could find out just what the facts were, so the matter could be dealt with intelligently. We did not have the information on which to act, and could not do other than take the matter to conference and work it out there, if it needed to be worked out. If these are reasonable, proper, and advantageous prices, considering the cost of material and the cost of manufacture, they should be left as they are. That was the suggestion that was made in the committee. When the item is reached, of course, I shall be very happy to have a quorum call and let any Senator who wishes to make an explanation do so.

Mr. President, I ask unanimous consent that the report of the committee be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report is as follows:

Report (No. 1205) to accompany H. R. 8068

The Committee on Appropriations, to whom was referred the bill (H. R. 8068) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	$1,032,154,612.00
Increase by Senate (net)	629,503.00
Amount of bill as reported to Senate	1,032,784,115.00
Amount of regular and supplemental estimates for 1941	1,044,046,512.00

Report (No. 1205) to accompany H. R. 8068—Continued

Amount of appropriations for 1940	$1,772,577,527.05
The bill as reported to Senate:	
Under the appropriations for 1940	739,793,412.05
Under the estimates for 1941	11,262,397.00
Treasury Department bill, title I:	
Amount as passed House	218,691,530.00
Amount of reductions by Senate (net)	39,497.00
Amount of bill as reported to Senate	218,652,033.00
Amount of regular estimates for 1941	226,748,680.00
Amount of appropriations for 1940	978,557,563.05
The bill as reported to the Senate:	
Under the estimates for 1941	8,096,647.00
Under the appropriations for 1940	759,905,530.05
Post Office bill, title II:	
Amount as passed House	813,463,082.00
Increase by Senate	669,000.00
Amount of bill as reported to Senate	814,132,082.00
Amounts of regular and supplemental estimates for 1941	817,297,832.00
Amount of appropriations for 1940	794,019,964.00
The bill as reported to the Senate:	
Under the estimates for 1941	3,165,750.00
Exceeds the appropriations for 1940	20,112,118.00

The changes in the amounts of the House bill recommended by the committee are as follows:

TREASURY DEPARTMENT

INCREASES AND LIMITATIONS

Procurement Division:

Salaries and expenses $60,503.00

Typewriters: It is recommended by the committee that the following language be stricken from the bill:

"Ten inches (correspondence models), $70; 12 inches, $75; 14 inches, $77.50; 16 inches, $82.50; 18 inches, $87.50; 20 inches, $94; 22 inches, $95; 24 inches, $97.50; 26 inches, $103.50; 28 inches, $104; 30 inches, $105; 32 inches, $107.50; or, for standard typewriting machines distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: 10 inches, $80; 12 inches, $85; 14 inches, $90; 18 inches, $95."

And the following inserted in lieu thereof: "Ten inches (correspondence models), $60; 12 inches, $65; 14 inches, $67.50; 16 inches, $72.50; 18 inches, $77.50; 20 inches, $84; 22 inches, $85; 24 inches, $87.50; 26 inches, $93.50; 28 inches, $94; 30 inches, $95; 32 inches, $97.50; or, for standard typewriting machines distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: Ten inches, $70; 12 inches, $75; 14 inches, $80; 18 inches, $85."

The effect of this amendment is to reduce by $10 the maximum prices which the Government has heretofore paid for different models of typewriters.

Strategic and critical materials: It is recommended by the committee that $5,000,000 of this appropriation be made immediately available.

Total increase, Treasury Department 60,503.00

DECREASE

Coast Guard:

General expenses:

Construction of Coast Guard station on Lake St. Clair, Mich. 100,000.00

Net decrease, Treasury Department 39,497.00

POST OFFICE DEPARTMENT

INCREASES AND LIMITATIONS

Salaries in bureaus and offices:

Office of the Second Assistant Postmaster General	2,600.00
Office of Solicitor	8,020.00
Bureau of Accounts	2,880.00
Total, salaries in bureaus and offices	13,500.00

POST OFFICE DEPARTMENT—Continued

Office of the First Assistant Postmaster General:

Miscellaneous items, first- and second-class post offices	$100,000.00
Foreign air-mail transportation:	
To provide for an additional trip per week on the trans-Atlantic air-mail route (covered by a supplemental estimate contained in H. Doc. 588)	400,000.00
Total, office of the First Assistant Postmaster General	500,000.00

Office of the Second Assistant Postmaster General:

Star Route Service	50,000.00
Powerboat service:	
To enable the contractor on the route from Seward via Kodiak Island, the Alaskan Peninsula, the Aleutian Islands, and points on Bristol Bay, Alaska, to provide a boat of sufficient size to meet the passenger needs of these communities	55,500.00

Foreign-mail transportation:

It is recommended by the committee that the following language be added to the bill:

": (a) A meeting of a technical committee for transit of the Universal Postal Union, $5,000, to be immediately available, (b) a special Congress of the Universal Postal Union, $10,000."

This provision does not increase the amount of the appropriation but merely restores the authority to expend from the appropriation the amounts stated for expenses of delegates to attend (a) a meeting of a technical committee and (b) a special congress.

On account of the European war, of course, the meeting of the technical committee has been postponed, and it is presumed that it will not be held until after the war is over. The special congress is contingent upon the meeting in question. Without doubt, these two items were eliminated upon the assumption that the meeting and congress cannot be held within the time that the appropriation would be available. However, if the war should be terminated within a year or longer it is quite possible that the authority would be needed. If the war in Europe continues, it will not be used.

Total, Office of Second Assistant Postmaster General	105,500.00
Office of Fourth Assistant Postmaster General:	
Rent, light, fuel, and water	50,000.00
Total increase, Post Office Department	669,000.00
Total increase, Treasury and Post Office Departments	729,503.00
Total, decrease	100,000.00
Net increase	629,503.00
Amount of bill as reported to Senate	1,032,784,115.00

Mr. LODGE. Mr. President, the bill contains the same provision which has been carried for the past year with respect to the use of jute and cotton twine in the Post Office Department. I have no intention of endeavoring to change that provision. However, I should like the opportunity of making a very brief statement so that the latest figures regarding the relative cost of the two types of twine may be printed in the RECORD.

An analysis of the actual cost of jute twine purchased in the fiscal years 1930 to 1939, compared with the cost of cotton twine, indicates that in those 10 years a saving of $1,126,337 was obtained, or an average annual saving of almost $115,000, as compared with what the cost would have been had cotton twine been used.

The average cost of cotton twine was $201.28 per million yards, as compared to $134.23 per million yards for jute twine. The advent of European hostilities has materially increased the price of all twine, and that of cotton to a relatively greater extent than that of jute. On June 19, 1939, the

lowest bid price for jute was 11.3 cents per pound, and for cotton 16.5 cents per pound. On February 5, 1940, the lowest bid price for jute was 16.9 cents per pound, f. o. b. Allentown, Pa. The improved cotton twine was 26.98 cents per pound f. o. b. Cleveland, and 33½ cents per pound f. o. b. Macon, Ga.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. DAVIS. I have been following with interest the remarks which the Senator has been making on the jute question. The Senator mentioned Allentown, Pa. If this paragraph is enacted into law it will practically mean the dismissal of many workers in that section.

Mr. LODGE. I thank the Senator from Pennsylvania.

I think it is interesting to realize that if all the twine used by the Post Office Department were made from cotton, only three one-thousandths of 1 percent of the cotton crop would be consumed, and the effect on the cotton surplus would not be material.

Moreover, it is interesting to be informed by the Post Office officials, as we were in the Appropriations Committee, that only one mill making cotton twine is interested in bidding on cotton twine. The reason given to us was that other mills have so many other orders on hand that it is not really worth their while to take on the business of making cotton twine. Of course, that is not true in the case of mills which manufacture jute twine. They are very much interested. The Government order means much to them, and from that standpoint I think there is an interesting contrast.

Mr. President, I conclude by saying that this is one way in which the Government can effect economies. The jute twine is in every way adequate to the demands made upon it, and it is certainly much cheaper.

Mr. McKELLAR. Mr. President, I should like to make a statement to the Senator from Massachusetts [Mr. LODGE] with respect to twine. We had this question under consideration for many years. Finally it was decided several years ago that the following provision should be added to the bill:

> Not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities outside the United States.

Mr. Parkman, the official who had charge of the twine department, testified that cotton twine is in every way as good as jute twine, and he thinks perhaps it is somewhat better. He thinks it is stronger, and that there is no reason in the world why it should not be used. Cotton is produced in this country. Jute is produced abroad and must be imported. It seems to me that the provision in the bill, that not more than three-fourths of the funds for twine shall be used for the purchase of jute, which comes from abroad, is very reasonable, and I hope it may be agreed to, as the committee agreed to it.

Mr. LODGE. Mr. President, I stated that I was not offering any amendment or seeking to change the bill. I merely wanted the RECORD to show some of the recent facts in the situation.

Mr. DAVIS. Mr. President, I am in accord with what the Senator from Massachusetts [Mr. LODGE] has just stated. At this time I wish to direct the attention of the Senate to the paragraph in the bill reading:

> Not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities outside the United States.

This language may be found on page 55 of the bill.

The paragraph to which I refer was inserted in the Post Office Department appropriation measure in the Seventy-sixth Congress, first session, and appears in the present bill.

Regardless of the claim that cotton twine has proven itself equally serviceable with jute twine for post-office uses, in my opinion, this is not so. Postal employees claim that it stretches, thus rendering it not entirely safe in tying up packages; and also that it cuts the hands of those who have to use it.

Each time the Post Office Department requested bids in 1939 on a new type of cotton twine which would neither stretch nor cut the hands of employees using it, no bids were received. All bids in 1939 were on the old type cotton twine.

This is important, because this form of legislation is running the cost of Government above normal. The proviso in question caused the buying last year of 360,000,000 yards of cotton twine, which cost the Government 159 percent more per million yards than did jute twine. To put it in actual figures, it meant an added expenditure of $35,000 to the Post Office Department. It is my understanding that the purchase of 360,000,000 yards of cotton twine at the added cost heretofore stated showed no appreciable benefit to our cotton growers or cotton manufacturers. If we figured it in bales it would total about 720 bales net, an infinitesimal amount in the sight of the 13,000,000 bale crop. Another item of cost on account of the asking of bids in June, September, October, and December totals $64,000.

While it is desirable at all times to buy American goods if there is anything substantial to be gained by the producers thereof, this provision will cost close to $100,000 additional on a purchase of $327,000. Of course, everyone knows that this burden falls upon the American taxpayer.

It should be remembered that the manufacture of jute twine, together with other jute products, is essentially an American industry and the use of jute twine is a big item to the manufacturers. It is, however, a small item to the cotton grower. While it is true that the source of raw jute is in foreign countries, its manufacture, I repeat, is wholly American. Therefore, it would seem inadvisable to disturb that industry and simultaneously impose an additional expense of $100,000 on the Government, which apparently would be without substantial benefit to anyone.

The safety factor with regard to that which must be tied and those who do the tying should also weigh in this instance, particularly in the light of the undesirable and very sizeable expenditure.

Mr. McNARY. Mr. President, I should like to have a brief explanation of the amendment found on page 41 with regard to strategic and critical materials, in which $5,000,000 has been made immediately available.

Mr. McKELLAR. Mr. President, a request was made to make the entire appropriation available. The Department wanted to use the entire $12,500,000. Last year the amount was $10,000,000, and the House increased it this year to $12,500,000, but had nothing to say about its being made immediately available. However, the Department sent in a request to have the whole amount of $12,500,000—or, as it was then, of $15,000,000—made immediately available. The committee disagreed, and after an investigation with the Department officials, although they earnestly asked that the whole amount be immediately available, the committee reduced the amount to be made immediately available to $5,000,000. I wish to read a letter from the President stating the reasons for the request:

FEBRUARY 14, 1940.

The President of the Senate.

SIR: I have the honor to submit herewith for the consideration of Congress a draft of a proposed provision pertaining to an item for the Treasury Department in the Budget for the fiscal year 1941, as follows:

To the text of the item "Strategic and critical materials, Procurement Division, act of June 7, 1939," appearing on page 750 of the Budget, insert the following phrase immediately following the amount of the estimate, $15,000,000 "to be immediately available."

Since the Budget was transmitted to Congress I have received a report from the Interdepartmental Committee on Strategic Materials which emphasizes the following considerations:

1. Commercial stocks in this country of many vital raw materials are now considerably below normal.

2. Prices of most of the desired items are more favorable at present than for some time past.

3. Difficulties in both supply and transportation, as well as higher prices, are likely to be encountered if the present war continues and increases in intensity.

4. In the event of unlimited warfare on sea and in the air, possession of a reserve of these essential supplies might prove of vital importance not only in the national defense but in strengthening the policy of neutrality.

5. The materials to be purchased can at any time be converted into cash, and in the event of an emergency they will be worth much more than their cost.

In view of these facts, and inasmuch as the appropriation provided for the present fiscal year will shortly be exhausted, I believe that it is in the national interest that the appropriation in the full amount recommended by me, namely, $15,000,000, be made immediately available.

Respectfully,

FRANKLIN D. ROOSEVELT.

Under those circumstances the committee took the matter up with the Department, and after a careful examination reported the bill with $5,000,000 of the amount immediately available.

O'MAHONEY AMENDMENT EFFECTS SUBSTANTIAL SAVING

Mr. HAYDEN. Mr. President, when the bill was under consideration before the Committee on Appropriations questions were asked with respect to the effect of an amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] and adopted in the appropriation bill of last year, relating to the transmission of penalty matter through the mail. The amendment of the Senator from Wyoming imposed a limitation which had a very desirable effect. In order that the Senate may be informed, I should like to have printed in the RECORD at this point the colloquy between myself and Mr. North, of the Post Office Department, explaining the effect of the O'Mahoney amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

PENALTY MAIL—O'MAHONEY AMENDMENT TO 1940 ACT

Senator HAYDEN. Mr. Chairman, when the question of subsidies and other items was under consideration last year I remember Senator O'MAHONEY offered an amendment to the bill which would tend to reduce the volume of Government printing. That item had grown tremendously. I think 20 years ago it was about $9,000,000. In 1935 it was $31,000,000; in 1936, $32,000,000; in 1937 it was $34,000,000; in 1938 it was $35,000,000; in 1939 it was $38,000,000; as compared to the congressional mail, which has averaged about $750,000 a year right along, and in an election year is about $1,000,000. It costs 38 times as much, according to these figures, to carry Department mail as it does to carry congressional mail. Is there anyone here—Mr. North or anyone else—who can testify as to what has been the effect of the O'Mahoney amendment upon the volume of departmental mail matter?

REDUCTIONS EXPERIENCED UNDER O'MAHONEY AMENDMENT

Mr. NORTH. Yes, gentlemen. The O'Mahoney amendment became effective, as you know, July 1; and we have had one quarter's report pursuant to the requirements of that amendment. I may say that we have received reports from practically all agencies and departments concerned. From the figures we have for the one quarter, raised to the yearly level, it would appear that for this year there will be 682,000,000 pieces, as compared with 970,000,000 pieces for the previous fiscal year.

Senator MCKELLAR. I did not get those figures.

Mr. NORTH. Roughly raising it to the level of a year from one quarter's report, we would have 682,000,000 pieces as compared with 970,000,000 pieces for the previous fiscal year, or 67,000,000 pounds as compared to 90,000,000 pounds for the previous year.

Senator MCKELLAR. That is a very considerable reduction; is it not?

Mr. NORTH. That indicates either some recession of activities or, through the means of the O'Mahoney amendment, they are becoming more conscious of the large volume of free mail.

ESTIMATED REDUCTION IN COST OF HANDLING PENALTY MAIL

Senator HAYDEN. On that basis, then, instead of costing $38,000,000 to perform this service as it did in 1939, it certainly should cost less than $30,000,000.

Mr. NORTH. Yes.

Senator HAYDEN. What would be your estimate?

Mr. NORTH. About $28,000,000 to $30,000,000, I should say, according to that proration.

Senator HAYDEN. Then, as a result of the action taken by the committee and Congress, there would be a saving to the Post Office Department of at least $8,000,000 in the fiscal year?

Mr. NORTH. It is so indicated by the figures; yes, Senator.

* * * * * * *

EFFECT OF O'MAHONEY AMENDMENT

Senator HAYDEN. Perhaps, then, it might be said that the effect of the O'Mahoney amendment was to direct the attention of the heads of departments to the enormous amount of matter that was going through the mails, and cause them to ease down in the volume produced.

There is a double saving to the Government in that. There is the net saving, whatever it may be. You say that at postal rates $38,000,000 would have been due for something of which the actual out-of-pocket cost was around $14,000,000 to $15,000,000, whatever it may be. Whatever the net saving, that is a saving to the Government in your operating costs in cash. On the other hand, it costs money to buy paper, and it costs money to have it printed or mimeographed, and it costs money to hire stenographers and all the help, both personal and mechanical, that the departments have; and a reduction to any extent in the volume of it would be ultimately reflected in the Treasury in that respect just as well as it would be in your actual operating costs.

THE TEXT OF THE O'MAHONEY AMENDMENT

Mr. HAYDEN. The amendment proposed by the senior Senator from Wyoming, which became law as a part of the Post Office Department Appropriation Act last May, is as follows:

SEC. 6. On and after July 1, 1939, no executive department or independent establishment of the Government shall transmit through the mail, free of postage, any book, report, periodical, bulletin, pamphlet, list, or other article or document (except official letter correspondence, mail concerning the sale of Government securities, and all forms and blanks necessary in the administration of such departments and establishments), unless a request therefor has been previously received by such department or independent establishment or such transmission is required by law. For each quarter, beginning with the quarter commencing July 1, 1939, the head of each independent establishment and executive department (other than the Post Office Department) shall submit to the Postmaster General, within 30 days after the close of the quarter, a statement of the weight of the mail matter by classes of mail that the independent establishment or department has transmitted free of postage during such quarter, and he shall also certify to the Postmaster General at the end of each such quarter that nothing was transmitted through the mail free of postage by the independent establishment or department in violation of the provisions of this section: *Provided*, That nothing herein shall be construed to prohibit the mailing free of postage of lists of agricultural bulletins or of lists of public documents which are offered for sale by the Superintendent of Documents: *Provided further*, That this prohibition shall not apply to the transmission of such books, reports, periodicals, bulletins, pamphlets, lists, articles, or documents to educational institutions or public libraries.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 31, line 11, after the word "Commandant", to strike out "$40,845,775" and insert "$40,745,775", and, in line 12, before the word "and", to strike out "$36,614,440" and insert "$36,516,440", so as to read:

Total, Coast Guard, exclusive of Office of Commandant, $40,745,775 (composed of "A" item, $36,516,440, and "B" item, $4,229,335).

The amendment was agreed to.

The next amendment was, on page 31, line 24, after the numerals "1939", to insert a semicolon and "but such designations when combined for an appropriation or an amount limitation shall not be deemed to require separate administrative or fund accounting for each designation", so as to read:

When used herein under the heading "Coast Guard", the words in parentheses ("A" item) and ("B" item) shall mean, respectively, "amounts for or relating to regular activities" and "amounts for or relating to activities pursuant to Executive Order No. 8254, dated September 18, 1939"; but such designations when combined for an appropriation or an amount limitation shall not be deemed to require separate administrative or fund accounting for each designation.

The amendment was agreed to.

The next amendment was, under the subhead "Procurement Division", on page 38, line 3, after the word "Division" and the parenthesis, to strike out "$628,470" and insert "$688,973", so as to read:

Salaries and expenses: For the Director of Procurement and other personal services in the District of Columbia and in the field service, and for miscellaneous expenses, including office supplies and materials, purchase and exchange of motortrucks and maintenance thereof, telegrams, telephone service, traveling expenses, office equipment, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Procurement Division of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field (including not to exceed $500 to settle claims for damages caused to private property by motor vehicles used by the Procurement Division), $688,973:

The amendment was agreed to.

The next amendment was, on page 40, line 12, after the words "to wit" and the colon, to strike out, "10 inches (correspondence models), $70; 12 inches, $75; 14 inches, $77.50; 16 inches, $82.50; 18 inches, $87.50; 20 inches, $94; 22 inches, $95; 24 inches, $97.50; 26 inches, $103.50; 28 inches, $104; 30 inches, $105; 32 inches, $107.50; or, for standard typewriting machines distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: 10 inches, $80; 12 inches, $85; 14 inches, $90; 18 inches, $95" and insert "10 inches (correspondence models), $60; 12 inches, $65; 14 inches, $67.50; 16 inches, $72.50; 18 inches, $77.50; 20 inches, $84; 22 inches, $85; 24 inches, $87.50; 26 inches, $93.50; 28 inches, $94; 30 inches, $95; 32 inch, $97.50; or, for standard typewriting machine distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: 10 inches, $70; 12 inches, $75; 14 inches, $80; 18 inches, $85", so as to read:

No part of any money appropriated by this or any other act shall be used during the fiscal year 1941 for the purchase of any standard typewriting machines, except bookkeeping and billing machines, at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: 10 inches (correspondence models), $60; 12 inches, $65; 14 inches, $67.50; 16 inches, $72.50; 18 inches, $77.50; 20 inches, $84; 22 inches, $85; 24 inches, $87.50; 26 inches, $93.50; 28 inches, $94; 30 inches, $95; 32 inches, $97.50; or, for standard typewriting machines distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: 10 inches, $70; 12 inches, $75; 14 inches, $80; 18 inches, $85.

Mr. MALONEY. Mr. President, I desire to speak briefly in opposition to this committee amendment.

Examination of the hearings seems to me to disclose the fact that this is almost an arbitrary reduction. To me it is a surprising, if not an amazing, amendment. I am not too familiar with the history of governmental purchases of typewriters; but I understand that some time ago, prior to the World War, as a result of a finding on the part of members of the House Committee on Appropriations that various prices were being paid by the Government, legislation was enacted to provide that not more than $70 could be paid for a typewriter.

I am greatly concerned about the amendment, because its adoption would seriously affect the economic and industrial situation in my State. Many thousand persons in Connecticut are employed in the manufacture of typewriters.

This type of machine, for which the Federal Government is the largest customer, sells to the public for $115.50.

Some years ago, for reasons which are quite obvious, the typewriter companies made a special price to business colleges or business schools. I think later, as a result of the action to which I have referred, the Government was able to obtain the advantage of that price. As a result, insofar as the Government is concerned, a ceiling was placed on the cost of typewriters. Since that time the Government, as well as business schools, has been able to buy typewriters for $70, while the public has paid $115.50 for new machines. It seems to me that those engaged in business, and who buy typewriters are compelled to absorb losses incurred in the sales to the Federal Government. I think it possible that the Government has cheated itself by putting a ceiling on the price of typewriters.

The statement may be made that bid prices on typewriters are the same or comparable. It could not be otherwise, because of the fact that the Government will not permit a bid in excess of $70. Obviously, the typewriter people are compelled to sell typewriters to the Government; so, if the bid price is $70, it is something that private industry cannot do anything about, unless, it seems to me, the companies are willing to lose money on Government sales.

I think it is outrageous—and I do not say that disrespectfully—to reduce, arbitrarily, the price of typewriters $10. It may very seriously dislocate this great industry. It seems to me a certainty that it will make necessary a great loss on the part of the typewriter manufacturers; and while the explanation has been made that the purpose of the amendment was to obtain facts, I think one giving a little serious thought to the matter finds the answer and the facts for himself.

If we do this thing in connection with the purchase of typewriters, why stop there? Why not fix a ceiling on everything the Government purchases? Why not do it on battleships, or airplanes, or other kinds of business machines, or anything for which the Government may have a need? I think it is a dangerous thing to do. I think it is a terribly unfair thing to do in the instance of this very important industry.

I am very hopeful that the Senate will reject the committee amendment. I think this brief explanation of mine, telling how the Congress originally arrived at the price of $70, is probably the explanation that the committee and the Senate require; and I am very hopeful that the members of the Appropriations Committee will not insist upon the inclusion of this amendment.

Mr. McKELLAR. Mr. President——

Mr. MALONEY. I yield to the Senator from Tennessee.

Mr. McKELLAR. I desire to say to the Senator that the purpose of this amendment was to take this item to conference. We did not know it was going to be discussed on the floor, and we did not know what the facts were; but when we were apprised of the fact that all the various types of typewriters are sold at exactly the same price, it looked to me and to some of the rest of us as if we were establishing by law a trust in the case of typewriters; and this amendment was put in for the purpose of ascertaining just what had been done.

We had no evidence on which to uphold this amendment. It was put in for the purpose of obtaining information. Upon the information the Senator has given us—which I cannot controvert, because I do not know what the facts are—I have no personal objection to the amendment going out.

Mr. MALONEY. That pleases me very much, Mr. President. I am very grateful to the senior Senator from Tennessee who is always fair.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 41, line 21, after the word "expended", to insert a comma and "and of which amount $5,000,000 shall be immediately available"; so as to read:

Strategic and critical materials: For all necessary expenses for the acquisition, transportation, maintenance, storage, and rotation of strategic and critical materials in accordance with sections 1 to 6, inclusive, of the act of June 7, 1939 (Public, No. 117, 76th Cong.), including personal services and rental and maintenance of storage space in the District of Columbia and elsewhere; payment of part-time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicists as may be contracted for by the Secretary of the Treasury, in his discretion, at a rate of pay not exceeding $25 per diem for any person so employed; printing and binding; and traveling expenses; $12,500,000, to continue available until expended, and of which amount $5,000,000 shall be immediately available:

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Salaries in Bureaus and Offices", on page 42, line 23, to increase the appropriation for personal services in the District of Columbia under the Office of the Second Assistant Postmaster General, from $585,000 to $587,600.

The amendment was agreed to.

The next amendment was, on page 43, line 4, to increase the appropriation for personal services in the District of Columbia under the office of the Solicitor for the Post Office Department, from $111,300 to $119,320.

The amendment was agreed to.

The next amendment was, on page 43, at the end of line 7, to increase the appropriation for personal services in the District of Columbia under the Bureau of Accounts, from $111,240 to $114,120.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, Post Office Department," on page 43, line 21, before

the word "convention", to strike out "London" and insert "Cairo"; so as to read:

For contingent and miscellaneous expenses; stationery and blank books, index and guide cards, folders and binding devices, including purchase of free penalty envelopes; telegraph and telephone service, furniture and filing cabinets and repairs thereto; purchase, exchange, maintenance, and repair of tools, electrical supplies, typewriters, adding machines, and other labor-saving devices; maintenance of motortrucks and of two motor-driven passenger-carrying vehicles, to be used only for official purposes (one for the Postmaster General and one for the general use of the Department); streetcar fares; floor coverings; postage stamps for correspondence addressed abroad, which is not exempt under article 49 of the Cairo convention of the Universal Postal Union; purchase and exchange of law books, books of reference, railway guides, city directories, and books necessary to conduct the business of the Department; newspapers, not exceeding $200; expenses, except membership fees, of attendance at meetings or conventions concerned with postal affairs, when incurred on the written authority of the Postmaster General, not exceeding $2,000; expenses of the purchasing agent and of the Solicitor and attorneys connected with his office while traveling on business of the Department, not exceeding $800; and other expenses not otherwise provided for, $84,388.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General", on page 48, line 20, after the word "appropriations", to strike out "$1,700,000" and insert "$1,800,000"; so as to read:

Miscellaneous items, first- and second-class post offices: For miscellaneous items necessary and incidental to the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, $1,800,000.

Mr. CLARK of Missouri. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	George	Lucas	Sheppard
Andrews	Gerry	Lundeen	Shipstead
Ashurst	Gibson	McCarran	Smathers
Bankhead	Gillette	McKellar	Smith
Barbour	Glass	McNary	Stewart
Barkley	Green	Maloney	Taft
Bilbo	Guffey	Mead	Thomas, Idaho
Brown	Gurney	Miller	Thomas, Okla.
Bulow	Hale	Minton	Thomas, Utah
Burke	Harrison	Murray	Tobey
Byrd	Hatch	Neely	Townsend
Byrnes	Hayden	Norris	Tydings
Capper	Herring	Nye	Vandenberg
Chandler	Hill	O'Mahoney	Van Nuys
Chavez	Holt	Pepper	Wagner
Clark, Idaho	Hughes	Pittman	Walsh
Clark, Mo.	Johnson, Calif.	Radcliffe	Wheeler
Connally	Johnson, Colo.	Reed	White
Danaher	King	Reynolds	Wiley
Davis	La Follette	Russell	
Donahey	Lee	Schwartz	
Frazier	Lodge	Schwellenbach	

The PRESIDING OFFICER. Eighty-five Senators having answered to the roll call, a quorum is present. The question is on agreeing to the amendment on page 48, line 20, striking out "$1,700,000" and inserting in lieu thereof "$1,800,000."

The amendment was agreed to.

The next amendment was, on page 49, line 16, after the word "law", to strike out "$15,674,149" and insert "$16,074,-149", so as to read:

Foreign air mail transportation: For transportation of foreign mails by aircraft, as authorized by law, $16,074,149.

Mr. CLARK of Missouri. Mr. President, I offer an amendment to the committee amendment. I ask to have the amendment stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Missouri to the amendment of the committee will be stated.

The CHIEF CLERK. On page 49, line 17, it is proposed to strike out the period and insert a semicolon and the following:

Provided, That no part of the money appropriated under this item shall be expended for transportation of foreign mails by any aircraft landing on the island of Bermuda (except in the case of forced landings) while a proclamation issued under authority of section 1 (a) of the Neutrality Act of 1939, and naming the United Kingdom, is in effect and while the Government of the United Kingdom asserts any alleged right to stop American ships or aircraft and examine and confiscate mail.

Mr. CLARK of Missouri obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. McKELLAR. I know the Senator is one of the best parliamentarians in either branch of Congress. I do not think he has a superior anywhere——

Mr. CLARK of Missouri. Mr. President, I thank the Senator for his kind words.

Mr. McKELLAR. And I am wondering whether this amendment is not legislation, and I should like to make a parliamentary inquiry of the Chair as to whether it is not legislation.

Mr. CLARK of Missouri. Mr. President, in order to obviate any suggestion to it being subject to a point of order, I modify my amendment by striking out the words "ships or", so as to make it relate purely to aircraft, and make it apply specifically to the appropriation in this item. I think certainly the Senator from Tennessee will not insist that that is subject to a point of order, being a pure limitation on the funds appropriated under this very item.

Mr. McKELLAR. I am not sure about the matter; therefore, I ask the Chair for a ruling.

The PRESIDING OFFICER. The Chair is of opinion that what the Senator proposes would be only a limitation on the appropriation, and it is in order.

Mr. McKELLAR. To strike out the two words?

The PRESIDING OFFICER. Yes.

Mr. CLARK of Missouri. Mr. President, I modify my amendment by striking out the words "ships or."

I do not desire to detain the Senate unduly about this matter, because it is something with which we are all familiar. Last week we occupied the better part of 2 days in this body in a debate on the question of whether or not the economy-minded Committee on Appropriations should be sustained in cutting by a million dollars an appropriation involving all of the airplanes of the United States—commercial, National Guard, Army, Marine Corps, Navy, and privately owned planes. Yet today we find the same economy-minded committee coming in, and, in behalf of the particular favorite, as it seems, of the United States Government, the Pan American Air Lines, casually tossing off $400,000 for another additional weekly trip to Europe.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. HAYDEN. The Senator understands, of course, that this appropriation is being made upon the assumption that the postage collected will pay the $400,000.

Mr. CLARK of Missouri. Mr. President, I think it is just as easy to assume that increased safety brought about as a result of the other bill, that increased safety applying particularly during the wintertime, would increase the revenues derived from air mail sufficiently to have defrayed the expense of assuring that safety.

Mr. HAYDEN rose.

Mr. CLARK of Missouri. I am glad to yield to the Senator, although that is merely an incident in the main argument I desire to advance in support of my amendment.

Mr. HAYDEN. The point is that in the matter of the domestic air mail, while the revenues have increased very appreciably, we are still operating at a loss, whereas the trans-Atlantic mail has been surprisingly profitable.

Mr. CLARK of Missouri. I will ask the Senator from Arizona if that is not of most recent development. I think the Senator from Tennessee explained a moment ago that it was just within a month or two.

Mr. McKELLAR. In December they made $250,000.

Mr. CLARK of Missouri. And that was the first time they had ever paid expenses. Is not that true?

Mr. McKELLAR. It has been in operation but 5 months.

Mr. GLASS. In addition to that, they had to turn away 71 passengers whom they could not carry.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. HAYDEN. When we authorized the establishment of the trans-Atlantic mail the fact was brought to our attention

that eight times as much mail crosses the North Atlantic Ocean between the United States and Europe as is carried in the rest of the world; that is, from the great centers of population in the United States and Europe where mail congests, and where there is an opportunity to get more money out of it. We were confident, when we authorized the establishment of the trans-Atlantic mail service, that it would pay, and our confidence has been justified. We established it in May, and by December there was a profit, there being a profit of $62,000 in 1 month. With the war conditions obtaining as they are in Europe, with the impossibility, at least, of the submarining of an airplane——

Mr. CLARK of Missouri. An airplane cannot be torpedoed by a submarine, but its mail can be rifled, and the mail is being rifled, over the protest of the American State Department, every time a clipper puts into a British port.

Mr. HAYDEN. The State Department, if the Senator will yield further, made the representation to the British Government, as reported in the press, that if this matter were not corrected we proposed to construct planes of capacity sufficient to enable them to leave our own shores or leave Europe and go directly to neutral islands, the Azores, and then proceed either to Europe or to the United States, and that they would not touch at British ports. My understanding is that that will be straightened out by negotiation between the Governments. What I am questioning is the wisdom of the Senator, with not all the facts before us, asking the Senate to vote for an amendment directing that a certain procedure be abandoned regardless of the negotiations which are proceeding.

Mr. CLARK of Missouri. In response to the Senator from Arizona, I may say that with even fewer facts before him the Senator from Arizona voted, and a majority of the Senate voted, at the last session of Congress, for a provision making an exception to the provisions of the Neutrality Act so as to permit the Pan American Air Lines to make a landing in Bermuda. For whose convenience was that? It was not for the convenience of the people of the United States who desire to communicate with Europe, and not for the convenience of people in Europe who desire to communicate with people in the United States. That was done for the convenience and the revenue of the Pan American Air Lines, because they wanted to make a stop in Bermuda, and for the convenience of the people of Bermuda, and the United Kingdom generally, who desire to have the clippers stop there, and for the convenience of a few American tourists who desire to take winter vacations in Bermuda, and would have been much better off at home picking up chips.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. HAYDEN. I cast that vote for no such reason. It is a matter of geography that Bermuda is part way across the Atlantic Ocean; it is a convenient place for the planes to stop and refuel, and, considering the size and capacity of the planes we had, it was better to proceed in that way than to try to make a longer flight. Larger and better planes are being built. The new planes to be put into service are of greater power and of greater capacity, and it is now possible to avoid Bermuda, if we do not get the right kind of treatment from the British.

Mr. CLARK of Missouri. Then let us say so. That is all this amendment does.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. McKELLAR. During the World War, in which the Senator from Missouri took a very active and very honorable and splendid part, did not the United States not only reserve but exercise exactly the same right of search and seizure that England is now exercising toward us?

Mr. CLARK of Missouri. If the Senator wants to refer to the World War, I shall be very glad to go into that in any detail he may desire. What happened during the World War was that during a long period of time there happened just exactly what I fear may happen during this war, that the British infringed rights which we claimed and asserted, and we confined ourselves to protests by the State Department.

Mr. McKELLAR. That is what we are doing now.

Mr. CLARK of Missouri. Protests which too frequently were scarcely delivered; in other words, the testimony has been, and the admission of the then American Ambassador to Great Britain, as well as that of the British Secretary of State for Foreign Affairs at that time, was that when one of these protests would arrive at London the so-called Ambassador from the United States to the Court of St. James's would take it down to Sir Edward Grey's office, and, handing the note to him, would say, "How are we going to answer it?" Without accusing the present Ambassador to the Court of St. James's of any such intention or of any such nefarious conduct, I say that this is a matter in which the British have been flagrantly violating a right which our State Department has been asserting, and that, so far as I am concerned, I am wholly unwilling to appropriate further funds to permit the British to carry out further infringement of our rights for the convenience of British subjects, and of a few Americans who want to go to Bermuda and spend a winter vacation.

Mr. GLASS. Mr. President, will the Senator from Missouri yield?

Mr. CLARK of Missouri. I yield.

Mr. GLASS. When this country entered the World War, did we not assert the right and did we not do the very things against which we have protested?

Mr. CLARK of Missouri. If we did, Mr. President, we were in entire contradiction to the principles which we had asserted before we got into the war, when we had no interest in the matter except the protection of neutral rights.

Mr. GLASS. Which acts were in consonance with international law for over 100 years governing the right of search and seizure.

Mr. CLARK of Missouri. We denied that right before we got into the war, and if we changed our position after we got into the war, we stultified ourselves.

Mr. GLASS. We did the very thing against which we were protesting.

Mr. CLARK of Missouri. If we did that, we stultified ourselves; and what I am protesting against now is squandering American funds, $400,000, for something that is not necessary, in the economy-minded Congress, for the purpose of enabling the British Government to carry out further infringements of what our State Department asserts to be American rights.

Mr. SCHWELLENBACH. Mr. President, will the Senator from Missouri yield?

Mr. CLARK of Missouri. I yield.

Mr. SCHWELLENBACH. I desire to ask the Senator a question solely for the purpose of enabling me to understand the amendment, which was rather rapidly read. Am I correct in understanding that the amendment is to make a change in the Neutrality Act of last fall, whereby we made an exception?

Mr. CLARK of Missouri. It is to prevent the appropriation of any funds for the flying of aircraft landing in Bermuda as long as the British assert the right to search our mail.

Mr. SCHWELLENBACH. As a practical matter, the withholding of funds would result in the abandonment of the flight?

Mr. CLARK of Missouri. Unless the British ceased their aggressions against American rights.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. HAYDEN. I invite the attention of the Senator to questions I asked at the time of the hearing. Mr. Lamiell was before the committee.

Mr. CLARK of Missouri. Who is he?

Mr. HAYDEN. He was representing the Post Office Department in connection with this matter. I asked this question:

> Senator HAYDEN. How does the British censorship compare with our own censorship during the World War on mails from neutral countries?
>
> Mr. LAMIELL. From the records on file with the Department it appears that it is very similar.

Senator HAYDEN. That is, we did lay hands upon mails to neutral countries, and we did censor them?

Mr. LAMIELL. The United States apparently censored anything it considered should be censored.

Senator MCKELLAR. And, so far as you are able to tell, the rules instituted by Great Britain for examining the mails are just about the same as ours were in the World War?

Mr. LAMIELL. That is my understanding, Mr. Chairman.

Mr. CLARK of Missouri. Mr. President, I suggest that Mr. Lamiell, whoever he is—and I never heard of him before—ought to hold a conference with the State Department, which is officially constituted by law to present the American view of international law. The State Department has repeatedly asserted that the conduct of the British with regard to the censoring of mail is a violation of American rights. It has been a matter of common notoriety within the last week or so that an airplane returning from Europe to the United States, bearing an American Ambassador, returning, ostensibly at least, for purposes of consultation with his own Government, was held up at Bermuda while the British rifled the mail and confiscated over half of it. Away back during the administration of President Monroe there was a very serious protest when the British held up and delayed the procedure of a ship bearing the American Ambassador to the Court of Russia, John Quincy Adams, but now, within a week, by reason of the fact that our clipper just happened to stop at Bermuda, largely for the convenience of the Bermudians and the British Government, they take occasion to delay for several hours a plane bearing the American Ambassador, even though, as I have said, this particular American Ambassador was more at home on British territory, or French territory, or Russian territory than he was on American territory. Nevertheless, they did hold up that plane, rifled the mail, and confiscated about half of it. I do not think we ought to appropriate further public funds for an extension of that sort of service.

Mr. HAYDEN. Mr. President, I read to the Senator this extract from the hearings in an effort to question the wisdom of the action he suggested being taken by the Senate——

Mr. CLARK of Missouri. It is the last chance we will have.

Mr. HAYDEN. When he knows that, after all, censorship is a matter of degree. A great many things may be done, and little things may be done; it can be made easy or it can be made difficult. Our State Department is negotiating this matter with the British. We have an alternative, that if the State Department does not accomplish this purpose, we do not have to let our ships land at Bermuda.

Mr. CLARK of Missouri. We have already appropriated this money.

Mr. HAYDEN. Mr. President, let me make it perfectly clear that it is the understanding of the members of the committee that if the State Department is not successful in having its protests recognized in a way satisfactory to the State Department, it is not necessary that the ships which we have authorized to go to Bermuda. They can go to Puerto Rico and not touch at any British port.

Mr. CLARK of Missouri. If that be true, I do not see any objection to this amendment. I cannot help what the understanding of the committee is. Here is what the proposed law says:

Foreign air mail transportation: For transportation of foreign mails by aircraft, as authorized by law, $16,074,149.

Or an increase of $400,000, and that paragraph does not say a word about the understanding of the committee.

Mr. HAYDEN. The point I am trying to impress upon the Senator is that the strongest weapon the State Department has in inducing the British to ease up on the censorship at Bermuda is the knowledge that we have airships with which we can convey mail across the Atlantic Ocean without going to Bermuda. But it is advantageous to go by way of Bermuda, if we have the right kind of understanding with the British.

Mr. CLARK of Missouri. It seems to me the British will relax their regulations and cease their unlawful conduct more quickly if we say, "Very well, if you do not do so we will not go into your ports."

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. REYNOLDS. What is the amount of business we enjoy from Bermuda on each of these trans-Atlantic trips?

Mr. CLARK of Missouri. I am unable to answer that question. I know that practically no Americans go to Bermuda except those who go down there to spend their winter vacations.

Mr. REYNOLDS. Of course, the Senator knows that the population of Bermuda is very small in the summer, but increases considerably in the wintertime.

Mr. HAYDEN. Mr. President, the business would not be justified at all, if it depended on the amount of revenue received for travel from New York to Bermuda or from Bermuda to New York. That is small compared to the amount of money which is collected for the full trans-Atlantic flight.

Mr. REYNOLDS. And really the operators are not profiting by stopping at Bermuda.

Mr. HAYDEN. No. It so happens that the amount of fuel which has to be carried by the planes is less if they stop at Bermuda. If the fuel load is reduced more mail can be carried by the planes, and therefore more revenue obtained from it. If the planes carry gasoline instead of letters they do not get a proper return on the letters carried.

Mr. REYNOLDS. What is the flying distance between New York and Bermuda?

Mr. HAYDEN. I am not sure. I believe it is five or six hundred miles.

Mr. REYNOLDS. I suggest that instead of our airships going by way of Bermuda they take off from Wilmington, N. C., because Bermuda is only a short distance from Wilmington. I suggest that the officials of the Pan American Lines consider the advisability of starting from Wilmington, N. C. It certainly is a more beautiful spot than Hamilton, Bermuda.

As to the mails; I am of course extremely interested, as are all Senators, in the matter of our mails being censored. That is hurting our shipping business. Mr. Sumner Welles is reported to be sailing on the *Rex*, of the Italian Line, for his mission to Europe, rather than to go on one of the American Line ships which we are supporting by appropriations. I assume that Mr. Welles is not going on a ship of the American line, and preferably is traveling aboard the *Rex* because he does not want to wait until the British read all our mail. So this is my interest in the matter.

Mr. MCKELLAR. Mr. President——

Mr. SCHWELLENBACH. Mr. President, will the Senator yield to me while I ask another question of the Senator from Missouri?

Mr. MCKELLAR. I yield.

Mr. SCHWELLENBACH. My recollection of the testimony and the representations which were made to us with reference to this Bermuda situation is different from that of both the Senator from Missouri and the Senator from Arizona.

Mr. CLARK of Missouri. I was not attempting to say where the representations were made. Those representations were made in the caucus, and not only in the meeting of the full committee. We simply took the bill as it came in from the caucus to the full committee.

Mr. SCHWELLENBACH. We were told that unless we stopped at Bermuda we would not be able to go across the Atlantic. The question of the mails was not discussed. The question was whether we would reduce the amount of baggage and other things carried on the ships and permit larger space for gasoline.

Mr. HAYDEN. The Senator will remember that the original proposal for trans-Atlantic air mail was to fly from here to Canada, and then fly overland to Nova Scotia, and then to Newfoundland, and then fly from there to Ireland. That is the shortest crossing of the Atlantic.

Mr. SCHWELLENBACH. That route was to be used in the summertime. There were two routes, the summer months' route and then the route to be used during the winter months.

Mr. HAYDEN. Yes. And then when the route was established it was not established over the northern way. We started out over the southern route, on account of the war

and other conditions in the north. But we are not landing on the other side in any belligerent country. We are landing in Portugal, and then there are in Portugal air lines by which the mail can go directly to Italy and to other countries. It does not necessarily have to go to belligerent countries at all.

The Senator will remember that it was said we could not carry the mail across the ocean unless we stopped at Bermuda. The reason why we could not carry the mails across the ocean unless we stopped there was that the longer the flight the greater the load of gasoline required to be carried. If you can break the flight, you do not have to carry so much gasoline. If you decrease the gasoline load, you can increase the mail load. So, as a matter of making it a paying proposition, it was highly desirable to stop at Bermuda.

It is possible to fly directly from Bermuda to the Azores and get across that way with the larger ships. The newer ships are larger, and that is possible to be done. I wish to repeat that under those circumstances it would seem that the State Department has all the authority it needs in dealing with the British. We can either go by way of Bermuda or not, according to how we are treated, and it is not necessary for Congress to dictate in the matter at all.

Mr. SCHWELLENBACH. I wanted to ask the Senator from Missouri a question. What mechanics does his amendment provide for deciding when the British have acted in an unlawful manner?

Mr. CLARK of Missouri. I think the State Department would be finally determinative of that matter.

Mr. McKELLAR. Mr. President, I wish to address myself to the amendment offered by the Senator from Missouri. I wish to read it to the Senate. I may say before I read it that it applies not to this $400,000 but to the entire amount of $16,074,149, and, in my judgment, it would have the effect of absolutely destroying the air service between America and Europe. I do not believe the Senate wants to do that, and I hope it will vote this amendment down.

Let me read the amendment:

Provided, That no part of the money appropriated under this item—

That means the whole item of $16,000,000—

shall be expended for transportation of foreign mails by any aircraft landing on the island of Bermuda (except in the case of forced landings) while a proclamation issued under authority of section 1 (a) of the Neutrality Act of 1939, and naming the United Kingdom is in effect and while the Government of the United Kingdom asserts any alleged right to stop American aircraft and examine and confiscate mail.

Mr. President, the Bermudas, as I recall—and I will have to look to the record for absolute certainty—are about 700 miles from New York. That is about one-third of the way to the Azores. While it is believed that airships can carry enough fuel to take them from New York to the Azores, it has never been done up to date except, I believe, in one instance.

The adoption of this amendment would put in jeopardy our entire southern air-mail route to Europe. I do not think we want to do that. This matter should be brought up before the Foreign Relations Committee. The amendment would repeal an order of the President issued under the Neutrality Act of 1939. Inasmuch as it virtually repeals another law, it seems to me it is subject to a point of order.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CLARK of Missouri. Did the Senator in his long service in the House and in the Senate vote for a limitation upon appropriations?

Mr. McKELLAR. Yes.

Mr. CLARK of Missouri. Even though it might be a restriction of expenditure of public funds for some purpose otherwise authorized by law?

Mr. McKELLAR. Yes.

Mr. CLARK of Missouri. That is all this is.

Mr. McKELLAR. Wait one moment. I have voted for such restrictions. I served in the House when the father of the distinguished Senator from Missouri was Speaker of the House, and I recall distinctly that there never was a ruling while the Senator's father, Champ Clark, was Speaker, to the effect that you could repeal another law by a limitation placed on an appropriation bill. That is exactly what this proposal does.

Mr. CLARK of Missouri. If the Senator will permit me, I will say that that is perfectly good parliamentary law now. You cannot repeal an existing law, but you can withhold public funds from a purpose hitherto authorized by law, and I can cite the Senator 500 opinions in the House of Representatives during the time my father was Speaker and during the time of other distinguished Speakers to that very effect.

Mr. McKELLAR. The fact is that if this amendment is adopted, it will destroy that provision of the neutrality law under which the President acted. It will not only do that, Mr. President, but it may destroy the whole air-mail service to Europe. The Senator from Missouri said we were squandering $400,000. Mr. President, not only are we not squandering the $400,000 but, in my judgment, that expenditure will bring a return to the United States of every dollar that is spent or advanced to put this extra aircraft in commission at this time.

The mails are increasing enormously under war conditions. The increase of the air service in the manner proposed will help in every way. If the Senator wants our aircraft to begin at New York and go to the Azores, it will help immensely in the development of the air service. I hope it may be done. I do not want the airships to stop at Bermuda. I want these air clippers to be able to fly to the Azores. But if they cannot fly there, then with this amendment on the statute books there will be no air mail carried along the southern route.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. MEAD. There are two points I want to bring out before we pass upon this item. To begin with I want to compliment the committee for the very modest increase in the appropriation. It was warranted by the facts and by the record. In looking at the record we find that in the first month of operations each flight carried 600 pounds of mail. That was in May of 1939. But in January of 1940 each flight carried 3,000 pounds of mail—more than enough to pay a profit on the operation. The revenues therefore now exceed the payment. It is the most remarkable growth of its kind in the history of the Postal Service. The Department paid the carriers $187,000 for the service in December, but the estimated postal revenue on that mail was $259,000.

I believe that record vindicates the action of the committee on this particular item.

The other point I wish to make is that the revenue will fall off materially if the British hold up and delay the mail at Bermuda.

A few short days ago I raised my voice in this Chamber in protest against British interference with the expeditious delivery of the mail. This mail is increasing by leaps and bounds because of the speed element involved in the delivery of the mail. The minute the mail is held up and robbed of its principal virtue, we are forced to subsidize the operation. Therefore I am in favor of some action on the part of the State Department or the Post Office Department to circumvent the action of the British Government, which, in my judgment, is unwarranted, unreasonable, and unnecessary.

I cannot quite agree with the amendment which has been offered, because I believe there is ample authority for the executive departments to act. For example, the ships can fly from the American coast line to the Azores without the necessity of stopping at Bermuda. They can fly on the route, which is known as F. A. M. 18, from New York, Baltimore, Norfolk, or Charleston, S. C. Under present-day climatic conditions much gas would be saved if the flight should originate at the southernmost city.

My second point is that in view of the wide variation allowed on this route, coupled with the demand for speed and quick delivery of the mail, I believe that the Department ought to change the starting point, at least temporarily, and obviate the necessity of a stop at Bermuda until we have better arrangements with the British authorities.

Mr. President, we read in the daily press what I forecast a short time ago, and that is the danger of the sinking of American ships, hailed on the high seas and involuntarily taken into British ports or other ports to which they are prohibited entry by our embargo law. If this policy continues I favor amendments even more severe than the amendment presented by the Senator from Missouri [Mr. CLARK], but I believe there is ample authority in the departments to cover the situation, and that some action ought to be taken now. I again compliment the Senator in charge of the bill on his wise consideration of this item.

Mr. McKELLAR. I thank the Senator.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Arizona.

Mr. HAYDEN. When the Senator from Tennessee [Mr. McKELLAR] read the text of the amendment, it reinforced the question asked me by the Senator from Washington [Mr. SCHWELLENBACH]. That is, how is it to be carried out? There is a field for discretion. Until certain things are done, no part of the money shall be expended, and when those things are accomplished, when the British cease their censorship, we may again land at Bermuda. Who is to determine that question?

Mr. CLARK of Missouri. If the amendment is adopted, if no one else determines it, the Comptroller General of the United States can determine it. I should say in the first instance that the Post Office Department, after consultation with the State Department, would determine it. Under the existing law, if they do not arrive at a correct decision the Comptroller General of the United States has the duty imposed on him to determine the question.

Mr. HAYDEN. After all, under the text of his amendment, the Senator is imposing an authority on somebody to do certain things which is exactly what the State Department is now trying to accomplish, and the way to get away from the situation he points out is the same way the State Department is now pursuing, and that is not to go to Bermuda. I cannot see that we would shorten the trouble or avoid any difficulty by the enactment of this language.

Mr. CLARK of Missouri. It is simply the difference between doing something and protesting. I have heard of protests from the State Department in the last war and in this war until I am sick of it. I should like to have the Congress of the United States say, "We are going to do something in this matter because we are tired of listening to protests which do not mean anything.

Mr. McKELLAR. Mr. President, let me make a suggestion to the Senator from Missouri. He is a member of the Foreign Relations Committee. The matter he is talking about concerns our foreign relations. Why does he not bring this matter up before the Foreign Relations Committee and have the committee report on it to the Senate? Why undertake to jeopardize the whole air-mail system, which already has been a marvelous success across the Atlantic Ocean, in order to bolster up some view as to our foreign policy in the State Department?

Mr. CLARK of Missouri. If the Senator will permit me to answer his question, today I did just exactly what the Senator suggests. I introduced a bill to prevent American aircraft from touching at Bermuda so long as the proclamation of the President is in effect, and requested that the bill be referred to the Committee on Foreign Relations, which was done. But this is an essentially different question, Mr. President. This is a proposal for appropriating public funds for the purpose of enabling the British to continue in their course of action involving infringement of American rights, which our State Department asserts is illegal and unlawful. Therefore, in addition to being in favor of the bill which I introduced earlier today, and which has been referred to the Committee on Foreign Relations, and which will doubtless be considered in due time by that committee, I am opposed to appropriating any further public funds to permit what our State Department says is an open and flagrant violation of our rights.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. Surely the Senator from Missouri does not mean that the object of the amendment reported by the committee is to permit the British to do what he objects to?

Mr. CLARK of Missouri. I say that the provision in the bill and the amendment of the committee increasing the appropriation is for the purpose of providing further funds for our ships, probably stopping at Bermuda, which will enable the British to carry on their illegal course of action. As the Senator from Tennessee [Mr. McKELLAR] properly said, my amendment goes to the whole item. Its object is to prohibit the use of public funds for aircraft stopping at Bermuda so long as that illegal course of action is pursued.

Mr. BARKLEY. The object of the amendment is to provide service; and it is a mere incident that there might be some interference. That is not the object of the amendment.

Mr. CLARK of Missouri. It may be a mere incident that one-half of one of the latest cargoes of mail was confiscated by the British at Bermuda.

Mr. McKELLAR. Mr. President, I have just one further word, and that is all I shall say. What do we find the situation to be? The Senator from Missouri offers an amendment which, in my view, would jeopardize the entire system of air mail between America and Europe, because we do not know whether we can fly to Bermuda. I hope we can, and I believe we can; but why jeopardize the whole system in order to effect a purpose which has been violently debated in the world for 100 years? I refer to the question of the right of search and seizure, a question on which our own Government heretofore has taken the opposite course.

Why jeopardize, by an amendment which is considered a limitation on the appropriation, the whole program of air mail between America and Europe, when the desired object can be accomplished in a direct way by the bill which the Senator has already introduced, and which is now before the Foreign Relations Committee, of which he is a member? He has introduced a bill. Why pass that bill in the form of an amendment to this appropriation measure, and thereby jeopardize the whole air-mail system to Europe, which up to date has been a wonderful success, and which in my judgment will pay. I ask the Senate to vote against the Senator's amendment.

Mr. PITTMAN. Mr. President, at the time the Neutrality Act was under consideration by the Foreign Relations Committee evidence was introduced before the committee touching this very question of exempting Bermuda from the list of belligerent countries, or from the effect of the act on the belligerent countries so far as transportation was concerned. The evidence conclusively proved to the committee, or at least to me, that it was of great advantage to the United States for its airships to land at Bermuda, and that it would be very difficult to carry on a successful air transportation to Europe by the southern route without landing at Bermuda. The exemption of Bermuda was made in the interest of the United States, not in the interest of Great Britain or anyone else. As to whether or not there should be reprisals or retaliations against Great Britain, that is a question which should have very careful consideration before any action is taken. We know that reprisals and retaliations invite reprisals and retaliations, and very frequently lead to controversies which may result in war. I do not think any Member of this body has argued that viewpoint with any more strength than has my friend from Missouri, and he probably holds the same view now.

Mr. CLARK of Missouri. Certainly the Senator has never heard me assert any such proposition as that it might lead to war for the United States Congress to refuse to appropriate public funds for the purpose of our airships landing in Bermuda or any other particular foreign country.

Mr. McKELLAR. Mr. President, this item of $16,000,000 includes all the appropriations for air-mail service everywhere, including service across the Pacific Ocean, where we have had a successful line for a number of years, and service all around the South American Continent, which is absolutely necessary. If any of this money is used contrary to

the proposed limitation, I do not know what will happen to all of it. I think we ought to let the matter alone.

Mr. CLARK of Missouri. Mr. President, will the Senator from Nevada [Mr. PITTMAN] permit me to ask the Senator from Tennessee [Mr. MCKELLAR] a question? This is the last time I shall interrupt the Senator.

Mr. PITTMAN. Certainly.

Mr. CLARK of Missouri. Does the Senator from Tennessee contend that my amendment prohibiting American airships from stopping at Bermuda would interfere with the trans-Pacific flights of the Pan American Lines?

Mr. MCKELLAR. I will read the amendment——

Mr. CLARK of Missouri. I have read the amendment. I wrote it. The Senator from Tennessee just advanced the proposition that my amendment putting a limitation on the expenditure of funds for planes which stop at Bermuda would interfere with the appropriation for trans-Pacific flights.

Mr. MCKELLAR. The amendment says:

That no part of the money appropriated under this item shall be expended for transportation of foreign mails by any aircraft landing on the island of Bermuda (except in the case of forced landings)—

Mr. CLARK of Missouri. What has that to do with the Pacific?

Mr. MCKELLAR. The same company which runs the lines in the Pacific and in South America also runs this line—

while a proclamation issued under authority of section 1 (a) of the Neutrality Act of 1939, and naming the United Kingdom, is in effect and while the Government of the United Kingdom asserts any alleged right to stop American aircraft and examine and confiscate mail.

I do not know what the amendment does, but it applies to the whole amount; and certainly if it does not jeopardize all the other services, it jeopardizes all the air-mail system across the Atlantic Ocean.

Mr. PITTMAN. Mr. President, as I was saying, there is no doubt that the Senator from Missouri and other Senators realize the dangers of retaliations and reprisals. We all know what they lead to. As a matter of fact, in the World War, time after time, Great Britain and Germany each excused its own illegal acts on the ground of illegal acts of the other. I feel that when the time comes in the protection of our rights under international law or our rights under treaties, we may be justified in using retaliations and reprisals, particularly in the violation of a treaty, if the violation is admitted. Nevertheless, I realize the danger of hasty acts of that kind. I do not think any measure of retaliation should be enacted upon the floor of the United States Senate without any consideration by a committee, or any conference with the State Department, or any recommendations whatever. If this amendment has any effect whatever, it must be in the nature of retaliation against Great Britain for committing an illegal act in holding up our mails.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield to the Senator from Colorado.

Mr. ADAMS. The Senator is speaking of retaliation. I infer from the earlier part of the statement that this air-mail service is very greatly to the benefit of the United States; that it is our country which profits by the mail service. If we stop it, the retaliation will be upon ourselves. In other words, we are proposing to deny ourselves the benefit of the air-mail service because we dislike something which Great Britain does in the course of its war policies; so we shall be the sufferers from the reprisal.

Mr. PITTMAN. I still think the intent of the proposed action is retaliation. The effect of it, of course, would be exactly as the Senator from Colorado has said: We would cut off our nose to spite our face.

The time may come, it may be nearly here, it may be here now, when the rights and dignity of the Government of the United States justify us in taking positive steps to stop illegal discriminations against our commerce and our mails. I think there is a far more serious subject than the stoppage of our mail at Bermuda. I think the threat of the German Government to sink our American vessels which have been forcibly taken into British ports upon the departure of those vessels from those ports presents a far graver question than is presented simply by the illegal interference with our mails at Bermuda. I do not know any international law which permits a belligerent to go upon the high seas and take a neutral vessel into its port for the purpose of determining whether or not it has contraband on board.

I know belligerents have a right to stop a neutral vessel on the high seas, examine its cargo and its destination, and determine for themselves whether or not the cargo is contraband; but if they determine that it is not contraband, the ship moves on in its course.

The same question arose during the World War. At that time Great Britain took our neutral ships, with neutral cargoes, into British ports and kept them there for weeks. Sometimes, I believe, she confiscated the cargoes and paid for them. Admittedly, that was against international law at that time, and it is against international law at this time.

I do not think Germany has a legal right to sink American vessels departing from British ports in such circumstances. Germany knows at this time that under our law our vessels cannot be, and are not, armed. She knows that they will stop and submit to search and seizure. Therefore, to submarine an American vessel leaving a British port would be not only an illegal but a brutal act; and the worst of it is that the repeated taking of the lives of American citizens under those conditions would excite this country. It might excite it to the point where the country would go to extremes. I do not believe it would, nor do I believe Congress would ever declare war by reason of such acts. Nevertheless, it would be justified in doing so under the theories of the past.

We now have American ships on the high seas, moving around the world. Their destinations are known to the whole world. Their cargoes can be ascertained by the British Ambassador here before the ships sail. Not a pound of that freight is moving to any belligerent. Not a pound of that freight is going into any part of the combat area established by the President under the Neutrality Act. The only excuse Great Britain could have for claiming that there is a pound of contraband in any of those cargoes is under the theory of continuous voyage and ultimate destination, that some of these goods are going into Italy, and ultimately will be transported into Germany.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. PITTMAN. Just for a question. I am now presenting a situation, and I prefer to have the Senator wait until I conclude.

Mr. REYNOLDS. The Senator has just stated that our ships are now traveling in neutral zones; and we know that none of them have been sunk. If they continue to travel in neutral zones, and, against the will of their captains, are taken into the war zone by British ships, and any of those American ships, having been taken out of the neutral zone against the will of their captains, as a result thereof are sunk by German submarines, who will be to blame?

Mr. PITTMAN. I am now discussing that question.

Mr. REYNOLDS. I ask the Senator, Who will be to blame?

Mr. PITTMAN. I prefer to answer the question in my own way, if the Senator from North Carolina will permit me to do so. It is very hard to answer by "yes" or "no" questions of such grave purport, involving so many different degrees of guilt or lack of guilt.

I say, however, that the only excuse the British Government could have for examining the cargo of any of these ships going through the Mediterranean is under the theory of continuous voyage, which theory was established by the Supreme Court of the United States. At that time, apparently, goods coming to the British possessions off the coast of Florida had nowhere to go except to the Confederate Government. All true; but in this case it is absurd, or, if not absurd, it is arbitrary, for the British Government to say that American vessels which are prohibited from going into any zone around Great Britain or Germany, limited in their course, limited in their transactions to neutrals and to neutrals outside of contraband zones, can be carrying goods to a belligerent under the far-fetched theory of continuous voyage.

The British Ambassador can go to the State Department and find out every ship that is going to sail, and every kind of cargo on it, and the destination of all of it. We must take notice of actual facts in the world. We know that there is not a country on the Mediterranean today which would voluntarily ship any goods into Germany. It is said that goods going to Italy may go into Germany. Of course, that is true; yet general knowledge of the conditions in Italy today, of the sentiment of the people of Italy, of the disposition of Mussolini, contradict any desire upon the part of Italy to furnish munitions of war at this time to Germany. But suppose part of a few cargoes on a few American ships that stop in Italy should leak across the mountains into Germany: Would that justify this illegal taking of our ships into ports into the war zone and the threatening of their destruction through retaliation by Germany?

If the United States were an antagonistic nation, if it were sympathetic with the enemies of Great Britain, if it would be natural for us by subterfuge to try to get something into Germany in some way, somehow, then the British Government's attitude might find some justification and some excuse. In the past it may have been only a commercial interference. It may have affected the profits of a trip to have one vessel held up in a British port for 15 days while its competitor was held up for only 3 days; but matters have now gone beyond that point. We are now facing the direct issue that our merchant vessels will be taken into a port of Great Britain, at Gibraltar, and there searched for what the British call contraband, which in the very nature of things cannot be such; and that alleged contraband taken into British ports the British Government itself determines to be contraband on some far-fetched theory of international law with regard to contraband. Germany has announced that she is going to retaliate for that action. If our ships which are dragged against our protest into those British harbors, when they leave on their voyage, unarmed, attempting to carry out our Neutrality Act, sacrificing our shipping to a great extent to do it, without arms, openly disarmed, are sunk in the night in the Mediterranean by a submarine without notice—if and when that happens, it is going to arouse an intense feeling in this country; and if it is repeated, that feeling will grow worse. Those are the things which will cause the Congress, as well as the administration, to think of what steps must be taken to remove that danger and that threat.

I should not be prepared here to propose any particular method. I should not be prepared here to vote for any particular method. I should not be prepared even to offer anything until I had obtained all the facts at the present time from the State Department. We may have to do it sometime; but, in view of the seriousness of retaliation, of reprisals, in view of the fact that if this is a reprisal upon Great Britain we shall be injured a hundred times more than Great Britain will be injured, it loses its effect as a reprisal. We should not attempt to deal with such an important matter by legislating on an appropriation bill. Even though it be legal legislation by limitation, still if it is legislation there is only a technical parliamentary distinction; and we should not attempt in that way to deal with such a vital question as this question is today.

SEVERAL SENATORS. Vote! Vote!

Mr. REYNOLDS. Mr. President, I desire to say a few words before the vote is taken.

I think we have arrived at a time in this country when we should realize that we are confronted with more danger than ever before since war was declared on September 3. I am interested only in keeping the United States out of this war. I know that 99 percent of the American people want to stay out of this war, despite the fact that I believe 90 percent of our people are 100 percent in favor of the Allies.

It is not my understanding that the senior Senator from Missouri is trying to destroy our air-mail system. To judge from what has been said here, one reading the RECORD would unquestionably get the impression that he was attempting to destroy that system.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REYNOLDS. Certainly.

Mr. CLARK of Missouri. The only purpose and intent of the amendment, and the only purpose that can possibly be accomplished by it, is to stop the expenditure of public funds for assisting American aircraft which are to stop at Bermuda, so long as a position which our State Department has asserted and feels is unlawful, is maintained by Great Britain.

Mr. REYNOLDS. In addition to that, it is my understanding that the Senator from Missouri is interested in protecting American interests by way of speeding the American air mail.

Mr. CLARK of Missouri. Certainly.

Mr. REYNOLDS. Mr. President, I do not think we should be criticized for attempting to look after our own interests. I think it is time a number of the American people became pro-American. It is not denied that America is pro-British to a large extent, but I think the time has arrived when some of us should become pro-American. I am interested in protecting the interests of the people of the United States, and I do not see why there should be any criticism directed toward any Member of this body or any Member of the House of Representatives when he rises in the interests of the United States Government, whom we are supposed to represent.

Great Britain has stopped our ships at Bermuda, she has insisted upon examining the mail—every bit of it—reading the letters and opening up the packages, because otherwise she would not know whether it was contraband or not. It will be all the better if we can send a plane from this country to Lisbon, the capital of Portugal, with one stop, as suggested by the able junior Senator from New York [Mr. MEAD], who I dare say is as familiar as any other man in this body, and, as suggested by him, the probabilities are that we would save money.

It is said that there is someone in authority in this Government who has a right to designate the route, and say where these ships should fly from and where they should stop, and it has been suggested that such an order will be issued. But why depend upon a mere suggestion, a presumption that that will be done, when the amendment offered by the Senator from Missouri will assure that it will be done? Why take a chance on something being done when we may know it will be done?

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. CLARK of Missouri. In the event the Civil Aeronautics Authority, or the Pan American Air Lines, or anybody else in authority, decided to fly planes from Puerto Rico to the Azores, or from Charleston, S. C., to the Azores, or from Wilmington, N. C., to the Azores, as is entirely practicable, then this amendment would have no force and effect whatever. This would not interfere with the air-mail appropriation, because the planes would not stop at Bermuda, and the British would not have a chance to search the mail and confiscate part of it. I call the attention of the Senator to the fact that the British not only claim but exercise the right to search mail coming to the United States from Europe as well as that going from the United States to Europe. The question as to its being contraband does not enter into it at all.

Mr. REYNOLDS. The word "retaliation" was employed here a moment ago. One of our colleagues—I have forgotten who it was—suggested that Great Britain might consider this an act of retaliation. Let us see about that.

We lifted the arms embargo for the purpose of assisting Great Britain, and, speaking of retaliation, Great Britain retaliated by putting an embargo on our tobacco and our cotton and stopping our ships and searching them and reading our mail.

I do not see how anyone could consider our act an act of retaliation if all we are endeavoring to do is to speed up our mail and to save money and to provide better mail accommodations for the American people. Have we arrived at a

point where we cannot rise in this Chamber and speak for the rights of our own Government? I know we have not.

I say that we are facing a very serious hour, and for the first time in this country the American people themselves recognize that we are facing a serious hour. They recognized it when Germany issued the statement to the effect that she felt she would have a right under international law to sink our ships if they were found out of the neutral zones and in the port of a belligerent.

I am not an authority upon international law, but I have made inquiry of Members of this body whom I do consider authorities, and they were not positive as to whether or not such an action on the part of Germany would be a violation of international law. But the point to which I am about to come I wish to illustrate in this manner: A is in this Chamber; he is in no danger whatsoever. On the outside of this barricaded Chamber there are murderers, and A knows that if he leaves the safety of this Chamber and goes outside of the Chamber he will be murdered. A, being a cautious man, is not desirous of being murdered; but B, who likewise is in this Chamber, bodily takes A on the outside of this Chamber and, as a result of the act of B, A is murdered by parties whom we will designate as C. Who is to blame? B and C are jointly to blame, because B had no right to take A out of the safety zone into the danger zone against his will.

Mr. ADAMS. The Senator would exonerate the murderers?

Mr. REYNOLDS. No; I would not exonerate the murderers, not at all, but I would hold B and C equally guilty. Our ships are traveling in neutral zones. We have done everything in the world we could to keep out of the war. We have done all we could, according to the dictates of our consciences, to keep America neutral, and keep it from being engaged in the squabble in Europe. We have wiped our ships from the seas.

Mr. LEE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LEE. Does the Senator's illustration mean that A stands for America and B for Britain?

Mr. REYNOLDS. Not at all. I am merely using that as a simple illustration. Our ships are traveling from American shores in neutral zones. They have never traveled outside of those neutral zones, those safety zones, and they are not going to. But Great Britain comes along and seizes our ships, she takes them out of the safety zones, and takes them into belligerent ports.

Germany notified this Government yesterday that hereafter if any of our ships were found outside of those neutral zones she felt that under international law she would have the right to sink those American ships. Our ships are going to continue to travel in those neutral zones. But suppose Great Britain seizes them at sea, as she has done heretofore, and takes them out of the safety zones into belligerent ports, against the will of the commanders of the ships, and while outside of a safety zone a ship is torpedoed and sunk. Who is to blame? Is England to blame or is Germany to blame? That is a question this body is going to be called upon to answer.

If England will stop her unwarranted seizure of our ships—and I use the word "unwarranted" for the reason that it was used a moment ago, according to my recollection, by the able chairman of the Committee on Foreign Relations, when he stated that they could find out what constituted the cargo of a ship which left our shores——

Mr. LUNDEEN. Mr. President will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. If we are to judge by the temper of the people of the times in which Andrew Jackson lived, and the positive Americanism he exhibited at that time, would he not, when Britain seized our ships, seize Bermuda? I ask able Senators to read the state papers of Jackson, a great American. His patriotism was not diluted by propaganda and internationalism. He was an American, nothing but an American, and wholly an American. He was not pro this and pro that, and he left us a rich heritage of patriotism, a country free of debt, and not a shot was fired in any French-American war; yet when the French Empire refused to pay us their just debt, Jackson threatened to seize their American territory.

Yes; the French paid, and paid in full, and there was no war; yet we were small and weak and they were great and strong; but they were 3,000 miles away across a great ocean, and we had a mighty man in the White House, whose word was respected in the councils of the nations of all the world.

Mr. REYNOLDS. I do not think Andrew Jackson would have put up with what we are bearing with now in many instances.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. ADAMS. While the Senator has been very modest in his disclaimer of being an expert on international law, I look upon him as very much of an expert.

Mr. REYNOLDS. I do not claim to know a thing about international law.

Mr. ADAMS. We recognize the Senator as being well versed in it. The Senator's argument is premised on the fact that Germany would have a right to sink an American ship if it went into a belligerent port. As a matter of fact, the Senator will agree that Germany has no right to sink an American ship engaged in ordinary commercial traffic, even though it goes into a British port, unless it is carrying contraband or is seeking to run a blockade.

Mr. REYNOLDS. I quite understand that. I did not say that Germany had that right. Up to date not one of our ships has been attacked, not one of our ships has been sunk; therefore, if we are to judge the future by the history and experience of the past, we may continue upon the assumption that, so long as our ships remain within the confines of the neutral zones, they will not be sunk.

Mr. ADAMS. The Senator knows that this country went to war in order to protect the right of American ships engaged in peaceable commerce to go into the war zone during the World War.

Mr. REYNOLDS. After this country had been flooded with propaganda; and I think that propaganda spread in this country by the British was more largely responsible for our entering the war than was the sinking of any ship. The sinking of the *Lusitania* was merely the climax of the whole thing.

Mr. ADAMS. A British ship.

Mr. REYNOLDS. Yes.

Mr. ADAMS. Does the Senator think that under any condition a passenger ship or a freight ship can lawfully be sunk by a submarine?

Mr. REYNOLDS. Does the Senator mean an American ship?

Mr. ADAMS. Yes.

Mr. REYNOLDS. That is a question of international law, and I just told the Senator that I did not hold out the slightest claim of being one well versed in international law. I am merely saying that up to this hour—that is, since September 3—our ships have been traveling exclusively in neutral zones, and not one of those ships has been sunk or attacked by German submarines. I say that if we can judge the future by the past, so long as our ships stay in neutral zones, they will not be attacked, they will not be sunk. The question I bring to the attention of the Senate is this: Suppose that one of our ships travels in a neutral zone. Suppose Great Britain takes that ship out of the neutral zone into belligerent waters and she is sunk by a German submarine, what is going to happen? You know what is going to happen, and I know what is going to happen. The American people will become so thoroughly inflamed that they will demand actual physical retaliation, and they will want to go to war.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from North Carolina yield to the Senator from Kentucky?

Mr. REYNOLDS. I gladly yield.

Mr. BARKLEY. If it be true, as the Senator from Colorado [Mr. ADAMS] has so forcefully suggested, that an Ameri-

can ship cannot legally be sunk if it goes voluntarily into a belligerent zone or combat zone, what additional right is given to the other belligerent if that ship is involuntarily taken into the combat zone and, when it is released, seeks to go back into the neutral zone? What additional right would be given to Germany or any other nation to sink that ship because it happened to be found in a combat zone, where it had been taken involuntarily and while it is trying to get out and back into a neutral zone? And would the Senator hold equally guilty of the murder of American citizens the nation which had taken it into the combat zone with the nation that sank it while in the combat zone?

Mr. REYNOLDS. I cannot make an argument on an assumption of that sort. I am simply bringing a question to the attention of the Members of the Senate, and asking what would happen if one of our ships while traveling in a neutral zone were forcibly and against its will taken out of that zone and placed in belligerent waters or a port, and then sunk by the Germans. Whether such action is legal or illegal, the American people will demand retaliation. The American people will become aroused, because up to date we have had almost the same amount of propaganda in this country that we experienced prior to our entrance into the last war. For that reason I am highly interested in a resolution which I understand has been introduced by the senior Senator from Missouri [Mr. CLARK] designed to look into the matter of propaganda which is being spread in this country by paid lecturers from abroad and by socialite aliens who are honeycombing this country to the detriment of the American people.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. We are looking into propaganda in this country, Mr. President, but we are not looking into British propaganda in this country, and that is the most dangerous of all propaganda, because it aims to bring us into war.

The British now seize our ships and take them into the war zone, thinking thereby they can put America into the war. And I ask distinguished and able Democrats sitting before me here to read the story of Andrew Jackson before they smile at any deductions we may make from his philosophy.

Bermuda is an American island. It holds a key position on our Atlantic coast. From its shores bombers can attack our great cities and industrial plants. Here we have the British monopolizing Bermuda, siphoning in our wealth from the United States of America, and now insolently opening our mails while our door-mat State Department makes a few weak gestures. The British know that no serious protest will be made.

We made the same weak gestures during the World War, and we are repeating the same procedure now. However, if Germany or Italy or Japan or the U. S. S. R. dare to assert their rights as they see them, our diplomats rage in frantic fury. Why not take a positive stand? Why not assert our American rights when the British are involved? I repeat, if we had an Andrew Jackson in the White House today when the English seize our ships and wrongfully take them into the war zones, where the Germans may sink them, a Jacksonian President, judging by his state papers while President, would seize Bermuda and hold it until the British came to their senses and made some real effort to respect American rights.

Mr. REYNOLDS. Mr. President, we are facing a dangerous situation. Of course, it is dangerous for any man in public life to open his mouth or to utter one word in behalf of his country if of necessity in that argument he must mention Great Britain, because it is said that those who openly oppose our entrance into this war are pro-Nazi. So far as I am concerned, I do not care what they say or write about me, so long as I have the right in this body or in any other public forum to speak out in the interest of the American people, and I say it is high time that the American people became pro-American. It is high time that we begin looking after our interests, the interests of the United States, instead of pussyfooting around and being afraid to say anything that might be construed to be against Great Britain.

Mr. President, I am not against Great Britain. I am not against anybody. I am only pro-United States of America.

Getting back to the Senator's amendment, I do not see how the adoption of his amendment will destroy our air-mail system. I dare say without hesitation that there is no one in this body who is more thoroughly enthusiastic in the support of our air-mail system than I am. I know that the development of the Pan-American Air Lines in all of the more than 20-odd republics and dictatorships to the south of us has done more to help our businessmen, our industrialists, than anything else has done. I know that the businessmen of this country have been helped by the extension of our lines to the Hawaiian Islands and across to Guam and Manila in the Far East, and, prior to the war, to Hong Kong, and also to Canton, 100 miles up the river.

I was happy to learn several days ago that the Pan American Lines intends to extend a branch from Honolulu to New Zealand, to connect there with the British lines extending to Perth, Melbourne, and Sidney, and north to Darwin and south to Tasmania. I think that is marvelous.

I have been very enthusiastic about the speeding up of the carrying of mail from American shores to Europe. But if we appropriate money here, let us make the best utilization of that money for the American people. If, as has been said, an Executive order is all that is necessary to route those ships away from Bermuda, fine and dandy; but now, when we have an opportunity to say we shall not subject ourselves to embarrassment—we shall not permit those whom we are intending to favor to make examination of our mails and to destroy our ships—why not do it here by way of the Senator's amendment?

Mr. President, it may be the British are retaliating against us for favoring them in stopping at Bermuda. Let us see about another piece of retaliation. Ninety-five percent of the revenue derived by the Government of Bermuda, whose capital is Hamilton, comes out of the port of New York. I dare say that 90 percent of all the tourists that go to Bermuda come from the United States of America. We provide the funds for the running of the government there. The United States provides 95 percent of all the revenues that the British there have with which to conduct their government.

We favor them further by providing them with the convenience of an airline from New York to Bermuda and from Bermuda to Europe, and after having provided them with that favor perhaps they are attempting to retaliate by holding up our airships and examining our mail.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri [Mr. CLARK] on page 49, line 17.

Mr. CLARK of Missouri. Mr. President, I ask for the yeas and nays on the amendment; and, pending that, I make the point of order that there is no quorum present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Lundeen	Schwartz
Ashurst	Frazier	McCarran	Schwellenbach
Bankhead	Gerry	McKellar	Sheppard
Barbour	Gillette	McNary	Shipstead
Barkley	Glass	Maloney	Smathers
Bilbo	Green	Mead	Smith
Brown	Guffey	Miller	Stewart
Bulow	Gurney	Minton	Thomas, Idaho
Burke	Hale	Murray	Thomas, Okla.
Byrnes	Hayden	Neely	Thomas, Utah
Capper	Herring	Norris	Tobey
Chandler	Hill	Nye	Townsend
Chavez	Johnson, Calif.	O'Mahoney	Van Nuys
Clark, Idaho	Johnson, Colo.	Pepper	Wagner
Clark, Mo.	La Follette	Pittman	Walsh
Connally	Lee	Reed	Wheeler
Danaher	Lodge	Reynolds	White
Davis	Lucas	Russell	Wiley

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] to the committee amendment on page 49.

Mr. CLARK of Missouri, Mr. JOHNSON of California, and other Senators demanded the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote, I withhold my vote. If I were at liberty to vote I would vote "yea."

Mr. STEWART (when his name was called). I have a pair with the junior Senator from Oregon [Mr. HOLMAN], who is absent. I am not advised how he would vote. I transfer that pair to the junior Senator from Illinois [Mr. SLATTERY] and vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Arkansas [Mrs. CARAWAY] and vote. I vote "nay."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senators from Louisiana [Mr. ELLENDER and Mr. OVERTON], the Senator from Illinois [Mr. SLATTERY], the Senator from West Virginia [Mr. HOLT], the Senators from Maryland [Mr. TYDINGS and Mr. RADCLIFFE] are detained on important public business.

The Senator from Florida [Mr. ANDREWS], the Senator from Delaware [Mr. HUGHES], the Senator from New Mexico [Mr. HATCH], and the Senator from Mississippi [Mr. HARRISON] are detained in various Government departments.

The Senator from Georgia [Mr. GEORGE] and the Senator from Utah [Mr. KING] are attending committee meetings and are, therefore, necessarily absent.

Mr. McNARY. I am requested to announce that the Senator from Vermont [Mr. AUSTIN] and my colleague [Mr. HOLMAN] are absent on account of illness.

The Senator from Vermont [Mr. GIBSON], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Michigan [Mr. VANDENBERG] are unavoidably detained.

The Senator from Ohio [Mr. TAFT] is detained in a conference.

The result was announced—yeas 25, nays 46, as follows:

YEAS—25

Barbour	Frazier	Miller	Thomas, Idaho
Bulow	Gurney	Nye	Tobey
Capper	Johnson, Calif.	Pepper	Walsh
Clark, Mo.	Johnson, Colo.	Reed	Wheeler
Danaher	La Follette	Reynolds	
Davis	Lodge	Russell	
Donahey	Lundeen	Shipstead	

NAYS—46

Adams	Gerry	McKellar	Smathers
Ashurst	Gillette	Maloney	Smith
Bankhead	Glass	Mead	Stewart
Barkley	Green	Minton	Thomas, Okla.
Bilbo	Guffey	Murray	Thomas, Utah
Brown	Hale	Neely	Townsend
Burke	Hayden	Norris	Van Nuys
Byrnes	Herring	O'Mahoney	Wagner
Chandler	Hill	Pittman	White
Chavez	Lee	Schwartz	Wiley
Clark, Idaho	Lucas	Schwellenbach	
Connally	McCarran	Sheppard	

NOT VOTING—25

Andrews	Downey	Holt	Taft
Austin	Ellender	Hughes	Truman
Bailey	George	King	Tydings
Bone	Gibson	McNary	Vandenberg
Bridges	Harrison	Overton	
Byrd	Hatch	Radcliffe	
Caraway	Holman	Slattery	

So the amendment of Mr. CLARK of Missouri to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 49, line 16.

Mr. CLARK of Missouri. Mr. President, I do not intend to detain the Senate by asking for the yeas and nays on the committee amendment. I merely desire to make it a matter of record that I cast my vote against this unjustifiable extravagance in the committee amendment increasing the appropriation over that allowed by the House.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 49, line 16.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General", on page 49, line 21, after the word "offices", to strike out "$11,100,000" and insert "$11,150,000", so as to read:

Star route service: For inland transportation by star routes (excepting service in Alaska), including temporary service to newly established offices, $11,150,000.

The amendment was agreed to.

The next amendment was, on page 50, line 2, after the word "letters", to strike out "$1,270,000" and insert "$1,325,500", so as to read:

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, $1,325,500.

The amendment was agreed to.

The next amendment was, on page 51, line 25, after the word "to", to strike out "the Fifth Congress of the Postal Union of the Americas and Spain, $7,500, to remain available until June 30, 1942, this sum to be expended in the discretion of the Postmaster General and accounted for on his certificate notwithstanding the provisions of any other law", and insert: "(a) A meeting of a Technical Committee for Transit of the Universal Postal Union, $5,000, to be immediately available; (b) a special Congress of the Universal Postal Union, $10,000; (c) the Fifth Congress of the Postal Union of the Americas and Spain, $7,500, to remain available until June 30, 1942; these sums to be expended in the discretion of the Postmaster General and accounted for on his certificate notwithstanding the provisions of any other law", so as to read:

Foreign mail transportation: For transportation of foreign mails, except by aircraft, $2,670,000: *Provided*, That the Postmaster General is authorized to expend such sums as may be necessary, not to exceed $70,000, to cover the cost to the United States for maintaining sea post service on ocean steamships conveying the mails to and from the United States: *Provided further*, That of this sum there may be available for expenses of delegates designated from the Post Office Department by the Postmaster General to (a) a meeting of a Technical Committee for Transit of the Universal Postal Union, $5,000, to be immediately available; (b) a special Congress of the Universal Postal Union, $10,000; (c) the Fifth Congress of the Postal Union of the Americas and Spain, $7,500, to remain available until June 30, 1942; these sums to be expended in the discretion of the Postmaster General and accounted for on his certificate notwithstanding the provisions of any other law.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 56, line 25, after the word "offices", to strike out "$9,950,000" and insert "$10,000,000", so as to read:

Rent, light, fuel, and water: For rent, light, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, $10,000,000.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is still before the Senate and open to further amendment.

If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. MEAD. Mr. President, before we conclude the Senate action on this bill, while I am in agreement with the Senator in charge of the bill [Mr. McKELLAR] and the subcommittee which reported the bill, I wish to point out what I deem to be a very important matter of public policy which affects the appropriation for the Railway Mail Service. I refer to the item on page 50. It has to do with what I believe is the most effective and the most excellent domestic service that we have within the Post Office Department.

In 1939 the appropriation for the Railway Mail Service was $57,500,000. In 1940 it was reduced to $56,000,000. In 1941 the Post Office Department recommended to the Budget Bureau an appropriation of $56,748,000. The Budget Bureau reduced that amount, and recommended in its report $56,283,000. The deficit for the current year amounts to $326,000. If that were taken into consideration together with the recommendations made by the Post Office Department, and if, in addition to that, consideration were given to the constant and steady upturn in postal volume, the appropriation for 1941 would at least equal the appropriation for 1939.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. McKELLAR. We invited the heads of the several branches of the Post Office Department to appear before the committee to make any suggestions they had about appropriations. They were entirely satisfied with this appropriation, and offered no evidence concerning it. We thought they probably knew how much they wanted, and we accepted their statement about it.

Mr. MEAD. Mr. President, as I said at the outset, I am finding no particular fault with the subcommittee. I really believe that in the consideration of the bill, taken as a whole, the subcommittee has been extremely fair and most considerate.

However, I wish to point out for the future guidance of the subcommittee—and not at all for an increased appropriation—the fact that we are impoverishing a service which, by reason of its speed and excellence, increases and attracts added volume, which means added revenue to the Postal Service taken as a whole.

When we reduce this particular item, and postal volume continues to increase, it must be collected, sorted, and distributed. But if this key Service—excellent, speedy Railway Mail Service—is without funds, then the mail must be handled in the next best manner. So we find in the Post Office appropriation bills a developing increase in other items and a corresponding decrease in this item, which means not exactly economy, but a slowing-up of the delivery of the mail.

To indicate that I have some substantial ground upon which to base my argument, I find in the report on this particular item by the committee on the other side of the Capitol this information:

> If it should be necessary to increase the permanent forces, the committee understands and expects that the Department will care for the volume of the mail, and if it becomes necessary to go on a deficiency basis, the Congress will provide the additional sum which absolute necessity indicates will have to be granted. This is not a new procedure in the handling of postal affairs—

So indicates the committee—

> and is deemed a wiser course than in appropriating fully for a maximum anticipated volume of business 18 months in advance of the time when the period, in which that volume of business would arise, will expire.

One would take it from that statement that the committee anticipates a deficiency. There is, in reality, a deficiency now. One would also assume from that statement that it would be perfectly all right—in fact, in order—for the Department to operate the Service on a deficiency basis; but let me read what another committee has to say. This is what the law has to say.

About the time this report was made, about the time this hearing was held, about the time the Department was advised to come in and ask for a deficiency appropriation, the chairman of the House Committee on Expenditures in the Executive Departments brought to the attention of the body section 169 of the general law—section 665, title 31, United States Code—wherein is found this statement:

> No executive department or other Government establishment of the United States shall expend, in any one fiscal year, any sum in excess of the appropriations made by Congress for that fiscal year, or involve the Government in any contract or other obligation for the future payment of money in excess of such appropriations unless such contract or obligation is authorized by law. Nor shall any department or any officer of the Government accept voluntary service for the Government or employ personal service in excess of that authorized by law, except in cases of sudden emergency involving the loss of human life or the destruction of property.

And so forth. In the report of the House committee we find an open invitation to come in and ask for a deficiency appropriation. In the operation of this particular service we find that a deficiency actually exists. In the other items contained in the appropriation we find wholesome, healthy increases in appropriations in direct proportion to the increased volume of mail, but in this item we find a reduction of the amount asked for by the department. In these two conflicting statements we find an invitation to come in and get the deficiency appropriation, and a warning that "you will be violating the law, and held to a strict accountability, if you do."

So I hope that in the consideration of all items for the collection, transportation, and distribution of the mail, whether it be by star route, rural route, Railway Mail Service, or any other service, prudent consideration will be given to the appropriation of a sufficient amount of money, not for the collection and distribution of the mail by any medium but for the collection and distribution and transportation of the mail in accordance with the traditions of the Postal Service; that is, the best, the speediest, and the most attractive manner.

I merely desire to make this point, and then I am through: The Railway Mail Service is being impoverished. Other services are receiving wholesome increases. In the name of the Railway Mail Service, I ask the committee to go completely into the record, to consider this item from every reasonable approach, and to see to it that they secure the appropriation for the deficiency which in reality they have been invited to apply for.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. What is the issue now before the Senate?

The PRESIDING OFFICER. The engrossment of the amendments and the third reading of the bill.

Mr. THOMAS of Oklahoma. I call for that question.

The PRESIDING OFFICER. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed, and the bill to be read a third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

Mr. THOMAS of Oklahoma. Mr. President, I had intended to discuss the question of our gold and silver policy in connection with the passage of this bill. Shortly after 12 o'clock I made a promise that I would not make my remarks until just before the passage of the bill. At that time I had no idea that we should have 4 hours of discussion; but before the vote is finally taken I desire to use a few minutes of the time of the Senate in the discussion of the question which has been raised on the other side of the aisle; that is, criticisms of our gold and silver policies.

Mr. President, the vote about to be cast is on the bill proposing to make appropriations for the Treasury Department for the fiscal year ending June 30, 1941.

This bill provides the money to run the Treasury Department, and the Treasury Department provides the money to run the Government. In addition to financing the Government, the Treasury Department shapes, if not controls, the financial policies of not only the United States but the world.

The question of money is the most important question that can confront any nation. Now, after thousands of years of civilization's development, we find the world without a recognized monetary system, with each nation, including the United States, operating on a 24-hour basis.

Under our Constitution, the Congress is the policy-making branch of our Government.

Under the Constitution, the Congress has original and exclusive jurisdiction and power to provide and maintain a monetary system for our country. Since records have been

kept, gold and silver have been by all peoples recognized and used as money. Yet today we have pending in the Congress bills proposing to discredit and discontinue the use of silver as money; and we have Senators and Representatives, in and out of this Capitol, making speeches and writing articles seeking to discredit, if not discontinue, the use of gold as the common money of account not only of our country but of the world.

During recent months some distinguished and able Senators, economists, bankers, and publicists have tried to disarrange, if not disrupt, what little stability relating to money we still have left in the world.

May I remind these gentlemen, upon whose shoulders rests very great responsibility, that at this hour our monetary system is the one and only beacon light for all the nations of the earth. To destroy this light and to disrupt our policy will bring immediate economic chaos to each and every nation dealing in international commerce and trade.

Should we discredit gold by refusing to accept the metal as money, the world would be forced to go on a 100-percent barter basis.

On this occasion the time I shall use will be on only one phase of our financial policy—our policy relating to gold.

As briefly as possible I shall try to state and analyze the problem; and later I hope to be able to suggest possible solutions and remedies.

Mr. President, before discussing our so-called gold policy, I shall refer briefly to some of the criticisms in an effort to learn, if possible, of the alleged objections to such policy.

On January 29 the senior Senator from Delaware [Mr. TOWNSEND], in addressing a press association, is reported to have referred to our gold policy as "a one-way street."

Again on February 1, in addressing the Senate, the Senator made the following statement:

> I assure the Senate that the present gold and silver policy cannot endure.

On February 9 the junior Senator from Connecticut [Mr. DANAHER] referred to our policy as "a mistaken, fallacious gold policy."

On February 8 the senior Senator from Michigan [Mr. VANDENBERG], in connection with his request to insert some data in the RECORD, said:

> We are buying all this Russian gold, which, I understand, costs not more than $11 an ounce to mine, at $35 per ounce. It is all part of our general gold folly.

Again on February 10, in delivering a Lincoln Day address at St. Paul, the distinguished Senator is reported to have made an attack upon our gold and silver policy.

In a copyrighted article under the heading "Vandenberg lays platform for Presidency," we find the following sentences:

> Stop buying all the gold and silver of the world at swollen prices, when we already have twice as much as we can use. Yes; stop buying gold from Russia at $35 an ounce which Russia produces for $11 an ounce and puts the profit into the execrable war upon Scandinavia.

Mark Sullivan, a well-known writer, calls our gold policy "a golden elephant."

The American Banker prints an editorial under the caption, "Our Gold—An Unsolved Problem."

Roger W. Babson, an economist, says that "we have 70 percent of the world's gold. That is too much."

R. C. Leffingwell, a Morgan partner, says:

> We are buying gold we don't want and can't use.

Winthrop W. Aldrich, chairman of the board of directors of the Chase National Bank, a $3,000,000,000 institution, in his report to his stockholders, says:

> This influx of gold into the United States is far from an unmixed blessing.

E. A. Goldenweiser, economist for the Board of Governors of the Federal Reserve System, admits that we have a gold problem today.

The Washington Post in a recent editorial refers to our gold policy as outrageously irresponsible.

Mr. President, what is this "one-way street," this "mistaken, fallacious gold policy," this "gold folly," this "golden elephant," this "far from unmixed blessing," and this "outrageously irresponsible" something that seems to be haunting the Washington Post?

What is the objection, or what are the objections, raised to date by the critics of our gold policy and program?

An examination of the speeches made and articles published to date reveals three charges or indictments, as follows:

The first objection or indictment seems to be leveled at our policy of accepting Russian gold in payment for American goods, wares, services, and commodities, or for settling trade balances due institutions and interests in the United States.

The second count or indictment seems to be leveled against the law which fixes the value of gold at $35 per fine ounce; and

The third complaint seems to be that we are acquiring too much of the golden metal.

Before undertaking any explanation of our so-called gold program let me quote from some of our critics as to the effect of the policy we have adopted and are now pursuing.

The senior Senator from Delaware [Mr. TOWNSEND], while condemning our policy in his address before referred to, states:

> When foreign bullion comes here and the foreign sellers get dollars for it, those dollars may be used in three ways: To build up foreign bank deposits here; to be invested in securities or factories here, or to buy American goods, pay for American services, and the like. In fact, the billions of dollars of proceeds of the foreign metal sent here in recent years have been used in all three ways.
>
> It is true that the use of such foreign-owned dollars to buy our motortrucks, our cotton, or our airplanes makes jobs for Americans. It makes export business.

The Washington Post, while condemning our program, admits that gold shipped from Russia "enables the Soviet Government to build up dollar balances here" and that "these dollars can be used to buy copper, machinery, and various goods that Russia needs."

While the critics of our gold policy condemn our acceptance of gold in payment for American products, yet those who have made a study of the problem admit that when gold comes here it is used to pay for our surplus products, such as manufactured articles, services, and commodities.

My senatorial colleagues condemn the policy of accepting gold, the only real money in the world, as payment for our products. But none of these critics have heretofore, to my knowledge, pointed out in detail the alleged defects of the system, nor have they proposed either a change or a modification of our so-called gold policy.

The eminent writer Mark Sullivan, while he ridicules and trys to make fun out of our gold policy, religiously refrains from hazarding a suggestion either for a change or a remedy. The nearest thing to a solution is his statement that we might give the gold "to our wives to wear as earrings and bracelets—mementos of a New Deal experiment."

The American Banker, presuming to speak for and to keep the bankers advised as to financial matters, although apparently condemning our policy, has neither amendment, change, nor solution to offer.

Roger W. Babson, while joining the anvil chorus in condemning the existence of so much gold in our Treasury, likewise fails to suggest a remedy.

At this point let me refer briefly to our so-called "silver policy." Relative to this policy we have no problem.

Under the act approved June 19, 1934, the Secretary of the Treasury is authorized and directed to acquire silver, but the rapidity with which he receives the white metal is left to the discretion of that official.

The act passed at the recent session refers only to silver mined in the United States and our possessions, and hence is subject to change at the will of the Congress.

All of our money is based on some kind of value. Our Federal Reserve notes, now in circulation to the amount of over $5,000,000,000, are based upon 40 percent of gold and 60 percent of commercial paper, such as notes, bonds, and other evidences of indebtedness.

Our United States notes, now in circulation to the amount of $346,000,000, are based upon gold bullion on deposit in the Treasury.

Our silver certificates, now in circulation to the amount of over $1,700,000,000, are based upon silver bullion on deposit in the Treasury.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. CONNALLY. The Senator just stated that the silver certificates are based upon bullion on deposit, but is it not a fact that the provision of the act which requires the Secretary of the Treasury to maintain parity between all kinds of currency is equivalent to basing the silver certificates on gold?

Mr. THOMAS of Oklahoma. It is true, Mr. President, that under the Gold Standard Act passed in 1900, and later amended by the provision which was a part of the agricultural-adjustment measure which passed in 1933, the Secretary of the Treasury is under a mandate to keep all of our money on a parity with gold, not only the money at home but that abroad.

Mr. CONNALLY. One other question, and then I will not disturb the Senator further. I am in sympathy, of course, with those producing silver who want to get money for their silver, just as I am in sympathy with a similar desire on the part of the man who has a bale of hay, or any other article of commerce; but, so far as money is concerned, I cannot see that it makes any difference whether we are buying the silver or doing anything about silver, because, after all, our money is based on gold, theoretically on a certain number of ounces of gold. I admit that when it comes to discussing the intricacies of the money question I am a mere tyro. I do not want to know anything about money except how to enjoy what little I can get of it, but I do not see anything to this theory of buying a lot of silver and sticking it away in the ground, because it is not money after we get it—it is just so much metal; that is all it is.

Mr. THOMAS of Oklahoma. Mr. President, I have heretofore favored a wider use of silver. I took that position on the theory that by the use of silver we could expand the permanent money of the United States. At this time we have but little permanent money in circulation in the United States. The only permanent money we have in circulation is, first, silver certificates, which, of course, covers silver dollars; and second, greenbacks, or so-called United States notes. Those are the only two classes of permanent money there are in circulation at the present time. There are, it is true, five billion of Federal Reserve notes, but those notes are temporary dollars, and can be expanded or withdrawn from circulation almost at the will of the Board of Governors of the Federal Reserve System.

Mr. President, since the silver question has been mentioned, I might state for the RECORD that at present there are almost 3,000,000 ounces of silver in the Treasury. At 50 cents an ounce only, that would make a value in silver of one and a half billion dollars. The Secretary of the Treasury can issue currency against our silver on the basis of $1.29 an ounce. So, under the law, the Secretary could issue over $3,000,000,000 of silver certificates, when the fact is, he is issuing today only about $1,700,000,000. Therefore at this time there is silver bullion in the Treasury to the full value, as measured in gold, for every dollar of silver certificates in circulation. So I contend that today the silver certificates are the only class of money we have which can be redeemed in something of value.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Why should it not be our national policy that when we buy a dollar's worth of gold from abroad we issue a gold certificate for a dollar against it, instead of selling bonds and paying the interest on the bonds with which to buy the gold, and then burying it? If we have the gold, if it is in our vaults, why should we not simply issue against that a certificate, and use that certificate with which to buy the gold, and not pay out interest, and at the same time have a larger volume of money, every dollar of which is backed by a hundred cents of gold, or even more than that, at the present time 200 cents?

Mr. THOMAS of Oklahoma. Mr. President, I shall deal with that question a little bit later, but let me make one statement now. We now have in our Treasury approximately $18,100,000,000 in gold. If we should coin that gold into dollars, or if we should issue gold certificates against that gold, and put those certificates into circulation, we would thereby increase the circulation of gold to $18,100,000,000. The reason why that is not done is that if it should be done money would become so plentiful that money itself would not be very valuable, although the money was gold.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Commenting upon the suggestion just made by the Senator from Oklahoma in reply to the Senator from Texas, I believe it is correct to state that the largest amount of money ever in circulation in this country at any one time was a little over $7,000,000,000.

Mr. THOMAS of Oklahoma. We now have in circulation $7,400,000,000, or approximately that amount.

Mr. BARKLEY. That is about the maximum that has ever been in circulation in this country at any one time. So that if we did use the gold which is now the property of the Government of the United States—and I may say that all the $18,000,000,000 is not owned by the Government of the United States; some of it is earmarked for Federal Reserve banks——

Mr. THOMAS of Oklahoma. Only a little more than $1,000,000,000 is earmarked for the account of foreign governments.

Mr. BARKLEY. I think I am correct in stating that $2,000,000,000, practically, is earmarked for Federal Reserve banks.

Mr. THOMAS of Oklahoma. The Federal Reserve banks have gold certificates, a claim on $12,000,000,000.

Mr. BARKLEY. They have gold certificates, but those gold certificates are not certificates which can be passed in ordinary use as money. They are only gold certificates given to the Federal Reserve banks as evidence of their ownership of this gold, and they are not in circulation. So that, if we were to use all the gold that is referred to rather facetiously sometimes as being "buried" in Kentucky at Fort Knox because that is a safe place in which to bury it, we would have two and a half times as much money in circulation as we have now, or have ever had. So that, while money would be plentiful, it would also be cheap, and might bring about an inflation which would upset our entire economic situation.

Mr. THOMAS of Oklahoma. Mr. President, I share the viewpoint just expressed by the Senator from Kentucky.

Mr. BARKLEY. In that connection, also, I am glad to have the confirmation of the Senator from Oklahoma, who has made a thorough study and a serious study of the monetary question, of the contention I have been making right along, that all this gold and all of this silver, or practically all of it, is coming into this country in payment for goods we are selling to the nations of the world. The Government of the United States is not going out into the markets and purchasing gold and silver in other nations of the earth in order to pay dollars for it. That gold comes here in exchange for things we are selling other nations, and when it gets into the United States, under our laws, then the Government does buy it at the rate which has been indicated. If we should stop the importation of gold into this country it would practically stop, to that extent, our exportation of products of the farm and factory.

Mr. THOMAS of Oklahoma. Mr. President, I shall discuss that matter very briefly a little later in the course of my remarks.

Mr. CONNALLY. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. I do not wish to have it appear from the observations of the Senator from Oklahoma and the Senator from Kentucky that I advocate coining all this gold, eighteen billion, twelve billion of which belong to the Federal Reserve banks. I am talking about the gold we are still buying. I do not see any economy in issuing a bond, paying 3 percent on it, with which to buy a dollar's worth of gold, then burying the gold and having to pay interest on the bond for a long period. When a man comes to this country from Europe with a hundred dollars in gold, why do we not do as we do in the case of the Federal Reserve bank, say, "Yes; we will take the gold and give you this gold certificate, and you can go out and spend it, and buy all the commodities you want to buy."

Mr. THOMAS of Oklahoma. I desire to keep the RECORD straight. It is not correct to say that we are issuing bonds at any rate of interest for the purpose of buying gold. That is not the way the gold is handled. For example, if some bank in Russia or some bank in Great Britain or some bank anywhere else desires to establish dollar credits in the United States, they can send gold to their correspondent in the United States, either at San Francisco, where there is a mint, at New York, or Philadelphia, or at some other point. The gold is consigned to the bank in New York, or Philadelphia, or elsewhere, as the case may be. The gold is immediately sent to the mint, and there it is assayed and weighed and valued, and the American bank which is the correspondent of the foreign bank gives the foreign bank credit for the value of that gold. But the bank cannot keep the gold. The bank must turn the gold over to the Federal Reserve. The Federal Reserve gives the National bank or State bank credit for the value of the gold. Then the Federal Reserve bank cannot keep the gold. Whichever bank it may be turns the gold over to the Treasury and the Treasury issues a gold certificate. So there is no bond anywhere in the whole transaction. In that way we are not paying any sum whatever on account of the acceptance of the gold.

Mr. BARKLEY. And that gold certificate does not bear interest.

Mr. THOMAS of Oklahoma. That is correct.

Mr. BARKLEY. It is merely a certificate of ownership in that much gold.

Mr. THOMAS of Oklahoma. That is correct.

Mr. President, save for the acceptance of silver mined domestically, we are under neither obligation nor mandate to buy or accept silver from any source. At this time our silver program is under complete control and presents no problem to our Government.

No Senator, so far as I know, has yet recommended that we stop accepting gold as payment for our exports, and, so far as I know, none of them has recommended that we lower the price per ounce of the gold we are accepting.

Mr. SMITH. Mr. President, may I ask the Senator a question? I tried to follow his description of the method by which we acquired the gold. Foreign countries send it in here in payment for products. The products go out. The gold goes through the banks, as the Senator has described, and through the chain he sets forth, and finally the gold finds its place in a hole in the ground in Kentucky. How does that help our circulating medium?

Mr. THOMAS of Oklahoma. Mr. President, it does not help our circulating medium.

Mr. SMITH. The point I am making is this: Let us say we sell a thousand dollars' worth of products. The products are paid for in gold. Ultimately the gold finds its place in a hole in the ground in Kentucky. The products are gone and we are poorer by the transaction than we were before we accepted the gold.

Mr. THOMAS of Oklahoma. Mr. President, I hardly believe that statement is correct.

Mr. SMITH. Why is it not correct? The wherewithal used by the foreign country to pay for our products ultimately finds a sequestration out in Kentucky. How does that help our circulating medium?

Mr. THOMAS of Oklahoma. It does not expand our circulating medium, Mr. President, but it does expand our credit.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. The thousand dollars' worth of products that are sold to a foreign country have been paid for in this country to the producer. He gets his money in the circulating medium of this country. When that thousand dollars' worth of products is sold, the thousand dollars' worth of gold is sent here by some foreign bank and given over to an American bank, which turns it over to the Treasury and receives a certificate for a thousand dollars, which is a certificate of ownership, but the producer of the property has already been paid in the circulating medium of the country. So there is no economic or physical loss. The mere fact that the gold is deposited for safekeeping in a military fort does not mean that it is lost. It is available.

Mr. SMITH. I am not talking about it being lost. Indirectly, we are using the gold for the payment which was made to the producer. Is that what the Senator means?

Mr. BARKLEY. There is no economic loss. There is no vacuum created because of this method of exchange.

Mr. SMITH. It is a Chinese puzzle.

Mr. BARKLEY. No; it is not a Chinese puzzle. It is very simple.

Mr. SMITH. Well, it does not seem to be.

Mr. BARKLEY. I am not going to take the time of the Senator from Oklahoma to explain it to the Senator from South Carolina.

Mr. SMITH. Well, I am a citizen of the country, and it seems to me that I am entitled to know where the stuff comes from that pays the producer in view of the amount of gold with which the foreign country paid for it. You cannot have something produced without it being paid for. If I am paid, I have to be paid in respect to the gold that came in. You cannot divorce cause from effect. A foreign country buys a thousand dollars' worth of American produce, for example, and pays for it in gold. Now, someone pays me a thousand dollars for that product by virtue of the gold transaction. That is an indirect way of using the gold without issuing a gold certificate. Is it not?

Mr. THOMAS of Oklahoma. Mr. President, perhaps what I will now mention has some bearing upon the controversy just now before the Senate. A few days ago we saw in the public press that Russia was shipping $5,000,000 of gold to America to the account of the Chase National Bank. I took it upon myself to wire the Chase National Bank for information as to how this gold was being received, and I have a reply from the vice president of the Chase National Bank. The telegram is signed by Mr. J. C. Rovensky. The telegram reads as follows:

> In Mr. Aldrich's absence replying your telegram shipment, was usual transaction where a foreign bank shipped gold which was delivered to mint we receiving payment from Treasury Department and crediting consignor.

Mr. President, that simply means that someone in Russia desired to buy something in America. The Russian Government, or a corporation, or an individual in Russia, desiring to establish credit in America, procured gold and shipped that gold through its bank in Russia to the Chase National Bank in San Francisco. The Chase National Bank in San Francisco, or its agent, turned the gold over to the mint. The gold was assayed, it was weighed, and it was valued. Immediately then this gold had a value according to the certificate of the mint. The Chase National Bank could not keep the gold, so the Chase National Bank had to send it to the Treasury through the Federal Reserve Bank in San Francisco. In the end the Chase National Bank received a credit from the Treasury to the value of this gold. So the Russian Government, the Russian Corporation, or the Russion individual, can write a check on the Chase National Bank today for the things he or it desired to buy in America.

Mr. SMITH. But it was based on the gold.

Mr. THOMAS of Oklahoma. It was based on the gold all along the line. This procedure does not increase the circulation in America, but it does increase the credit money of America, and it increases the reserves in the Federal Reserve System of America.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MALONEY. I wonder if the Senator would be willing to tell me what the situation would be if that bank or individual in Russia decided to get a credit in Japan, for example, and shipped the gold to Japan. What would it be worth there as compared with our dollar?

Mr. THOMAS of Oklahoma. Mr. President, gold is worth the same throughout the world, and the United States has fixed the price of gold. The value of gold everywhere in the world every day is based upon the American dollar, and the American dollar is based upon gold. Were it not for the fact that the United States dollar was based directly upon gold there would be absolute chaos throughout the world, because there would be no exchange; there would be no government that would have a single post to tie to, because there is no other money in the world save the dollar, that has a fixed gold content.

Every unit of every nation today is fixed in the terms of a dollar, so gold is worth throughout the world the same amount, based upon the American dollar. Were it not so, these nations would ship the gold to the United States and get dollars for it. The reason why the dollars are coming to the United States is because there is a slight discrepancy sometimes in the exchange rate. When there is a discrepancy in the exchange rate, gold comes to the United States.

Mr. MALONEY. Mr. President, I seek enlightenment, because the Senator from Oklahoma is so well informed on this subject. I still would like to know if the Russian individual or corporation could get the same credit value in Japan as he receives in New York?

Mr. THOMAS of Oklahoma. Exactly so, making allowances for the transportation cost and insurance.

Mr. WAGNER. Mr. President, may I ask the Senator one question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WAGNER. Under our present international monetary policy, does the Senator know of any method of paying for goods, for instance, purchased in this country, where there is not a balance in favor of the nationals of that country, other than by the payment of gold?

Mr. THOMAS of Oklahoma. There are no other methods by which payments can be made save by goods or gold.

Mr. WAGNER. And not having a balance in their favor in goods they have to use gold in order to purchase our commodities?

Mr. THOMAS of Oklahoma. Exactly so, Mr. President. The balance of trade is in favor of the United States. There has not been a year in the last 10 years, so far as I know, in which we have not sold more goods abroad than we bought from abroad. That means that foreigners pay for the goods they buy in America as far as they can with goods; but, if they buy more goods here than they sell us, they must pay the balance in gold, because that is the only thing we will accept, except to the limited extent we have accepted silver.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILEY. I am interested in getting a little illumination in relation to the gold certificate. That is issued by the Mint, the Senator says.

Mr. THOMAS of Oklahoma. No; it is issued by the Treasury Department.

Mr. WILEY. By the Treasury Department. Is that not virtually money? Is not that transferable?

Mr. THOMAS of Oklahoma. Mr. President, if I should exhibit one of those gold certificates to the Senator from Wisconsin he could not tell the difference between it and one of the old-fashioned gold certificates we had in circulation about 10 years ago. They are the same size. The printing is practically the same. They are the same color. It looks exactly like a gold certificate for $20 or $100 or $1,000 or $10,000, but it is not legal tender, and it is not money in the sense that it can be circulated as money. It is only good for the redemption of gold when the Federal Reserve Bank desires to make payment to some foreign nation. The law makes it such.

Mr. MALONEY. Mr. President, will the Senator again yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MALONEY. Perhaps I am asking the question too soon. Probably the Senator intends to answer it later. I should like to know if he believes, quite aside from what we are going to do with the gold in this country, that we are not being economically harmed by the purchase of foreign gold.

Mr. THOMAS of Oklahoma. I will discuss that a little later, and if the Senator will just withhold his question I will come to it in due course of my remarks, which will not be very long.

Having quoted from the remarks and purported remarks of the Senators mentioned, courtesy now demands that I pause, and, if requested, I shall gladly yield to either of my distinguished and able colleagues, or to all of them in order, to reaffirm their statements heretofore made or to disclaim or renounce such statements, or to clarify and make more definite and certain their position or positions on the gold policy and program of this administration.

I hear no complaint, although I think three of the Senators from whom I quoted are not now upon the floor.

Mr. Aldrich, the head of the largest private banking institution in the world, makes some worth-while contributions to an understanding of this so-called gold problem. Some of his statements are as follows:

> As long as the war lasts, and probably for some time afterward, the chances are that gold will continue to flow to the United States.

Relative to a method for handling this increasing and continuous flow of gold to the United States, Mr. Aldrich says:

> Several suggestions have been advanced for dealing with the immediate problem. The crudest of all is that the United States should cease buying gold altogether.

If we should stop accepting gold as money in payment for our exports, according to Mr. Aldrich the effect would be as follows:

> Not only would this action be reflected immediately in the demoralization of the foreign exchange market and in violent disturbances to domestic and international trade, but it would lead foreign nations to stiffen still further their controls over trade, and so detach gold yet more widely from its normal function of redressing trade balances.

Referring to the proposal that we reduce the price of gold per ounce, Mr. Aldrich says that—

> The proposal has serious drawbacks. Through affecting the dollar value of an important item, gold, in the balance of payments between this country and those nations which are large producers of gold, a reduction in price would most assuredly cause exchange rates with them to decline. And similar effects would follow in the exchange rates with nonproducing countries that own stocks of gold which they may desire to use in settling trade balances with us. Finally, in testing the validity of this suggestion, we should not lose sight of the fact that we ourselves are the largest owners of gold in the world. To scale down the value of one of our most important national possessions seems an unduly expensive way to go about the correction of our difficulties. It has been estimated that the loss would amount to about half a billion dollars for every dollar by which the price of gold is reduced below its present level. And the loss to a large extent would have to be made up by a further increase in the public debt.

Further, in reference to the reduction of the price per ounce of gold, Mr. Aldrich says that—

> Time has run too far to permit us to return to the former price. We must keep the price where it now is.

At this point let me refer to the conclusions of one of the world's outstanding financial experts. I refer to Dr. W. Randolph Burgess, vice chairman of the National City Bank and former vice president of the Federal Reserve Bank of New York.

Relative to our financial program, Dr. Burgess has the following to say:

> We cannot go back. * * * We cannot turn back to the simpler monetary system of the past.

Dr. Burgess admits that we have managed our money in the past, that we manage it now, and that we must continue to manage it in the future. He says that—

We should, however, have no illusions that the restoration of the gold standard would eliminate management.

Dr. Burgess makes some suggestions for the improvement of our management of money. He stresses a recommendation that we "improve our money management personnel."

I interpret the effect of the various recommendations made by Dr. Burgess to be that we should declare by law a definite monetary policy and that after such policy has been declared we should create a monetary supreme court and then demand of such financial tribunal the management of our money in the best interest of all the people and interest of our common country.

So much for the contributions made by our congressional colleagues, bankers, economists, publishers, and editors for a solution of our present monetary troubles and problems to date.

As a basis for my interpretation, explanation, and conclusions, let me lay down the following predicates:

The first unit of our monetary system was the silver dollar, containing the same weight of pure silver as the silver dollar in circulation today.

Later the gold dollar, with a fixed parity in weight with the silver dollar, was added to our monetary system. During the administration of Andrew Jackson the weight of the gold dollar was reduced twice. The result of such reductions was to bid up the price of gold per ounce.

The weight of pure silver in our standard silver dollar has never been changed since the foundation of our Government.

The weight of the gold dollar has been changed three times. Each time the amount of pure gold was reduced, and such reduction meant that the price of gold per ounce has been raised on three separate occasions since 1789.

What are the pertinent facts relative to our monetary system today?

By the act approved March 14, 1900, known as the Gold Standard Act, the gold dollar was made the standard of all our money. Section 1 of this act is as follows:

That the dollar consisting of 25.8 grains of gold, nine-tenths fine, as established by section 3511 of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

By the act approved May 12, 1933, the President was given power to reduce the gold content of the dollar in the following language:

(2) By proclamation to fix the weight of the gold dollar in grains, nine-tenths fine, * * * and such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 percent.

By the act approved January 30, 1934, the title of all gold in the United States was vested in the United States. Section 2 of such act provides that:

(a) Upon the approval of this act all right, title, and interest, and every claim of the Federal Reserve Board, of every Federal Reserve bank, and of every Federal Reserve agent, in and to any and all gold coin and gold bullion shall pass to and are hereby vested in the United States, and in payment therefor credits in equivalent amounts in dollars are hereby established in the Treasury. * * *

Section 8 of such act provides as follows:

With the approval of the President, the Secretary of the Treasury may purchase gold in any amounts, at home or abroad, with any direct obligations, coin, or currency of the United States, authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as he may deem most advantageous to the public interest. * * * All gold so purchased shall be included as an asset of the general fund of the Treasury.

Under this law all gold in the United States today save that held out legally for curios and antiques is the property of the United States.

Section 12 of this act, relating to the weight of the gold dollars, provides as follows:

Nor shall the weight of the gold dollar be fixed in any event at more than 60 percent of its present weight.

Acting under the power thus conferred on January 31, 1934, the President, by proclamation, fixed the gold content of the dollar as follows:

By virtue of all other authority vested in me (I) do hereby proclaim, order, direct, declare, and fix the weight of the gold dollar to be 15 5/21 grains, nine-tenths fine, from and after the date and hour of this proclamation.

He had the power to devalue the gold dollar under the act of 1933, but under the act of 1934 some limitations were imposed.

As the law now stands, the President has no power to increase the weight of the gold dollar above the 15 5/21 grains, nine-tenths fine, as provided in his proclamation of January 31, hence has no power to reduce the price paid for gold below the $35 per fine ounce.

To increase the weight of the gold dollar, which means a reduction of the price of gold per fine ounce, will require additional legislation.

The President has a law of questionable validity for still further reducing the weight of the gold dollar from 15 5/21 grains to some 12 9/10 grains of gold, nine-tenths fine. Should he still further decrease the weight of the gold dollar to the limit of the law, he would thereby increase the value of gold from $35 to $41.34 per fine ounce.

Let me here state two undenied and undeniable gold principles:

First, to decrease the weight of the gold monetary unit thereby in the same ratio increases the price of gold per ounce. The corollary to the foregoing principle is—to increase the weight of such gold monetary unit thereby in the same ratio decreases the price of gold per ounce.

Second, to decrease the weight of the gold monetary unit is to raise in a comparable ratio the price of goods, wares, and commodities, which are priced in gold throughout the world. The corollary to the foregoing principle is—to increase the weight of the gold monetary unit is to decrease in a comparable ratio the price of goods, wares, and commodities priced in gold throughout the world.

Now I shall reduce the stated abstract principles to concrete form.

Formerly the gold dollar contained 25 8/10 grains of gold, nine-tenths fine, so that the pure gold in the dollar was slightly in excess of one-twentieth of an ounce of pure gold. The weight of the former gold dollar meant that 1 ounce of pure gold could be coined into 20 67/100 gold dollars. Hence such a weighted dollar fixed the price of gold at $20.67 per fine ounce.

Inasmuch as gold was and is our basic, primary money, it is an obvious fact that when we fix the weight of the gold dollar, such act automatically and positively fixes the price of gold per ounce in terms of dollars.

Along about 1930, when the demand for gold had become so great as to make the metal, as valued in property, goods, services, and commodities, so valuable that the people of the world could not produce and secure enough property to exchange for needed gold, all nations then began to reduce the size and weight of their monetary units.

Following such world-wide policy, we enacted legislation, as previously mentioned, and reduced the size and weight of the gold dollar. When we fixed such weight at 15 5/21 grains of gold, nine-tenths fine, we made it possible to coin an ounce of gold into 35 gold dollars, so that if we should desire to return gold to circulation in the form of gold coins at the present weight and fineness of the dollar, we could coin 35 dollars out of each ounce of gold we now have on deposit in the Treasury.

Speakers and writers, in discussing our so-called gold problem, refer to the fact that we accept gold upon the basis of $35 per fine ounce, which is a fact. But it might be more helpful and understandable if they were to discuss the matter from the basis of the size and weight of the gold dollar in relation to the gold ounce and the value of the gold dollar as

measured in property, wares, services, and commodities, rather than to continue to criticize the Government for its policy of accepting gold on the basis of $35 per fine ounce.

All things considered, the indictment of our Government for accepting Russian gold in payment for American goods, wares, services, and commodities is not supported by the facts.

We are not at war with Russia. Hence to refuse to trade with that country would be a warlike act. We have the goods to sell; and as gold is the best and only real money in the world, we have every reason to accept the order for goods and the gold in payment therefor from the Soviet Republic.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MALONEY. I am very much impressed by the Senator's last statement. I wonder how long the Senator thinks we may continue with that situation if we continue to bury the gold and not make use of it.

Mr. THOMAS of Oklahoma. Mr. President, in the latter part of my remarks I suggest the dangers in our present policy. I will say by way of explanation—because this subject is technical and hard to follow—that there are three prongs to our gold problem.

First, we are criticized for accepting Russian gold.

Second, we are criticized for paying $35 an ounce for gold. It is claimed that that is too high a price.

Third, we are criticized for having so much gold on hand.

I am now discussing the first two problems. I am stating that there is no just criticism of our Government for accepting gold from Russia.

Second, I state that under the law gold has been fixed at $35 an ounce, and to reduce the price of gold below $35 an ounce has the effect of increasing the weight of the gold dollar, which means that dollars become more valuable; and as the dollar goes up prices go down. So those who criticize the price of $35 per ounce are criticizing indirectly the present prices of our commodities throughout the United States. If they want the price of gold reduced, they must by inference want lower prices for the things the people of America produce, such as farm products, raw materials, and so forth.

Mr. MALONEY. I should like to make it clear that I am not at all in disagreement with the Senator's discussion of the first two prongs, as he calls them.

Mr. THOMAS of Oklahoma. I have not yet come to the third one.

Mr. MALONEY. I am very anxious to hear the Senator's view on the third, because it seems to me that may be the vital issue.

Mr. THOMAS of Oklahoma. I shall come to that point in just a moment.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. At our present rate of receiving gold from other countries, how long does the Senator think it will be before we shall have all the gold in the world?

Mr. THOMAS of Oklahoma. Mr. President, there is only about $28,000,000,000 of gold in the world.

Mr. TOWNSEND. Of which we have $18,000,000,000.

Mr. THOMAS of Oklahoma. There is about $27,750,000,000. So, to be conservative, it is not far wrong to assume that there is $28,000,000,000 of monetary gold in the world. Of that sum we have $18,100,000,000. This gold came to us at the rate of $3,200,000,000 for the year. That is more than $200,000,000 in gold a month. If we receive $3,200,000,000 this year, $3,200,000,000 next year, and $3,200,000,000 the following year, we shall have all the gold in the world of which we now have any trace. I admit that that would be bad. I shall discuss that point in just a moment.

Mr. TOWNSEND. I just picked up an editorial from the Philadelphia Record, which says that at our present rate we shall have all the gold in the world by 1943. I have not figured it out. We shall have exchanged our goods—automobiles, cotton, and all other goods—for gold at $35 an ounce. We shall have all the gold in the world buried down in Kentucky. What is to happen to us when Europe says, "You have all the gold. Keep it. We do not want it"?

Mr. THOMAS of Oklahoma. I shall discuss that question in just a moment. I am almost ready to undertake it now.

Mr. McKELLAR. How does the figure since the outbreak of the war affect the situation? Are we now receiving more gold than we received before that time?

Mr. THOMAS of Oklahoma. I should not say we are receiving more, but it has not diminished. It may have slightly increased, but it is approximately the same.

Mr. TOWNSEND. Mr. President, will the Senator again yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. Certainly we shall get more gold, because that is the only thing foreign purchasers have with which to pay for our goods. When the gold is gone, what will they use to pay for our goods?

Mr. THOMAS of Oklahoma. I shall come to that question in just a moment. I have almost reached it.

The cost of producing gold in Russia, in Alaska, in California, in Georgia, or in the Rand has had nothing to do with the fixing of the price at $35 per ounce.

If there is a monopoly in gold, such monopoly has been brought about by the Government of the United States.

If there be just criticism because of the price of $35 per ounce for gold, then such criticism must be leveled directly at the Congress.

By the act of May 12, 1933, the Congress gave the President the power to raise the price of gold from $20.67 to $41.34 per fine ounce, and by the act approved January 30, 1934, this Congress directed that the weight of the gold dollar should not be fixed in any event at more than 60 percent of its then present weight.

When the Congress fixed the 60-percent limitation, the President was directed to raise the value of gold from $20.67 to at least $34.45 per fine ounce. For convenience of computation, the price was fixed at $35 per ounce.

Mr. President, the senior Senator from Michigan [Mr. VANDENBERG] is not present. He voted for the law which directed the President to fix a price of not less than $34.45 per fine ounce; yet he is criticizing the price of $35 an ounce up and down the length and breadth of the country.

I have stated the result of refusing to accept Russian gold.

Now I ask, What would be the result of reducing the price per ounce for gold?

Some of the results would be as follows:

First, we now have over $18,000,000,000 in gold in the Treasury. This means that we have over 515,000,000 ounces of the yellow metal. For every dollar of reduction in the price per ounce of gold we would lose $515,000,000. Should the price be reduced to the former price of $20.67 per ounce, we would lose over $7,500,000,000 in the dollar value of our gold stock. The foregoing is not all that we would lose.

Secondly, should we reduce the price per ounce, the effect would be to increase the gold content of the dollar. This would make the gold dollar larger and heavier, hence more valuable; and to the extent that we make the dollar more valuable, to the same extent we reduce prices.

Distinguished Senators complain at the high price of gold, and the effect of their complaint is to demand that prices be lowered.

The distinguished junior Senator from Ohio [Mr. TAFT] has in effect demanded higher prices for farm products; hence he has not criticized and cannot criticize the present price of gold as being too high.

On the other hand, distinguished Senators—the senior Senator from Delaware [Mr. TOWNSEND] and the senior Senator from Michigan [Mr. VANDENBERG]—have criticized the present gold price as being too high; hence the result of their demand is for lower prices for the products produced in both Delaware and Michigan as well as throughout the entire United States.

Mr. President, those who condemn the present price of gold as being too high must at the same time condemn prices of property, wares, services, and commodities likewise as being too high.

So much for the criticisms, first, of the policy of accepting Russian gold; and, second, of the existing law that we must pay at least $35 per fine ounce for gold.

Now to the last criticism, that we now have too much gold.

Gold is money—the best and only real money in the world—hence those who say we have too much gold must mean that we have too much money in our Treasury.

While I contend that the Russian gold and the $35-per-ounce price for gold present no problem to our country, yet I admit that the constant trek of gold from the other nations to the United States does present a problem, and a most serious one indeed.

This problem is one not only for our country but for the entire world.

Mr. President, what are the facts which constitute this problem?

One phase of the problem is the disposition of our hoard of gold, which now totals over $18,000,000,000. While no one knows definitely just how much monetary gold there is in the world, the best estimate seems to be that the world monetary gold stock is approximately $28,000,000,000; so that we now have in our Treasury some eighteen twenty-eighths of the total monetary gold of the world. The United States—one nation—has over $18,000,000,000, and the other 50 nations together have less than $10,000,000,000.

During recent years gold has been flowing to the United States at the rate of over $200,000,000 per month; and unless this gold flow is stopped or retarded, it will not be long until we shall have here in the United States practically all of the monetary gold in the world.

From a practical standpoint, this gold is not serving any good purpose here in the United States for, immediately upon its receipt, it is transported to Fort Knox, Ky., where it is placed in a strong vault underground and protected by guards and soldiers stationed at that Army post.

As this gold comes to the United States it depletes the supply abroad, and the scarcer gold becomes abroad the greater the demand for the remaining metal; so that gold is appreciating in value, as measured in property, throughout the world.

The problem of the other nations is to retain or to secure sufficient gold with which to back and support their exchange; and our problem is to make some disposition of our existing gold so that it will serve for our people some good, useful, and profitable purpose.

It would seem that the only proper use we can make of our surplus gold is to bring about its redistribution so that the value of gold will not appreciate too greatly, and, further, to the end that other nations may secure gold with which to support their monetary exchange.

During recent days this phase of our so-called gold problem has engaged the attention of many of our financial writers and prominent economists.

As to the problem which confronts our country, Roger W. Babson has just had the following to say:

> The problem is this: We have 70 percent of the world's gold. That is too much. Other nations have little gold to pay us for the goods they want to buy from us. This makes our dollar so mighty that more "timid" gold is sent to us, thus weakening other currencies still further. This automatically boosts our prices in world markets in terms of foreign currencies and hence cuts down our exports, increases our unemployment. Under normal conditions, the situation would correct itself, but the dollar occupies its exalted position, not because of the United States economic strength, but because of world economic weakness. While there is complete disagreement as to how to solve this riddle, there is unanimous agreement on the existence of this gold danger.

Dr. E. A. Goldenweiser, Director of the Division of Research and Statistics for the Board of Governors of the Federal Reserve System, has just published an article entitled "The Gold Problem Today," and in that article we find the following statements and conclusions:

> It is interesting to speculate about the ultimate fate of our $17,600,000,000 of gold. The most satisfactory way to reduce the pile would be through the development of a world situation in which the United States would lose gold as the result of excess purchases of goods and services from abroad.
>
> It is too optimistic, however, to think that much gold would flow out in this way, partly for the reason that few countries after the war will be in a position to acquire gold rather than goods from abroad. They will be in need of materials and capital for reconstruction, and the fulfillment of deferred demands will probably occupy their own productive resources fully and also create a need for foreign-made goods.
>
> Under such circumstances, a flight of capital from the United States, which is hard to conceive, or investment abroad, which is not likely to assume large proportions, would offer the only occasion for losing gold. Some post-war stabilization loans may conceivably be made, but the amounts involved are not apt to be large.
>
> It seems, therefore, that the problem of our huge gold stock is likely to stay with us for a long while and that it may even increase if gold continues to flow into this country. No simple solution to the problem can be devised. The ultimate solution will have to be a part of the answer to the much broader problems of restoration of world stability and international trade. It will also be bound up with rationalization of our own economy.

From the foregoing statements, conclusions, and recommendations, it is obvious that our vast amount of gold constitutes a real problem, and one that must be solved at an early date.

On February 9 of this year our combined stocks of gold and silver totaled some $19,852,000,000, and on the same day we had in circulation a total of some $7,365,000,000 of all kinds of money; so that on that date we could have redeemed every dollar in circulation with gold—dollar for dollar—and still have had the sum of $12,487,000,000 in gold and silver left in our Treasury.

The necessity for finding a solution to this problem must be obvious to every citizen.

To be specific, the following questions confront us: What can we do, what should we do, and what must we do, about this problem of our surplus gold?

Mr. President, we could do any one of the following things, or we might formulate a policy by combining some of the things possible to be done with our gold:

First. We might begin using our gold to defray governmental expenses.

Second. We might use the gold to meet maturing governmental obligations.

Third. We might devise a plan for redistributing our surplus gold among the solvent nations of the world. This might be done by the formation of a world bank, and through such bank we might make sales and loans of gold on approved securities; and, should such a plan be worked out, the following ends might be attained:

(a) Such a program would make of the United States the world's banker.

(b) Through sales or loans, gold could be furnished to stabilize the currencies of such nations as would thus cooperate with the United States.

(c) With gold for support, nations could fix a gold content for their monetary units and then stabilize such valued units among the moneys of the world. This would not necessarily mean that the world is to resume the coining of gold and resume specie payments. Our dollar has a fixed gold content for exchange purposes, but we have not heretofore coined and do not now plan to coin gold into dollars, or to begin the payment of domestic obligations in either gold coin or bullion.

(d) Such a use of our surplus gold would bring to the United States an added income in the form of interest on such loans and would replenish the Treasury for such sales of gold as might be made.

(e) World trade would be increased and the United States would secure at least a fair share of such increase.

(f) We could use the power of our gold in such a way as to discourage war and to establish and promote permanent peace.

Mr. President, in a totalitarian state the head of the government is able to dictate and to rule without either the knowledge or consent of his subjects, but in a democracy the ruling power must advise and make plain the problems which confront the government; hence, the facts and suggestions relative to our gold problem should be given the widest possible publicity, to the end that the people may have a chance to consider and, through their representatives, to work out a solution of this all-important problem.

Mr. President, since I began to make my remarks an aggregation of farmers has assembled in Washington. This group has passed a resolution, dated today and inasmuch as it bears very largely upon the gold problem and our monetary problem as it affects prices, I ask permission to have the resolution printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas agriculture is our basic industry, and it is evident there will be no sound recovery in the United States until farmers receive the 1926 prices as a minimum for their commodities; and

Whereas agriculture received less than 8 percent of the total national income in 1939, although the total number of our people living and working on farms and in the rural communities immediately dependent upon farms, is more than 26 percent of the population; and

Whereas during recent years many of the foreign markets have been lost to our farmers; and

Whereas in 1939 more than $1,000,000,000 of agricultural products were permitted to be imported into the United States to compete with the products of our farmers; and

Whereas after 7 years of cooperation with the Department of Agriculture in their A. A. A. and curtailing production program, prices now received by farmers are far below the cost of production, in consequence of which many of them are unable to pay interest, debts, and taxes, and are otherwise without purchasing power; and

Whereas we believe the fundamental problem of agriculture is not one of overproduction but underconsumption due to lack of adequate purchasing power and medium of exchange; and

Whereas the tax burden is so crushing that it exacts more than 25 percent of the national income, largely falling upon the farmer and laborer, thus curtailing or destroying the purchasing power of the consumer; and

Whereas this condition in a large measure is due to the national debt of more than $42,000,000,000; and

Whereas there is in the United States more than $18,000,000,000 in gold and more than $1,800,000,000 in silver; and

Whereas there is outstanding less than seven billion four hundred millions of currency; and

Whereas economists, bankers, and businessmen agree that adequate commodity prices are necessary for national recovery; and

Whereas it is essential to a sound, prosperous agricultural industry, general business activity, gainful employment of labor, a balanced Budget, and a sound national economy that agricultural prices be restored to at least the 1926 level; and

Whereas it is essential to such national recovery that the Government adopt a sound monetary, financial, and tax program: Be it therefore

Resolved, That we, the executive members of the National Agricultural Conference, urge upon the Congress of the United States legislative action to put into effect the following:

First. That the value of gold be definitely fixed on the basis of $41.34 per ounce.

Second. That gold be put in circulation or currency be issued on the basis of $41.34 per ounce to redeem United States interest-bearing obligations until the 1926 commodity price level has been restored, and thereafter be maintained a price level that is in the best interest of national welfare.

Third. That in coordination with this program uneconomic and destructive taxes be repealed or lowered so that there may be an incentive for capital to be put into immediate constructive use.

Resolved, That the secretary forward a copy of this resolution to the members of the United States Senate and other Members of Congress.

Dated at Washington, D. C., this 15th day of February 1940.

EDW. E. KENNEDY, *President.*
RALPH W. MOORE, *Secretary.*

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent that I may present an amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment will be stated.

The LEGISLATIVE CLERK. On page 30, line 7, after the numerals "$500,000", it is proposed to insert a comma and the following:

of which $8,000 shall be available for establishing buoys and lights on the American side of the international waters of Lake of the Woods and Rainy Lake.

Mr. McKELLAR. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the amendment just agreed to will be engrossed. The question now is, Shall the bill pass?

The bill was passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GLASS, Mr. MCKELLAR, Mr. TYDINGS, Mr. MCCARRAN, Mr. BAILEY, Mr. BRIDGES, and Mr. LODGE conferees on the part of the Senate.

ORDER AUTHORIZING THE VICE PRESIDENT TO SIGN ENROLLED BILLS OR JOINT RESOLUTIONS DURING ADJOURNMENT OF SENATE

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Vice President be authorized to sign any enrolled bills or joint resolutions during the adjournment of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENT

Mr. BARKLEY. I ask unanimous consent that the Committee on Appropriations be authorized to make reports on any proposed legislation during the adjournment of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Joseph T. Sylvester, of Portland, Maine, to be collector of customs for customs collection district No. 1, with headquarters at Portland, Maine, to fill an existing vacancy.

Mr. THOMAS of Utah, from the Committee on Education and Labor, reported favorably the nomination of Philip B. Fleming, of Iowa, to be Administrator of the Wage and Hour Division, Department of Labor.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion, and citizens for appointment, in the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the first nomination on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Raymond E. Thomason to be United States marshal for the northern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Claude R. Wickard to be Under Secretary of the Department of Agriculture.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Grover Bennett Hill to be Assistant Secretary of Agriculture.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Laurence I. Hewes, Jr., to be regional director, Farm Security Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Charles Stuart Guthrie to be Special Assistant to the Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Carroll Louis Wilson to be Special Assistant to the Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James W. Young to be Director of the Bureau of Foreign and Domestic Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Grosvenor M. Jones to be Assistant Director, Bureau of Foreign and Domestic Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Bruce Berekmans to be Assistant Director, Bureau of Foreign and Domestic Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. Mr. President, in view of the fact that some of these appointees in the Department of Commerce have been and are now serving without pay because of the delay in their appointment and confirmation, I ask unanimous consent that the President be notified of the confirmations just made.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be immediately notified.

WORK PROJECTS ADMINISTRATION

The legislative clerk read the nomination of Linus C. Glotzbach, of Minnesota, to be regional director, region VII.

Mr. LUNDEEN. Mr. President, I ask that this nomination be laid over until next week.

Mr. McKELLAR. The Senator spoke to me about this matter. It seems to me the request is reasonable, and I am perfectly willing that the matter shall go over, but the Senator agreed that it could be determined on Monday.

Mr. LUNDEEN. I cannot say that it will be determined then, but I will make my statement at that time.

The PRESIDING OFFICER. Does the request of the Senator from Minnesota cover both of the nominations under the Work Projects Administration?

Mr. LUNDEEN. I should like to have the nominations of Mr. Glotzbach and of Mr. Stolte go over.

The PRESIDING OFFICER. Without objection, the nominations will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

ADJOURNMENT TO MONDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate adjourn until Monday next.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate adjourned until Monday, February 19, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 15, 1940

CIVILIAN CONSERVATION CORPS

James J. McEntee, of New Jersey, to be Director of the Civilian Conservation Corps.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named surgeons to be senior surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Russell R. Tomlin, March 13, 1940.
Marion R. King, March 16, 1940.
Egbert M. Townsend, April 1, 1940.

The following-named senior surgeons to be medical directors in the United States Public Health Service, to rank as such from the dates set opposite their names:

Knox E. Miller, March 3, 1940.
Charles V. Akin, March 4, 1940.
Clifford E. Waller, March 4, 1940.
John H. Linson, March 5, 1940.
Newton E. Wayson, March 6, 1940.

The following-named assistant surgeons to be passed assistant surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Walter E. Sharpe, Jr., March 1, 1940.
Edgar E. Findlay, April 1, 1940.

PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. Lucian W. Burnham to be a lieutenant colonel in the Marine Corps from the 21st day of August 1939.

The following-named majors to be lieutenant colonels in the Marine Corps from the 1st day of October 1939:

Jacob Lienhard
John Groff
George F. Stockes
Jacob M. Pearce
Robert C. Thaxton

The following-named majors to be lieutenant colonels in the Marine Corps from the 1st day of November 1939:

Jesse L. Perkins
Harold D. Shannon
Prentice S. Geer

Maj. Lee H. Brown to be a lieutenant colonel in the Marine Corps from the 1st day of January 1940.

First Lt. John A. Butler to be a captain in the Marine Corps from the 14th day of August 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 15, 1940

UNITED STATES MARSHAL

Raymond E. Thomason to be United States marshal for the northern district of Alabama.

DEPARTMENT OF AGRICULTURE

Claude R. Wickard to be Under Secretary of the Department of Agriculture.

Grover Bennett Hill to be Assistant Secretary of Agriculture.

Laurence I. Hewes, Jr., to be regional director, Farm Security Administration.

DEPARTMENT OF COMMERCE

Charles Stuart Guthrie to be a special assistant to the Secretary of Commerce.

Carroll Louis Wilson to be a special assistant to the Secretary of Commerce.

James W. Young to be Director of the Bureau of Foreign and Domestic Commerce.

Grosvenor M. Jones to be an assistant director, Bureau of Foreign and Domestic Commerce.

Bruce Berckmans to be an assistant director, Bureau of Foreign and Domestic Commerce.

POSTMASTERS

HAWAII

Chester Mitsuki Motoda, Lihue.

IOWA

Ruth M. Stoltz, Ottumwa.

NEBRASKA

Tarsney H. Winfrey, Stella.

PENNSYLVANIA

Neal B. Fiscus, Apollo.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 15, 1940

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. RAYBURN.

Rev. G. Ellis Williams, D. D., superintendent of the Washington west district of the Methodist Church, Washington, D. C., offered the following prayer:

O God, our refuge and our strength, we commend ourselves to Thee this day.

We confess our sins as individuals and as a nation, and seek Thy pardoning grace. Give us the mastery over sin and temptation.

We recognize Thee as the giver of every good gift, and we know that with Thee there is no variableness nor shadow of turning. Thou art the unchanging Father, our rock of refuge. In this confused and confusing world, we turn to Thee and pray that the balm of Thy healing presence may be on our Nation and the nations of the world. To that end may war cease and peace attend our way. This day may we hear the lowly Nazarene say,

Peace, my peace, I give unto you, not as the world giveth give I unto you. Let not your heart be troubled, neither let it be afraid.

We ask it, with the forgiveness of our sins, in His redeeming name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 186) entitled "An act to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KING, Mr. VAN NUYS, and Mr. NORRIS to be the conferees on the part of the Senate.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE COMMENCEMENT OF THE FIRST SESSION OF THE SUPREME COURT

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report back favorably (H. Rept. No. 1604) a resolution (H. Con. Res. 45) and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 45

Resolved by the House of Representatives (the Senate concurring), That the proceedings at the various ceremonies in commemoration of the one hundred and fiftieth anniversary of the commencement of the first session of the Supreme Court of the United States, together with such additional matter as the Joint Committee on Arrangements in charge of these ceremonies may deem fitting and appropriate, in connection with this historical event, be printed, with illustrations, as a document; and that 200,000 additional copies be printed, of which 50,000 shall be for the use of the Senate and 150,000 shall be for the use of the House of Representatives.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

Mr. RANKIN. Mr. Speaker, I ask recognition in order to ask the gentleman a question. What will this cost? I probably should leave that question for the economic gentleman from Pennsylvania [Mr. RICH], but the gentleman did not snap into it with his usual celerity and vim.

Mr. JARMAN. It will cost $4,709.46. That is the estimate.

Mr. RANKIN. That is the estimate for the entire cost?

Mr. JARMAN. That is the estimate for the entire cost.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

RECIPROCAL-TRADE AGREEMENTS

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report back favorably (H. Rept. No. 1605) a resolution (H. Con. Res. 46), and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 46

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed for its use 2,000 additional copies of the hearings held before said committee during the current session on the resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

RECIPROCAL-TRADE AGREEMENTS—MINORITY VIEWS

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that the minority members of the Ways and Means Committee may have until midnight tomorrow night within which to file minority views on the reciprocal-trade bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE MONETARY SITUATION

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, we listened the other day to a very inspiring and eloquent speech on the subject of Thomas Edison by the gentleman from Mississippi [Mr. RANKIN]. I want to add just one note about Thomas Edison this morning, and I quote from him:

> The only dynamite that works in this country is the dynamite of a sound idea. I think we are getting a sound idea on the money question. The people have an instinct which tells them that something is wrong and that the wrong somehow centers in money.
>
> Don't allow them to confuse you with the cry of "paper money." The danger of paper money is precisely the danger of gold—if you get too much it is no good. There is just one rule for money and that is to have enough to carry all the legitimate trade that is waiting to move. Too little and too much are both bad. But enough to move trade, enough to prevent stagnation on the one hand, not enough to permit speculation on the other hand, is the proper ratio.
>
> If our Nation can issue a dollar bond it can issue a dollar bill. The element that makes the bond good makes the bill good also. The difference between the bond and the bill is that the bond lets money brokers collect twice the amount of the bond and an additional 20-percent interest, whereas the currency pays nobody but those who contribute directly in some useful way.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a brief editorial.

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, and I shall not object, I want to say to the gentleman from California that while I did not cover that phase of Mr. Edison's life work in my recent address, I thoroughly agree with him on his monetary policies. I think the money question is the outstanding problem with which we are now confronted. We are not going to relieve present conditions and restore permanent prosperity until the money question is properly handled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask leave to extend in the RECORD a copy of joint assembly resolution No. 9 relative to discrimination in steamer service freight rates between New York and California ports and the Panama Canal Zone.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include correspondence between Secretary Hull and myself on the subject of relations with South America.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

NATIONAL LABOR RELATIONS BOARD

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the gentleman from California [Mr. VOORHIS] just called our attention to the monetary situation. The gentleman is always very earnest and very conscientious in his search for relief for those who are unemployed. I am right, am I not?

Mr. VOORHIS of California. That is right.

Mr. HOFFMAN. I call the gentleman's attention to the fact that some of this money might be distributed more equitably.

For example, Miss Beatrice Stern, assistant secretary, National Labor Relations Board, $5,600. Max W. Stern, her husband, assistant director of informational service of Social Security Board, $7,500. No children—just the two of them.

Remembering that so many are unemployed, with the American Youth Congress here demanding opportunities to work, why should the Government follow the policy of placing two top-notch jobs in one family?

Some of these New Deal agencies seem to be a family matter.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, I shall offer an amendment to the naval appropriation bill when it is read under the 5-minute rule, to strike out appropriations for the building of 1 battleship. This bill provides for the starting building of 2 new battleships. Probably both should be stricken out. If this bill passes in its present shape, this will make a total under construction of 10 battleships, 9 cruisers, 3 aircraft carriers, 50 destroyers, 26 submarines, 2 destroyer tenders, 3 large seaplane tenders, 6 small seaplane tenders, 2 submarine tenders, 3 mine sweepers, 2 oilers, 3 fleet tugs, 1 mine layer, 1 repair ship, and so forth.

Have you been able to find anyone in the naval service, or any Member of Congress, who can tell us what it is going to cost for the upkeep of this Navy 5 years from now? I have not. Nobody will come out and tell you what it is going to cost for upkeep. In my opinion it will be a burden that the American people cannot stand. We do not need such a large Navy, and I am for adequate defense. No nation from foreign shores is going to come to our land to fight us. We do not want them to and there is no good reason why they should come here if we stay at home and mind our own business.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the current issue of the Reader's Digest on lewd literature.

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, does this article on lewd literature include the article which appeared in the papers about the show the Social Security boys put on in Baltimore the other night?

Mr. GILLIE. No, it does not.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD, and to include therein portions of an article from the Chicago Tribune of February 11, 1940.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, on what subject?

Mr. GILLIE. On the subject of sugar.

Mr. RANKIN. That is the most delightful subject I have known the Chicago Tribune to present lately, so I will not object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a resolution passed by the Judiciary Committee on the late Honorable Wallace E. Pierce, of New York.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a brief editorial published in the Baltimore Sun on February 12.

Mr. RANKIN. Mr. Speaker, reserving the right to object, on what subject?

Mr. SPRINGER. On the life and character of Abraham Lincoln.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to insert therein a statement of the benefits to be received by an extension of the reciprocal-trade agreements, prepared by the Bureau of Domestic and Foreign Commerce.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

JOINT COMMITTEE TO ARRANGE FOR THE INAUGURATION OF THE PRESIDENT-ELECT OF THE UNITED STATES IN 1941

Mr. LEWIS of Colorado. Mr. Speaker, by direction of the Committee on Rules, I call up Senate Resolution 32.

The Clerk read as follows:

Senate Concurrent Resolution 32

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1941.

Mr. LEWIS of Colorado. Mr. Speaker, Senate Concurrent Resolution 32 is the usual resolution that has been passed every 4 years providing for the appointment of a joint committee of three Senators and three Representatives to make necessary arrangements for the inauguration of the President-elect of the United States on January 20, 1941.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. MARTIN of Massachusetts. As I understand, this is the usual resolution that is passed every 4 years?

Mr. LEWIS of Colorado. Yes.

Mr. MARTIN of Massachusetts. It is identical in phraseology with previous resolutions?

Mr. LEWIS of Colorado. So I am informed; yes.

Mr. MARTIN of Massachusetts. The gentleman does not know, then?

Mr. LEWIS of Colorado. This is a Senate resolution. I understand it is identical in phraseology with previous resolutions of this character. However, I have not personally checked it.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Colorado. Certainly.

Mr. RANKIN. Under the so-called lame-duck amendment, if one candidate for President should fail to receive a majority of the electoral votes, then, of course, the election is thrown

into the House; and, contrary to the form of procedure theretofore provided, as I understand it, the new Congress and not the old one would elect the President. Am I correct?

Mr. LEWIS of Colorado. That is my understanding; yes, that is the way I read the twelfth and twentieth amendments.

Mr. RANKIN. Then should we find ourselves in that predicament next January, it would be impossible to put this resolution into effect, would it not?

Mr. LEWIS of Colorado. Congress meets on the 3d of January. The inauguration of the President will take place on the 20th of January.

Mr. RANKIN. That gives Congress only 17 days in which to elect a President.

Mr. LEWIS of Colorado. I think the gentleman from Mississippi—as have many others of us—has seen a number of difficulties with the so-called lame-duck amendment—the twentieth amendment.

Mr. RANKIN. I see a great many.

Mr. LEWIS of Colorado. The subject has been discussed several times on the floor of the House by the distinguished gentleman from Texas [Mr. SUMNERS], chairman of the Judiciary Committee.

Mr. RANKIN. How is that?

Mr. LEWIS of Colorado. The gentleman from Texas [Mr. SUMNERS] has pointed out some of these difficulties from time to time.

Mr. RANKIN. If this election is thrown into the House, as I understand it, the Congress would have to select the President from one of the three highest candidates, each State casting 1 vote. It seems to me entirely improbable, if we were to get into a contest of that kind, that it would be disposed of within 2 or 3 weeks. I am wondering if any provision in the resolution will take care of the situation in case there is a deadlock that would carry beyond the 17 days.

Mr. LEWIS of Colorado. There is no express provision in this resolution, but I believe that difficulty would be promptly and properly taken care of by the Congress if any such situation should arise.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. LEWIS of Colorado. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 344 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 344

Resolved, That a special committee of seven be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1941, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1940, or any special election held prior to January 3, 1941. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of the Congress, and that said committee or any subcommitee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

With the following committee amendment:

Page 1, line 1, strike out "seven" and insert "five."

Mr. LEWIS of Colorado. Mr. Speaker, this resolution—House Resolution 344—is in the usual form of resolution passed every 2 years for the purpose of investigating campaign expenditures, and so forth, of the various candidates for the House of Representatives. It is the same in form as similar resolutions adopted each 2 years since I have been a Member of the House. The only variance from the same form has been that sometimes the special committee has been of seven and sometimes of five members. It seemed to Rules Committee that five on this special committee would be quite sufficient. Therefore Rules Committee proposed the amendment to the resolution reducing the membership of the special committee from seven to five.

Mr. RANKIN. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield to the gentleman from Mississippi.

Mr. RANKIN. Is not this going behind the primaries a new departure?

Mr. LEWIS of Colorado. It has been very much of a question whether the House has any control over the primaries or other methods by which candidates for Representatives from the respective States are selected. The language in here is the same as that used for a long time. I think no effort has been made by any such House committee to investigate primaries. I made an exhaustive study of that question a couple of years ago. I believe no special committee of this sort has ever attempted to enter into any investigation as to how candidates for Congress are selected. I have concluded that—certainly since the Force Act was repealed—it is not within the power of a special House committee to investigate the method of nominating candidates for Congress because that is, I believe, within the exclusive jurisdiction of the States.

Mr. RANKIN. I seriously doubt the advisability of giving a congressional committee the right to go behind the primary nominations or the convention nominations in these investigations. Suppose you did the same thing with reference to Presidential candidates. Are you going to make an investigation of all the campaign funds and all campaign contributions of every candidate for President before the convention, then use that when it comes to the question of electing a President if the proposition should be thrown into the House for consideration?

Mr. LEWIS of Colorado. I think that would have to be taken up by statute and not by House resolution. The theory on which the appointment of this committee is based is that under the Constitution the House is "the judge of the elections, returns, and qualifications of its own Members." This is for the purpose of investigating promptly complaints based on alleged violations of the Corrupt Practices Act to the end that, if a contest should be filed, the House would be in possession of some facts assembled at or about the time of such alleged violations. It is also believed that the mere existence of such special committee should serve as a deterrent to any who might contemplate such violations.

Mr. RANKIN. I did not understand the gentleman's answer to my question a while ago. Is this the first time that Congress has ever attempted to go behind the primaries in an investigation?

Mr. LEWIS of Colorado. This is the form of resolution that has been adopted by the House for many years, certainly ever since I came to the House in 1933.

Mr. RANKIN. There have been no investigations of primary elections under it?

Mr. LEWIS of Colorado. I was chairman of such special committee appointed 2 years ago. I reached the conclusion, after careful investigation of decisions of the Supreme Court, that, since repeal of the Force Act, there has been no power in such special committee to investigate the conduct of primaries or other methods of selecting candidates for Congress.

Mr. RANKIN. The gentleman from Michigan [Mr. HOFFMAN] stated that the Newberry case came under it, but Newberry was tried by the Senate on a motion to expel on the proposition of the corrupt expenditure of campaign funds in a primary.

Mr. HOFFMAN. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The amount expended at that time was very, very small compared with what is spent now.

Mr. RANKIN. I do not know what they are spending now. But I heard Newberry admit he spent $196,000.

Mr. HOFFMAN. I was thinking of the $470,000 that John Lewis contributed to the last campaign fund.

Mr. RANKIN. If the gentleman wants to go into the Republican fund, he will probably find there are millions. I am talking about the primary elections.

Mr. HOFFMAN. We spent our own money. You spent Government money.

Mr. RANKIN. The only difference is you wrung it from one crowd and John L. Lewis wrung it from another.

But I do not care to go into these Michigan elections. I am a little bit apprehensive about the extent of the powers granted under this resolution. If we are going to investigate every primary campaign, it seems to me we are going far afield in this House when it has the right to expel a man at any time because of misconduct. I am not going to make all these fights, but I doubt the advisability of passing a resolution of this kind.

Mr. LEWIS of Colorado. I may say to the gentleman that the resolution was introduced by the gentleman from North Carolina [Mr. WARREN]. I assume that, as the author of the resolution, he would probably be appointed chairman of the special committee. I do not know what conclusion he might reach; but certainly, after the investigation I made, I reached the conclusion that we had no power under a resolution of this sort in spite of those words in there to investigate primary campaign expenditures or to go behind the law as fixed by the respective States.

Mr. RANKIN. As I understand, the gentleman is not in favor of going behind the primaries?

Mr. LEWIS of Colorado. I reached the conclusion we had no power so to do. That is my own opinion.

Mr. ALLEN of Illinois rose.

Mr. RANKIN. Would the gentleman agree to an amendment striking out that part of the resolution?

Mr. LEWIS of Colorado. I believe I had better yield, if you please, to the gentleman from Illinois, my colleague on the Committee on Rules.

Mr. ALLEN of Illinois. Inasmuch as this is the usual and customary resolution, the minority side does not require any time.

Mr. RANKIN. If the Republicans can stand investigation, we certainly can.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF PRESIDENTIAL ELECTORS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. SUMNERS] for 1 minute.

Mr. SUMNERS of Texas. Mr. Speaker, while you are considering this matter of the preservation of the integrity of elections, I want to do what I have been doing every year for about 6 or 8 years, direct your attention to the fact that under the existing system it is possible to elect a President by fraud and nothing can be done about it.

This is a pretty strong statement. Let me make a little explanation. When we passed the lame-duck amendment, as you know, we moved the time for the inauguration of the President from March back to January but we did not move back the time for the election, so we left about 41 days, according to my recollection, between the time when the electors are elected and the time when they meet to vote for the President.

There is no one in this Chamber who does not know that it is impossible to gear up our judicial machinery so that in those 41 days there can be inaugurated proceedings and a determination of the question of whether or not there has been fraud in the election of electors.

I have been calling the attention of the House to that fact and for 6 or 7 years I have been introducing a bill to correct that situation, but we just sit here and do nothing about it. One of these times we are going to be face to face with serious charges with reference to the election of a President and not a thing can be done about it. It is about time that we were getting busy; while we cannot do anything about the coming election, we can enact legislation now and make it applicable to the election of the President after this next election. This would give our legislators plenty of time to modify their existing law so that only one general election would be required. I propose moving the election date from November to October. The present law can be redrafted and a week or 10 days additional can be gained there. But as it is we are in a perfectly inexcusable situation. With none too much time originally between the election and the inauguration, to change the inauguration time from March to January and leave the election time exactly where it was when the inauguration was in March is a serious reflection upon the Congress. [Applause.]

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. CLASON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 26]

Allen, La.	Drewry	Magnuson	Seccombe
Arends	Dunn	Maloney	Shafer, Mich.
Austin	Elliott	Marshall	Shannon
Barden	Englebright	Martin, Ill.	Sheridan
Barry	Evans	Merritt	Short
Barton	Fernandez	Mills, La.	Smith, Ill.
Beam	Fish	Mouton	Smith, Maine
Bell	Fitzpatrick	Myers	Smith, Wash.
Boehne	Garrett	Nelson	Smith, W. Va.
Brewster	Gearhart	Norton	Somers, N. Y.
Brooks	Gehrmann	Oliver	Starnes, Ala.
Buckley, N. Y.	Geyer, Calif.	Osmers	Steagall
Bulwinkle	Gilchrist	Patton	Sullivan
Byrne, N. Y.	Grant, Ind.	Pfeifer	Sweeney
Byron	Harness	Rabaut	Taylor
Celler	Hart	Randolph	Thomas, N. J.
Chapman	Hinshaw	Reece, Tenn.	Tinkham
Clark	Hope	Risk	Wadsworth
Collins	Jarrett	Robsion, Ky.	Ward
Cox	Jenkins, Ohio	Rockefeller	Whelchel
Crowther	Keller	Rodgers, Pa.	White, Ohio
Culkin	Kirwan	Romjue	Williams, Del.
Darrow	Kleberg	Routzohn	Winter
DeRouen	Knutson	Sabath	Woodruff, Mich.
Dickstein	Lewis, Ohio	Sacks	Woodrum, Va.
Dirksen	McAndrews	Sasscer	
Ditter	McGranery	Schwert	

The SPEAKER pro tempore. Three hundred and seventeen Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein

an address delivered by myself on Lincoln Day in Clarksburg, W. Va.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow, Friday, February 16, 1940, at 11 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

NAVY DEPARTMENT AND NAVAL SERVICE APPROPRIATION BILL, 1941

Mr. SCRUGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes; and pending that motion, I ask unanimous consent that general debate continue for 3 hours, the time to be equally divided between the gentleman from Vermont [Mr. PLUMLEY] and myself, and that at the conclusion of that debate the Clerk shall read the first paragraph of the bill and the Committee shall rise.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8438, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

Mr. SCRUGHAM. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Chairman, the naval appropriation bill as submitted to the Appropriations Committee in accordance with the recommendations of the President's Budget called for $1,078,472,577.

The bill before the House as reported by the subcommittee on naval appropriations carries $966,772,878, being a reduction under Budget estimates of $111,699,699.

The Committee should understand that while there is a reduction of $111,699,699, yet nevertheless by the language of the bill making immediately available $50,000,000 for ship construction from the 1941 Budget to take care of work under the 1940 Budget there will be an immediate deficit of $50,000,000 in the fiscal year 1941.

In addition to the deficit of $50,000,000 there has been a reduction of $25,000,000 in the appropriation bill to carry on the ship construction which is under way, which will bring about a further deficit of approximately $25,000,000.

So the House should understand that there will be a deficit of approximately $75,000,000 for ship construction to be dealt with at the first session of the Seventy-seventh Congress.

There is sufficient money appropriated in the bill now under consideration to carry on ship construction until about April 1941.

If there is no deficiency appropriation in the Seventy-seventh Congress, the appropriation bill for the fiscal year 1942, which will be considered during the calendar year 1941, will have to make immediately available $75,000,000 or else the ship-construction program must stop.

I have broken down the naval appropriation bill and analyzed the reduction in each bureau, which is as follows:

Naval appropriation bill, 1941

The estimates which were before the committee totaled	$1,078,472,577
The bill as reported carries	966,772,878
The total reduction therefore is	111,699,699

Naval appropriation bill, 1941—Continued

The major reductions are as follows:

Secretary's office	$59,525
Eliminating administrative promotion money, eliminating 19, of which 13 employees in Personnel Division (Plozet's office), $45,990; printing and binding, $65,000; miscellaneous expenses, $193,495; increase in Naval Research Laboratory of $249,220. There is nothing of great consequence in the foregoing.	
Bureau of Navigation	234,765
The only two major changes being a reduction in welfare and recreation of $130,000, and an increase in Naval Reserve of $189,940. The Naval Reserve increase is to provide some training for volunteer Naval Reservists.	
Engineering	6,531,140
$2,110,000 of this was for two fleet net layers. The remainder of the money is supposed to be a 10-percent general cut. In view of the fact that money for the boom tenders, $3,600,000, is still in the bill under the "B" budget, this is not as serious as it sounds, although the reduction of $3,708,120 in the "A" budget has to come out of yard and district craft, the material maintenance and improvement plan, or special repair items.	
Construction and repair	5,415,300
Here again, $1,800,000 of this is for two fleet net layers. The rest of the cut is presumed to be a 10-percent cut against the "A" budget total. Here also is $4,400,000 still in the "B" budget for the boom tenders. The cut in the "A" budget will have to come out of the same items mentioned under "Engineering."	
Ordnance and ordnance stores	26,877,212
Of which $21,971,140 is the net project. The remainder of the cut, $4,905,952, is against aviation ordnance.	
Pay, subsistence, and transportation	9,487,722
Comprised of the following:	
Reduced number of enlisted men going into Naval Reserve (16- and 20-year men)	$1,000,000
Reduced ration cost, 2 cents	1,013,450
Reducing pay for retired officers to include only those now on active duty	2,052,500
Reducing enlisted strength 2,000, from 152,000 to 150,000	1,806,316
Changing percentage distribution by pay grades	1,615,456
General reduction	2,000,000
	9,487,722
Clothing and small stores fund	2,000,000
$4,000,000 was requested.	
Medical Department:	
No reductions of consequence under medicine and surgery.	
Yards and docks:	
No reductions under yards and docks except public works.	
Public works	8,596,525
The projects which the committee allowed are listed on page 10 of the report. Harbor works at Guam were allowed.	
Aviation, Navy	21,714,600
In addition to this cut the contract authorization was reduced from $20,000,000 to $10,000,000. What the committee states on page 5 of the report is that the Naval Air Service is ahead of the strength contemplated under the act of 1938, which contemplated 3,000 planes by 1944. Therefore the committee has reduced the amount requested for expansion planes to $2,000,000, which is to be expended for the purchase of prototypes and other experimental craft, including those to be powered by Diesel engines. It has allowed 305 replacement planes (297 for Navy and 8 for Naval Reserve), which was the amount requested, and has allowed as to expansion planes the 47 for the Naval Reserve, but disallowed the 224 requested for the Navy. The general effect of the foregoing is to add $2,000,000 to experimental funds and cut out the regular expansion aircraft of the Navy. More serious than this, the $10,000,000 contract authorization applies to that extent against $29,884,400 of replacement planes, so that even $10,000,000 of replacement plans will have to be paid for next year.	
Marine Corps:	
Cuts negligible.	

Naval appropriation bill, 1941—Continued

Replacement of naval vessels:		
Construction and machinery		$24,928,021
Armor, armament, and ammunition		3,700,000
These cuts were made by merely deferring into a deficiency bill for 1941 certain charges. The statement of the committee is as follows:		
Reduce estimate for two 1940 battleships	$9,335,500	
Reduce estimate for two 1940 cruisers	3,520,000	
Reduce estimate for two 1941 battleships	6,000,000	
Reduce estimate for two 1941 cruisers	1,150,000	
Reduce amount of estimate for work on ships commissioned prior to July 1, 1939	4,922,521	
		24,928,021
Similar reductions under "Armor, armament, and ammunition" total $3,700,000. What the committee says is that funds have been left in the bill to work up plans for two new capital ships, intimating that some other design than 45,000-ton ships should be adopted. The same applies to the cruisers. In the case of the 1940 ships the intimation is that plans of these ships should be changed to incorporate more speed, armor, and armament; in other words, more tonnage. Language of the bill permits laying down all of the vessels which we asked for.		
Alterations to naval vessels		2,000,000
Flat cut because the report says the *Saratoga* and *Lexington* will not be available for yard overhaul before Jan. 1, 1941. I believe engineering furnished the committee the information for this cut.		

I realize fully the earnest desire of the subcommittee to take care of the Navy's needs and not to cripple the first line of the national defense and at the same time being confronted with the condition of the Government's finances, the problem of increased taxes, and the approach to the statutory debt limit.

I can fully appreciate the difficulties confronting the committee; therefore, I shall support the measure as presented by the committee; however, I hope that some of the severe cuts, such as the flat 10-percent reduction in engineering and construction and repair amounting to some $6,000,000 for the general upkeep of the forces afloat, and also the reduction of aviation and the procurement of planes, and particularly the contract authorization for the purchase of planes for the aircraft carrier *Hornet* which will soon be completed can be adjusted before the bill finally becomes law.

In view of the fact that much has been said in the papers and the comments in the committee's report in regard to larger battleships, I desire to make some observations on that subject.

I am thoroughly in accord with the desire of the chairman and the subcommittee that this Government shall construct ships superior to those of any other nation and that our shipbuilding program should not be confined to imitation of other nations. In other words, this Nation should build the type and character of ships its defenses require irrespective of what other nations build.

In my opinion, the American Navy, both in material and personnel, is unsurpassed by any other nation. There can be no doubt that we exceed all other nations as far as naval aviation is concerned, and this has been accomplished due to the fact that naval aviation has remained a part and parcel of the Navy and there has never been established a separate air corps.

I am not one of those who believe that we should launch upon a program of building 75,000-ton battleships.

I have been a member of the Naval Affairs Committee for 23 years. During that time I have become familiar with a great many phases of naval activities and naval problems. But when it comes to all of the factors of naval strategy and naval tactics and the conflicting considerations which dictate the characteristics that are to be embodied in building ships, I have found that the only safe course is to depend on the best advice that can be obtained, and that is from the experienced naval officers in positions of responsibility who are our naval experts.

I have found no responsible naval officer who advocates jumping at this time to a battleship of 75,000 tons. So far as I have learned, they unanimously support the laying down at the present time of the 45,000-ton battleships. These officers include the naval designers, the members of the general board, the present Chief of Naval Operations, and his predecessor and the last commander in chief of the fleet. This action of adhering for the present to the 45,000-ton design is urged not only by the naval designers responsible for the building of the ships but by the military men responsible for fighting them, and fighting them successfully.

Shipbuilding is at once a science and an art. As an art, a ship of new design represents a development from ships that have been built and proved before. As a highly important consideration, therefore, it is undesirable from the point of view of actual construction to increase the size of ships as compared to existing ships by too large an increase. We have now under construction battleships approximately one-third larger than existing ships.

Mr. SUMNERS of Texas. Mr. Chairman, would it interrupt the gentleman to yield?

Mr. VINSON of Georgia. Not at all.

Mr. SUMNERS of Texas. Will the gentleman advise us as to whether there is any relationship between speed and size?

Mr. VINSON of Georgia. In the construction of a ship you have to take into consideration speed and size, and oftentimes you have to determine to which you will give superiority. It is sometimes impossible to have all the speed and all the armor in the same ship.

Mr. SUMNERS of Texas. What I am trying to find out is whether you can get as much speed in a little ship.

Mr. VINSON of Georgia. I am coming to that in a moment.

The present tonnage of the largest battleship in the United States Navy is 35,000 tons. The appropriation bill for the fiscal year 1940 provided for the laying down of two battleships and it is contemplated that their tonnage will be 45,000 tons. The plans for these two ships have been practically completed.

To undertake the construction of a ship more than double the size of existing ships—such as a 75,000-ton ship—would be, under the circumstances, extremely unwise unless there were very compelling reasons for doing so. Such reasons do not exist at the present time.

There are other complications with reference to the construction of 75,000-ton ships:

First. The limitations of the Panama Canal locks;

Second. Channels into the harbors throughout the country;

Third. Room in the harbors; and

Fourth. Drydocks.

The Panama Canal will not take a 75,000-ton battleship. The new locks when completed will be approximately 1,200 feet long and 140 to 150 feet wide. Such locks could take a 75,000-ton ship, but the contemplated new locks will not be finished until 1946, while it is anticipated to finish the 45,000-ton ships within the next 4 years.

There is not a single drydock in the United States or in Hawaii large enough to accommodate 75,000-ton battleships.

Harbor facilities as they exist today, without considerable overhauling, are inadequate for the movability of 75,000-ton battleships. As to the channels, some of our important entrance channels are traversed with difficulty by ships of the size of the *Lexington* and *Saratoga*, and they are only 33,000 tons.

I repeat, none of our drydocks, either east coast, west coast, or Hawaii, is sufficiently large to dock a 75,000-ton ship. It is true that new and bigger docks can be built, present docks can be enlarged, harbors deepened, and new and larger canal locks are in prospect. But all of this will require time and money—much money. The time that is to elapse, or would elapse, before the essential facilities can be provided is uncertain. Would we then build an uncertain ship whose

employment would be not only uncertain but doubtful because of uncertain or nonexistent locking, docking, and harbor facilities?

Mr. TERRY. Mr. Chairman, will the gentleman yield for a question?

Mr. VINSON of Georgia. I yield.

Mr. TERRY. What is the present capacity of our largest dock?

Mr. VINSON of Georgia. It is only large enough to take care of 35,000-ton ships.

Mr. TERRY. Then the present drydocks cannot take care of the 45,000-ton ships?

Mr. VINSON of Georgia. They can take care of them with the additions provided for in the bill reported out of the Naval Affairs Committee on yesterday.

Mr. TERRY. Is there any demand for 75,000-ton ships?

Mr. VINSON of Georgia. There has been a good deal of agitation in the country and a good deal of talk about 75,000-ton battleships.

Mr. TERRY. But there is nothing in this bill?

Mr. VINSON of Georgia. There is nothing in this bill about 75,000-ton battleships. We are committed to 45,000-ton battleships, and it is to be hoped that these 45,000-ton battleships will be taken care of in this bill.

Mr. TABER. Mr. Chairman, will the gentleman from Georgia yield?

Mr. VINSON of Georgia. Yes.

Mr. TABER. The same thing the gentleman has said with reference to a 75,000-ton ship would apply to a 55,000-ton ship or a 65,000-ton ship?

Mr. VINSON of Georgia. Exactly; and may I say that the idea of these 75,000-ton ships originated in the mind of some designers in New York who drafted a 60,000-ton battleship which was sent to Russia, and I do not know what ever became of it. The firm of Gibbs & Cox drew the design for a 60,000-ton battleship, but what we want here is a 45,000-ton battleship, which has been recommended by this committee and which I hope the House will go along with and put in the bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. MAY. I do not know that the gentleman has specifically so stated, but I think it is clear that the 45,000-ton battleships can go through the Panama Canal's present locks, and, therefore, they are not in excess of the size that can be used.

Mr. VINSON of Georgia. That is correct.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman.

Mr. VORYS of Ohio. Does the gentleman say that the 45,000-ton ships will be able to use the present locks?

Mr. VINSON of Georgia. They will; yes.

Mr. VORYS of Ohio. And the present drydocks?

Mr. VINSON of Georgia. Yes.

Mr. VORYS of Ohio. And the present channels?

Mr. VINSON of Georgia. That is right, exactly. There is this involved in the matter. We may be compelled to spend on the navy yards some $15,000,000 or $20,000,000 in expansion to carry on the building as rapidly as we want to do it, but they can build, and are making preparations to build, two 45,000-ton battleships now. The plans have already been perfected and this bill calls for two additional ones.

Mr. MOTT. Mr. Chairman, will the gentleman from Georgia yield?

Mr. VINSON of Georgia. Yes.

Mr. MOTT. Inquiry was made a moment ago as to whether there was demand for 75,000-ton battleships; is it not the implication of the report here from the Committee on Appriations that the 45,000-ton battleship is not big enough or that the ones now under construction are not modern enough?

Mr. VINSON of Georgia. That inference could be drawn from the committee report and that is the reason I said at the beginning of my remarks, "in view of those comments."

Mr. MOTT. And that is an answer to the question of whether there is a demand for such large battleships.

[Here the gavel fell.]

Mr. VINSON of Georgia. Will the gentleman yield me 5 or 10 minutes more?

Mr. SCRUGHAM. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. VINSON of Georgia. Notwithstanding the difficulties presented by nonexisting locking, docking, and harbor facilities it is of primary consideration that our naval experts, to the last man, are opposed to these superbattleships.

Not a single designer, not a single naval expert in the Navy Department is in favor of going over for the time being the authorization of these 45,000-ton battleships.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. SUMNERS of Texas. We are going to stand by the gentleman on these big battleships, but we ordinary folks would like a little information. Do we have to get an awful big battleship to carry a gun that is equal in range to these big guns we hear about? What is the use of having big battleships, when one of these big bombs will perhaps blow it out of the water?

Mr. VINSON of Georgia. The 45,000-ton battleships would have the same speed, the same armor, the same sized gun, that is the 16-inch gun, as the 75,000-ton battleship, and the 45,000-ton battleship costs $90,000,000, while the 75,000-ton battleship costs $140,000,000.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. TABER. The better ones of our 35,000-ton battleships now have 16-inch guns.

Mr. VINSON of Georgia. Exactly.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. MILLER. Is the gentleman going to discuss the development in bombing technique?

Mr. VINSON of Georgia. No.

Mr. MILLER. Will these 45,000-ton ships be any better protected than the ships of the last few years?

Mr. VINSON of Georgia. Oh, everyone knows that probably under certain conditions torpedoes can sink a battleship, and you might put enough bombs on a battleship possibly to sink it, but, as far as human ingenuity is concerned, it is the most durable of all ships and the most durable of all weapons.

Mr. MILLER. I do not think the chairman got the question. Is the development in defense—that is, defense from air attack—improving as rapidly as bombing technique?

Mr. VINSON of Georgia. Every battleship carries the latest antiaircraft guns it is possible to provide.

Battleship superiority can be attained either by a superiority of ship for ship, by a superiority of numbers, or by a combination of these two. I am far from being in disagreement with those who advocate that we should lead, and not follow, the world in the development of our ship types. This should be true of the United States beyond any other nation, particularly in the matter of battleships. Designs for larger battleships up to a certain point undoubtedly provide a desirable step in this direction.

In the meantime, the 45,000-ton battleships that we are building have the same size guns and have approximately the same protection and speed. They are ships which would not be outmoded even by the proposed superbattleships, provided always that we have a sufficient number of the 45,000-ton ships.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. VORYS of Ohio. Will not the same argument apply to building 20,000-ton cruisers as opposed to the battleships?

Mr. VINSON of Georgia. No. Because the 20,000-ton cruiser cannot stand up against a battleship, even of 35,000 tons.

Looking at it from another angle, the cost per battleship-ton is about the same, irrespective of size. That being so, then for the cost of two 75,000-ton ships we could just about build four 45,000-ton ships. Having about the same speed, armor, and armament, it is self-evident that four ships would be

superior to the two. Visualize them opposed in battle—the four smaller ships would have the advantage of larger targets, concentration of fire, and preponderance of armament. The larger ships would have more and smaller targets to cover, which would materially reduce their effectiveness.

Then again—suppose a ship on each side was disabled—the larger ships would lose half their strength while the smaller ones would lose only one-fourth.

To sum up, the naval experts are of the opinion that at this time we should not embark upon a program of constructing 75,000-ton battleships, and I am thoroughly in accord with their stand.

In the interest of economy we should adhere to the naval experts' program to lay down and build simultaneously the four 45,000-ton battleships.

By doing so millions upon millions of dollars can be saved because these ships will be sister ships, all of the same design and, it is contemplated that two of them will be built in industrial yards and two of them in navy yards.

The cost to construct a 75,000-ton ship is approximately $120,000,000 to $130,000,000 and to build a 45,000-ton ship as the Navy desires will cost approximately eighty-five or ninety million dollars.

While we all recognize the fact that war is going on in Asia and Europe and this country must look to its defenses, nevertheless in approaching these naval matters we should do so with no hysteria.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. COCHRAN. I did not want to interrupt the gentleman, but at the outset of his speech he stated without reservation, as I understood, that on April 1, 1941, there would be a deficit, and pointed out the necessity for a deficiency appropriation.

Mr. VINSON of Georgia. That is correct.

Mr. COCHRAN. If that occurs, will that not be a direct violation, of the statute which requires the spending agencies to spread their appropriations over a 12-month period?

Mr. VINSON of Georgia. No; the gentleman is mistaken, because the bill makes available now $50,000,000 of the 1941 money. This money is being appropriated to run the Navy from July to July. In this bill we permit the Navy Department to use $5,000,000 of the money which we are going to appropriate. In other words, we are $50,000,000 short right now.

Next year you have to take care of that $50,000,000 either by a deficit appropriation or making the money available in the appropriation bill of 1941 immediately available. I say that is not the way to legislate. What we should do is to appropriate money from July to July; but I recognize the fact of what we are all up against, and I certainly find myself in accord with this bill and it will have my hearty support. The committee is to be congratulated, being confronted with the difficulties which they are, on the magnificent bill they have presented here. [Applause.]

[Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield 20 minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, I desire to offer a few observations suggested by the mysterious paralysis which seems to have afflicted the administration and the Congress in dealing with the question of a loan to Finland.

Against the prevailing world-wide social and economic uncertainty, the clash of irreconciliable ideologies, the waste and suffering of war, the well-nigh universal moral collapse and consequent intellectual confusion, two questions confront the American people like flames of lightning against a stormy sky.

No successful denial or evasion of these questions is possible. They must be answered in American terms by an enlightened and united American public opinion if our fundamental American plan of life is to be preserved and civilization itself saved from chaos.

First. What kind of a world are we and our children going to live in after this present universal black-out of reason, justice, and humanity is lifted?

Second. What kind of a country are we and our children going to live in from now on?

The final answer to the first of these questions will determine in large measure the answer to the second.

If the world becomes a charnel house of moral, mental, and material slavery enforced by fear, hate, and armed force, and putrid with the stench of dead rights and liberties, how can America hope to escape the universal infection? If the world is able, as a result of its present travail, to establish a new civilization upon the unshakable foundations of moral and spiritual unity, economic cooperation, political, social, and personal freedom, would that not impart to our American institutions a new vigor and inspire our people with a new vision in the art of living?

The feeble and faltering attitude of our Government and people toward the first of these questions, we like in moments of mental and moral relaxation to call our foreign policy.

It is this alleged foreign policy—this conglomeration of contradictions and expediencies—which I desire to explore briefly at this time. I do this not with any sanguine expectation of effecting immediate changes in our present policy or practice, but in order to relieve my own mind by sharing with my colleagues certain disturbing and depressing reflections upon the general situation, and in particular upon the question of our Government's proposed aid to the heroic and freedom-loving people of Finland in their hour of desperate need.

It is hard for us to obtain a clear picture of the present period of fundamental transition in world affairs and its inevitable effects upon our own American economy, because of certain mutually antagonistic psychological forces at work among our people.

Following the illustrious example of the New Deal's high command, we seem to be moving at varying rates of speed in several opposite directions at once. We do not know where we are going, but we are on the way.

The American people, greatly to their credit, have reached a settled conviction on one or two central principles from which there may be evolved, in time, a rational approach to the vital problems which remain to be solved if civilization is to endure.

Our people are practically unanimous in their abhorrence and renunciation of war as a method of settling international disputes. They are equally fixed in their belief that peace is the only sound foundation for a free, progressive, and permanent democratic world civilization.

Apart from, and perhaps because of these commendable expressions of public opinion, our governmental attitude toward present world problems, and especially toward the question of a Government loan or gift to Finland, is evasive, hesitant, and timorous. This attitude may be a reflection of the peculiar psychological crisis, to which I referred a moment ago, in which the American people find themselves involved.

The moral judgment of the American people on this question is absolutely sound. As President Roosevelt recently said, at least 98 percent of our people are in favor of Finland. They are in favor of Finland and against Russia because they love liberty and hate tyranny. They know that Finland is right and Russia is wrong. They know that Finland represents every ideal and principle of freedom, integrity, and justice which has made America great. They know that if the Russian monster destroys Finland it will mean to that extent the weakening in the world of everything we in America hold sacred—religion, humanity, justice, and freedom. Every normal American is in complete moral revolt against the hatred, fear, cruelty, greed, and brutality now threatening to destroy the world.

But as yet the American people, and equally their Government, are confused and uncertain as to the choice of means for implementing the authority of their moral sense in these international affairs. The reason for this intellectual uncertainty and confusion is clear.

For 150 years our people and Government were engaged in developing a vast new continent; in building up a complicated

economic structure; in creating and testing systems of government and law; in fostering social institutions for highest service to the individual. Our backs were toward the outer world. We faced in upon ourselves. We were nurtured in the faith that we could remain forever safely insulated from the political and social changes and chances incessantly developing throughout the rest of the world.

These conditions of safe and satisfying parochialism are now "gone with the wind." America has become the richest and most powerful nation in the world. And we are now faced with the duty of discharging the moral obligations which inhere in the possession of this wealth and power. From this moral obligation there is no honorable way of escape.

We are now not only a world power—we are, in respect of resources, the leading world power. And we do not quite know how best to behave in this new and unaccustomed but inevitable role. We are like a colt being broke to the plow; we cannot as yet keep our shoulder firm against the collar and our feet in the furrow. We are thoroughly familiar with our own numerous forms of home-grown political and economic skulduggery. But as yet we do not feel entirely sure of ourselves when we get out in the big world of devious diplomacy. We shall probably have to serve a generation or two of diplomatic apprenticeship before this absurd and unnecessary inferiority complex in dealing with world affairs is finally sloughed off.

Meanwhile let us take a square look at this question of our making a Government loan or gift to Finland in its hour of desperate need. Such a straight loan or gift is in accord with the moral sense and expressed desire of a majority of our people. Yet here we are, the most powerful government in the world, headed by the greatest administration since 1933 [laughter], behaving on this question of a loan to Finland like an elephant afraid of a mouse. It is on a par with the timorous gentleman who was chased under the bed by his irate wife wielding a broomstick. After a while he ventured to peek out. Said she, "Don't you dare peek," and he replied, "As long as I have the spirit of a man in me I will peek." [Laughter.]

Our whole governmental handling of this problem up to the present is enveloped in a fog of evasiveness and timidity. First of all, President Roosevelt sends a message to Congress on the subject couched in such terms of sweetness and light as to cause one to wonder if it could have come from the same iron-handed leader who used to send "must" legislation to the Congress.

Then appeared a bill which merely confirmed the right, already existing, of the Finnish Government to sell bonds to private American investors.

Next came a barrage of solemn oratory leveled against our doing anything for Finland because it might "involve us in the present war." And this in complete indifference to the fact that we are already involved in the present war up to our necks.

Our entire fiscal structure is involved in the prodigious war financing of England and France in this country, and by the possibility of their dumping some three billions of securities upon our already sick market.

Our foreign trade is involved by the expansion of allied exports to the rest of the world to pay their war bills.

Our warehouses, stuffed with unsold and unsaleable tobacco and cotton, are involved. Our idle ships and idle sailors are involved.

Our prodigious increase in cost of war preparation for defense is involved.

Our sale of millions' worth of war material to our friends the Japanese, to be used by them in killing our friends the Chinese, is involved.

Our loans and sales of material to our friends the Chinese, to be used in killing our friends the Japanese, is involved.

Our purchase of gold at this time from the Russians at a high profit to them is involved.

We are involved by the not highly creditable fact that Russia owes us hundreds of millions which she can use to destroy Finland, while Finland has paid all but a fraction of her debt to us, which money we now hesitate to reloan to her except upon impossible terms.

And now, as the crowning absurdity, we have before our Banking and Currency Committee a bill to increase the capital of the Import Bank by $100,000,000—with the implication that perhaps a small portion of this fund may be loaned to Finland, provided it is all spent here for nonmilitary supplies, such as powder puffs and carpet slippers. [Applause and laughter.] And provided further that the Russians are not unduly annoyed by our generous and chivalrous action. The final destination of the balance of this fund to the Import Bank is still shrouded in mystery.

Finland is putting up the most heroic battle ever fought in modern times in defense of world freedom. She needs guns and ammunition and airplanes to protect her women and children and sick and wounded from slaughter by the Russians, and her fighting men from final destruction.

Knowing the membership of this House as I do, I dare to hope that here we shall end this tragic farce and proceed to enact legislation in the real interest of our Finnish brethren, and worthy of a great freedom-loving people who are not afraid to stand for right and discharge their duty as free men.

Through the long years I have held tenaciously to the conviction that next to His divine kingdom the United States of American has been God's best gift of opportunity to the common man. With the wonderful, generous, and spontaneous outpourings of private help by the American people to the stricken peoples of the world, I cannot believe that this House will permit our Government to assume an attitude of penurious timidity toward the immortal Finns. I want my country to embody in every official act the true genius of its citizenship and the glory of its heroic past.

I, for one, am ashamed of this straddling, evasive Import Bank bill. If we do not want, as a Government, to help Finland, let us say so and state why. If we do want to help Finland, let us do it in a straightforward manner worthy of a great and free nation.

The real America which we represent in this body and the position we desire our country to take before the world is best envisioned by John Milton in his immortal essay on the Freedom of the Press 300 years ago:

> Methinks I see in my mind a noble and puissant nation rousing herself like a strong man after sleep and shaking her invincible locks; methinks I see her as an eagle mewing her mighty youth and kindling her undazzled eyes at the full midday beam, purging and unscaling her long-abused sight at the fountain itself of heavenly radiance, while the whole noise of timorous and flocking birds, with those also that love the twilight, flutter about amazed at what she means.

That is my idea of America, and I cannot conceive of such an America shilly-shallying and logic-chopping the way we are doing when Finland needs the money, and by every dictate of humanity ought to have it. [Applause.]

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. BLOOM. I was very pleased to listen to the gentleman's talk about Finland. I would just like to ask the gentleman has he any idea of introducing an amendment to the bill that passed the Senate with reference to Finland, with regard to how this $20,000,000 should be loaned and the restrictions upon the $20,000,000?

Mr. EATON. I was hoping that when it came before the House the chairman of our Foreign Affairs Committee would have the nerve to do that very thing. [Laughter and applause.]

Mr. BLOOM. Will the gentleman yield further?

Mr. EATON. Yes; I yield.

Mr. BLOOM. It just happens that the bill about which the gentleman is speaking is not before the Foreign Affairs Committee.

Mr. EATON. That is a misfortune.

Mr. BLOOM. I am serious about this, and I would like to have the gentleman be serious for a moment, and if he would like to answer the question I would be very pleased to have him do so. The bill is before the Committee on Banking and Currency. I understand the chairman of that

committee introduced yesterday a special resolution which is practically the same as the Senate bill that was reported here. Now, the gentleman made a very nice appeal and I would like to go along with the gentleman, but as long as it is his original idea and he spoke upon that today, will the gentleman promise to introduce such an amendment when the bill is before the House for consideration?

Mr. EATON. I would promise to do anything that would relieve the gentleman's mind. I would be glad to. [Laughter and applause.] I would think that such an amendment would have a better chance of passing if it came from the majority side of the House. That is where it should come from.

Mr. BLOOM. Would the gentleman yield further or would he prefer not to answer my question?

Mr. EATON. I have answered the gentleman's question.

Mr. BLOOM. I beg the gentleman's pardon. He has not. The gentleman has evaded the question. The gentleman has made a statement with reference to a loan to Finland. He has attacked the Government and has attacked this administration. I would like to know, if the gentleman is sincere—and I know that he is—whether he will offer an amendment to the bill embodying the suggestion that he made in his speech this afternoon?

Mr. EATON. I will answer that by asking the gentleman a question. Will the gentleman support such an amendment if I offer it?

Mr. BLOOM. Yes; I will support it, providing it does not infringe on our present Neutrality Act.

Mr. EATON. Good. Then I will do it, and the gentleman and I will get together to do something really worth while for Finland. [Applause.]

[Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. CRAWFORD. I want to ask the gentleman a question along the same line as that which the chairman of the Foreign Affairs Committee just propounded. Here is a bill, as I understand it, which simply increases the capital stock of the Export-Import Bank from $100,000,000 to $200,000,000. It makes that addition to the present statute, and puts a proviso in there that the directors of the Export-Import Bank shall not make a new loan to any country or its nationals or its agencies in excess of $20,000,000; and that if that loan is made, the money so loaned shall not be spent for arms, ammunition, and implements of war, if the President proclaims that Sweden, for instance, is a belligerent and brings it within the classification. I am wondering what kind of an amendment could be made to that bill which would be germane, which will accommodate the situation insofar as our desire to help Finland is concerned. I think that is something that might be given consideration in the meantime.

I want to ask the gentleman this question: As this bill is now presented to the Committee on Banking and Currency, does the gentleman understand that there is anything in it which prevents the Export-Import Bank from making a loan of $20,000,000 to Finland, which adds to the $10,000,000 they have already borrowed, and then let Finland use that $20,000,000 any way it pleases, in the absence of the President's proclamation that Finland is a belligerent and that there is a state of war?

Mr. EATON. The bill itself, as I read it, provides that the money must be spent for nonwar materials.

Mr. CRAWFORD. I do not so understand the bill. As I understand the bill——

Mr. BLOOM. If the gentleman will yield, I will try to answer that question.

Mr. EATON. I yield.

Mr. BLOOM. The way I understand it, that $20,000,000, or any amount of the money loaned to any government according to the rules of the Export-Import Bank, must be expended in this country. All of the money must be spent here.

Mr. CRAWFORD. Yes.

Mr. BLOOM. And it cannot be spent for any war materials. That has nothing to do with any proclamation issued by the President, because there is no declaration today stating that war exists between Finland and Soviet Russia.

Mr. CRAWFORD. That is what I mean.

Mr. EATON. The language of the Senate bill reads:

That the Export-Import Bank of Washington shall not make any loans in violation of international law—

Although we have abandoned international law entirely—

as interpreted by the Department of State, or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939.

Mr. CRAWFORD. Do I understand, then, the gentleman to say that the President has listed as "arms, ammunition, and implements of war," to which list the Export-Import Bank must refer and stand upon in connection with the $20,000,000 loan that it may or may not make to Finland? Has the die been cast? Can Finland use any part of this $20,000,000 to buy arms, ammunition, and implements of war if the President does not further act?

Mr. EATON. Not under the terms of this bill. He has already acted.

Mr. CRAWFORD. He has already acted?

Mr. EATON. Yes. And the provisions of this Senate bill as drawn make action mandatory in accordance with the President's action.

Mr. BLOOM. If the gentleman will yield.

Mr. EATON. Certainly.

Mr. BLOOM. The President has acted by his proclamation. Under the provisions of this bill this money can only be expended for such merchandise as is not excluded under the 1939 Neutrality Act; and under the rules of the Export-Import Bank it must be spent in this country. To my way of thinking we cannot specifically mention Finland in this legislation.

Mr. CRAWFORD. If I may reply to the gentleman from New York——

Mr. EATON. Yes.

[Here the gavel fell.]

Mr. EATON. Mr. Chairman, cannot the gentleman from Vermont yield these gentlemen som more time?

Mr. PLUMLEY. I regret that I cannot. I have too many requests for time.

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ANDERSON of Missouri. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSON of Missouri. Mr. Chairman, I make the point of order that this discussion, not being germane to the pending bill, is out of order.

The CHAIRMAN (Mr. BLAND). This is general debate on an appropriation bill. The point of order is overruled.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. CASE of South Dakota. I was very much interested in the observation made by the distinguished chairman of the House Committee on Foreign Affairs, with reference to the provision in this resolution that passed the Senate placing a limitation upon the expenditure of this money; but can the gentleman from New York, the gentleman from New Jersey, or anyone else, point to anything in the law today that prevents the Export-Import Bank from making these loans without any restriction as to the character of purchases to be made with the money now available?

Mr. GIFFORD. Mr. Chairman, will the gentleman yield to me for a suggestion?

Mr. EATON. I yield.

Mr. GIFFORD. After having made purchases in this country they could barter those goods with Italy, for instance, and Italy could ship them the military equipment.

Mr. BLOOM. Certainly, that can be done.

Mr. GIFFORD. That is an indirect way, to be sure, of enabling them to get what they need in the way of military supplies.

Mr. EATON. It is indirect, and it is an utterly unworthy way for this Nation to behave.

Mr. GIFFORD. The gentleman is right.

Mr. EATON. It is not the way in which a great nation should act.

Mr. BLOOM. I agree with the gentleman.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. REED of New York. I may say to the gentleman from New Jersey that while these gentlemen are drawing fine distinctions in respect of the loan to Finland, as a matter of fact we are furnishing the bombing planes that are being used so ruthlessly today behind the lines to kill civilians and that are disemboweling women and children—450 planes. What is the use of fiddling around with all this hypocrisy?

Mr. EATON. Yes; that is my contention.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. VOORHIS of California. I agree with what the gentleman from New York says. Not only are we furnishing the planes, but also the high-test gasoline to run them.

Mr. REED of New York. Let us not be deceived; let us open our eyes to the facts. I have them here. The gentleman from New Jersey has made a wonderful speech. We need more speeches of the same character to shed the light of day on what is happening. [Applause.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. LUDLOW].

THE ECONOMY TONIC AND ITS EFFECT ON THE COUNTRY

Mr. LUDLOW. Mr. Chairman, the best tonic America has had in 10 years of depression is the economy tonic that is now being administered by the Congress in its action on the appropriation measures that are being brought forward at the present session. The heavy cuts in appropriations are like the elixir of life to business and industry. Business is being invigorated and rejuvenated by the news that is coming these days out of Washington. The businessman is awakening to the pleasing realization that after all he is not "the forgotten man" and that there are those in Washington who really care for him. Industry is taking hope and encouragement from the signs that the era of excessive spending, which has thrown the Budget wildly out of balance, is drawing to an end.

As evidences multiply that the economy wave which has struck Congress is not a mere evanescent dream, but a real start toward a balanced Budget, businessmen and manufacturers are getting a grip on themselves and are allowing their newly found faith in the future to furnish inspiration for recuperative action which, if given continued encouragement at this Capital, will open the way for a real recovery in this country.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. ZIMMERMAN. Speaking of retrenchment in expenditures—and I take it that the gentleman is in favor of the program of retrenchment?

Mr. LUDLOW. I certainly am.

Mr. ZIMMERMAN. I wonder if my distinguished colleague from Indiana is in favor of reducing expenditures in all other branches as the Appropriations Committee did for the farmers by cutting their expenditures about 52 percent? Is the gentleman willing to treat all other departments as the farmers were treated?

Mr. LUDLOW. I may say to the gentleman that I am willing to cut just as deeply in all departments as can be done without injurying vital operations of the Government. I think we ought to cut a lot of these bills.

Mr. ZIMMERMAN. Will the gentleman say that a reduction of 52 percent did not injure agriculture and the 23,000,000 people dependent upon agriculture for a living?

Mr. LUDLOW. The farmer has to depend on people in the city to buy his produce, and those people in the city living on meager hand-outs from township authorities have no money with which to create a market. Therefore I say that a policy of retrenchment, which is absolutely necessary to give employment and buying power to the city millions, who comprise the vast majority of our population, is in the long run conducive to the prosperity of our farmers. In fact, I think it is essential to the prosperity of those who till the soil as well as those who work in the factories. I think a program of reasonable and sensible reduction is just as much in the farmers' favor as in favor of the other people.

Mr. ZIMMERMAN. I agree with the gentleman, but does he think the farmer ought to be cut 52 percent when no other department in the Government approaches that kind of a cut?

Mr. LUDLOW. I think we might take into consideration whether the appropriations for the farmers last year, and in recent years, have not been extra liberal, and whether or not he is being unduly penalized. I do not know whether the gentleman is correct in his percentage or not. I think his percentage is too high, especially since a large part of the cut in the agricultural estimates that was made in committee has been restored by the House.

Mr. ZIMMERMAN. The farmer has never received more than 75 percent of parity with industry and labor.

Mr. RICH. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman realizes we have increased the agricultural appropriations in the last 10 years over 1,200 percent?

Mr. LUDLOW. The gentleman from Pennsylvania has stated more succinctly and clearly what was in my mind than I was able to say it myself. If the gentleman from Missouri will look at the agricultural appropriation bills during the last 10 years he will be satisfied that the farmer has been rather generously dealt with.

Mr. ZIMMERMAN. If we believe what we preach, that agriculture ought to be placed on a parity with labor and industry, surely the gentleman from Pennsylvania will not argue that agriculture ought to be content with 75 percent of what industry, the business in which the gentleman is engaged, and labor are receiving.

Mr. RICH. May I say to the gentleman that I have never received one penny out of the Government—I hope I have not—directly or indirectly, as a manufacturer. But when the Department of Agriculture has received an increase of 1,200 percent in 10 years, that is a great increase. The only thing that some Members of this Congress can see is what they are directly interested in. They do not look at the picture as a whole, as the gentleman from Indiana, who is trying to do an honest-to-goodness job here in the Congress. There is not a man doing any more than the gentleman from Indiana [Mr. LUDLOW] in that respect, and I admire him for his attitude. When Members can see but one particular thing that is going to get them votes, then they are not as big as the gentleman from Indiana, who looks at the thing broadly and from all angles. [Applause.]

Mr. O'NEAL. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Kentucky, who is one of the most valuable members of the Appropriations Committee and one of the ablest Representatives who ever served in this Congress.

Mr. O'NEAL. The gentleman from Missouri asked the gentleman from Indiana whether he would be as ardent for

economy along other lines. As a member of the Appropriations Committee and serving on the subcommittee of which the chairman is the gentleman from Indiana [Mr. LUDLOW], may I say that there has not been a man in the House who has been more unselfish, more intelligent, and more ardent with reference to appropriations and I feel there is not an appropriation that comes before this House that ought to be cut or that comes within the purview of his own subcommittee, on which the gentleman from Indiana would not use the pruning knife vigorously if it should be used. [Applause.]

Mr. LUDLOW. I want to thank my friend the gentleman from Kentucky from the bottom of my heart for his generous reference to me. As he has truthfully said, I believe that a general application of the pruning knife to all activities is essential to the national welfare.

Mr. ENGEL. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Michigan.

Mr. ENGEL. May I say that I agree with all that the gentleman from Kentucky has said.

Mr. MASSINGALE. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I want to join in these expressions of admiration for the distinguished doctor, and I am very sincere about that; but I am wondering if it is the gentleman's philosophy, and if he wishes to be understood as taking the position, that because the farmer has been discriminated against by a high-protective tariff that industry, such as the gentleman from Pennsylvania [Mr. RICH] represents, has been the beneficiary of, agriculture ought to be content with that for the balance of the history of this country?

Mr. LUDLOW. May I say to the gentleman, I do not want to be led into a tariff discussion. I was born on a farm in a log cabin, and I do not say that for political purposes. I know from experience the hardships of pioneer life and if I had time I would like to pay a loving tribute to the farmers, because I am bone of their bone and flesh of their flesh. My sympathies are wholeheartedly, sincerely, with the farm people of this country, but I believe that in order to have recovery in this country that will amount to anything we have to vitalize the whole structure, not one part of it. If you examine the appropriations for the farmers, you will find they have not been discriminated against. They have been most generously dealt with by this Congress.

Mr. MASSINGALE. For 150 years they have been dealt with generously, in the opinion of the gentleman from Indiana?

Mr. LUDLOW. I am not covering quite as much territory as the gentleman from Oklahoma.

Mr. MASSINGALE. I want to cover all of it.

Mr. LUDLOW. At least ever since the administration of Franklin D. Roosevelt came into power, certainly the farmers have been most generously dealt with and I do not see how anyone could contend to the contrary.

Mr. MASSINGALE. I agree with the gentleman on the fact that with the coming of the Roosevelt administration there have been some favors extended the farmers that have heretofore been denied them; but industry has been more generously dealt with in the history of this Government than the farmers, even with what has been given them during the Roosevelt administration.

Mr. LUDLOW. When I think of the farmers' plight, I may say to the gentleman, I am thinking also of thousands and thousands of poor people in my city and in other cities throughout the country who are sitting in their homes without a fire and without anything to eat. Certainly as compared with the farmers, the farmer has the better end of the situation because he has the means of livelihood. In reply to the gentleman from Missouri [Mr. ZIMMERMAN] and the gentleman from Oklahoma [Mr. MASSINGALE], let me cite the Federal cash expenditures for agriculture since 1933. Those figures prove my point that the farmer has not been discriminated against. They are as follows:

1933	$79,500,000
1934	407,300,000
1935	945,800,000
1936	833,900,000
1937	919,300,000
1938	703,400,000
1939	1,213,400,000
1940 (estimated)	1,487,600,000
1941 (estimated)	1,002,000,000

These figures do not include any appropriations for roads, although the Bureau of Roads is under the Department of Agriculture. There is the picture. Does it indicate that the farmer has been neglected? When the expenditures out of the Federal Treasury for our farmers increase from $79,000,000 to over a billion dollars a year, can it be said that the farmer has been discriminated against? I have voted to help the farmer and I shall always do so. My heart bleeds for the poor and unfortunate farmer but I believe his situation is not quite as bad as the man in the city who has no job, no food in the house for himself and his family, and no fuel to keep them warm. As a rule, the farmer does not have these awful extreme conditions of suffering to face that exist in many cities of this country. God willing, I hope this Congress can do something for both the farmer and the city dweller, to lift both of them out of the fog of depression and suffering.

Mr. MASSINGALE. Does not the gentleman realize that according to the statisticians of the country the farmer is on the lowest rung of the economic ladder in the United States?

Mr. LUDLOW. Can the farmer be any lower than these multiplied thousands who just have no income at all?

Mr. MASSINGALE. If the gentleman will look at the statistics he will agree with me.

Mr. LUDLOW. Those people in the city have nothing to warm themselves with and nothing to eat. Is the farmer in a worse fix than they?

Mr. MASSINGALE. He is in a worse fix than they are, according to the statisticians and economists of the country.

Mr. LUDLOW. I do not care what the statisticians say, I say he is not in a worse fix, and not in nearly as bad a fix. I would like to do something to help both of them. I have studied the question a lot and I believe a policy of national economy will help both.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. H. CARL ANDERSEN. Does the gentleman believe that it is for the good of this Nation for the farmer to produce food for the rest of the Nation at a loss?

Mr. LUDLOW. I do not think so.

Mr. H. CARL ANDERSEN. Does not the gentleman believe that the farmer has been the goat in the entire relief picture in that he has been feeding at a loss the major portion of the population of the United States of America for the past 9 years? Is not the farmer at least entitled to a living price on his commodities consumed in this country? Can our great Nation prosper as long as the one basic industry, agriculture, does not have parity with industry?

Mr. LUDLOW. I will say to my friend that has all been thrashed out in answer to the gentleman from Oklahoma.

Mr. H. CARL ANDERSEN. I agree with everything the gentleman from Oklahoma [Mr. MASSINGALE] has said. He is one of the real friends of agriculture in this House today.

Mr. LUDLOW. I think the farmer has been relatively generously dealt with.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from New York.

Mr. MARCANTONIO. Does the gentleman from Minnesota believe he will help the farmer by arraying the farmer against the worker in the city? Does he not believe it is better to aid both, and that the economic condition of one is dependent on the other?

Mr. LUDLOW. The gentleman from New York is absolutely right. We are all interdependent. We have to go up

together or we go down together. No class of the people should be singled out for preferential treatment.

Business is champing the bit, eager to go ahead, and it will go ahead if Congress will continue along the economy course it has so well begun. I predict that Congress will so continue and that a few years from now we will be wondering where our sanity was when we appropriated in a single session of a peacetime Congress, the first session of the Seventy-sixth Congress, $497,742,081.54 more than the combined appropriations of all of the Congresses during the 20 years from 1890 to 1910, and we will look back with amazement on the fact that there was appropriated during that single session of a single Congress three times the amount that was appropriated from 1862 to 1866 to defray all of the expenses of the great Civil War.

Definitely a new philosophy is taking hold in Washington—a philosophy based on reason, a philosophy that will bring the country up on its feet, if along with it we will establish and faithfully maintain a policy of noninterference by Government in the legitimate affairs of business. To show how well we have started on an economy course it is only necessary to point out that every appropriation bill that has been brought in since the present session began on January 3 has been deeply cut below the Budget estimates. The bills that have been brought in and the cuts under budgetary estimates are as follows:

Emergency supplemental bill, $20,000,000.
Urgent deficiencies bill, $3,000,000.
Independent offices bill, $94,500,000.
Treasury and Post Office Departments bill, $11,500,000.
Agricultural appropriations bill, $154,500,000.
State, Justice, and Commerce appropriations bill, $2,500,000.
Navy appropriations bill, $111,700,000.

The total cut on all of these bills below the Budget as the bills were reported from the Appropriations Committee was $397,700,000. With eight regular supply bills and at least one deficiency to come, it seems perfectly reasonable to assume that it will be unnecessary to levy any new taxes, for, after making due allowance for the fact that some of the committee cuts will be restored in the House and Senate, there is still a heavy margin of probability that after all is said and done the total savings below the Budget will be in excess of $460,000,000—the amount the President estimated would have to be raised in new taxes if the Budget estimates were maintained unimpaired. Certainly no less than that may be expected of a Congress as economy-minded as the present one has turned out to be.

The important thing, however, is not the amount saved, but the fact that there has been a turn in the road from spending to economy. The thing that counts is that runaway spending apparently is over. That is tonic for business, tonic for industry, healthful, vitalizing tonic for the whole country. It is tonic for the farmer as well as the city man, for the farmer has no market for his products if the city folks cannot get employment and have no income except the starvation wages of relief labor and the miserable handouts of township trustees.

In this connection I want to commend the gentleman from Missouri, Hon. CLARENCE CANNON, chairman of the Agricultural Appropriations Subcommittee, for his vision and fine courage in bringing in the agricultural bill cut $154,500,000 below the Budget. The gentleman from Missouri [Mr. CANNON] is a practical farmer who loves the soil. The farmers of America might search the country over with a fine-tooth comb and they would never find a better friend than the gentleman from Missouri [Mr. CANNON]. Yet he had the strength and rectitude to stand up on this floor and battle for an economy which, while it would affect the farmer, would benefit the whole Nation, including the farmer, in the long run, and he did this because economy has become the symbol of national recovery. He has rendered his country a service of inestimable value.

Likewise, and in no less a measure, would I bestow my meed of praise on the gentleman from Nevada, Governor SCRUGHAM, and his associates on the Naval Appropriations Subcommittee, who have brought in here the naval bill cut $111,700,000 below the Budget estimates. I plead with Members of the House to sustain these cuts and to hold up the arms of the gentleman from Nevada, Governor SCRUGHAM, for he has done an excellent piece of work. It is not an easy nor a pleasant thing to deny appropriations to zealous individuals and to pressure groups, but there are times when it is the right thing to do; and when a fine public servant like the gentleman from Nevada, Governor SCRUGHAM, stands up and unflinchingly does his duty, he is entitled to our support. The cuts which he and his subcommittee have made in the estimates, while deep, will not in any way jeopardize or impair our national defense, and the elimination of naval items that are not vital will spare some of our national resources for the distressed, the hungry, and naked, who should be the objects of our tender solicitude.

While I believe with all my heart in preparedness, and vote at all times for adequate national defense, I have not forgotten that we should also give some attention to the great human values and that, I am sure, is the belief of the gentleman from Nevada, Governor SCRUGHAM, and his associates. During the extreme subzero weather we have been having at Indianapolis, a constituent of mine wrote to me recently that he and his family were sitting in their little shack without fire. It would be hard to convince that man and his loved ones that we should spend $100,000,000 apiece for new battleships when people are starving and freezing, as they are now in many sections of this country. A well-fed, well-clothed, contented citizenry is a better defense preparation than unnecessary engines of war. If we can curb the international meddlers and hold this Nation true to the philosophy of Washington and Jefferson we are not going to have war, now or ever, but if we allow disease and poverty and all kinds of maladjustments to go unchecked we may have trouble at home, for there comes a point beyond which suffering cannot be endured and agony must find vent. The naval appropriations bill now before the House is a moderate bill, a sensible bill, a bill worthy of all confidence. It takes care of our national defense, but at the same time it recognizes that we have a problem at home—a great human problem—with hungry mouths to feed and naked bodies to clothe. By the very terms of its moderation it is a fit companion piece of the other appropriation measures that have gone before it at this session. It emphasizes once more that Congress is on the right track—the economy track—which if we have faith to adhere to it, will lead America out of the blackest night of depression in all of its history. [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I have asked for this time in order that I may make some comment that will perhaps assist in keeping the record straight.

On February 7, 1940, there appeared in the Washington Post an article headed, "Mrs. Roosevelt Defends Communist Rights in Group." This article, by International News Service, stated in part—

> A White House debate in which Mrs. Franklin D. Roosevelt defended inclusion of Communists in the American Youth Congress was divulged yesterday on Capitol Hill.
>
> The First Lady told her guests at a White House conference Monday night that the youth organization was fighting for great principles in which Communists could share.
>
> A score of liberal Members of Congress took the opposite view. Mrs. Roosevelt called the conference in an effort to establish friendly relations between the Youth Congress and New Deal Congressmen.
>
> Miss Frances Williams, administrative chairman of the youth organization, launched the debate when she said, "representatives of 15,000 Communists are with us." She added that one known Communist is now serving on the legislative board of the Youth Congress. She defended their inclusion in the organization as justified by the Bill of Rights—declaring their exclusion would be a violation of the Constitution's guarantee of freedom of speech.

The article continued and quoted the remarks of two United States Senators and one Representative from this body who

were in opposition to the position announced by Mrs. Roosevelt.

On that same day I called the attention of this House to that newspaper article and this conference, and I stated, as appears on page 1183 of the RECORD under date of February 7, quoting this article as I have quoted it today:

> There is the picture. These people came down here from New York after attending a meeting such as I have described and are invited to attend a meeting at the White House where the rights of these young Communists are applauded as being part and parcel, and rightfully part and parcel, of the American Youth Congress.

On the next day, February 8, the gentleman from Oregon [Mr. PIERCE] arose, and his remarks are found on page 1233 of the RECORD. He said this:

> Mr. Speaker, I was amazed, chagrined, and embarrassed yesterday to find myself sitting as a Member of this body during criticism of the wife of the President. This attack was based upon a news story appearing in the morning paper. I could scarcely refrain from making an immediate reply, but it appeared to me that I might better serve the cause of good government and tolerance by refraining from comment until I could read the remarks of my colleague from Wisconsin. I sincerely hoped that when I saw his words in print they would seem less critical, and I am now pleased to find that it might have been the manner rather than the matter which so distressed me.

Then follows a long speech by my very dear friend from Oregon in which the implication is made that I am opposed to youth in this country and that in speaking as I did and in calling the attention of the Congress and the Nation to this meeting at the White House I was serving the cause of some organization or other that is opposed to youth.

Now, I want to say to my dear friend from Oregon that I am the father of three children and have raised two nephews and I have two grandchildren and am exceedingly interested in youth and he well knows it, and I do not want any inference to go out as a result of that long, prepared speech that the gentleman from Oregon, Governor PIERCE, inserted in the RECORD that would cast any implication upon me as being opposed in any sense to youth. As a matter of fact, had the gentleman from Oregon, Governor PIERCE, taken the time to read the RECORD, he would have discovered that I openly declared that I was in favor of the N. Y. A. as it is administered in my State of Wisconsin, and when I said that I meant it, and I said a great deal, judging from the criticism that has been directed at that organization in the last few days. Now, I am wondering, and I am speaking to the gentleman from Oregon [Mr. PIERCE], who is seated in front of me, was the gentleman chagrined when he read in the paper that the President was hissed on the White House grounds by this group that call themselves the American Youth Congress? I know that the gentleman must have been chagrined and mortified and embarrassed.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I refuse to yield at this time.

Was the gentleman chagrined when, here on the floor of the House and in this Chamber, representatives of this organization seated in the gallery hissed Members of this Congress?

Was the gentleman chagrined when he read the reports in the newspapers of the conduct of this organization when they threw out and ejected bodily two representative American youths who attended a meeting at the Labor Department Auditorium, and when they attempted to introduce resolutions condemning the aggression of Soviet Russia they were ejected and thrown out and told that this organization would have no part in passing any such resolutions at this meeting in Washington?

I know, knowing the gentleman from Oregon, Governor PIERCE, as I know him, and knowing his interest in the welfare of this land, that deep in his heart he must now be sorely chagrined and mortified in view of what has happened and transpired at this American Youth Congress, so-called, which met here last week, and I am happy to know that the gentleman from Oregon, Governor PIERCE, after carefully reading the remarks which I made, finally came to the conclusion that there was not anything in those remarks which cast aspersions upon the First Lady of the Land, but, perhaps, it was because of the inflection of my voice or the way I parted my hair or the way I appeared which caused him to conclude that there was something in the remarks which a careful reading on the gentleman's part could not disclose. Am I right in that, sir?

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes; I yield.

Mr. PIERCE. The gentleman from Wisconsin is one of the most forceful speakers upon this floor. I have complimented him on his appearance at other times, and he does have a very forceful manner. If I were guilty, I would hate to have him as the prosecuting attorney following me up. I prefer to read his remarks in the cool quiet of my office, and if they need a reply I will come back on the floor when I get some time.

Mr. KEEFE. I am very happy to know that the gentleman from Oregon, Governor PIERCE, having read the remarks, that caused the gentleman so much chagrin and embarrassment, in the quiet and solitude of his office, found that there was nothing in my remarks that caused that embarrassment but that, perhaps it was the manner in which I stated it.

Mr. PIERCE. Mr. Chairman, will the gentleman yield further?

Mr. KEEFE. I would prefer not to yield at this time. I have quite a little more I want to say, and then I shall be too happy to yield if I have the time.

Now, at a later date, Members of the Congress, and following this speech by the gentleman from Oregon, Governor PIERCE, to which I have referred—in fact, it appears on page 1437 of the proceedings under date of February 13—I put into the RECORD a little bit of a compilation, you will recall, as to the people who were invited to the White House. Now, in doing this I acted upon very definite proof which appeared in the public press, and which listed 27 Representatives and a certain number of Senators. I analyzed the names of these people and no one has challenged to this date the accuracy of that analysis except in one thing. I do not know whether to apologize or not, but I want the RECORD to be made straight, and I do this out of deference to my very good friend the gentleman from West Virginia, Mr. GEORGE JOHNSON, whom I sit with on a subcommittee of the Appropriations Committee and as to whom I know there is no better American sitting in this House. [Applause.] In that statement, through error, due to the fact there are a large number of JOHNSONS in the House, the name of the gentleman from West Virginia, Mr. GEORGE JOHNSON, was mentioned as having been invited to this White House conference. Now, I do not take it as any insult to the gentleman from West Virginia to have been invited to the White House, but because there may be some implications involved in what transpired later, I want to say to this House and to the gentleman from West Virginia that the gentleman was not invited, and I had not intended to say that he was. The gentleman who was invited was the gentleman from Oklahoma, Mr. JED JOHNSON, and not the gentleman from West Virginia, and to that extent I want to correct the RECORD; and if any apologies are necessary to my friend the gentleman from West Virginia I very, very cheerfully and gratefully tender them to him at this time.

Now, having put that in the RECORD, my dear friend the gentleman from New York [Mr. MARCANTONIO] appeared on the floor.

I waited around here until very nearly 6 o'clock, because the gentleman told me he was going to speak, but I had a speaking engagement that night and I was 2 hours late in filling it, even after flying, so I was unable to be here when the gentleman made his statement, but the gentleman did say in his statement under date of February 9, page 1345, of the RECORD, that I was a Sherlock Holmes, or acting as a Sherlock Holmes playing detective, and that my statement was based upon a distortion of facts and a distortion of the truth. So far as I am concerned, let us see what the distortion of fact was. The gentleman later on in his speech said that I had charged in a previous speech that there was discussed at this White House conference the question of the infiltration of Communists into the American Youth Congress, and the gentleman rises in great dignity to say that that was a distortion of the truth because that was not the discussion, that the

discussion was, Now that the Communists are in this congress, shall we kick them out? [Laughter.]

To me, Mr. Chairman, that is what the President would call tweedledum and tweedledee. If that was the discussion, and I am advised by a number of Representatives who were there that the discussion was quite general on the subject, being as how the gentleman from New York [Mr. MARCANTONIO] was there in close attendance, and greatly interested in what took place, I shall accept his version as to what did take place, and admit, as it now appears, that the question under discussion was, Shall these Communists now in, and admittedly in, be kicked out? On that question the gentleman from New York took the negative. I call attention to the fact that perhaps there may be some inconsistency in that respect, because this Civil Liberties Union, which the gentleman from New York served as counsel, just recently, so it is reported in the press, kicked out all of the Communists from that organization. This Civil Liberties Union, acting as the very guardian of the rights of civil liberty, the organization in this country that the gentleman served as counsel, which is designed to protect the rights of civil liberties, passed resolutions kicking the Communists out of it, and that fact was plastered all over the press of this country and has not been denied by anyone. Mr. Chairman, the gentleman went further than that. He said that I was in error because I said that he alone took the opposite view.

He said that he was not alone, that some others spoke in the same vein that he did, and he added:

I won't tell who they were, or mention any names, but they are here.

As if by prearrangement, the gentleman from Pennsylvania [Mr. DUNN] bobbed up on his feet and said:

Will the gentleman yield?

The gentleman from New York yielded and the gentleman from Pennsylvania [Mr. DUNN] declared:

I was one of those men who were present, and I made a statement on the floor this afternoon, and I am going to continue to make that statement the balance of my life.

Of course, that is the privilege of every Member of Congress and every American citizen. The gentleman from California [Mr. GEYER] likewise said that he spoke and took the position that the gentleman from New York [Mr. MARCANTONIO] took. I accept that. I am glad to correct the RECORD. I am glad to know that the position of the gentleman from New York [Mr. MARCANTONIO] was approved by the gentleman from Pennsylvania [Mr. DUNN] and the gentleman from California [Mr. GEYER], and I also understand from private conversation with my friend from New York [Mr. MARCANTONIO] that a Senator likewise sustained his position. So that the RECORD may be clear, and there may be no question about it, I accept the position of the gentleman from New York on that question.

Mr. Chairman, the gentleman refers to the Bill of Rights. In his speech by inference he makes it appear that I am one of those who oppose the application of the Bill of Rights. Had the gentleman taken time to read the address which I delivered and which appears in the RECORD under date of January 23, page 588, he would see my position very clearly and definitely exemplified, and I restate it now, because I think it is the opinion and position of a great majority of the people of this country. I think it is high time, in view of the situation that exists in the world today, that this question of the Bill of Rights should be somewhat reappraised. There was not the international situation and there was not in existence a situation such as exists in Russia today at the time the Bill of Rights was written. We now have it admitted from the record of testimony of Mr. Browder and Mr. Foster before the Dies committee that no man or woman can be a Communist in good standing in this country unless he takes his orders from Moscow, and owes his allegiance not to the United States but to the hosts of Stalin and the ideology of Stalin.

I say to you, and I want my position known definitely, that I draw a line of distinction between those great liberals like the gentleman from New York [Mr. MARCANTONIO], who is an American, who believes in the American system and the preservation of our democracy, and who, when the time comes, will stand on the side of loyalty to this Government; I draw a line of distinction between men like him and those who have sworn loyalty openly and willfully to the Communist Government of Russia, and who in hearings before a Senate committee have openly stated that they would refuse to bear arms against the Soviet in the event of trouble between this Nation and the Soviet. As to those latter ones, I think the time is here and now when that type of people who have only one hope in view and that is to overthrow and destroy this Government by force and violence, should no longer be permitted to hide behind the cloak of the Bill of Rights to enable them to carry out their nefarious practice; and to that extent the gentleman from New York and I disagree.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PLUMLEY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KEEFE. I want to place in the RECORD at this point, and I shall offer it as a part of my remarks, two resolutions that were offered, one by Archibald Roosevelt, Jr., and the others by Messrs. Plavnu and McArthur, which caused their expulsion from this so-called Youth Congress. I want the Members of Congress and the public throughout the Nation to know what those resolutions were. I hope you will read them; and if any real American, with the blood of an American coursing in his veins, could stand up and see those three men kicked out on their faces, taken into custody, and thrown into detention by the police for offering these resolutions, then your idea of Americanism and mine is entirely different.

The resolutions are as follows:

Resolution condemning rape of Finland by Soviet Russia, to be introduced at the American Youth Congress meeting in Washington, February 9–12

(By Archibald Roosevelt, Jr.)

Whereas one of the reasons given for the charge that the American Youth Congress is a front for the Communist Party is that its program has consistently followed the varying party line of the Communist Internationale and the foreign policy of Moscow; and

Whereas the American Youth Congress has gone on record "for the support of the peace proposals of the Soviet Union"; and

Whereas during the time it was Soviet policy to denounce aggression, the American Youth Congress vociferously condemned aggression in Ethiopia, Czechoslovakia, Austria, China, and Spain, since the Communist Party defends the Soviet attack on Finland, the American Youth Congress has failed to find "a moral issue involved" in the Finnish invasion; and

Whereas in agreement with the Moscow policy on Loyalist Spain, the American Youth Congress urged cooperation with the United Youth Committee to Aid Spanish Democracy (Loyalist) "to the end that our united forces may give the maximum amount of assistance to the people of Spain"; and

Whereas a resolution was passed to raise $250,000 by means of bazaars, parties, and collections for relief in China, the plight of bombed civilians in Finland's subzero winter has aroused no corresponding sympathy in the American Youth Congress; and

Whereas when the Soviet Government demanded the quarantine of aggressors in 1937, the American Youth Congress urged President Roosevelt and Secretary Hull to declare Italy and Germany at war with Spain and embargoed, and resolved that "whenever any nation uses its armed land, naval, or air forces with or without a declaration of war to invade the territory or attack the vessels or blockade the ports of another nation, the President shall proclaim that nation to be an aggressor," when President Roosevelt intimated that the Soviet Union was guilty of aggression in Finland, the American Youth Congress denounced him as a war monger;

Whereas when the Communist Party and the Soviet Union were in favor of collective security, the American Youth Congress, through the World Youth Congress, passed a resolution demanding that the League of Nations recognize aggression and deal with the aggressors accordingly, now that the League has recognized the invasion of Finland and branded the Soviet Union an aggressor, the Youth Congress sneers at the "discovery of a moral issue in Finland";

Whereas in line with the Communist Party policy, the American Youth Congress, through the World Youth Congress, called for "an internationally guaranteed loan to China to enable her to buy the arms necessary for her defense and to repair the ravages of war," the New York American Youth Congress bitterly attacks any proposed loans to Finland as an attempt to force America into "the imperialist war";

Whereas in the case of Czechoslovakia, coming before the Hitler-Stalin alliance, France and Britain were urged by the American Youth Congress to stand together against Hitler, they are denounced as imperialistic because they have finally done so in the cases of Poland and Finland—the sole difference being that the Soviet Union has now become Hitler's partner:

Resolved, That the American Youth Congress throw off the suspicions surrounding its policies and for all time clear itself of the charge of Communist domination by immediately:

1. Issue a ringing denunciation of the bloody attempt by Communist Russia to smash the Finnish democracy and to enslave its people under a sinister puppet government set up by Stalin and headed by Otto Kuusinen, official of the Comintern and stooge of the Russian dictator.

2. Calling for support of the heroic Finnish people in the gallant defense of their native land against the brutal Communist invaders.

Resolution demanding that the American Youth Congress condemn communism, nazi-ism, and fascism equally as enemies of American democracy, and expel their sympathizers and fellow travelers, to be introduced at the American Youth Congress meeting in Washington, February 9–12

(Plavner and McArthur)

Whereas the American Youth Congress has been accused of serving as a Trojan horse for the Communist Party and the Moscow Red Internationale; and

Whereas Earl Browder has listed the American Youth Congress as one of the transmission belts of the Communist Party; and

Whereas Earl Browder, now convicted of defrauding the United States Government, has at various times boasted of the close relationship between the American Youth Congress and the Communist Party, as, when writing in the Peoples' Front, he said, "The Young Communist League, with the assistance of the party, has from the beginning played an important part in building the youth-congress movement and formulating its program and activities"; and

Whereas he has in turn been enthusiastically acclaimed by various national conventions of the American Youth Congress; and

Whereas Gil Green, president of the Young Communist League and secretary of its Moscow Internationale, accompanied Browder to Moscow, where they reported to the Kremlin bosses their success in capturing control of the American Youth Congress; and

Whereas Gil Green's cosecretary of the Moscow Red Youth Internationale, Raymond Guyot, recently expelled from the French Parliament and condemned as a traitor, participated prominently in the World Youth Congress held at Vassar in 1938 under the sponsorship of the American Youth Congress; and

Whereas Georgi Dimitroff, secretary of the Communist Internationale, praised the United States Young Communist League for their good work in using the American Youth Congress to bore from within; and

Whereas Otto Kuusinen, now head of the Soviet puppet government set up in Finland by Stalin, praised the American Youth Congress and the Young Communist League, and outlined plans for the American Communists in their efforts to make use of the American Youth Congress for the spreading of Stalin's program among American youth; and

Whereas Gil Green and his associates continue to be part of the American Youth Congress, thereby enabling them to masquerade under false colors; and

Whereas the recognized national youth bodies, such as the Boy Scouts, Boys' Clubs of America, the Catholic Youth, refuse to participate in the American Youth Congress because of its reputed communistic influence; and

Whereas the American Legion at its last national convention condemned the American Youth Congress as a Communist-controlled organization; and

Whereas the American Youth Congress continues to serve as a front for the Young Communist League and its various Trojan-horse groups who make use of the name American Youth Congress to conceal their true identity; and

Whereas the pact between Stalin and Hitler, the rape of Poland, and the invasion of Finland destroy any illusions as to a distinction between communism, nazi-ism, and fascism; and

Whereas the American Youth Congress' action last summer in refusing to come out with an outright condemnation of communism, but nevertheless passing resolutions condemning the Nazi bund and Father Coughlin, and failing to include the Communist Party and Earl Browder, provides sufficient evidence to suspect the American Youth Congress of being under the influence of the Communists and their fellow travelers; and

Whereas, in accordance with Soviety policy, the American Youth Congress has frequently denounced the invasion of Austria, Ethiopia, Spain, China, and Czechoslovakia, and adopted resolutions calling for aid and sympathy to the victims of these aggressions, it has ignored the equally brutal invasion of Finland by the Soviet Union and has placed itself on record as being completely disinterested in the fate of Finnish democracy;

Resolved, That the American Youth Congress clearly demonstrate that it is not a Communist front and is absolutely free of Communist influence by:

1. Condemning communism, nazi-ism, and fascism, alike and equally as enemies of the American system.

2. Expelling the Young Communist League and its Trojan-horse organizations as listed in the Dies committee report: American League for Peace and Democracy, International Workers' Order, American Student Union, Friends of the Soviet Union, National Negro Congress, Southern Negro Youth Congress, League of American Writers, Workers' Alliance, Spanish Refugee Relief Campaign, North American Committee to Aid Spanish Democracy, Friends of the Abraham Lincoln Brigade, and International Labor Defense.

3. Asking American Youth Congress officials such as Joseph Cadden, executive secretary, who are members of the above-listed Communist front organizations, to resign from and to repudiate these organizations or to be expelled from the American Youth Congress.

4. The same ruling to apply to the Nazi and Fascist organizations and their Trojan-horse groups, if there be any in the American Youth Congress.

Mr. KEEFE. So that the RECORD may further be straight, the gentleman from Pennsylvania [Mr. MCGRANERY] rose during the speech of the gentleman from New York [Mr. MARCANTONIO], and he really was quite critical of me. I barely know the gentleman, but he said that I did a very poor job of "Sherlock Holmesing." I am not a Sherlock Holmes. Sherlock Holmes is fictional. I made no investigation. I am a human being. A human being is liable to err. If I err, I shall come before the Congress and admit it. Sherlock Holmes, being fictional, never erred. He always proved to be right. I know that I may frequently be wrong. If I am, I hope I shall admit it, and I was in hopes perhaps that the President, who once said that if he ever made a mistake he would be the first to admit it, would also follow that same course. But I have not heard of any admission of mistakes up to date. [Laughter.]

The gentleman from Pennsylvania made it appear that I was in error, because there were some gentlemen from Pennsylvania who were invited, who did not attend this conference. I want to ask the gentleman from Pennsylvania whether he read my remarks or whether he knew what I had stated, because if he had read my remarks he could not have possibly made the speech he made, because at no time and at no place did I ever say that any person, or name any person who was in attendance at this meeting. I simply listed those who were invited. That is all. I do not know who attended. But as a result of that little interlude we have been getting the facts day by day, and after all that is what I sought to do. As the facts come out, if there is any question about it, after a while we will be able to piece this thing together and learn the real facts, because the newspaper reporters were barred from this little private conference up at the White House.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I am sorry. I do not have time.

Mr. BRADLEY of Pennsylvania. I just wanted to tell the gentleman that the gentleman from Pennsylvania [Mr. MCGRANERY] was not on the floor, and I would be glad, and I know he would be glad, too, if the gentleman would withhold his remarks with reference to the gentleman from Pennsylvania [Mr. MCGRANERY] until he was present.

Mr. KEEFE. I was not on the floor when he spoke. In fact, I was not on the floor when any of this took place. I do not yield further. I only have a few minutes more.

The gentleman from Pennsylvania [Mr. MCGRANERY] is a fine gentleman. I have said nothing disparaging of him at all. I do not see the gentleman's great interest in this situation. I have simply called the gentleman from Pennsylvania [Mr. MCGRANERY'S] attention to the fact, and I want you to know it, that at no time did I ever name any person that was at that conference. I simply listed those who were invited. When the gentleman from Pennsylvania [Mr. MCGRANERY] charged that I said certain people were there, he said something which was not in accordance with the facts; and the RECORD will speak for itself.

Now, I cannot pass without saying a word about my friend the gentleman from Alabama [Mr. PATRICK]. The gentleman took me to task yesterday when I was sitting in the Appropriations Subcommittee meeting, and I was called down and I came down. Now, the gentleman made some rather cutting remarks. I know that he did not intend it. He is a good friend of mine, and I like him. He likes to be a humorist. He does not say anything except a little humorous twit once in a while.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. PLUMLEY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. KEEFE. The gentleman from Alabama has acquired quite a reputation in this House of being a humorist, but in this speech I did take exception to this. He says:

I have been looking for him to smile ever since he came to Congress, but I have not yet seen him smile.

[Laughter.]

I want to say to the gentleman that since he has assumed the role of humorist, poet laureate of the House, and jester of the House I have not heard a single alleged joke or a single story that was not so archaic that it could not provoke a smile on my face. [Laughter.]

Perhaps that justifies the fact that I am a little serious. And then also there is the fact that I am a little bit worried about the situation of the country, as the gentleman from Oregon is. We are all just a little bit worried, and we all admit it if we are honest. We are worried as to what is going to happen, and we do get serious, and perhaps a little overserious. Maybe it is because there are others in the House that are serious and even too serious, that the death roll in this House has mounted to 23 during this last session of Congress. I do not want to be serious. I want to look at things through the eyes of an optimist, but it is mighty hard to do it. The gentleman ought not to charge me with being so serious that I cannot appreciate a smile and appreciate a joke once in a while. [Applause.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to incorporate certain material in them.

The CHAIRMAN. The gentleman will have to obtain that permission in the House.

The gentleman from New York [Mr. MARCANTONIO] is recognized for 5 minutes.

Mr. MARCANTONIO. Mr. Chairman, we have heard a brilliant summation, and it left the country and the House with the impression that it was the summation in a real, important murder case. It was a murder-case summation, but the defendant was charged with only stealing a bag of peanuts. [Laughter.]

The gentleman from Wisconsin has seen fit to pick on this White House incident as the one big thing to fight about. Very well. I now am going to let him in on another big secret. Do you not know that they served us beer and sandwiches on that occasion that night? The gentleman should put that in the RECORD. [Applause.]

Mr. KEEFE. Was the beer Milwaukee beer?

Mr. MARCANTONIO. Yes; it was good American beer without any Communist brand in it at all. It was not Moscow beer. [Laughter.]

Mr. KEEFE. I am happy to learn that. [Applause.]

Mr. MARCANTONIO. And it was so American that I had two glasses of it. The gentleman should have known that. There is something wrong with Sherlock Holmes this time. [Laughter.]

Mr. Chairman, I think this business of raising the Communist scare every time a serious question comes up ought to stop. This House is making one grand record. For 4 weeks we have been fighting the Communists, for 4 days the Youth Congress, and yesterday we even fought the Indians. The Indians took an awful beating on the floor of the House yesterday. [Laughter.] So it is either Communists or Indians. I do not know whether the gentleman from Wisconsin, the other gentlemen who fought the Indians, and the other gentlemen who are fighting the Communists daily have assumed the permanent role of Don Quixote and intend to fight windmills, shadow box, and continue to dodge the real vital problems that face the American people until the end of the session. That is their responsibility.

Mr. KEEFE. Does the gentleman mean to say that I fought the Indians yesterday?

Mr. MARCANTONIO. No; the gentleman did not fight the Indians yesterday; he is not guilty—not guilty. Let us get the record straight. The gentleman did not fight the Indians. [Laughter.] I think it is unfair for anybody even to intimate that the gentleman fought the Indians.

I think the gentleman from Wisconsin gave us a very illuminating statement with regard to his views on the youth problem. He says: "I am for the youth. I have three children." I believe the gentleman is also a good father and a good American, and I also believe that the gentleman does not advocate wife beating; but that is not the question. The question is, Despite all this stone throwing at these boys and girls, what are you going to do for young America? You are enraged because they hissed. Sure they hissed—I am against hissing in the galleries, I am against any infraction of the rules; but, after all, we have been dishing it out here day in and day out, and I think it is perfectly good American sportsmanship to learn how to take it if you want to continue to dish it out; and those kids did some dishing out themselves the other day, after having been on the receiving end for 4 days. [Applause.]

Assuming that there are Communists in the American Youth Congress—and everybody admits that they are in a small minority—are you going to eternally dodge the youth problem because the American Youth Congress refuses to follow the example of this Congress of whittling away at the Bill of Rights?

These boys and girls came here with a problem: 4,700,000 young men and young women out of work, without educational opportunities; they came here and said to the Members of Congress, to the fathers of this country, to the elder statesmen of America: "What are you going to do for us?"

And what do you say? "Save America from communism!"

They came here and said: "We are deprived of educational facilities; what are you going to do about it?"

And what do you say? "Save America from communism!"

They came to us and said: "No jobs for 4,700,000 boys and girls, American boys and girls in the richest country of the world; deprived of the American traditional opportunity, the opportunity for which America has always stood." And what do you say? "Save America from communism!"

Let us quit kidding the American people. They are beginning to get wise to us. They are sick and tired of this gag about communism. The gag is beginning to wear thin. They want action. The farmers want action, labor wants action, the unemployed want action, business wants action, and American youth wants action. [Applause.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. CALDWELL].

Mr. CALDWELL. Mr. Chairman, a number of inquiries have been made asking the significance of that portion of the report accompanying this bill which touches upon the airplane pilot-training policy. You will recall that the committee pointed out that in order to provide the requisite number of pilots the Department had modified the course of training, and, in the language of the report, "reduced the time required for completion of the training from 14 months to 7 months."

In questioning the wisdom of the reduction of time consumed in the training of pilots, the committee voiced its conviction that insofar as training can accomplish effectiveness and safety, neither time nor money should be spared. The language of the report, however, is to be taken as cautionary against undue relaxation of training rather than as disapproval of the policy now in effect. Especially is this so since the shortened course is being used only for the Naval Reserve and the Marine Corps Reserve aviation cadets and not for the officers and enlisted men of the Regular Navy, Marine Corps, and Coast Guard.

The reduction in over-all time has not been attended by a corresponding decrease in flying time per student. The latter has been reduced about one-third, or from approximately 314 hours to approximately 210 hours. This has been made possible by certain changes in the preflight training schedule and by increasing the flying hours per student per week as a result of utilization of more daylight hours and increased night operations.

In the last half of the course aviation cadets specialize in their training and as approximate result of that specialization are given about twice as much training in the specialty as they formerly received in the longer course. As an instance, the student in the patrol plane specialty has a total of around 80 hours upon completion of his course as against about 40 hours under the former system. Accordingly, he reports to his fleet assignment with considerably greater proficiency in his specialty than he would have attained under the longer course.

The course of training for officers and enlisted men in the Regular Navy, Marine Corps, and Coast Guard has not been curtailed in any sense of the word, the shortened course being given only to aviation cadets. No serious objection can be made to this policy since if these officers are to be assigned to the type of squadron for which they are specialized. If it should later become necessary or practicable to assign them to other types of aircraft, they can be given appropriate training to qualify them for that duty.

The committee recognizes the necessity for the adoption of measures to increase the pilot output to meet the actual urgent needs of the Navy and to make possible more progress in building up the Naval Reserve, but, without condemning the policy now followed, feels that it should recommend that no pains be spared to accomplish the highest degree of efficiency and safety in aviation. It may be here pointed out that the Secretary of the Navy has recently said:

> The Navy Department recognizes the desirability of giving each pilot the full course and expects to return to this procedure at such time as circumstances warrant doing so. In the meantime, you may be assured that the shorter course is not only necessary to meet a serious shortage in trained pilots, but, because of the specialized training and specialized duty contemplated for these officers, does not increase the hazard either to personnel or material.

[Applause.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Chairman, it had been my intention to ask for time in view of the controversy which arose through the visit of the American Youth Congress delegates to Washington in order that I might have the opportunity to state my own position with respect to what has taken place; however, in view of developments here today I think perhaps this is just as good a time as any to discuss the subject. Perhaps those things which I say will not meet with the approval of various individuals in this House, but I have tried consistently while a Member of this body to guide my vote according to the dictates of my conscience. I do not think anyone will accuse me of being even conservative. I have supported all liberal legislation, such as the wage-hour law, W. P. A. appropriations, National Youth Administration appropriations, social-security legislation, and I am wholeheartedly interested in the youth of this Nation. I have voted against the Dies committee on two different occasions, although I voted for the creation of that committee the first time the resolution was presented to the House.

My reasons for voting against the Dies committee was not because I am in sympathy with communism because I detest it as much as anyone in this House. To me the Dies committee has through its procedure at least furnished an opportunity to a malicious press to smear certain individuals in this country whose patriotism is above reproach, as in the case of the gentleman who today graces the Supreme Court Bench, Mr. Murphy.

Men closely identified with this administration and leaders of labor who were no more in sympathy with communism than you and I, were smeared in the press, and nothing was done, in my opinion, to stamp out those things which cause communism. It seems a bit inconsistent to me that someone who would oppose wage-and-hour legislation, a minimum wage of $12 a week to American citizens, would then get exercised about the evils of communism when it is those things which furnish the Communists with the opportunity to delude and mislead the American people. So much for that. That is the reason I voted against the Dies Committee, and I am willing to take my stand with respect to my own patriotism as to whether or not I am a better patriot if I support the gentleman from Texas [Mr. DIES], for instance, as chairman of his committee, in view of what the press has done to the characters of many outstanding Americans, or whether I follow the distinguished gentleman from California, one of the few men who ever sat in this body and who has at the same time the distinction of having been awarded the Congressional Medal. I prefer to follow a patriot who has proven his patriotism on a question of this kind. I refer to the distinguished gentleman from California [Mr. IZAC], and I think I am in good company. I say this without any reflection upon the patriotism of any other Member of this House who is a member of that committee or any other committee of the House.

Now, with reference to American youth, I am interested in the youth of the country, but because I am sincerely opposed to communism I think a liberal should be very careful, that he should not furnish even sympathy to those who perhaps believe in the philosophy of communism. I am the father of four children, and in that respect I am just a little bit ahead of my distinguished colleague from Wisconsin. I would like to have those children interest themselves in things which are for the welfare of the American youth; but notwithstanding that the Bill of Rights grants to anyone the right to hold to any political philosophy, provided he does not advocate the overthrow of this Government by violence, there is nothing in the Bill of Rights which compels me to fraternize with Communists, and I say to those who lead the American youth movement if they want to get the wholehearted support and sympathy of the parents of this Nation, they will see that there is no place in the American youth movement for those who adhere to the tenets of communism.

I do not fear communism because of the reforms it advocates in the field of economics. Those things will take care of themselves, because human nature, after all, depends on initiative and there would be a return to sound economic principles, even though communism destroys them temporarily. I fear communism because of what it does to the soul of the Nation and to the soul of youth, and because it would destroy the one thing we have which furnishes us with hope and with salvation; that is, the belief in God and in religion. I cannot subscribe to any movement which fraternizes with those who would destroy everything that I hold near and dear to me. So I would say to those leaders of youth, if they want the blessing of the American people, if they want the support of those friends of theirs who are really interested in them, they will make their movement one in which there is no danger that our children will have to fraternize with anyone who might possibly be an agent of Moscow or any other foreign government.

Let me indulge in just a little humor. I like the gentleman from Wisconsin [Mr. KEEFE]. I like the way he fights upon the floor of this House. I am going to be a little bit humorous. Maybe he is making a bit of a mistake. You know the gentleman from Texas, MARTIN DIES, has gotten a lot of publicity and the gentleman from Wisconsin may think, perhaps, he can share that with the gentleman from Texas, MARTIN DIES. You know the gentleman from Texas, MARTIN DIES, is a pretty smart fellow. Those of us who know him know that, while he might be genial with regard to any Member of the House who wants to bask in this limelight of publicity, when the real moving pictures are being taken and the real headlines are being written, he will see that everybody else will be far down in the rear of the parade.

I would like to mention that to the gentleman from Wisconsin in a kindly spirit. He cannot steal this baby from the gentleman from Texas, MARTIN DIES, because the gentleman from Texas, MARTIN DIES, is one of the most astute individuals in protecting babies of that kind that we have here in Washington.

I think every Member of the House realizes that he is smarter than all of us in that respect, and when any publicity is going around, Martin is going to get it if it is to be gotten. So I would just ask the gentleman to remember that so he will not have any illusions about Martin being willing to share this with anybody, because he just will not do it. That Demagog Club means too much to him.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I may say to the gentleman that I just barely know the gentleman from Texas, MARTIN DIES. I met him to speak to him for the first time this morning, just to say hello. I want to assure the gentleman that the gentleman from Texas [Mr. DIES] can have all the publicity there is connected with that movement, and I am not motivated in any sense to want to share in that publicity.

Mr. HOFFMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I demand that the words of the gentleman just used with reference to the gentleman from Texas [Mr. DIES], that he was a demagogue, be taken down.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I am perfectly willing that the gentleman have those remarks taken down. I said that Mr. DIES was not president of the Demagogue Club for 8 years for nothing.

The CHAIRMAN. Does the gentleman insist that the words be taken down?

Mr. HOFFMAN. I do; and I ask that the definition of "demagogue" be read.

The CHAIRMAN. The gentleman insists on his point of order?

Mr. HOFFMAN. I do; and I say that in view of the fact that our Speaker was recently referred to in the same manner in one of the Washington papers. It is about time we understand it.

The CHAIRMAN. The Clerk will report the words taken down.

The Clerk read as follows:

As I say, he is a pretty smart fellow, and, after all, he has not been president of the Demagog Club for 8 years for nothing, without learning how to take care of his prerogatives as far as publicity is concerned.

Mr. SCHAFER of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCHAFER of Wisconsin. Is it not possible under the rules for the gentleman to withdraw the controversial words by unanimous consent?

The CHAIRMAN. No such request has been made.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, may I say something to the Chair?

The CHAIRMAN. The gentleman may submit a unanimous-consent request.

Mr. BRADLEY of Pennsylvania. Not at this moment, Mr. Chairman.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8438, the Navy Department and naval service appropriation bill, 1941, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and that he herewith reported the same to the House.

The SPEAKER pro tempore. The Clerk will report the words taken down.

The Clerk read as follows:

As I say, he is a pretty smart fellow; and, after all, he has not been president of the Demagog Club for 8 years for nothing, without learning how to take care of his prerogatives as far as publicity is concerned.

Mr. HOFFMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that the words to which I objected are not all reported. There was a further statement there containing similar language.

The SPEAKER pro tempore. It is too late to raise that question now.

Mr. HOFFMAN. May I raise it tomorrow?

The SPEAKER pro tempore. The Chair will not pass on that now.

Mr. HOFFMAN. Tomorrow is too late?

The SPEAKER pro tempore. Under the rules, the gentleman will understand, he should have made that request before the Committee rose. The matter is now out of the hands of the present occupant of the chair.

The language as reported to the Chair is as follows:

As I say, he is a pretty smart fellow, and after all, he has not been president of the Demagogue Club for 8 years for nothing, without learning how to take care of his prerogatives as far as publicity is concerned.

Rule XIV, Paragraph 1, reads as follows:

When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to "Mr. Speaker," and, on being recognized, may address the House from any place on the floor or from the Clerk's desk, and shall confine himself to the question under debate, avoiding personality.

This, the Chair really thinks, is a pretty close question, but the Chair feels constrained to hold that in the language the gentleman used he did not avoid personality.

Does the gentleman from Pennsylvania [Mr. BRADLEY] desire recognition?

Mr. BRADLEY of Pennsylvania. Yes, Mr. Speaker.

The SPEAKER pro tempore. For what purpose?

Mr. BRADLEY of Pennsylvania. The Chair has asked me if I wish recognition. I wish recognition in connection with the point of order raised by my colleague the gentleman from Michigan [Mr. HOFFMAN].

The SPEAKER pro tempore. The Chair has already ruled on that.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, if I may have the indulgence of the Chair and the House, I will say that there was nothing derogatory intended in my remarks. The gentleman from Texas [Mr. DIES] himself is the self-constituted president of the cloak-room Demagog Club.

The SPEAKER pro tempore. That does not have anything to do with the legislation under consideration. If the gentleman does not desire to indulge in personalities here he can very easily cure the situation.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, am I to understand that the ruling of the Chair is that my remarks were not in order because they were not in connection with the legislation under discussion?

The SPEAKER pro tempore. And in that they did not avoid personality, under the rules of the House.

Mr. BRADLEY of Pennsylvania. Under those circumstances, Mr. Speaker, I ask unanimous consent to withdraw the remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The Committee will resume its sitting.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8438, with Br. BLAND in the chair.

Mr. BRADLEY of Pennsylvania. Mr. Chairman——

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I will be very glad to yield to the gentleman from Wisconsin.

Mr. KEEFE. I want to say to the gentleman that I have listened to what he has stated here with a great deal of pleasure and a great deal of interest, and I am happy to note

the attitude that the gentleman from Pennsylvania has manifessed, and I hope the gentleman manifested that same attitude at the time this matter was under discussion at the White House, because it is stated that a large number of Representatives who were there stated exactly the position that the gentleman from Pennsylvania announced today.

Mr. BRADLEY of Pennsylvania. I want to thank the gentleman; I was invited to the White House meeting, but I did not attend, because I was not in Washington; but I think that both the President of the United States and Mrs. Roosevelt have in no mistaken terms indicated where they stand with respect to American institutions and with regard to their attitude with reference to communism; and I think their public utterances are an assurance to this Nation, and they ought to answer many critics who repeat things that are unfounded. [Applause.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. O'LEARY].

Mr. O'LEARY. Mr. Chairman, the United States Navy should be second to none in the world. Sea power is our best defense—our only real assurance of peace and security.

Aggression stalks the world. The modern manner of waging war allows no time to prepare. We must be ever ready. Have we not been witnesses to the lightning strokes of the modern war machines? We are living at a time when weakness means death and strength means life.

Whatever were the merits of various international boundary arguments preceding the present wars, one fact remains undisputed and that is—only those nations least able to defend themselves have been attacked and put under the sword.

Assertions that a strong and formidable United States Navy would be an imperialistic weapon are refuted by our good-neighbor policy which in the past has restored Cuba to its people and by act of Congress will give to the Filipinos their native land, to have and to hold, for the first time in four centuries.

Rather does a strong American Navy assure peace and security to our neighbors in Central and South America who have viewed with alarm the subjugation of smaller and weaker nations in other parts of the world.

There is no single nation on earth today with a more extensive and valuable coast line to defend than the United States. This coast line is skirted by the Atlantic and Pacific Oceans and the Caribbean Sea. The Panama Canal is the only strategic connection between these eastern and western seas.

Through the Monroe Doctrine we have assumed for well over a century the defense of the American continents against aggression. The wisdom of this policy has been demonstrated many times. The Monroe Doctrine has maintained peace in the Western Hemisphere while war rages in other parts of the world. Today the Monroe Doctrine is more essential to our own security, as well as our neighbors', than when it was enunciated.

This sound protective policy, however, compels our Navy to expand its defensive operations over the North and South Atlantic, the Caribbean Sea and the North and South Pacific.

Why these expansive sea operations? They are conducted not only to maintain the Monroe Doctrine but for the reason that the United States, if attacked, would not be attacked directly. Aggression or invasion, if ever attempted, would come by sea through Canada or Mexico preceded by lodgments of airplane bases in Central and South America or on the islands of the Pacific, Caribbean, and the Atlantic.

Certainly it would be a difficult and hazardous undertaking to attempt any kind of an invasion of the United States under ordinary circumstances. But invasions are never attempted under ordinary circumstances. Invasions are usually launched by a combination of nations. We say an invasion is improbable—a mighty navy will make it next to impossible.

We must look ahead, always mindful of what has happened in the past, in our own time, during these very days. When imperial Germany went to war in 1914 with the most formidable military force in history, did any of her greatest naval and military experts foresee that an American Expeditionary Force of more than 2,000,000 men would be swarming across her borders within a few short years? Even in 1917, Hindenburg and Von Tirpitz did not foresee the consequences or they would never have embarked on the unrestricted submarine warfare that brought the A. E. F. upon them.

The American troops did not land in Germany. They were landed in France without the loss of a man. Germany had not the sea power to prevent their disembarking, while the Allies had the sea power to accomplish the feat. And superior sea power kept open the lines of communication so that ample supplies flowed without interruption across the Atlantic.

The United States Navy and Army taught Germany and Europe a great lesson in military movements and ourselves a more important one. Through the exploits of our service men in 1917–18, Europe's naval and military strategists have added to their positive knowledge. Therefore, in considering the United States as a factor to be reckoned with, today's foreign militarists will hardly make the grave mistakes of their predecessors. For, guided only by theory, Hindenburg and Von Tirpitz believed America could be disregarded as a factor among the powers of the earth. These German strategists, with all their great prestige, took the biggest military gamble in history and lost to the A. E. F. and the United States Navy.

Having demonstrated ourselves a power to reckon with, we have learned to stay out of Europe and let the record speak for itself. We have learned through the landing of the A. E. F. the necessity of absolutely dominating the seas about the Western Hemisphere if we are to be secure against invasion.

From the lessons taught by the A. E. F. and our Navy, I have resolved that a powerful navy is the greatest guardian of peace. I have further resolved never to vote to send a single American soldier to fight on foreign soil. The sacrifices made by the soldiers and sailors of the World War were not in vain, for I believe they have saved the present generation from involvement in war and have pointed the way to peace and security for ourselves and our posterity. Their courage, loyalty, and skill in arms have compelled a respect for the United States throughout the world that will make the rashest aggressor hesitate to provoke us to the point of war. They taught us also not to be swayed by minor annoyances into a warlike spirit out of all proportion to our grievances.

The experiences of the World War are fresh in our memories. We have seen that sea power is vital to the very existence of a great maritime nation like the United States. So it is if we go back through history. There we find that any nation attaining commercial and industrial preeminence and greatness in natural resources had to maintain its existence by sea power and waned when its sea power waned. Such was the experience of Egypt, Phoenicia, Carthage, Greece, and Rome.

The expansion of our Navy means the expansion of a splendid personnel recruited from among the flower of our youth. The Navy has reached its highest standard of excellence in personnel. The young men trained by the Navy are prepared to attain better civilian standards of living through the trades and vocations taught them during their service.

A highly important phase of naval expansion is the intensive ship-construction program that will provide thousands of jobs for the skilled workmen in our shipyards. These men will be put to useful work in building up our national defense.

In the past years these men have suffered severely from lack of employment. I speak from first-hand knowledge in this respect, since about 3,000 such trained workmen reside in the Staten Island section of my district. They are substantial men, largely home owners, upon whom the community depends materially for its existence.

True, the yards in my district are just beginning to benefit by the construction of naval auxiliary craft, such as tugs

and merchant ships. However, additional work is necessary in these yards to build up a backlog so that mechanics of all trades can be kept employed in the various stages of construction.

Let me elaborate on this phase of my argument. There are two naval tugs in the last stages of construction and one has already been completed. The types of mechanic used on the completion are entirely different from the mechanics employed on the five C1-type ships at this stage of construction.

If we can secure three destroyers by the time the keels of these boats are ready the construction of the C1 type would have advanced to the point whereby the mechanics employed during the completion stage of the ships would be kept busy. This would effect a rotation of mechanics and provide plenty of work for all in the industry.

These same benefits will accrue to every shipyard on the three coasts of the United States. [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I think the Navy appropriation bill, which is under consideration, is one of the most vital matters with which this Congress has to deal. I feel that we are following dangerously close in our conduct today the road we followed from 1914 to 1917 that led us into the World War. I believe, fundamentally, the reason we became engaged in the World War was because we were unable to stay out of it. Had we had the navy in 1914 that Theodore Roosevelt had advocated consistently, I believe we could have avoided entanglement in the World War by the United States. It certainly behooves us to have a navy today which will be adequate to protect our neutrality and to defend our peace.

We seem to forget that the first American ships that were sunk in the World War were sunk, not by the Germans, but by the British. We seem to forget that we protested to the British time after time in 1914 and 1915 and 1916 to no more avail than our protests today and that, finally, the Allies squeezed the Central Powers so hard, frequently by using illegal and unneutral methods against the United States that they, in effect, forced the Central Powers to take the same recourse, and they just pushed us around too much or until, of course, we finally got into it.

Had we had a navy in 1914 that could have defended our commerce, that could have defended our neutrality, neither the Allies nor the Germans would have pushed us around at all. We are being pushed around again today. Whether the European powers feel that we are as weak as we were then or as unwilling to defend our own rights, I do not know, but in those years they mistook our desire to avoid war for weakness on our part. They were convinced that we not only would not fight, but that we could not fight.

I am anxious for just one thing, as is every Member of this House, and that is to avoid our becoming entangled in this or any other war if it can be avoided, but today we are permitting exactly the same thing to happen that led us into the war of 1917. The British are stopping our ships on the high seas, taking them into contraband ports, and under the guise of attempting to prevent contraband from getting to Germany, are doing exactly the same reprehensible, contemptible thing they did from 1914 to 1917. Under the cloak of protecting their blockade against Germany, they are seizing all of our mail. The amount of merchandise or of money that might get to Germany would be insignificant. The truth of it is that what they are after, and what they are getting every day, is an opportunity to examine the manifests and the bills of lading of American merchants and American shippers. They are copying these facts and furnishing them, through their economic control to their own industries and attempting to underbid us in commerce.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. PITTENGER. Those acts are in violation of our present neutrality law?

Mr. MAAS. They are not only a violation of our own neutrality laws, but they are a violation of internationally recognized neutrality laws.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman.

Mr. HAWKS. Do we have any allies in this present war?

Mr. MAAS. I am not talking about "our" allies. I am talking about the Allies. They refer to them as "allies." We have no allies.

Mr. HAWKS. But the reference is to Britain and France as our allies.

Mr. MAAS. The press of the world refers to them as the "Allies."

Mr. HAWKS. And the administration leaders also, do they not?

Mr. MAAS. Oh, I have never put any imputation on them that they are our allies, because they are not.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. SCHAFER of Wisconsin. Would it not be a good idea to prohibit the use of our American seaports by all warships and merchant marine ships of Great Britain and France while they continue to highjack mail and other materials on ships flying the American flag. What have we got a navy for if it is not to protect our flag?

Mr. MAAS. That is exactly what I am proposing and I thank the gentleman for his contribution. What I am suggesting is that we make sure that our Navy is big enough to protect our rights, and that it protect them. Make no mistake. The reason for the British opening our mail is not so much to prevent any possible contraband going to Germany, but it is to get access to information of American business methods. They did the same thing in 1914, and then went out and competed with us, and I am informed today when our ships are dragged into a contraband port and held an unreasonable time, or until it is unprofitable for the shippers, and the shipping concerns, that the bills of lading are all furnished to British concerns, and their agents in this country then go around and solicit the American shippers, recommending that it would be wise for them to ship on a British ship, if they want to make their deliveries certain, and so on. It is nothing in fact but a continued attempt to destroy American commerce. They have been at it for 100 years, and they are still at it.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. PATRICK. That is interesting and the thing I want to hear developed is how long does a proceeding like that usually delay a vessel, and what is the cost of it, and what is the result of such delay to the ship?

Mr. MAAS. The delays have been all the way from 14 to 28 days. I am reliably informed that when a ship is held up from 2 to 3 weeks that the entire profit is gone, and frequently there are very valuable commodities shipped where interest rates are high, as are premium rates on insurance in transit. They do not get it delivered promptly, and when it is delivered the profit of the transaction to the shipper, as well as to the shipping concern, has been destroyed. The main purpose behind it is to destroy and ruin American commerce.

Mr. PATRICK. Has France found it necessary to follow such methods?

Mr. MAAS. Not to the degree that England has.

Mr. CHIPERFIELD. And is it not true that Britain is treating other neutrals much better than she does the United States, especially Italy?

Mr. MAAS. Exactly. I think that Britain is trying to win Mussolini away from Hitler. They have been encouraging American shippers to ship on Italian vessels to the Mediterranean ports, so as to curry favor with Italy and at the same time destroy American commerce.

Mr. MILLER. And speaking of the Italian lines, the gentleman may be interested to know that the Assistant Secretary of State is going on the Italian line steamship *Rex*.

Mr. MAAS. Yes; so he will not be stopped at a contraband port. I suggest that the remedy for this is, first of all, to put all American mail on warships, and let them try to stop those; and I am serious about it. That does not necessarily mean battleships, but the mail should be put on our combatant vessels. One of the greatest prides in America has always been that the mails go through.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. LUDLOW. I think the gentleman is making a very interesting speech. I have heard it said that the mails are not only intercepted but they sometimes never get to their destination.

Mr. MAAS. I think that is true. Much of the mail is not delivered at all, or it is not delivered until it is too late to be of any value. I have been informed that British merchant firms are given access to this mail, and they offer to fill the orders to our customers when our mail is not delivered, and thereby very seriously interfere with and destroy our commerce.

The Germans have now made an announcement that they are going to sink any American ships brought into a contraband port. That is the road that we went down in 1914. I do not think the British are so interested in stopping our ships to take contraband from them as they are in forcing Germany into acts that will force us into war with Germany. England is determined that America shall be her ally, and, as far as I am concerned, I am just as determined that we do not get into the war. I went through one war. I volunteered the day we entered the war. I am in the Reserve, and I would go tomorrow morning if we have to go to war, but I have not the desire or the intention of saving the British Empire so that it can continue to crush our competition. Some of you people do not realize that the British nation has been supported by forcing us to pay tribute. They have a monopoly on tin. We pay such an excessive price for tin because we are the major user of tin, so that we support the British Government with that monopoly. The same is true of rubber, of course.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. PATRICK. I am interested in the proposition the gentleman has put. Is it quite adequate to attempt to carry and deliver our mails by warships or combatant vessels? Could we carry it? Is the volume there and could that course be pursued as a practical matter?

Mr. MAAS. I do not know just what the gentleman means.

Mr. PATRICK. I mean have we the Navy vessels that the gentleman proposes? Of course, we should carry our mail and do business that way.

Mr. MAAS. We have a lot of destroyers and submarine chasers not now in use. No one will stop our combatant vessels. If they do, they will not do it more than once, I hope.

Mr. PATRICK. The gentleman wants our mail to go through. Of course, that is a record we have all been proud of. But is there on the high seas now and could there be arranged a program of travel—the gentleman has been in the Navy and can answer this——

Mr. MAAS. No; not the Navy; the Marine Corps.

Mr. PATRICK. The Marine Corps. It is more than the Navy.

Mr. MAAS. Oh, I will admit that.

Mr. PATRICK. You ask any marine, and he will tell you so. So I ask the gentleman who has been a marine if it is practical and if it can be done; if the volume of mail that we have could be shipped under this sort of procedure?

Mr. MAAS. Oh, yes. We have many, many wartime destroyers that are tied up, just put in cold storage, that we could put into commission. We can get the mails there if we have the will to get the mails there.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. ENGEL. In 1914 and 1915, when we had similar trouble, it was suggested that Congress place an arms embargo on the shipment of arms to the Allies, or to the English and French, until such time as they observed American rights. Why would that not be a good suggestion at this time?

Mr. MAAS. That is exactly what I am advocating, that we enact legislation to penalize any nation that violates our neutrality by stopping any further commerce in materials or instruments of war, and that we deny our ports to any merchant or combatant vessels of any nation that violates our neutrality. If we do that, they will let us alone. We could have saved ourselves getting into the World War when Great Britain stopped our ships then, when it blockaded neutral ports against neutral ships, if we had said to Great Britain, "You cannot buy anything more in the United States."

Now, I am warning you, we are going down the same road, step by step. To those of us who can remember so clearly the steps that took place between 1914 and 1917 it is like a bad dream. We are walking through the same steps today, and the end will be just exactly the same if we do not check it right now.

I am proposing, first of all, that we put our mails upon combatant vessels of the Navy, and that we make sure that we have enough warships to protect our interests; that we deny our ports and commerce to the vessels of nations that violate our neutrality; and, if necessary, that we convoy American ships with American war vessels. If we will take a firm stand today and say, "We are neutral; we are not going to interfere in this war; but, by the living God, nobody is going to interfere with us," we will be let alone, and we will stay out of this war. [Applause.]

Mr. SCRUGHAM. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. SCRUGHAM. I have listened with great interest to the very splendid analysis made by the gentleman from Minnesota. I will ask the gentleman if he will make some comment on the continuation of large warships, which was made by the chairman of the Naval Affairs Committee, the gentleman from Georgia [Mr. VINSON], and if there is any reason why American ships, from the gentleman's research and experience, should not be made superior in speed, in armament, and weight to those of foreign nations. In other words, is there any merit whatever in the policy of copying or following the designs of other nations in our capital ships?

Mr. MAAS. I do not happen to agree with the distinguished chairman of the Naval Affairs Committee on this matter.

[Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MAAS. I thoroughly believe that the time has come for us to quit trailing the parade and to lead the parade. We are the one nation that can do it. We did it in 1922, and the rest of the world respected us. If they did fear us, they feared our Navy; but we voluntarily gave up that Navy. We had the finest ships in the world. One way to be sure that we will be let alone is to lead the parade, because the rest of them cannot follow us. It will lead to the objective that we all want; they will let us alone, and we will not have to go to war. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. SCRUGHAM. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Chairman, I hope this appropriation bill passes Congress without any change. It is the result of a great deal of hard work and study on the part of the Subcommittee on Naval Appropriations. Great credit is due chiefly to the chairman of the Subcommittee on Naval Appropriations, the gentleman from Nevada [Mr. SCRUGHAM]. He has given unstintingly of his time and energy, working nights as well as days in order to give his country the finest Navy in the world and at the same time having due regard for the present needs for economy.

Assisting him on this small committee that has such a heavy responsibility are the gentleman from Louisiana [Mr. FERNANDEZ], the gentleman from Florida [Mr. CALDWELL], and myself, representing the majority; the gentleman from Pennsylvania [Mr. DITTER], the gentleman from Vermont [Mr. PLUMLEY], and the gentleman from Michigan [Mr. McLEOD], representing the minority. In this committee it can be truly said that partisanship was left outside of the door. This bill, which we present with pardonable pride to the House, is the result of the work of all the committee and has the unanimous support of all the members of the subcommittee. It was necessary to steer a middle course between those who advocated a gigantic Navy at tremendous cost and those who would put into effect tremendous cuts that would destroy the entire naval program. We have reduced the amount allowed by the Budget $111,699,699.

The reductions were worked out in the following manner: From the construction of ships we cut $28,628,021. These cuts were so worked out as to avoid delaying the naval program. Not a single ship requested has been denied. The amount appropriated, however, has been computed on probable needs of the program for the year.

From airplane purchases and ordnance for new planes, we cut $26,619,600. This reduced the number of planes to be secured by 224. If the Budget estimate had been allowed the Navy on July 1, 1941, would have more than 3,100 planes, whereas the present authorization act contemplates a minimum of 3,000 planes by 1944. We are, therefore, 3 years ahead of the program. The committee was very generous with respect to the building of prototypes. It included an amount of $2,000,000 for the purchase of prototypes and other experimental aircraft because we want this country to be second to none in modern improvements. With respect to new development, there has been no stinting in the appropriation for research and experimentation in aviation. Experience has shown, however, that new ideas for improvements in aircraft come out of every war. Out of actual combat will come new designs both for the planes themselves and for the engines which propel the planes. If we are to embark upon a program at the present time of building a great many planes, more than necessary under the present authorization act, we might well find ourselves, shortly after the close of the war, in possession of planes which would be obsolete.

With respect to the subject of public works, we cut $8,596,525. We studied all of these items carefully and allowed those which appeared to be urgently required, and eliminated only those which might be deferred without serious interference to the naval program.

With respect to the pay of the Navy, the committee made a reduction of $9,487,722. This will necessitate a reduction in the enlisted personnel of two thousand under the Budget but it allows a five-thousand increase over the current year. The officer personnel was left the same except for 500 retired commissioned officers on active duty, which number we felt, after careful consideration, would not be required unless the situation becomes more critical than is now apparent. This bill does allow one-half the number requested for 500 retired commissioned officers on active duty.

With respect to the subject of submarine nets and boats for handling them, the committee cut out the entire amount requested, which was $25,871,140. This cut was predicated upon the proposition that harbor nets will not be required unless we get into war. The committee was not impressed with the possibility of a foreign navy being able to attack our shore lines. We think our Navy and air forces are sufficiently strong to meet any enemy fleet, which must of necessity come from a long distance, far enough out on the ocean to prevent shore attack.

The total reduction in the above items amounts to $99,203,008, and the remainder of the reduction, $12,496,691, is spread over numerous items where the committee determined that requirements could be met with lesser amounts than contemplated by the Budget.

I am gratified to hear from all sides compliments for the committee's work, and particularly to hear the gentleman from Georgia [Mr. VINSON], chairman of the Naval Affairs Committee, praise this bill in such glowing terms. This is praise coming from a big-navy man. On the other hand, the bill has received high praise from the gentleman from Indiana [Mr. LUDLOW], who is probably the leading peace advocate in the House of Representatives. A bill that satisfies both extremes certainly deserves the support of all Congressmen and the Nation.

I hope that no amendments to reduce the naval appropriation bill further than the committee has reduced it will meet with success. These amendments which I anticipate will be offered will undoubtedly be well intentioned, but they will lack the necessary study and information. Any further cuts in the bill will seriously hamper the program of national defense. The committee has made all possible economies consistent with adequate defense.

Gentlemen, we offer you this bill as a measure which will not sacrifice security on the altar of economy. It steers a straight, middle-of-the-road path. [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, since his belligerent "quarantine speech" in Chicago in October of 1937, President Roosevelt has been doing his best to involve the United States in war in Europe and in Asia.

At the very outbreak of the present European war in September last, the President began repeatedly to inject the poison of fear in the veins of public emotionalism. He began seeing phantom submarines off our coast.

These injections of fear preceded the President's demand for the repeal of the arms embargo and laid a splendid foundation for the passage of the unneutral repeal measure.

The repeal measure was debated in Congress from October 30 to November 3, when it was passed. On November 1, in the midst of the debate, a Canadian radio station broadcasted news of a submarine attack on a British ship not far off our coast, a report which it is said had an important influence on the passage of the repeal measure. That this was another phantom submarine may be seen from the following communication from Admiral H. R. Stark, Chief of Naval Operations, Navy Department, Washington, D. C.:

NAVY DEPARTMENT,
OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
WASHINGTON, *December 13, 1939.*

MY DEAR MR. TINKHAM: Your letter of November 25, 1939, addressed to the Secretary of the Navy, regarding the alleged attack by a submarine on the British freighter *Coulmore* has been referred to this office for reply.

The following is a summary report of the *Coulmore* incident: At 2:27 a. m., November 1, 1939, the Nova Scotia radio station at Camperdown received a distress message from the British steamship *Coulmore*, saying she had sighted a submarine in latitude 40–20 north, longitude 62–31 west. The *Coulmore* was en route from Philadelphia to the British Isles.

Three destroyers and two Coast Guard cutters were ordered to the *Coulmore's* reported position: U. S. S. *Roper, Hatfield, Kane,* and U. S. C. G. *Bibb* and *Campbell.*

In addition to the surface vessels, 4 Navy planes and 2 Coast Guard planes were ordered to search the area, commencing at daylight.

The *Bibb* arrived at the *Coulmore's* reported position at 8:50 a. m., and reported no vessel in sight.

The weather was unfavorable for conducting a proper search. A fresh southerly gale was blowing, and visibility was poor, due to fog and rain The planes, encountering a low ceiling and dangerous flying conditions, were forced to discontinue their search.

The surface vessels continued to search until they were informed that the *Coulmore* had sent a message at 2:40 a. m., on November 2, that she was safe. Frequent attempts were made to contact the *Coulmore* by radio from the time when the S O S was received, but nothing was heard from her for about 24 hours.

British naval authorities, who questioned the master of the *Coulmore* upon his arrival at the British Isles, report that the master states he observed a small searchlight on the port quarter. Assuming it to be a submarine, he changed course radically, started zig-zagging, and sent the radio message reporting a submarine sighted. It is indicated by the officers who took the master's statement that he now is not too sure that he sighted a submarine and probably acted hastily.

Sincerely yours,

H. R. STARK,
Admiral, United States Navy, Chief of Naval Operations.

HON. GEORGE HOLDEN TINKHAM,
House of Representatives.

Mr. SCRUGHAM. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, unlike the distinguished gentleman from Florida [Mr. CALDWELL] I am going to have the temerity at this time to make a few remarks more or less relevant to the bill, particularly one section of the bill, that providing $3,000,000 to develop harbor facilities at the Island of Guam.

Mr. Chairman, word has gone around in the press and through the House that this item of $3,000,000 for harbor improvement at Guam is an innocuous kind of thing entirely different from the authorization sought last year in the big-navy bill asked for by the distinguished chairman of the Committee on Naval Affairs, the gentleman from Georgia [Mr. VINSON]. It will be remembered that at that time a movement had been started by certain naval authorities, some in active service and some retired, to establish a great naval stronghold—you might say a second Gibraltar or Singapore—at Guam, a United States possession. We had speeches from Admiral Bloch and Admiral Leahy, and Admiral Hepburn; you will remember the Hepburn report, wherein a very comprehensive plan was given to the country whereby we would make Guam a great naval base. The public got stirred up about it and it seems that some of the admirals got a little fearful, so they, in 1939, went before the Naval Affairs Committee and only asked for authorization for $5,000,000 to develop the harbor of Guam as a starter.

The question was asked at that time:

> Why go to the Committee on Naval Affairs for an authorization of $5,000,000 for Guam when that sum could be provided for the purpose stated under existing law and without an authorization?

Admiral Cook, Chief Engineer of the Navy, I believe, said the reason they asked for the authorization was because the Navy decided to lay its cards on the table with respect to Guam. Why did they decide to lay their cards on the table? Since when did high naval authorities seek to lay their cards on the table in asking an authorization from Congress when they already had the right to insert a single item in the appropriation bill itself?

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. MAAS. I would like to explain that situation. Some of the items in the $5,000,000 request did require legislative approval—not all of them. The dredging did not. The reason that whole item came up, even including dredging which required no legislative authority, was because it was included in the Hepburn board report, and that bill was a bill to carry out the recommendation of the Hepburn board, which the Congress itself had directed. We ordered the Navy to create a board to study the needs of the outlying naval bases, and they reported the whole thing back to us so we would have the complete picture. For that reason the dredging was included; but in that bill also there were construction and development items which are not in the present development at all.

Mr. RICHARDS. I recognize the gentleman from Minnesota as an authority on this question, but if you gentlemen will just stick around here today and tomorrow you will hear a continuation of the argument by the distinguished gentleman from Minnesota in which he has taken the position that the Navy has full authority to do these things at Guam and that it is nothing out of the ordinary at all, because Guam is under naval government. Now, if the Navy has unlimited authority there the Navy does not have to come to Congress for an authorization, but they came last year, anyway, because Admiral Cook said they were going to lay their cards on the table to Congress. Why did they want to lay their cards on the table? Because they wanted Congress to establish a precedent, because the admirals realized that this thing is and was the beginning of the fortification of Guam, and that is their purpose now, though not always openly avowed. The hidden card, the card face down, was the fortification of Guam. The one facing up was the harmless, innocent one of harbor improvements. They wanted to be able to be in the position when they came to Congress for an appropriation later on, to use the argument that Congress had told them to go ahead and do this thing.

They wish to say to Congress: "You have made those investments there, and it behooves you to give us some more ships, give us more guns, give us more airplanes, to protect the investments that we have already made at your direction."

Mr. Chairman, experience teaches us that when the camel gets its nose under the tent, you can count on it he will push right on in. Another reason, I think, for naval authorities coming to Congress last year to get this authorization was because they realized this authorization was going to create a new departure from the time-honored foreign policy of the United States.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Is it not a fact that the original study of the development of the harbor at Guam was made under authorization of the Committee on Rivers and Harbors some few years ago at the request of the Navy Department, and that the report of that study has never yet been made to the Congress of the United States? Last year the Naval Affairs Committee, of which I am a member, favorably reported the bill, and the gentleman and I and many other Members of the House led the fight which defeated it on the floor here. The real facts are as the gentleman states. Ultimately this means the fortification of the island of Guam, only 1,400 miles away from Japan.

Mr. RICHARDS. The gentleman is correct about that. You will remember the fight last year. You will remember that the House decided against this $5,000,000 appropriation because it would require a new departure in the foreign policy of the United States. It insured the success of a movement by naval circles to make the island of Guam one of the strongest fortifications in the world.

Mr. MAAS. Will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. MAAS. The statement has been made many times with reference to a new foreign policy. Would the gentleman tell us what this implied new foreign policy is? Even if we did fortify Guam, what is this new foreign policy?

Mr. RICHARDS. It means that the United States is going to embark on an imperialistic policy. I am not defending Japan. A good many Members have gotten up here and talked about Japan, which is just a smoke screen. I do not think there is a Member of the House who has less sympathy for the activities of the Japanese Government and for the ideals of the Japanese Government than I have. I cannot conceive of any enlightened nation embarking on the program on which Japan has embarked. I am not here to argue about Japan. I do not care whether the fortification of Guam makes Japan mad or not. I am speaking of this thing from the standpoint of the United States. It is a senseless proposition and it means that sooner or later the United States Government will have to spend two or three hundred million dollars in fortifying Guam. For what? This is an island 6,000 miles away from here.

Mr. MAAS. What is this new adventure?

Mr. RICHARDS. I will answer the gentleman. Guam is 6,000 miles away from here, or approximately that, with not an American possession beyond, except the Philippine Islands, and we have given our solemn obligation that those islands will be given up by the United States in 1946.

[Here the gavel fell.]

Mr. SCRUGHAM. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. RICHARDS. Mr. Chairman, we have talked about everything this afternoon. We have talked about the American Youth Congress, we have talked about Finland, we have talked about the nebular hypothesis, we have talked about Einstein's theory of relativity, but I want to speak a few minutes about this naval bill. I will have to get right down to the point, because I have not very much time.

Here is what the naval officers did. When the Congress turned down that $5,000,000 last year they turned around and did the very thing they said they did not want to do. They no longer laid their cards on the table before Congress. They inserted this harmless little thing in the appropriation bill, just as they said last year they did not want to do. Do not let anybody tell you today or tomorrow that it is different from last year's provision. Some Members are going to get up here and tell you that.

The distinguished gentleman from Minnesota a few days ago said it was different because this provision provides only for harbor improvement, while the provision last year provided for shore improvement. Study the provision closely. There is not a bit of difference in the world. Here is what Admiral Cooke said last year.

Of the $5,000,000 proposed, at least $4,000,000 will be devoted to dredging and breakwater, the remainder being used for a tender pier, seaplane ramps, and parking area.

There was not a single item in the provision last year for shore establishments except that involving a very small power plant. This year they come back and insert this provision in the appropriation bill even though Congress last year flatly refused to authorize the item.

Mr. Chairman, when the bill is read for amendment tomorrow, I am going to offer an amendment to strike out the Guam provision. We on the eastern seaboard sometimes forget the vast distances of the Pacific. I want you to remember that Guam is about 3,800 miles from our nearest naval base, Pearl Harbor, T. H. I want you to remember it is just as far from there as it is from here to Europe. I want you to use your good common sense, regardless of what our naval experts say. I am always glad to take the advice of naval experts when it comes to the question of what kind of guns are best for naval purposes, or what kind of ship is best, but I am not willing to take the advice of these naval experts when it comes to the question of foreign policy. [Applause.]

[Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield 8¼ minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Chairman, the fear of national bankruptcy is a deterrent to our economic recovery. Today, our national debt, direct and contingent, exceeds $46,000,000,000, and we are living within a financial structure which at any minute may crumble upon our heads. The first step we must take to reinforce this crumbling structure is to keep appropriations within the bounds of common sense.

Today we are considering an appropriation bill for the Navy Department, a bill which called for over a billion dollars when it was first submitted to the House Naval Appropriations Subcommittee. By diligent wielding of the economy ax, we of that subcommittee have reduced the original request by $111,699,699. I hope and pray that this House will go along with this committee and support to the very end the attempts to stay within the present debt limit of $45,000,000,000.

Such a naval program as requested by the administration must visualize the abandonment of our good-neighbor policy, the policy of arbitrating international disputes, the policy of encouraging peace. Do the people of America wish to abandon these policies and incur instead an annual tax burden to support a billion-dollar navy? Do the citizens wish to make America respected not because of her world-wide known tenets and institutions but because of its tremendous sea power? It is all right to say our objective is peace, but too much power only leads to arrogance, it makes bullies and creates enemies. We have but to look at Europe to find a basis for this statement.

Regarding capital ships, it is interesting to note that the Navy's highest officials testified before the Naval Appropriations Subcommittee that two new battleships, costing $65,000,000 each, will be launched in the spring; and although these huge ships are equal to any craft of other nations at this time, the officials advised against duplicating these battleships because they may soon become obsolete. It is my opinion that this money could have been used more advantageously by building fast, well-armed cruisers of moderate size, submarines, and aircraft carriers. It is also interesting to know that the Navy Department will spend $216,000 of the people's money this year repairing the 36 top-heavy destroyers. However, as long as we have naval designers who advocate 65,000-or-more-ton battleships for the resulting designing fees, we will have top-heavy destroyers and ships with cracked sternposts.

All attempts to receive estimates from the Navy's top ranking officials on the annual upkeep of a billion-dollar navy met with defeat. I gathered the impression that that was a problem for our children to worry about. It is my opinion that $750,000,000 would be adequate to support the kind of national-defense peacetime Navy we should maintain.

We must push aside the profit makers and war mongers. Let us ignore the jittery flag wavers and, with prudence, common sense, and an eye to the future, bend our every effort to stay within the tenets of our international policies and within our own income. Let us not be pulled into a war by our overzealous preparations against it.

Mr. Chairman, I wish to call the attention of the Committee at this time to House Joint Resolution 202, which I introduced in the first session of the present Congress and which has been referred to the Rules Committee. This measure proposes the creation of a fact-finding committee of nine members to determine the limit the public debt can reach with a reasonable degree of safety.

The need for such a committee is greater now than ever before. We are running into the red at the rate of over $14,000,000 each day, or over $600,000 every hour of the day. Our Budget has now been out of balance for several years. Each year the national debt has been larger and now the administration advocates raising the debt limit to $50,000,000,000. It is my firm belief that before we take any action in this regard the problem of establishing an ultimate limit to which the debt can go should be thoroughly studied from every conceivable angle by a group of impartial men versed in the ways of finance.

In support of my appeal for consideration of my resolution, may I also call your attention to the testimony of the Secretary of the Treasury, Mr. Henry Morgenthau, during hearings on the Treasury appropriations bill for 1941, wherein he flatly stated that the Treasury Department does not know the danger point beyond which the national debt must not ascend.

Mr. Chairman and Members of the Committee, I ask you, Can this be called mere lack of interest or does it not border on plain incompetence? Surely the question of how far our Government can live beyond its income should be paramount in the minds of this Nation's fiscal officers. And surely it should be foremost in our minds today as we assemble to authorize or cut governmental funds as recommended in the President's so-called rock-bottom Budget.

It is inconceivable to me that after 8 consecutive years of soaring debts, Treasury officials have not taken the time nor the interest to even estimate the limit beyond which the debt can go without plunging this Nation into bankruptcy. Each one of us on this floor today has studied his own accounts, and we know to a close degree just how much we can take out of our own pockets or borrow without wrecking our personal finances. But do the men who administer the Nation's fiscal policies know how much they can spend or borrow of the people's money without throwing the entire country into the abyss of financial ruin? Evidently they do not. But if they do, and it is not at all improbable that a behind-the-scenes study has been made of this problem, the Treasury Department is keeping its findings a dark secret.

I warn you that perhaps we have passed the danger point. Perhaps this knowledge is already in the hands of Treasury officials who, even at this time, are being driven to frenzied and belated attempts to put the Nation's fiscal affairs back on a sound basis before the inner defects of the past 7 years of wildcat financing become apparent to the Nation as a whole and a complete monetary collapse follows.

If we have passed the danger point, this Congress must ascertain and recognize that fact and immediately set about to remedy the situation as far as possible.

In presenting his Budget message to the Congress, the President resorted to what has been termed "astute political strategy." In other words, he submitted his Budget and in effect said:

This is what I think it will cost to run the Nation for 1941. If you do not like these figures or the taxes I have suggested, you have your choice of raising the debt limit or levying additional taxes. Do not forget this is an election year. In presenting this Budget I disavow all further responsibility. It is your problem child.

Mr. Chairman, it is my conviction that the Nation's financial structure should transcend politics. This country was not built upon such a subterfuge, nor should it continue to operate under such artifices. It is no less than monstrous that the administration should see fit to use its citizens' pocketbooks as pawns in a game of political chess.

We must realize that the people of this Nation whose children and whose children's children must carry this burdensome debt are becoming increasingly alarmed by the continued spending that is taking place day after day, year after year. America is beginning to realize that for the first time in the history of the United States laws are being formulated and methods earnestly discussed to keep the administration from rushing the country into bankruptcy. The citizens and voters are awakening to the fact that the President has spent over 58 percent as much as all the other Presidents of the United States put together in the last 144 years, and has almost exactly doubled the national debt. Have the results justified the means? I do not think so.

In speaking of the public debt, let us take a brief look at its history. On September 24, 1917, with the debt slightly over $4,000,000,000, the Second Liberty Bond Act was enacted setting the debt limit at $25,000,000,000. This was just prior to this country's entrance into the World War and fiscal experts knew that great expenses would be incurred and that an increased public debt would be inevitable. When the armistice was signed in 1918 the national debt approximated $24,000,000,000. Then on May 31, 1938, the Second Liberty Bond Act was amended at the request of the present administration, raising the debt limit to $45,000,000,000. Now, less than 2 years later, but after more than $8,000,000,000 have been added to the debt, the same administration has dropped the hint that it would appreciate it if Congress would give them an added margin of $5,000,000,000 before public opinion becomes too aroused over the matter of how much this country owes. May I point out that even though this Congress votes to raise the debt limit to $50,000,000,000, we have no assurance that this would be the top figure.

No one can say with certainty what another five or ten billion dollars of debt would do to the credit of our Government. Perhaps we could stand the strain and perhaps we could not. Nobody will deny that somewhere there is a limit, and when that limit is reached, if it has not already been reached, the country will be reduced to the state of financial pauperism.

In questioning Mr. Morgenthau before the House Treasury appropriations subcommittee I endeavored to ascertain if it was the opinion of the Treasury Department that we would be faced with the danger of inflation if we agreed to a $50,000,000,000 or higher debt limit. Mr. Morgenthau replied to my questions by asserting that he thought there would be no danger of inflation with a $50,000,000,000 debt limit, but beyond that he would "take another look." In other words, we can assume that the Secretary of the Treasury would be willing to bring this Nation right up to the very brink of inflation before he would calculate our economic condition. He would take this risk in order to finance further New Deal economic experiments.

In connection with the testimony which Mr. Morgenthau gave before the House Treasury apropriations subcommittee, it might be interesting to bring out this Nation's position in the world silver and gold market at the present time. Being especially interested in this problem, I endeavored to find out, in the hearings, if the United States is still buying gold and silver, which we do not need, at boom prices. I attempted to bring out whether this Nation is still playing the part of a yokel boy who would buy the Brooklyn Bridge if it was gilded.

I asked Mr. Morgenthau if the purchasing volume of gold was on the way up or on the way down. Mr. Morgenthau replied that it varied, but pointed out that since 1934 we have been buying all the gold offered us at $35 an ounce whether we wanted to or not. At the same time, we are buying silver at 71 cents an ounce although the world price is 35 cents an ounce. We will continue to buy silver until it reaches $1.29 an ounce, or until it reaches one-quarter of the total monetary stock which, according to the Secretary of the Treasury, will never be reached.

In 1934, this Nation had $4,000,000,000 worth of gold and 690,000,000 ounces of silver. Today we have over $17,000,000,000 worth of gold hidden in holes in the ground throughout the United States, and 2,900 000,000 ounces of silver which the law also counts as reserve money. Last year alone, we paid foreigners well over $3,000,000,000 for gold and silver we did not need. Since January 1934, we have paid foreign nations $11,025,000,000 for silver and gold, not an ounce of which we had any use for. The amount we paid last year for foreign bullion was approximately $800,000,000 greater than our entire merchandise imports. We can use imports such as rubber, coffee, tin, silks, spices, and minerals, but at the present time, bullion is nothing more or less than a white elephant of preponderant proportions.

Although the United States holds approximately 65 percent of the world's gold supply, the Treasury goes right on spending $35 an ounce for gold, and double the world price for silver, only to sink these metals in the ground.

The reason I have gone into this situation as brought out in the Treasury hearings is that this huge excess reserve of $5,500,000,000 has tremendous inflationary possibilities. With no change in our present reserve requirements in the price of silver or gold, or in the amount of certificates issued, the $5,500,000,000 of excess reserve can support double the present bank deposits or check-book money. Should there develop an increase in the volume of check-book money without a similar increase in the supply of goods and services offered, the domestic value of our dollar would undergo a shrinkage, damaging to holders of savings deposits, life insurance, and wage earners that would have a telling effect on the entire economic life of the Nation. This situation is, to say the least, economically unhealthy, and yet we see no remedy in the offing. The Federal Reserve Board has publicly announced itself helpless to control this inflationary potentiality.

However, this is but one of the financial ills with which this Nation is stricken, and my purpose at this time is to ask for consideration of my bill establishing a fact-finding committee to study the national debt limit and the peak which it can reach with safety.

President Roosevelt, in his Budget message, declared that the public debt is not $42,000,000,000, as published by the Treasury Department, but some $7,000,000,000 less than that amount. He based his reduction on the fact that the Treasury holds tangible assets in gold and in stock of Government-owned corporations. This is mere sleight-of-hand bookkeeping, however, for he failed to point out that these same Government corporations have outstanding obligations of their own which are fully guaranteed by the Treasury, in an amount approximately equal to the assets in question.

This, then, constitutes an additional direct and positive debt amounting to over $1,600,000,000 on account of annual gratuities that have been contracted for to be paid by the United States Housing Authority under the Housing Act. Further, there is approximately $6,000,000,000 of contingent liabilities where the Government has guaranteed the bonds of different Government corporations. In addition to that amount, there are huge sums of contracts entered into by various local housing authorities which the Federal Government has guaranteed and is responsible for. It is impossible to tell at this time where we stand on these liabilities. The Government also has an obligation under the

Social Security Act, title II, which has been estimated at $10,000,000,000.

Added to these items are such examples of New Deal budgeteering as the mystic innovation of subtracting the bookkeeping payments of the Treasury, to the old-age reserve account, from both sides of the ledger to make both income and outgo smaller by some $500,000,000. Put all these items where they belong and the total estimated deficit for this year is around $9,700,000,000, including debt retirement. The total income will be about $5,700,000,000, thus leaving a net deficit of approximately $4,000,000,000, and placing the administration in the position of far exceeding the debt limit.

Mr. Chairman, to my mind the administration's eighth successive deficit Budget is not only imbued with lighter-than-air methods of bookkeeping, but it is a cruelly disillusioning document whose only purpose is to fool the public into believing the Government is operating within its means. The 1941 Budget is one of the greatest tragedies ever to be foisted on our people. It is a "beggarly account of empty boxes."

The House is to be congratulated for its efforts to bring economy back into vogue, in spite of adverse recommendations by the administration. Let us continue to give future appropriation measures the same careful scrutiny and paring the House has given the appropriation measures already considered. Each dollar we save takes us farther away from the present debt limit and the possibility of raising it to $50,000,000,000.

This Congress must untangle the presto-chango type of budgeteering resorted to by this administration. This Congress must continue to give impetus to the economy tide that it may run deep and cleanse off the spendthrift barnacles which today cling to the hull of the ship of state. No increase in the debt limit should be considered until every unnecessary and excessive item in the 1941 Budget has been eliminated.

Too long has the country gone under the slogan of "spend and lend." We must unfurl the banner of "save for security." [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Chairman, 150 years ago in my county, York County, Pa., cigars were first made in this country. Since that time the business has steadily grown until their cigars have gone all over the world. Those communities have thrived and built large churches and schools.

On Tuesday of this week, due to the wage and hour law, the last cigar factory in one of those important towns closed its doors, throwing its last 200 employees on the rolls of relief or public charity.

These towns and communities in my congressional district where cigars have been made for more than 150 years have grown and been recognized throughout the United States for their thrift and industry and their high standard of living. The banks have prospered as is evident to everyone who comes into the community. Churches and schools have grown likewise. The 200 people thrown out of work this week when the last factory in Craley closed its doors because of the Wage and Hour Act will—many of them—become public charges because of their age and the fact there is no other industry nearby to absorb them.

One factory that paid in 1939 more than $25,000 in Federal taxes has no assurance that it can continue in operation for any length of time. This is just about the end of a one-time great industry covering a large section of York County. Many of these towns will now become ghost towns simply because of governmental interference with an industry in which thousands were employed and earned honest and honorable livelihood.

Recently the United States Department of Labor issued a permit to learners in this industry. Just why they issued permits to learners in an industry that they are closing up is a question for the Department to answer themselves. Thousands of men and women were denied the right of apprenticeship through recent years because of the Wage and Hour Act and have thus been consigned to the ranks of common labor with the result that today we find ourselves short of skilled mechanics in practically every trade. What the Federal Government should do rather than put people out of work is to leave those who can and would work alone.

Recently the American Youth Congress was flooded with literature definitely declaring that the work that youth could get was too fatiguing. Setting up statistics they showed that many of the high-school girl graduates finally had to do domestic work. Instead of the Government belittling the very things that have made America great, they should be teaching the youth today the dignity of labor and the fact that it is every youth's common obligation to work, whatever his hands find to do. No youth has a claim to a soft job, but he is entitled to it if he can get it.

It was never the intent of the founding fathers that the Government should be interested in every individual and keep them. It is the people's duty to keep the Government. If there is one thing that youth needs today it is to be disciplined and not wet-nursed. There still are opportunities in America for those young people who have the fortitude to run against the stream. They are the only ones who really get anywhere finally, and they are the ones who believe that anything that is worth doing is worth doing well.

The young man or woman who is willing to work and takes a pride in doing that work well will not need a paternalistic Government to be looking after him all the time.

I have on my desk this morning a bill asking for an appropriation to build farm houses and redig wells throughout the South, setting forth the dilapidated condition of what they term "the rural slums." Most emphatically I am against the Federal Government spending money in this fashion. The facts are these houses in the Cotton Belt have not just gone to pieces now. And if the wells are too close to the houses or too far away they are exactly where those people dug them.

Not many years ago when cotton still was "king" the cotton farmers came into York County and purchased our mules, paying anywhere from $150 to $500 per head, and they could just as well have been building houses for themselves, or at least keeping them in repair, as spending money for mules as they did. The practice in my county is if a farmer's house needs repair he repairs it. If he has no money to pay someone else to do it he generally gets at it and does it himself, and after all that is the honorable way to do things.

Mr. PLUMLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, may I take the time of this great body for a few minutes to express a fear which now possesses my entire being, one which has not come upon me in haste, but it is a fear which has developed throughout the entire session of the Seventy-sixth Congress, and which grave fear is that the staggering appropriations which are sought for various agencies and departments of government, when the Treasury is entirely empty and we are operating on borrowed money will eventually rush us into bankruptcy.

We will not forget that we appropriated the vast sum of $953,360,249 at the first session of this Congress as our Naval appropriation. That huge sum so appropriated was the all-time high during peace times. We are now confronted with the present bill, which comes before us wherein we are asked to appropriate the staggering sum of $966,772,878 for the Navy Department for the year 1941.

We are not engaged in war. We must avoid any participation in Europe's wars. The people of this Nation do not want any participation in this war across the ocean. We are a peace-loving Nation. It is our desire that we keep our boys and men in the United States of America—and I now think of approximately 30,000 of the fine boys and men in my congressional district, all of military age, who would be required to answer the call in case of our involvement in this war. We must keep out of this war, and I will use every effort of my own to prevent it.

We must not be unmindful that we have our own problems which must be solved. We are in debt to the extent of more than $42,000,000,000. The appropriation of $1,100,000,000 has already been made at this session with which to pay the interest on this staggering debt.

We have approximately 10,000,000 of our people who are unemployed, and many of whom are hungry, some of whom are without proper clothing, and a vast number of whom are poorly housed and sheltered. This is one of our problems. We must secure jobs for the unemployed, and it is our duty to care for the needy of our country. This problem comes first. This problem is of greater importance than the vast increase of our Navy at a time when it is already one of the most powerful in the world.

We must not forget that we have a highly important problem in agriculture which must be solved. The policy of restricting farm production in the central portion of our Nation, while at the same time our Government is sanctioning and aiding in the reclamation of untold numbers of additional acres which will be placed under cultivation, is a disastrous policy. Imports which are of a competitive character are further injuring our farmers and their business. And we have the policy which must be solved, which directly affects labor and industry in our land. The policy of permitting imports which are directly competitive with our own production in this country have injured both labor and industry. These problems must be solved—they must be solved in the interest of our own people. They cannot be solved by the endless spending of huge sums of money. How many new battleships, destroyers, submarines, and what not are provided in this bill? Battleships larger than any heretofore constructed are contemplated. A nice big target for a well-timed bomb and it would all be over.

One of the items contained in this bill is the sum of $3,000,000 for dredging the harbor of Guam. This item appears with sordid innocence in this measure. Guam is located approximately 6,000 miles from San Francisco and it would be quite impossible to defend that island. It is likewise located only 1,700 miles from the Philippine Islands, which we seek to relinquish. It is located approximately 1,500 miles from Japan. This appropriation for harbor construction at Guam was defeated during the first session of the Seventy-sixth Congress, and I hope it will be overwhelmingly defeated at this session. If we make a grant of money for harbor construction at Guam, then we will soon be called upon to appropriate many, many millions of dollars for the fortification of Guam. That will not be all because we will soon be asked to appropriate funds with which to construct an air base on that far-removed island which would cost many addition millions of dollars. While this initial appropriation appears to be insignificant insofar as the amount which is involved, yet the added sums which will surely follow are those which must concern all of us. There is the added danger of our involvement in a foreign war because of our participation in the proposed work at the harbor of Guam, and should we be called upon to fortify it, I shudder at the result which might follow.

I urge that this appropriation for the harbor of Guam be defeated by the House. If you pass this unnecessary appropriation, the day will come when regret will be your response to all who make inquiry about it.

Let us look upon this appropriation in the light of our economic needs at home. Let us stagger the building of a Navy over a period of years, not immediately—not for war, but for peace! Let us save the money which is so sorely needed for our own people at home—and let us first care for the people of the United States of America. [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, we have under consideration today the naval appropriation bill. I intend to discuss a matter of vital concern to the defense of this country, the infiltration of communism into our merchant marine, which is an auxiliary—a most important auxiliary—of our Navy in times of national emergency or war. On the last day of the special session last fall I was appointed to serve on the Committee on Merchant Marine and Fisheries. Through the press and testimony before the Dies committee I had read and heard about the serious infiltration of communism into the personnel of our merchant marine, not only on salt water but on the Great Lakes as well. I had heard that Communists were in control of the National Maritime Union, an affiliate of the C. I. O., of which union a great many seamen on salt and fresh water are members and which union is now conducting an extensive membership campaign on the Great Lakes. Motivated by a desire to learn more about this reported condition and desirous of learning more about the important question of the defenses of the Panama Canal and of the necessity for a third set of locks at the Canal, I made a trip to Panama just prior to the opening of this session.

My trip was made on the new steamship *Ancon* of the Panama Line, owned by a Government corporation, the Panama Railroad. The *Ancon* is one of three new vessels owned by the Panama Railroad and is one of the latest units of our merchant marine. I understand these three boats represent an investment of $13,000,000 and, I am happy to learn, were paid for out of the earnings of the Panama Railroad and do not represent the result of an additional deficit appropriation by the Congress. I have been informed these vessels are the tangible result of an extensive study of safety at sea conducted by a board of experts appointed after the disaster to the *Morro Castle*. Many exhaustive tests of safety devices and other factors promoting safety at sea were studied and those found worth while were incorporated in the design of the *Ancon* and her sister ships.

In addition, it is my understanding that our Navy experts were fully and freely consulted and collaborated in the design with the thought in mind that in the unfortunate event of war these ships could better serve as auxiliaries to our Navy. During the last World War the great difficulty and delay that was occasioned by our efforts to employ our merchant marine as auxiliaries came about through the imperative necessity of providing them with protective armament. It was found that, even though the antisubmarine guns were available, they could not be mounted on the ships without considerable reinforcement of the ship's structure being required, which, of course, meant considerable delay. So these boats have been reinforced in advance and space for armament provided. In addition, being equipped with greater safety devices, more watertight bulkheads, more automatic fire doors, and so forth, being equipped with fuel tanks which give them a 10,000-mile range, being faster than average for their size, they are truly an effective addition to our merchant marine in peacetime and an effective addition to our naval auxiliaries in times of trouble. Their accommodations for passengers are splendid, the food is excellent. In many cases in the past the crew has not been provided with either good quarters or good food. No man can do his work or his duty if he has not had an opportunity for adequate rest and relaxation in adequate, clean, healthy quarters or when he is hungry. Therefore, I was glad to see that the crew on these boats had been provided with such living conditions. I have been connected with boats and seamen on the Great Lakes for the past 28 years, yet I have never seen quarters better than those provided for the crew on the *Ancon*.

Mr. Chairman, some interesting things happened on that trip that have since aroused my interest to an even greater extent. I had hardly been in my stateroom 5 minutes before my room steward brought in and introduced to me the National Maritime Union delegate on the boat. It appears that the union has an official delegate on boats on which the union has its members. He not only invited but practically demanded that I talk to the crew. He informed me that on the preceding trip Senators DANAHER and SCHWARTZ had been aboard and talked to the crew. I was glad of the opportunity, more especially when I heard Mr. DANAHER had been booed during his speech. The gentleman from Minnesota [Mr. KNUTSON] was likewise on board and similarly invited to address the crew.

During the ensuing 10 days we were at sea I had studied the crew at every opportunity. It is my sincere belief that most of them are as loyal, red-blooded, 100-percent Americans as I had known and admired, and with whom I had been so intimately and favorably connected so long on the Great Lakes.

When the committee came to get me the night of their meeting I was in conference with the chief engineer discussing some of the mechanical features of the ship and hence asked him if he did not care to join me at the meeting which he did. I presume, from the size of the meeting which was held in a thwartship hallway, just aft of the galley, that most members of the crew who were not on duty were present. The meeting was presided over by the delegate, one Al Rothbart, and was very orderly and businesslike. Several resolutions were adopted, as I recall, and some assessments voted. In particular, I recall they adopted a resolution opposing the further sale or transfer of American ships to foreign registry in violation of the spirit, at least, of the Neutrality Act, with which stand I am in accord and so stated later. In introducing me, the chairman made some rather disparaging remarks about vessel owners in general and with mistreatment of seamen in the past by such owners. Then, in effect, he stated he was not only glad to have me there because I was a member of the Merchant Marine and Fisheries Committee and, as such, could better understand at first hand their problems but also because I was at present, "according to my record," which he said they had checked, or had been the owner of the Bradley Transportation Co.; in other words, I was one of those devilish shipowners to which he has just been referring. Now, Mr. Chairman, I talked to those men for about 20 minutes principally about Americanism. In answer to the introduction, I informed the men that while I was very proud of the fact that it was my father who had organized the Bradley Transportation Co., while he had collaborated in the development of the self-unloading type of bulk freighter on the Great Lakes, and while I was proud of the fact that the largest boat now sailing fresh water bears his name, I had only been an employee of the line, and that I had never owned a share of stock or any other financial interest in it in my life, and that I had severed all connection with the company February 1, 1938, before I announced my candidacy for Congress.

But, Mr. Chairman, I did tell that group that if the stories I had heard about supposed communistic control of their union were true, they, the members themselves, had better rid themselves of such un-American domination and do it promptly before they lost the respect of loyal American citizens. I told them further that if there did happen to be any in that crew who did not believe in our form of government or who preferred some one or other of the European philosophies of government, I would suggest that they might get the first boat abroad and have an opportunity to manifest their enthusiasm by fighting for their pet form of "ism."

Now, Mr. Chairman, what has happened since then. The National Maritime Union has a bimonthly publication known as The Pilot. In the next issue of this magazine I am quoted as "owner, or former owner, of the Bradley Transportation Co." Again, and to this I take vigorous exception, in the following issue appears a picture taken of me by a crew member during my speech. My room steward sent me the picture which I hold up here taken from the January 26 issue. You will note the heading at the top of the page in large type "Stop U. S. Ship Sales"—below it is my picture. You will note, and this is just as it was sent to me, it has been carefully cut across the bottom of the picture so that only the exclamation "Stand fast!" appears together with my name. Now, later, this full issue of the publication has been handed to me and you will note the same picture and under it these words "Stand fast! 'Hold on to your hiring halls at any cost!' Congressman BRADLEY tells a crew meeting on the steamship *Ancon* en route to Panama." Mr. Chairman, that is a deliberate misrepresentation. I made no such statement—I did not mention their hiring halls which I understand is one of their "big moments" at this very time. I want the seamen of the Great Lakes for whom I have such a high regard to know that I made no such statement and that I do not approve of them as I have been informed they are at present conducted. The N. M. U. is conducting a drive to establish hiring halls on the Great Lakes and I believe this is a flagrant attempt to make some Great Lakes seamen believe that I have endorsed them. I most emphatically do not at this time.

What is a hiring hall? It is a place through which mates and engineers hire their seamen for their crew. Mr. Chairman, in sailing, as in every other line of work, experience counts for a great deal, not only in efficiency but also in the safe operation of a ship. Naturally, seniority has always been respected by captains and chief engineers, and I want here to pay my respects to those men. Mr. Chairman, there is no line of endeavor in my knowledge in which men are entrusted, under their sole care and under their complete responsibility and subject to their sole judgment—theirs alone—with a more valuable piece of property commensurate with the amount of salary they receive than a captain, or master, and chief engineer of a steamboat. Here is the *Ancon*, over $4,000,000 worth of iron and steel and machinery and engineering talent, together with hundreds of human lives, under the sole command, judgment, and operating skill of Captain Swinson and Chief Engineer Peterson while at sea.

Now, Mr. Chairman, I have been informed, on what I believe to be good authority, that Communists are conducting a concerted effort to secure members for their party and that it is their program to have one or more members on every vessel in the American merchant marine, with the probable thought in mind of sabotage in the event of trouble with Russia, which I consider remote, and also to tie up our merchant marine and so prevent shipment of arms, ammunition, and other needed supplies to enemies of the Soviet Union. I am informed they are conducting a systematic membership drive on the Great Lakes right now while the seamen are at home, away from their shipmates, and mainly unemployed during the usual winter lay-up period. I understand there is an operative in my own neighboring city of Alpena, Mich. I warn seamen on the Great Lakes to avoid these men. I warn seamen everywhere to avoid them—they would just as soon sell you down the river as not to satisfy their own greed and get your membership dues and assessments to carry on their nefarious schemes.

In these hiring halls they endeavor to have one of their henchmen in charge. When a call comes in for seamen, they are not selected in order of application nor in order of seniority—the mate or engineer is told the men will be down. Later a "fellow traveler" is selected quietly and told where to report, and another boat is "all set" with a Communist aboard. How can any Member of this body or any good citizen of this country support or advocate hiring halls conducted thus? Until this mode of action is changed I will have nothing to do with it—until seniority rights are respected I will have none of it. That I was deliberately misquoted, maliciously so, I not only again show you the picture clipped out so as to carefully cut off the remarks I did not make, and which evidently my steward knew I did not make, but also I quote from a letter received from the engineer on the boat, as follows:

> I noticed your picture in an issue of the National Maritime Union Pilot, this voyage, and see they have you quoted as saying in your speech to the crew of the steamship *Ancon* that they should hold onto their hiring halls at all cost. This proved our contention that you might be misquoted, knowing your views on the subject, I am taking the liberty of calling this to your attention.
>
> Since I attended the meeting with you and we had no previous conversation on the subject I know no reference was made to the method of hiring seamen.
>
> Your speech was more in the nature of a patriotic pep talk on merchant-marine affairs. It seems to me that they are giving the hiring hall idea publicity at your expense and using a very unfair method of doing it.

Mr. Chairman, the day following my speech on the *Ancon* I talked to a number of members of the crew. They told me

they were glad Congress knew that their union was being run and dominated by Communists and that they felt helpless to do anything about it. They knew that members of the Communist Party were on their ship, that they knew who they were and that they felt certain the delegate Rothbart was one. I have since been told that he is what is known as a courier and that at one time he was on the New York to Havre, France, run. A "courier" is one whose duty it is to carry their money and confidential papers back and forth between their international agents. Mr. Chairman, it is time to wake up, it is time to rid the American Merchant Marine of those whose master is Stalin in Russia; it is time that this Congress gives definite tangible support to the thousands upon thousands of loyal American seamen in their efforts to thwart this menace to their source of livelihood.

Mr. PLUMLEY. Mr. Chairman, I yield myself the balance of my time.

Mr. IZAC. Mr. Chairman, I yield to the gentleman from Vermont the balance of our time, 12 minutes.

JUST COMMON SENSE

Mr. PLUMLEY. Mr. Chairman, I am not attempting to make a speech. I would like to think out loud about this naval appropriation business. It has been a headache for me for 3 years and more. I am not a pacifist. I know I am no naval expert or strategist. I make no claims as such. I speak as one who has a lot to learn and knows it, but some things I hear do not make sense even to a landlubber. Perhaps I overestimate the importance of what I may think about it, anyway, but here are a few random thoughts for what they are worth.

In the first place, may I say that I do not wish to be misunderstood with respect to my position concerning sufficient appropriations for the Navy. I am for reasonable and necessary preparedness first, last, and all the time. I will vote to appropriate every cent the expenditure of which can be justified as necessary for our immediate or early use in order properly to defend this country now or in the future. I have so voted in supporting the bill before you in committee.

I will not vote to endorse the authorization or the appropriation of expenditures for construction that cannot be made for years to come merely because it seems to some people an opportune time to take advantage of the war-furor-engendering emotionalism.

There is no emergency now that has not at least existed in futuro for the last 4 years. This proposed naval-expansion program, if what we are now told is so, should have been presented from 4 to 7 years ago, in view of what it is alleged the Navy then knew with respect to probable world conditions.

THE SUGGESTED PROGRAM

The program now proposed might well have been suggested 4 years ago, if at all, if so urgent as is insisted. The necessities now urged as so compelling are very little if any more urgent than in 1935 or 1939, if we can believe what we have heard heretofore.

The war in Europe is not our war, and the situation has been threatening for years. Our major responsibility is to prepare ourselves for defense. That has been our major problem. It is not new.

We have heretofore authorized and appropriated money for a program which cannot be completed for 4 years at the earliest—some say 7 years. Why be excited into further action by an alleged emergency that does not exist any more now than for 4 years.

Speaking generally, the facilities for naval construction are taxed to their utmost—yards, docks, ways, machine shops are filled with ships, men, and material.

There is no place, unless we make it, or them, where we could do a thing looking toward really accomplishing very much along the line of construction for the new program.

Every qualified ship mechanic is busy on the old program and will be for from 4 to 7 years. The number of apprentices is limited. The man supply of competent shipbuilders is utilized to the last man today.

SHORTAGE OF FACILITIES

With respect to the shortage of facilities and men, you might read pages 661 and the following of the hearings. Among other statements, you will find these:

Admiral VAN KEUREN. There is still some shortage of draftsmen in the navy yards particularly, and some private yards, and every effort is being made to train draftsmen by taking young college men and giving them an intensive course right on the job under the instruction of a competent man, and that is proceeding very satisfactorily in all navy yards and many private yards.

Mr. CALDWELL. At what stage of construction do you find the bottlenecks, usually?

Mr. VAN KEUREN. They begin to show up in the machine shops about a year from the receipt of the contract, when they begin work on such things as auxiliary machinery and turbines, the production of gears, and so on, because the capacity of practically all machine shops is limited.

Mr. CALDWELL. What you really need is some more navy yards, is it not?

Admiral ROBINSON. Yes, sir; we need about five or six more at this particular moment.

Mr. CALDWELL. And those navy yards ought to be placed in some other part of the United States, to get around the congestion of the short scope of the Atlantic coast, don't you think, Admiral?

Admiral ROBINSON. That undoubtedly would have to be done; yes, sir. The question of navy yards, of course, is like everything else—you need a whole lot of them at certain times and you do not need so many of them at other times. Right now we could use about twice as many as we have got, and, as you say, they would have to be placed in other ports of the United States that are not bottlenecks on labor right now.

Admiral VAN KEUREN. I was going to say one big factor in using shift work is that you cannot get proper supervision. The number of men available for supervisors is limited. You have to have a highly skilled man and one who can handle a gang of men to make a good supervisor out of him.

And we have found at the navy yards—and I have just come from one a few months ago—such men simply are not available. It takes time to build them up. If we had a war emergency for 3 or 4 years, probably you could train up these men, but most navy yards and private yards—I have talked to a great many of them, and their managers tell us that the lack of supervisors is one vital defect in using shift work. Furthermore, you cannot work as well under artificial light and under the conditions they have to work under at night as they can work in the daytime.

Another factor is in certain trades there are actually shortages of skilled men. Take the ship fitters, the mold loftsmen, and even the coppersmiths and pipe fitters—up to the time I left Philadelphia there were shortages in those trades. Those shortages are being met by training young men, helpers and apprentices, as fast as we can train them.

Mr. CALDWELL. That shortage is being kept a deep, dark secret outside of Philadelphia, though, and the shipyard centers. I have no doubt in my mind if it were made known that you wanted competent men for that work you would be swamped with applications.

* * * * * * *

Admiral VAN KEUREN. No, sir. I have had something to do with that. We advertised all over the United States; we have gone out in the shipbuilding districts of the Great Lakes, and gone to the South, and everybody, all the labor boards, have had the same story to tell—that men cannot qualify for the positions which we want them to fill. You will get plenty of applications, but when you investigate them, the men have actually had no experience in that trade. We have had men to apply for "loftsmen" and when we investigate their experience we find they were loftsmen in a clothing factory, or something of that sort. They do not understand the specifications for these trades.

Mr. MCLEOD. What efforts are being made to build up those trades—any?

Admiral VAN KEUREN. Efforts are being made in the shipyards themselves by taking men who have helpers' experience and increasing the number of apprentices. That is the only satisfactory way you can get skilled men.

ADMIRAL LEAHY'S STATEMENT

As late as March 27, 1939, Admiral Leahy told the subcommittee that the estimates of the Navy Department, conforming to the usual procedure, were prepared after a detailed study of the Navy's responsibility for national defense and its present means of meeting that responsibility. That is what he said. It is significant. The conclusions reached as a result of the study, and as approved by the Secretary of the Navy, he said, were presented to the various bureaus and offices of the Department to be used as a basis for their detailed plans and Budget estimates.

"The operating force plan," said he, together with the "assignment of vessels in the organization of seagoing forces of the United States" and the "fleet employment plan," are derived from this study and prepared by the Chief of Naval

Operations. The operating-force plan sets forth the vessels and aircraft to be kept in commission and operated during the year, and the organization of the fleet marine force, as required to fulfill the mission imposed by the current approved policies.

All items in the current estimates which have to do with operating the forces afloat and providing them with personnel are based directly upon the requirements of the operating-force plan and are essential to the accomplishment of the plan. Any reduction in the funds allowed for these items would therefore result in curtailment of the plan and of the forces afloat.

Mr. SCRUGHAM. The operating-force plan covers all auxiliaries and subsidiaries in the way of shore stations.

Admiral LEAHY. That is correct. The operating-force plan includes all auxiliaries, shore stations, aircraft, personnel, and all the elements of naval power.

Mr. SCRUGHAM. And it is necessary that the shore facilities keep up with the seagoing operations.

Admiral LEAHY. Yes; the shore facilities are as necessary as the equipment used in the operations.

Funds requested in the present estimates for shore facilities which exist for the support and maintenance of the forces afloat are directly related to the requirements of the projected operating force plan and of future plans, so far as they can be foreseen.

The political conditions in the world today have not improved since last year. All the major powers are continuing to expend their maximum efforts toward rearming on both land and sea. It is very evident that the present moment is not one when the United States can safely reduce the present extent of its preparations for national defense without jeopardizing our national security. We should continue to maintain our existing national-defense establishments at their highest efficiency, complete as soon as possible and practicable the projects now underway to improve or augment the existing establishments, and provide those features which are still lacking and which are vital to the efficiency of the national defense at sea.

The United States may be brought suddenly face to face with a situation that it had no part in creating and over which it may have no control, and for that reason, in determining estimates for the Navy, conditions in the world on all sides of us must be considered. The strength of our Navy as compared with the strength of the navies of other great naval powers must be given serious consideration.

In view of the rapidly changing alinement of European understandings and alliances, and the agreements as to community of interests between nations of Europe and Asia, it is essential that America should take steps toward an assurance of security even against possible alliances, and without depending upon assistance from any foreign source.

NO REQUEST FOR EXPANSION OF FACILITIES

It is interesting to note that no request for the appropriation of funds for the expansion of facilities was made in the 1940 application. With regard to this matter Admiral Leahy went on to say:

The estimate figures submitted by the various agencies of the Navy Department have already been pruned to a minimum consistent with what are considered the needs for reasonable national security.

Please take note, "the needs for reasonable national security," he said:

It would therefore, in my opinion, be jeopardizing national security to reduce the present number of vessels and aircraft in active service, to fail to man the fleet effectively with officers and men, to delay the authorized ship-building and aircraft-building programs, or to fail to build up the shore establishments and reserve stocks in support of the fleet.

We took him at his word.

It is my opinion that the prospect of international disturbance in the near future fully warrants expediting the authorized naval-building program as much as is practicable with the facilities that are available or that can be made available.

We went along with him.

These estimates, however—

He said—

do not contemplate the provision of additional facilities.

Mr. PLUMLEY. May I interrupt at this point? Admiral Leahy, do I understand that in your judgment the existing situation does not justify the provision of additional facilities for expediting the authorized naval-building program as much as is practicable with the facilities that are available or that can be made available? These estimates, however, do not contemplate the provision of additional facilities for expediting the authorized naval-building program.

Admiral LEAHY. That was not my intention. The present situation would, in my opinion, warrant an expansion of facilities wherever such expansion would be advantageous to our program; but my statement was that this appropriation does not request funds for expansion of facilities.

The existing naval personnel and material are correctly measured by the degree to which they satisfy the requirements of the current operating force plant, and by the extent to which they are adapted to adjust themselves to cover future similar plans. It is in this light that the present situation will be reviewed briefly and it is with the related necessities in mind that the present estimates have been prepared.

Future plans and related necessities, covered satisfactorily in 1939, or so we were given to understand, and the possibility of an alleged emergency was right out in front in each and every discussion, on and off the record. So what?

So it is obvious that facilities and trained shipbuilders from the carpenter to the expert radio engineer are just nonexistent and in such number as even to suggest the impossibility of accomplishing anything with a construction program, were one adopted or authorized.

There is no sense in tying up a lot of money on a program that cannot be carried out; not to say for one for which there is no present necessity.

It will take, as I have said again and again, 4 to 7 years to complete the present program. The war in Europe will be over before that time. Or will it? Or, says somebody, we will be in it. Well, supposing we are in it by that time; of what use will this proposed program be in that event? None of the ships, or at least only a few, contemplated in the proposed program can or would be constructed. That, in short, is the situation as I see it.

PROGRAM SHOULD BE COMPLETED

The thing to do is to complete as rapidly as may be the program which 2 and 4 years ago we were advised or given to understand was sufficient to meet any and all emergencies, present or future; do not forget that.

On the other hand, I am not so sure—and assumedly neither is the Navy—that the present program should be carried cut in particularity as laid down. A good many competent people think, and with reason, that two of the 45,000-ton battleships is enough of that type for all time. And, by the way, construction of these has not commenced, as you and I understand the meaning of the word "construction."

There are those who contend that the next great naval battle will be fought in the air. Maybe so. That being so, if so, suggests that certainly two 45,000-ton battleships at from $75,000,000 up are enough for targets for enemy airplanes.

As I have said, I repeat, that since one 55,000- to 60,000-ton battleship can and would defeat two 45,000-tonners, if we are going to build battleships we better have one of the bigger type than two of the smaller, especially since the larger would cost, we are told, not more than two-thirds as much as the two smaller.

If you can build a 55,000- to 60,000-ton battleship for $100,000,000 to $120,000,000, that can overpower two 45,000-tonners, why spend $160,000,000 to $180,000,000 on the two? Why not save money and get a real champion?

Cannot get through the Canal, they say. The answer is found in the fact that by the time that any of the big ships are constructed and launched it is very probable that the new locks at Panama will have been completed. The locks as contemplated will permit easy passage of bigger ships than any we have heard talked about, or they should not be built. That is as plain as your nose.

In the present depleted state of the Treasury we should not be induced by any enthusiasm, superinduced by war fever, to run hog wild in the authorization of or appropriation of money for the building of ships that cannot be constructed, anyway, because of lack of men and facilities wherewith to accomplish the task to which we set ourselves. It just does not make sense.

CUT TO THE BONE

So, I say, we should cut to the bone every appropriation sought to be justified by an emergency that does not exist, for the expenditure of money for the construction of additional ships that we cannot build and do not now need.

The necessary millions for necessary defense should be forthcoming. The taxpayers will so agree. But not a cent

for gestures, nor a cent to permit a group of we-must-police-the-world people to plunge us into an orgy of spending, unjustified, unwarranted, and indefensible under existing economic conditions. The sad commentary that can truthfully be made is that if we do not change economic conditions in this country by putting a stop—and now—to the reckless spending of the taxpayers' money like drunken sailors, we will have nothing to defend.

I may be wrong. It has happened, and may again, but it seems to me that taking advantage of the "keep out of war" state of mind of the American people, the ammunition and munition makers, the steel fabricators, the airplane manufacturers, the money lenders, together—may I say it—with the Commander in Chief, have undertaken to go "hog wild" on a spending spree for building up a Navy program, which, in my judgment, is not required by the United States in order properly to defend itself or to enforce the Monroe Doctrine. As with a family, so also with the Nation; what we would like to have, could we afford it, and what we must have and can afford, are matters for careful consideration.

For more than 3 years now I have been listening to the testimony of naval experts and have consulted authorities recognized as such, outside the Navy. Reduced to a brief statement the situation stripped of all its scareheads and propaganda, as I see it, adds up to the fact which the American people are entitled to know, that for reasons outside of our own situation we are relatively secure in the Pacific, even without a Pacific fleet. There may come a time when we may think it wisdom to build and maintain a Pacific fleet. However, we are today not secure in the Caribbean, though we are fairly so in the north Atlantic, if the experts are to be relied upon.

In this bill we are appropriating necessary money for continuing the construction of two 45,000-ton battleships, which, when launched, will be the fastest battleships in the world, even faster than any heavy cruisers now afloat, or so they say.

I feel that if we were to appropriate the money, now, for any more of the 45,000-ton type we would do it knowing it would be from 5 to 7 years before one of them could be launched, during which time the type itself might become obsolescent, if not obsolete. History repeats itself.

Dr. Oscar Parks, editor of Janes Fighting Ships, states, as quoted in Esquire for December 1939—

> That naval designers now regard a displacement of 50,000 or 55,000 tons as the minimum on which it is possible to combine sufficiently powerful guns, an adequate antiaircraft battery, satisfactory deck and belt armor, an effective protection against torpedoes.

The big battleship is not only a more efficient fighting machine and a better tactical unit but also, ton for ton—and it may be emphasized again that what is being pointed out is not ship-for-ship but ton-for-ton superiority—a cheaper weapon. If we continue to trail Japan in the size of our battleships, Japan may not find it impossible to acquire a real naval strength fully equal to ours. What we may expect is that by the time we have begun work on 45,000-ton ships Japan will be found to have started on 50,000- or 55,000- or 60,000-ton battleships.

The subcommittee had information to the effect that the leading naval powers, in spite of their different strategic needs which have dictated smaller ships, are building even larger and more powerful battleships. The universal adoption by other nations of this principle of larger and more powerful battleships must be founded on sound technical and tactical reasons by experts skilled in the art.

So it seems to me that inasmuch as the proposed capital ships will not and cannot be completed and ready for service until more than 4 years have elapsed, nothing will be lost and definite advantage will be gained by making all such new ships superior in every respect to the pending foreign construction.

IMITATING AND MATCHING OUT OF THE WINDOW

I am definitely of the opinion that the time has arrived for the United States to cease imitating and merely matching foreign nations with respect to the power of battleships. This Nation should take a position with respect to the size and power of battleships, if they are to be built, consistent with the fact that it is the largest, richest, and most powerful nation in the world and hence should make use of its economic strength to protect itself with incomparably more powerful ships and in such numbers as will maintain a preponderance of power over other nations, and thus insure the protection of the United States.

In an article in the Esquire magazine of December 1939 on our naval dilemma certain statements are made which are interesting, to say the least. You will find reference to it and certain quotations therefrom and comments thereon on page 249 of the hearings. For example, the gentleman from Nevada [Mr. SCRUGHAM] asked Admiral Robinson if he had read the article and he said he had, then the gentleman from Nevada [Mr. SCRUGHAM] said:

> Mr. SCRUGHAM. Now, I have referred to an article in the Esquire magazine of December 1939 entitled "Our Naval Dilemma." Have you read this article?
>
> Admiral ROBINSON. Yes, sir.
>
> Mr. SCRUGHAM. I have no intention of questioning you on anything other than engineering and construction phases of the article. It is stated here:
>
> "Dr. Oscar Parks, editor of Jane's Fighting Ships, states that naval designers now regard a displacement of 50,000 or 55,000 tons as the minimum on which it is possible to combine sufficiently powerful guns and adequate antiaircraft batteries, satisfactory deck and belt armor, and effective protection against torpedoes."
>
> Do you regard that as a correct statement?
>
> Admiral ROBINSON. Well, I would say it is relatively correct; or, to be more specific, I think unquestionably you can answer those particular things he mentions better on a big ship than you can on small ones. Or, to put it another way, ton for ton, you can get more speed, or armor, or guns—whichever you happen to want—on a big ship than you can on a small one. I think that is practically axiomatic and pertains to any class of ship which you are talking about.
>
> POLICY OF THE JAPANESE NAVY ON BATTLESHIP CONSTRUCTION
>
> Mr. SCRUGHAM. There is another statement discussing the policy of the Japanese Navy:
>
> "The success of Japan's policy, as far as the United States is concerned, has depended largely on congressional inability to see why one large battleship should be better than two smaller ones—an inability which has, at times, forced the Navy to build ships even smaller than those we had completed before."
>
> That probably is a technical question. What have you to say about that?
>
> Admiral ROBINSON. Of course, what he is referring to there is the fact that up to fairly recent times—I do not know the exact year—Congress did specify the size of ships, either by the actual tonnage, or limit of cost—one or the other, and sometimes both—and that did limit the size of ships.
>
> Mr. SCRUGHAM. But no such limitation now applies in any sense whatever?
>
> Admiral ROBINSON. There is no such limitation now; no, sir.

Common sense, I say, suggests that many things can happen in the advancement of science in the art of naval construction in the next year or two or three or four, or while we are constructing the two that have been authorized, that cannot be completed for 4 years at least.

COULD NOT BUILD IF TEN BILLIONS WERE APPROPRIATED

Moreover, let me repeat, we are confronted by the fact that we could not presently build any more if we appropriated $10,000,000,000. There are at present, as I have said, no men competent to build a large number of them; there are insufficient facilities for building them. You cannot make the necessary type of naval architect or mechanic over night. All the competent available architects and mechanics are now employed. We have no private or Government yards that are not now, or are not to be choked to capacity with ships in process of construction, actual or contemplated, under the program authorized. Where are they to be built?

It is dumbness for us to be swept off our feet or scared to death by the ghosts of the necessity for unlimited spending for a naval construction for many years ahead of us that just cannot be accomplished.

ARE WE WASTING MONEY AT GUAM?

I am wondering if every cent we spend at Guam or Wake or Midway, except to make them stepping stones in times of peace and to secure the safety of landing planes and the lives of the pilots and crew is not wasted. Do not forget that as

we undertake to invest the taxpayers' money we should realize that we have declared our policy with respect to the Philippines. We are out of the Philippines in 1946. Or are we?

Were there to be a war with Japan, which under existing world conditions is not so imminent as some would try to believe, or scare us into thinking, for we want no war with Japan, and Japan really does not want one in which the United States Navy is on the side against Japan. Do not forget that what we would eventually do to Japan is just too bad to contemplate, and Japan knows it, despite all her bluster and big talk, but were war declared or commenced Guam and Wake and Midway would be taken by Japan overnight; everybody knows this, too. We might retake them. We would eventually if we thought they were worth the price we would have to pay; being out of the Philippines?

I am not seriously impressed by all the talk with reference to the alleged defensive necessity for the military fortification of Guam. I am, however, oppressed by a sense of the possibility of a personal responsibility which might attach itself to me for the death of pilots and/or passengers killed at Guam due to my failure to undertake to help try to provide safe landing opportunities. I cannot escape from that thought.

As against this Japanese possibility it is generally agreed, as I have heard stated over and over, that Japan cannot spin a thread offensively against us until and unless she takes Hawaii. She cannot take Hawaii in months, if ever. The only intermediate station for Japan, so naval experts tell us, is Hawaii. Hawaii controls the Pacific; and so long as we continue to make and do make and keep it the American Gibraltar, the impregnable fortress of the Pacific, Japan can bring no war to our shores. That is that! Remember it!

ALASKAN BASES

It is not to be overlooked, however, that as a precautionary measure we should strengthen our Alaskan bases, though, strategically speaking, I have heard it insisted by those who ought to know that the possibility of a successful attack by Japan on the western coast or from a Mexican base may be dismissed as practically impossible of accomplishment.

It is moreover conceded that we will have to defend the Dutch West Indies and the countries of eastern South America and Canada, if we undertake to defend and enforce the Monroe Doctrine, in the interest of our own safety and security, if and when these places are or may be threatened or attacked. Obviously, we will have to do some other things then or before that date in order to defend ourselves, but we will not have to do all of them at once or just now.

Of one thing I am positive, namely, that we need more and better air bases in the Northeast. I also know that we should be glad and willing to spend the necessary money to protect the Panama Canal—and I mean protect it—and ourselves.

I have already said much more in a rambling, disconnected manner than I intended to say when I started. Yet I have only skimmed the subject, or touched the edges, hoping to excite your interest.

I am confident that not a single cent of cut of any appropriation made in the bill under consideration adversely affects the right, power, or our opportunity for the sufficient and complete defense of our country. It admittedly does preclude the unnecessary spending of some of the money that might be experimentally expended were Uncle Sam a Croesus, money mad, or out to shoot up the world on a navy-building spree at the taxpayers' expense.

Let me again reiterate that you cannot fail to observe, if you read the hearings of the last few years, and especially those of last year, that in support of a program covering "what are considered the needs for reasonable national security" in 1939—the Navy's program—"the rapidly changing alinement of European understandings and alliances," and the matter of "security even against possible alliance," and other phases of the world situation were gone into exhaustively by Admiral Leahy.

STRAW-MAN BOGEY OF FOREIGN COALITION

Under what bed was this straw-man coalition bogey hiding at that time? If the statements made to us then were to be relied upon, it follows that the statements now made are not.

SCARECROW OF COALITION

This scarecrow of coalition has a strangely familiar look. He is found on many pages of history and sticks out like a sore thumb again and again in the CONGRESSIONAL RECORD of days gone by. He is always susceptible of resurrection when it is necessary to try to scare somebody.

This is no time to be scared. It is our business as legislators to keep this country out of war, and one way to do that is to keep our legislative appropriative feet on the ground. The oceans, I assume, are no narrower, and our defenses certainly should not be more inadequate, than when in 1938–39 we accepted and adopted and provided for carrying out a program offered and guaranteed by the Navy to secure us adequate national defense.

NO MILITARISTIC DOMINATION WILL BE TOLERATED

In conclusion I am constrained to say that it is time for some plain talk. It should be understood that we will tolerate no militaristic domination here in the United States, such as obtains in Japan, and we propose to step on its head if and when it shows itself.

We just will not permit any such arrogant assumption of governmental functions and prerogatives on the part of any department of this Government.

Now, nobody takes any exception to the enthusiasm and initiative of the admirals or of the generals with respect to the orderly progress and development of their respective departments, but when they or any of them undertake to dictate to Congress, as some of them are charged with having attempted to do, they are just out of line.

I know that we have the finest Army and the best Navy in the world. Each led by men who are fully and completely competent and trained for commanding such magnificient outfits. I am proud of them, and of their accomplishments and their potentialities, but obviously the time has come to remind some of them politely, but nevertheless emphatically, that despite what they may think with regard to their competency, it nevertheless is a fact, as has been said, that military policy is the province primarily of the civil as distinguished from the military power of the state. It is for the civil power to determine higher ends of state policy and to provide the military power with the instruments necessary to support or if need be to defend the policy so adopted. It is for the soldier to advise as to the sufficiency of those instruments, but the determination of policy is not his province save in a state where the military power is supreme or nearly so, as in Japan.

I hope it will be considered apropos to recall here and now what Napoleon said with respect to the clergy when he was criticized for having imprisoned Pope Pius VII. Said he, "The activities of the clergy must be defined and restricted to their proper sphere, within the church. I will run the state." As to the clergy, "Roi, dans le temple, sujet, a la porte," said he. [Applause.]

The CHAIRMAN. The time of the gentleman from Vermont has expired. All time has expired. The Clerk will read.

The Clerk read the bill down to and including line 6, page 1.

Mr. IZAK. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the Navy Department and naval service appropriation bill, 1941 (H. R. 8438), had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. KEEFE] may be

permitted to insert two brief resolutions in the remarks he made this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the Navy Department and naval service appropriation bill may have 5 legislative days in which to extend their remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article from the Chicago Herald-American.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two editorials from a Philadelphia newspaper.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ADJOURNMENT

Mr. SCRUGHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, February 16, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Monday, February 19, 1940, at 10 a. m., before the petroleum subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON FOREIGN AFFAIRS

On Tuesday, February 20, 1940, there will be a meeting of the Committee on Foreign Affairs at 10:30 a. m., to consider H. R. 8446, to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended, and H. R. 7809, authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collector of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1394. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill to provide for the enlargement of the Coast Guard depot at Seattle, Wash., and for the establishment of a Coast Guard servicing base at or near Chattanooga, Tenn.; to the Committee on Merchant Marine and Fisheries.

1395. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill to authorize an increase in the White House police force; to the Committee on Public Buildings and Grounds.

1396. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill designed to enable the Government to use more effectively the charge of conspiracy in suppressing counterfeiting and other offenses against currency, coinage, etc.; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1602. Report on the disposition of records of the United States marshal for the northern district of Texas, by the Department of Justice. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1603. Report on the disposition of records in the General Accounting Office. Ordered to be printed.

Mr. JARMAN: Committee on Printing. House Concurrent Resolution 45. Concurrent resolution authorizing the printing as a document the various proceedings in commemoration of the one hundred and fiftieth anniversary of the commencement of the first session of the Supreme Court of the United States (Rept. No. 1604). Referred to the Committee of the Whole House on the state of the Union.

Mr. JARMAN: Committee on Printing. House Concurrent Resolution 46. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives, current session, on the resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended (Rept. No. 1605). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. H. R. 7343. A bill to amend certain laws governing Federal prisoners, and for other purposes; with amendment (Rept. No. 1606). Referred to the Committee of the Whole House on the state of the Union.

Mr. KRAMER: Committee on Patents. Houst Joint Resolution 433. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Golden Gate International Exposition, to be held at San Francisco, Calif., in 1940; with amendment (Rept. No. 1607). Referred to the Committee of the Whole House on the state of the Union.

Mr. DARDEN: Committee on Naval Affairs. S. 2284. An act to amend the act of May 4, 1898 (30 Stat. 369), so as to authorize the President to appoint 100 acting assistant surgeons for temporary service; without amendment (Rept. No. 1608). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAGNUSON: Committee on Naval Affairs. S. 3012. An act to amend the act entitled "An act making appropriation for the naval service for the fiscal year ending June

30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), relative to the payment of the commuted rations of enlisted men; without amendment (Rept. No. 1609). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAGNUSON: Committee on Naval Affairs. H. R. 7081. A bill authorizing the Secretary of the Treasury to sell certain surplus land owned by the United States in Bremerton, Wash.; with amendment (Rept. No. 1610). Referred to the Committee of the Whole House on the state of the Union.

Mr. FAY: Committee on Naval Affairs. S. 2879. An act to authorize the posthumous appointment of the late Arthur Mortimer Fields, Jr., to be an ensign of the United States Navy; without amendment (Rept. No. 1611). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on Patents. S. 547. An act to amend section 23 of the act of March 4, 1909, relating to copyrights; without amendment (Rept. No. 1612). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MOTT: Committee on Naval Affairs. S. 2157. An act for the relief of George H. Eiswald; without amendment (Rept. No. 1613). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 3738) for the relief of Willard Twitchell, and the same was referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRON:

H. R. 8493. A bill to provide pensions, compensation, retirement pay, and hospital benefits to certain Reserve officers of the Army of the United States; to the Committee on Military Affairs.

By Mr. HARTER of Ohio:

H. R. 8494. A bill to create the grade of chief warrant officer in the Regular Army; to the Committee on Military Affairs.

By Mr. JACOBSEN:

H. R. 8495. A bill to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM:

H. R. 8496. A bill relating to the employment of United States citizens in the Canal Zone, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LESINSKI:

H. R. 8497. A bill to extend existing immigration preferences and priorities to certain Polish orphans and refugees under the age of 16 years who resided within the boundaries of the Republic of Poland at the time of the German invasion of Poland on September 1, 1939; to the Committee on Immigration and Naturalization.

By Mr. WHITE of Idaho:

H. R. 8498. A bill to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. ROGERS of Oklahoma:

H. R. 8499 (by departmental request). A bill relating to adoption of minors by Indians; to the Committee on Indian Affairs.

By Mr. DEMPSEY:

H. R. 8500. A bill authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico; to the Committee on Flood Control.

By Mr. JENSEN:

H. R. 8501. A bill to authorize the construction of flood-control works at Council Bluffs, Iowa; to the Committee on Flood Control.

By Mr. MACIEJEWSKI:

H. R. 8502. A bill to amend the Immigration Act of 1924, as amended, to extend preferences within the quota to certain orphan children and refugee children of the countries of Poland, Czechoslovakia, and Finland, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SNYDER:

H. R. 8503. A bill to provide for the location, survey, and building of a system of three transcontinental and six north-south highways; to the Committee on Roads.

By Mr. CANNON of Missouri:

H. J. Res. 459. Joint resolution making an additional appropriation for soil conservation and domestic allotment payments for the fiscal year ending June 30, 1940; to the Committee on Appropriations.

By Mr. JENSEN:

H. J. Res. 460. Joint resolution prohibiting the importation into the United States of certain cotton rugs; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their assembly joint resolution No. 9, with reference to steamship service between Pacific coast ports and the Panama Canal Zone; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Georgia:

H. R. 8504. A bill for the relief of Dr. A. C. Wade; to the Committee on Claims.

By Mr. LANDIS:

H. R. 8505. A bill granting a pension to Jessie Myrtle Bennett; to the Committee on Invalid Pensions.

H. R. 8506. A bill granting a pension to Ella Tate; to the Committee on Invalid Pensions.

H. R. 8507. A bill granting a pension to Harry C. B. Frets; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6497. By Mr. CONNERY: Resolution of the Atlantic Deeper Waterways Association, favoring a preliminary examination and survey to be made by the Army engineers with a view to extending the Intracoastal Waterway north of Boston to Portland, Maine; to the Committee on Interstate and Foreign Commerce.

6498. By Mr. COLLINS: Concurrent resolution submitted by the Mississippi State Legislature, memorializing Congress to make available funds for rural housing; to the Committee on Banking and Currency.

6499. Br. Mr. DICKSTEIN: Resolution for late Senator William E. Borah; to the Committee on Memorials.

6500. By Mr. HART: Petition of the United Polish Societies of Irvington, N. J., requesting the President of the United States to use his good offices with the Governments of the Union of Soviet Socialist Republics and of Germany, to open channels for outside relief of food, clothing, and medicine for the distressed population of all creeds and races in the occupied areas of Poland; to the Committee on Foreign Affairs.

6501. Also, petition of the National Maritime Union of America, New York, N. Y., opposing the granting of loans or any other material form of aid to Finland or any warring European nation, and condemning the present war emergency budget; to the Committee on Foreign Affairs.

6502. Also, petition of the National Maritime Union of America, New York, N. Y., opposing the involvement of the United States in war, and opposing the further transfer or sale of American ships to foreign governments; to the Committee on Merchant Marine and Fisheries.

6503. Also, petition of the National Maritime Union of America, New York, N. Y., demanding that the Dies committee be scrupulous to conduct its inquiry on a fair basis; and that no crippling amendments or changes be effected impairing the structure of the National Labor Relations Board or the Wagner Act; to the Committee on Labor.

6504. Also, petition of the New Jersey Society of the Sons of the American Revolution, Newark, N. J., unalterably opposing Senate bill 1650; to the Committee on Military Affairs.

6505. By Mr. JOHNS: Petition of A. J. Woerful and 40 others, of Door County, Wis., requesting support of House bill 1, known as the Federal chain-store tax bill; to the Committee on Ways and Means.

6506. By Mr. KEOGH: Petition of William H. Hubbel Camp, No. 4, United Spanish War Veterans, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Foreign Affairs.

6507. Also, petition of the Greenpoint Peoples Regular Democratic Club, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Foreign Affairs.

6508. By Mr. LESINSKI: Petition of the workers of the sewing project of the Work Projects Administration at Dearborn, Mich., protesting against the consecutive 18 months' lay-off; to the Committee on Appropriations.

6509. Also, petition of Edgar Brogan and other residents of Ecorse, Mich., urging the enactment of House bill 1, the Patman chain-store bill; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 16, 1940

The House met at 11 o'clock a. m. and was called to order by the Speaker pro tempore, Mr. RAYBURN.

Rev. J. Luther Neff, pastor of the Wesley Methodist Church, Washington, D. C., offered the following prayer:

O God and Spirit Father of mankind, in humility and conscious dependence we bow our spirits before Thee this day. Somehow we do believe that Thou canst help us at the point of our deepest need, doing more abundantly for us than we could possibly ask or think. Therefore in this brief moment of quietness may our inner, better selves give eager welcome to Thy presence. Free us, now, from servitude to selfishness, disobedience, and sin. Challenge us to a deeper faith in Thy power, a more complete trust in Thy love and mercy, and an ever-enlarging service to a terribly needy world. Through our more perfect surrender to the call of Thy spirit, may the glorious freedom of Thy truth become our prized possession; may the sense of spiritual power become our chief reassurance in facing life and responsibility; and may our inner integrity be our highest commendation before men. These things we ask in Christ's name, in whom and through whom Thy nature and purposes stand revealed. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8068. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. TYDINGS, Mr. MCCARRAN, Mr. BAILEY, Mr. BRIDGES, and Mr. LODGE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 38. Concurrent resolution authorizing the printing of additional copies of Senate Report No. 1182, entitled "Investigation of Railroads, Holding Companies, and Affiliated Companies."

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriation acts.

FRANCES E. WILLARD

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I have been asked to announce that exercises will be held in Statuary Hall tomorrow, Saturday, at noon under the auspices of the Frances E. Willard Centennial Total Abstinence Society.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri asked and was given permission to revise and extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. DITTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DITTER. Mr. Speaker, we have before us today the appropriation bill for the Naval Establishment. The committee have considered with care the estimates and suggestions as they came from the Naval Establishment. I believe the bill merits the support of the entire membership of the House, and I trust that the recommendations of the bill, during the course of its consideration this afternoon, will be approved by this body.

The request of the Navy Department for an appropriation of $954,540,000 for the fiscal year 1940 is a phenomenal peacetime occurrence. This is more money than the Navy spent in any year of its history except during the World War. The appropriations for the Navy under the New Deal have risen from $267,000,000 in 1934 to the present request of $954,540,000 for 1941. Thus, it is apparent that funds requested by the Navy for expenditures have almost tripled during 7 years. In 1934 there were only about 90,000 officers and enlisted men in the Navy. Now we are requested to appropriate funds for a navy of a total force of 145,000 men—an increase of over 50 percent. The Marine Corps is to be increased from 16,000 in 1934 to 25,000 for 1941—again an increase of 50 percent.

To persons who are used to dealing in terms of billions of dollars I suppose that these figures of expenditures for the Navy do not bulk very large. Of course, even with these

great increases, our expenditures for the Navy are not as large as those of most of the European countries. But in these increases of appropriations for the Naval Establishment there lurk certain potential dangers. The American people have been peace loving; I doubt whether there is a more peace-loving nation in the world. Our Government has never been dominated by military leaders. But what is going to happen to this country if the expenditures for the Military and Naval Establishments continue to increase at the rate they have during the past few years? Is it not possible that the position of the armed forces in our governmental structure will be changed? Is there not a possibility that when larger and larger funds are appropriated for both the Army and Navy that their significance in American thought and politics will be greatly magnified? Is it possible that there will be a tendency for the officers of these establishments to attain a much more significant position in our national economy? They may even tend to direct, to control, and to dominate general governmental policy.

Of course, you will say that there is no danger of this change taking place at the present time. That is true, for right now there is no such danger. But if the appropriations for these establishments continue to increase at the rate they have been during the last several years, it will not be long until the Army and Navy will be considered the most significant branches of our National Government. The officers in both of these armed forces will have, consequently, a larger and larger part to play in determining the course of general national policy. They will cease then to be the agents, the tools, and the instruments of the people, and may possibly raise themselves in national affairs by gradual degrees so as to become the masters of the people.

Let me make myself clear. I do not mean to imply that there is any subversive or sinister plot on the part of our high naval and military officers. They sincerely believe that what they are doing is absolutely necessary for the national defense. Of course, they are partisan, a word I do not use with any sinister connotation, in their views. They have no personal desires to take the center of the stage and become the dominant force in the determination of policy. Whether or not they have such personal desires is beside the point. Their rise to power in our national economy will follow naturally as a consequence of their increased significance resulting from greater and greater appropriations for their establishments. It would be inevitable, it would be natural, and it would be difficult to stop.

Japan is a fine example of a country that is under the complete control of military factions. An army clique runs the entire government. It determines what foreign and domestic policies will be. It determines what will be the proper method of handling and executing such policies that will be adhered to. In Japan the military establishment is far from being only an agent of the people; it is their complete master. The same situation actually exists in many a Latin American country. I suppose you will call me an alarmist for making these statements. I would rather be labeled an alarmist for doing so than to neglect my duty to point out to you that these possible potentialities might exist for even the peace-loving United States.

We cannot be unmindful of the course pursued by the President at the time of the outbreak of the war in Europe. He immediately found a "limited national emergency" to exist and thereupon took steps to increase the size of the Army, Navy, and Marine Corps. The atmosphere of peace was disturbed not only by the memories of the World War but a fear was implicated that a hazardous condition was present. All of us remember the reports that were circulated of periscopes being seen off the Atlantic and Pacific coasts. Danger was said to lurk right at our shores. A so-called neutrality patrol was set up to prevent belligerent submarines from refueling off our coasts. Thus the ground was laid for the justification of vastly increased estimates for the national-defense program. My fear is that if the Military and Naval Establishments grow in importance such moves as those which we have already witnessed will be all the more frequent and their effects all the more far reaching.

The increases in our Naval Establishment have been astonishing. The monthly expenditures for the construction of naval vessels was approximately $18,000,000 in 1939. It jumped to about $25,000,000 in 1940. It makes another upward drive in 1941, hitting the high-water mark of $31,000,000. Thus, during the course of 3 years we have witnessed an increase in this one item of almost 100 percent. It seems to me that caution is in order. It seems to me that an impression should be made upon the Naval Establishment that our first objective is the maintenance of peace, and that the expenditures for the Navy can only be justified as the money appropriated represents peaceful purposes.

Attention should be called to the suggested policy advocated by the Navy of a material increase in the complement of men manning the ships. It has been generally considered that our naval vessels should be manned up to 85 percent of their full complement. Since the declaration of the limited emergency there have been those who have urged that the increase of personnel should be up to 100 percent. Apparently this suggested increase was even looked upon by the Navy as excessive, for the estimates ultimately rested on the basis of manning our naval vessels to 89.8 percent of their full complement. Again the war in Europe—the need of a neutrality patrol—the uncertainty of war conditions provided the basis upon which the increase over peacetime strength was advocated. As for myself, I am still convinced that a complement of 85 percent is sufficient.

I feel that I should direct your attention to some of the practices that have been used during the course of the last 7 months in expanding the naval program. To me they indicate either a disregard for democratic processes, or, at best, a weak effort to try to come within the law. They represent the procedure followed in those countries that are dominated by the armed forces. For instance, the policy of having two budgets is subject to much question. You will recall that we have an A budget and a B budget—one, which is supposed to be the ordinary expenditures of the Department, and the other, the so-called B budget, covering allegedly emergency expenditures for the fiscal year 1941 that were supposed to have resulted from the present war situation in Europe and the neutrality patrol. The A budget carried $829,000,000 and the B budget $125,000,000. The B budget items are considered to be temporary. They were supposedly not to include permanent public works. Let us examine them. There is an item of $55,700 intended for the building and equipment of a training school at Norfolk to train enlisted men in specific skilled trades. Your attention is directed to the hearings, which indicate the rather futile efforts that were made not only on this item but on many items to justify their allocation in the B budget, as, for instance, new barracks and officers' quarters in the Canal Zone, new airplane hangars, and others of a similar kind.

There is another point I would like to call to your attention. Last year we appropriated $50,000,000 for public works in the Navy Department, with specific proviso in the appropriation law that these funds would be expended for projects that were previously authorized or were authorized therein. But during the fiscal year 1940 over $7,500,000 have been diverted from projects that were therein authorized and are being used to construct projects that were never authorized by Congress in derogation of the specific language of the appropriation act. The annual maintenance and operating costs of these projects will be $480,000, according to the Navy Department. If it were desirable to undertake the construction of these new projects, why was not Congress consulted? At the time such decisions were made to undertake these projects the House and Senate were sitting. Could it be that the administration was too timid to ask us to authorize the expenditure of funds for these projects? Could it not be possible that they thought we might not approve of these new undertakings? Is this responsible democratic government?

Lastly, I would like to call to your attention a rather unusual phenomenon. Most of us believe that a deficiency appropriation is something that is necessitated by circumstances not existing or not clearly contemplated at the time the original appropriation was requested and approved. It is to fill a deficiency—a lack that was not apparent when we made the original appropriation. But in these hearings we have a new phenomenon. The Secretary of the Navy admitted, in testifying before our committee, that the Navy Department would have to ask for a deficiency appropriation for the fiscal year 1941 of approximately $100,000,000. He said that he could be certain that the appropriation would not be more than that for he had the items pretty well in mind. He knew what he would have to ask for and the cost thereof. Is it that the New Deal did not want to come and ask that we appropriate more than $1,000,000,000 for the Navy the next year all in one bill? Did they think it would meet public sentiment better if they were to ask for $954,000,000 now and $100,000,000 or so a little later? At least, this is a possible conclusion from the evidence that was tendered to us.

An adequate national-defense program is a necessity. I have always advocated it and supported measures looking toward that end. I believe the Navy is our first line of defense. I intend to help in providing for its reasonable requirements. But an expansion program based on an undefined foreign policy or on an exaggerated domestic need—a program that carries with it an admitted divergence of funds—must be looked upon with some degree of apprehension and a considerable amount of suspicion.

EXTENSION OF REMARKS

Mr. FRIES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by our distinguished Attorney General, Mr. Robert H. Jackson, to the American Youth Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE NAVAL APPROPRIATION BILL, 1941

Mr. SCRUGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8438, the Navy Department appropriation bill, 1941, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Clothing and small-stores fund: For purchase of clothing and small stores for issue to the naval service, to be added to the "Clothing and Small-Stores Fund", $2,000,000 ("B" item): *Provided*, That the clothing and small-stores fund shall be charged with the value of all issues of clothing and small stores made to aviation cadets and enlisted men of the Naval Reserve and the uniform gratuity paid to officers and aviation cadets of the Naval Reserve.

Mr. SCRUGHAM. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SCRUGHAM:

On page 35, line 2, after the parenthesis, strike out the remainder of line 2, and all of lines 3, 4, 5, and all of line 6 through and including the word "Reserve."

The committee amendment was agreed to.

The Clerk read as follows:

For contingent expenses and minor extensions and improvements of public works at navy yards and stations, $140,000 ("A" item).

Mr. RICHARDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll when the following Members failed to answer to their names:

[Roll No. 27]

Allen, Ill.	DeRouen	Jenkins, Ohio	Rockefeller
Allen, La.	Dies	Keefe	Sabath
Barden	Dingell	Kelly	Sasscer
Barton	Dirksen	McAndrews	Schwert
Beam	Drewry	McGranery	Seccombe
Bell	Dunn	McKeough	Shafer, Mich.
Bolles	Edelstein	Magnuson	Shannon
Brooks	Fernandez	Maloney	Sheridan
Buckley, N. Y.	Fish	Martin, Ill.	Short
Bulwinkle	Fitzpatrick	Martin, Iowa	Smith, W. Va.
Burch	Garrett	Martin, Mass.	Somers, N. Y.
Byrne, N. Y.	Gehrmann	Merritt	Steagall
Camp	Gilchrist	Mills, La.	Sullivan
Cannon, Fla.	Grant, Ala.	Mitchell	Sumners, Tex.
Carter	Gross	Mouton	Sweeney
Case, S. Dak.	Hancock	Nelson	Thomas, N. J.
Celler	Harness	Norton	Thorkelson
Clark	Harter, Ohio	Patman	Whelchel
Clason	Hinshaw	Rabaut	White, Idaho
Cluett	Hope	Randolph	White, Ohio
Collins	Horton	Reece, Tenn.	Winter
Crowther	Jarrett	Risk	Woodruff, Mich.
Darrow	Jeffries	Robsion, Ky.	

Accordingly the Committee rose; and Mr. RAYBURN having resumed the chair as Speaker pro tempore, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8438, the naval appropriation bill, 1941, and finding itself without a quorum, he had directed the roll to be called, when 332 Members responded to their names, a quorum, and he handed in the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Fourteenth naval district—Guam: Improvement of harbors and channels, $3,000,000; Pearl Harbor: Mooring facilities, $200,000.

Mr. RICHARDS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS: Page 42, lines 7 and 8, after the word "district", strike out the words and figures "Guam: Improvement of harbor and channels, $3,000,000."

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCRUGHAM. Mr. Chairman, will the gentleman yield to permit me to submit a request for unanimous consent?

Mr. RICHARDS. I yield.

Mr. SCRUGHAM. Mr. Chairman, I ask unanimous consent that debate upon this amendment conclude in 1 hour.

The CHAIRMAN. The gentleman from Nevada asks unanimous consent that debate upon this paragraph be limited to 1 hour. Is there objection?

Mr. FADDIS. Mr. Chairman, I reserve the right to object. Is it understood that those on their feet at the present time will receive recognition under the allotted time?

The CHAIRMAN. The Chair will undertake to recognize them as best he can.

Mr. FADDIS. Is it understood that we will get 5 minutes each in that case?

The CHAIRMAN. If the time is fixed, the Chair will undertake to apportion it equally.

Mr. FADDIS. Mr. Chairman, I object.

Mr. RICHARDS. Mr. Chairman, I have offered this amendment to strike the Guam item because I consider it the only really useless, and I might say dangerous, provision in the naval appropriation bill for this year. A great deal of talk has been indulged in and a smoke screen has been cast around in order that it may appear to the uninformed that those opposed to this provision in the bill are more concerned with the Japanese viewpoint than anything else. It does not make any difference to me what the Japanese think about it. There is no Member of this House who is less in sympathy with the present policy of Japanese aggression than I am. No Member

realizes more clearly than I that Japan must pursue a different course in the future if she is to continue as a real friend of the United States. Some people say that we who are opposed to this provision are not in favor of proper naval strength for the United States. Personally I think we should have a navy as great as any on the face of the earth. I go further and say that I think an indispensable outpost in our defense system is the Pearl Harbor naval base at Hawaii, and I will vote for any measure that will tend to make that base the greatest on the face of the earth. Hawaii is something over 2,000 miles away from the United States. It has been testified by experts time and time again that our natural western defense line extends from the Aleutian Islands to Hawaii to Samoa to the Panama Canal; but, Mr. Chairman, it is a different proposition when the Navy comes in here and says, "We want funds from Congress to begin the establishment of a great naval base over 6,000 miles away from the United States, 3,800 miles beyond our farthest defensive point up to this time, which is Hawaii"—a distance beyond the Hawaiian Islands as far as from here to Europe. That is what they are asking today, and do not let anyone tell you anything else. Proponents of this item will assert that this is innocuous and harmless, the little $3,000,000 asked for the development of normal harbor facilities at the harbor of Guam. Last year they decided to test this thing before the Congress through the Naval Affairs Committee, and Admiral Cook came before the Naval Affairs Committee, and Admiral Leahy and Admiral Moreell. The latter asserted, when asked why he did not go before the Appropriations Committee for an appropriation under existing law or why he did not go before the Rivers and Harbors Committee, that it was because the Navy wants to lay its cards on the table to Congress. The Navy laid what cards it had on the table, and Congress decided that those cards were not in the interest of the American people and were not in the interest of peace. The whole United States public, as shown by the Gallup poll, is in sympathy with China as against Japan; is not in sympathy with Japan's aggressive policy; but it has never been the concrete opinion of the American public that the Navy should go 6,000 miles away from home and build another Gibraltar or a Singapore on the little island of Guam in the midst of 1,000 Japanese mandated islands, some of them not more than 25 miles away, and some of them already fortified.

Now, that may be a very good thing for a nation that is embarking on an imperialistic policy, but it is not a good thing for a nation that has never given ear to the doctrine of imperialism. It might be a good thing for Great Britain to build naval bases all over the world, because Great Britain owns territory all over the world, but the United States does not. The United States in 1936 openly declared through Congress that we intended to get out of that Achilles' heel of the United States known as the Philippine Islands, when considered from a defensive standpoint. If you embark on a program of fortifying Guam, just as sure as you are sitting here today a movement will follow that we repeal the law passed in 1936 giving independence to the Philippine Islands. We have promised those islands their independence time and time again, and they have asserted their right to and belief in independence time and again. They seem not to be quite so anxious for independence just now on account of fear of Japan, but the Filipinos must remember that they cannot "have their cake and eat it, too."

Last year, when the admirals came before this Naval Committee, Admiral Cook said that he wanted to lay his cards on the table. He said, "We just want to improve these innocent little harbor facilities." Last year the Congress did not think that that is all they wanted to do. Now they come here, through the Appropriations Committee, after Congress had turned down an authorization, and they say, "Well, we are going to come in through the other door and get the same thing." It is another door but leading to the same old thing—the report shows that. Here is what Admiral Cook said last year. They asked $5,000,000 last year and now they are asking $3,000,000. Admiral Cook said:

> Of the $5,000,000 proposed, at least $4,000,000 will be devoted to dredging a breakwater, and the remainder will be used for a tender pier, airplane ramps, and parking area.

Every bit of it in the harbor; yet the distinguished gentleman from Minnesota [Mr. MAAS], who is an authority on the subject, says that the improvements asked for here are for shore improvements. They are no more so than those asked last year through the Naval Affairs Committee, when Congress turned them down.

The American people believe in millions for defense but not one cent for tribute, and not one cent for going into territory where we do not belong, to build great naval bases or great forts, or anything else.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. MAY. I notice in this bill on the same page on which the item for the improvement of Guam is included, a large number of other places to be improved. I would like to have the gentleman tell us what is the difference in the right of our country to improve its property, whether it be at Norfolk, Va., or anywhere else?

Mr. RICHARDS. Our country has a right to improve anything that belongs to us. We have a right to walk down the street if a machine gun is barking; but it is not always wise and expedient. It is not a wise thing for the American Nation to go 6,000 miles from home when we do not have one single thing to defend in that territory and in that area, in the midst of a group of mandated islands, 1,000 of them, controlled by a nation that is not generally considered to be friendly to us; a nation that has a kind of government we do not believe in. We are hunting trouble when we go out there, and if we go out there we are going to have more trouble than you ever heard of in the event of war, because it is generally known, and every expert admits, that the farther you go away from home on land or on water, the harder it is to defend yourself and the harder it is to stay out of trouble.

Now, if this item is allowed to stay in the bill the Navy people will come back here a little later on and they will say, "You have extended our defense lines 3,800 miles; defense strength on sea depreciates in ratio to the distance our defense lines are stretched. We, therefore, need many more big battleships. We need many more great guns to defend these extended lines. You started us out on this program, now back us up. We cannot back down. We have come to Guam because Congress approved and, just because the Japanese do not want us down here, is that any reason why we should run?" Then you gentleman, along with myself, will possibly have to back up the unwise action that this Congress has been a party to.

So I ask you, my friends, if this harbor at Guam needs dredging, if it needs new jetties, let them come back again like they did last year and say they want to lay their cards on the table and let Congress debate this more fully, or let them go to the Rivers and Harbors Committee where they went in the first instance. But no, they did not get in that door before, so they have chosen this door. Congress did not approve of the way they laid their cards on the table that time and they don't want to lay them there again.

You can believe it is an innocuous proposition if you want to. You can believe there is no danger in it, but I cannot believe that. You may believe that it is wise from a strategic military standpoint to inject that salient 6,000 miles away from the United States, but I cannot. I hope you will agree with me that this item will bring great danger of our involvement in trouble in the Orient. Help me strike it from the bill. [Applause.]

[Here the gavel fell.]

Mr. SCRUGHAM. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 1 hour.

The motion was agreed to.

Mr. TERRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that before we can arrive at any correct solution, or give final consideration to what should be done with Guam, we should know what our decision will be as to the future of the Philippines. Under

legislation that was enacted several years ago the Philippines are to have their independence in 1946, and the United States is to leave the islands at that time. It will become an independent country, and by the vote and at the request of the Filipinos themselves. If we carry out this policy and do not take upon ourselves the moral obligation to defend the Philippines, even though it is an independent country, then there is no occasion, it seems to me, for fortifying Guam. If we are going to concede that we have a moral obligation in the Philippines, then we should consider adequately fortifying the Philippines, and then we shall have to have a navy twice as big as we contemplate now; and if we fortify Guam and undertake to protect it against the aggression of the nearest nation to it—Japan—then again we shall have to have a navy twice as big as we now contemplate.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TERRY. I yield.

Mr. KNUTSON. How much further would it increase our line of defense in the Pacific if Guam were fortified?

Mr. TERRY. It will increase our line of defense at least 3,800 miles, the distance Guam is from Hawaii.

Mr. KNUTSON. That would necessitate greatly increasing the Navy.

Mr. TERRY. The gentleman is correct.

It is said that for Japan to attack the United States it would have to have a navy twice as big as Japan has now. For the same reason, for us to protect Guam and the Philippines, we would have to have a navy twice as big as the one we contemplate now.

So when you come to the question of fortifying Guam—and that is the ultimate thing we have got to consider here—then we must decide that we are going to have a navy twice as big as we are appropriating for now in order to have any chance of protecting our new outpost.

If this item is in good faith a mere harbor-dredging proposition, why not let it come under the Rivers and Harbors Committee where things of this sort are taken care of? They say that Guam is under the control of the Navy and therefore the Navy should do this work, but that is not a complete answer. We are doing dredging work now, getting rid of coral reefs in order to assist commercial air lines and our naval planes, in the harbor at the Midway Islands, and we are going to dredge at Wake Island. The Army engineers, under the Rivers and Harbors Committee, are doing that work. Then, if this is merely a dredging proposition, why not let this project come to the Rivers and Harbors Committee and let them make the proper authorization and report out legislation for that purpose?

Mr. Chairman, this is that same old moth-eaten camel we have heard so much about. I do not know what we would do if we did not have this old camel. I do not know what we should do if we did not have the old "red herring" to drag across the trail. Here you have the camel sticking his nose under the proverbial tent. The admirals told us last year that it was their intention to fortify Guam. They have not given up that idea. They never give up an idea when once it enters their heads. This is merely the opening wedge. I say to you, my colleagues, that if this is merely a dredging project and if you want it done in a regular, orderly manner, and at the least expense, you will turn it over to the Army engineers under the Rivers and Harbors Committee. The Army engineers are now doing this work at Midway, and, as I said a while ago, they are going to do it at Wake. They have the personnel and they have the equipment which they will use and move from place to place in the most economical manner.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. TERRY. I yield.

Mr. MOTT. The gentleman understands, of course, that the Navy has jurisdiction to make these improvements.

Mr. TERRY. I said that the Navy Department has jurisdiction at Guam.

Mr. MOTT. What difference does the gentleman think it makes whether the Army engineers do it or whether the Navy Department does it?

Mr. TERRY. The Army engineers would do it with the same equipment and personnel they are using to do this work at Midway and at Wake. It will be done properly and economically by them, and we will not have all this camouflage about fortifications in the future. [Applause.]

[Here the gavel fell.]

Mr. MILLER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, last year I voted against the authorization for the $5,000,000 item then in the bill for Guam. As I said the other day in general debate, I voted that way because of misinformation. This year I have read the hearings very carefully, and I cannot see any connection between the expenditure of this $3,000,000 in the improvement of this harbor and fortifying Guam. Not only do we have Navy planes landing there, but it is used as a stopping place for the clipper ships flying the Pacific, and I am one Member of Congress who would not want to take the responsibility of refusing to make this improvement and perhaps reading in the press some months from now that a clipper ship loaded with passengers had turned over in the harbor of Apra.

The only objection I can see to this item in this bill is the question of whether it should be done by the Navy Department or by civilian contractors.

I am unalterably opposed to any department of the Government doing work that can be done as well or better by civilians.

Mr. CALDWELL. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Florida.

Mr. CALDWELL. I call the attention of the gentleman to the fact there is nothing in this appropriation which prescribes the method to be followed in the development work on this harbor. It can be done and will be done by private contractors.

Mr. MILLER. I thank the gentleman. I raise that point because the testimony before the committee was to the effect there was no civilian company equipped to do this work in Guam. I questioned that statement at the time, and I sent a wire to one of the largest marine contractors in the country. I have their answer in my possession that they are equipped to do the work in Guam. I express this thought in the hope the Navy Department will give civilian contractors who are equipped to do this type of work the opportunity to bid on it. I hope that the work will be done and water provided for the island of Guam. If we are going to keep Navy personnel there, they are entitled to adequate drinking water. Naval and civilian pilots are entitled to a place for safe landing, and they cannot get that until this breakwater is built and the coral reefs removed.

Mr. CALDWELL. In reference to the statement the gentleman made that there was no civilian organization capable of doing this work, may I say that there was no organization over there large enough to accomplish the objective; however, the civilian organizations of this country could afford to go there at some fair degree of economy and do the work.

Mr. MILLER. I thank the gentleman. That is one thing I questioned in the report.

Mr. RICH. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Pennsylvania.

Mr. RICH. When we consider the fact that this island is 3,850 miles beyond Hawaii, why should the American Government own an island that far away from its own shores? What is the object? Why should not that island be given to some other country so that we will not eventually have to fortify it, then wave a red flag in front of some of these Asiatic countries which might think we are eventually going to war with them.

Mr. MILLER. I am opposed to fortifying the island of Guam, but I do not think we should be led to believe that this is the first step toward fortification. This is a safety measure only and it is not exorbitant in comparison with the sum of money we are spending for the improvement of our civilian aviation.

In the remaining minute may I call the attention of members of the committee to the appropriation for the construc-

tion of two 45,000-ton battleships? One of these battleships was authorized in 1934 and the other in 1938.

I believe that this Government should go very slowly in voting appropriations for huge battleships. The development of bombing technique has been very rapid. While it is true at the present time that there is no other country with as efficient a bombing site as the bombing site used by our Army and Navy, we know it is only a question of time until some European power will be able to copy it. When we see bombs released on a 12-foot target from an altitude of 14,000 feet and make 8 out of 10 hits, we cannot help but wonder what value a battleship would be in modern warfare.

If we are in danger of attack, and the proponents of this naval expansion program maintain we are only providing for defense, it seems to me that the millions this bill provides to build these two huge battleships could much better be spent in increasing our fleet of submarines and aircraft, with possibly some addition to the cruiser and destroyer group. I am convinced that before the present World War comes to an end, battleships will be a thing of the past.

[Here the gavel fell.]

Mr. FADDIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in consideration of the pending amendment to strike out the appropriation for this harbor in Guam I hope the members of the committee will cast aside any sectional viewpoint. This is not a question of either surrendering or retaining any territory over which we may have control which furnishes competition to cottonseed oil. It is a question of the preservation of our commercial life.

One of our most important commercial life lines is to the east. It reaches to the Dutch East Indies. From here comes our supply of rubber and tin—the two most important of our industrial commodities for which we are dependent upon importation. Upon these two essential commodities is builded our automobile and tin-plate industries, with their various subsidiary industries.

The Navy of the United States is for the purpose of protecting our national interests abroad as the need may arise. If it is to protect our interests in the east, it must have bases from which to operate. If this territory should fall under the control of an unfriendly power which would undertake to deny our commerce access to these markets, we must be able to protect our commerce. If we do not do so, then we will deteriorate into a second-class nation. Our trade is valuable and must be protected. Oh, I know an idea to the contrary exists today, but that idea will pass as other foolish fancies have passed. Trade is necessary to civilization and democracy.

What would an interruption of our trade to the east mean to the cotton-producing sections of this Nation? It would mean the destruction of our automobile industry. The surplus of cotton which would result would be a far greater calamity than the competing coconut oil from the Philippine Islands ten times over. What would the shut-down of our tin-plate industry mean to this Nation? It would affect not only those centers where the tin plate is made, but every agricultural section where produce is raised for canning.

If our supply of tin and rubber should be interrupted, then we would indeed have an employment problem of gigantic proportions on our hands. I believe it would at least triple our unemployment. We must not take any chance, in the face of world development, of leaving our commerce in the east unguarded.

I resent the implications that the American Navy is desirous of engaging in missions which may lead us into war. It never has and I hope it never will engage in such missions. It must, however, be in position to protect our legitimate trade in any quarter of the globe when and if the necessity for protection may appear. Let us assist it in this mission by voting down this amendment. [Applause.]

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have never seen this House do anything unless it was the opinion of the majority of the House that the thing it was trying to do had some reason for having it done. What is the purpose, after all, of this Guam appropriation? Not even the friends of the proposed appropriation will contend that it is for the purpose of fortifying Guam, because every naval authority, and I think every man in this House, will admit that we could never keep men enough on Guam and hold it. So it can only be for the purpose of dredging a harbor, so to speak.

There is no one in this House more friendly to aviation than I. I believe Pan American is doing a grand job in flying the Pacific. I also believe they are doing a grand job of landing at Guam right now. I did not know until just a few minutes ago that this was a regularly scheduled stop. If it is, the Pan American clippers are every trip stopping at Guam and making landings and take-offs. So what is the matter? They have been getting in there for the entire length of the operation of the Pan American system across the Pacific Ocean, and if they have been doing it for a year or more, why is it, then, that they cannot continue to do so?

Do we need Guam for a landing for Navy planes? I do not think so. The Navy has no scheduled flights across the Pacific; only Pan American has them. If the facilities at Guam are now such that Pan American makes scheduled stops there every trip, then what is the Navy complaining about if they do not want to fortify Guam?

For us to set some men on the island of Guam is to set a decoy out there that no one will say we can defend. No one can give a good reason why we need the island even if we could defend it. It is only the size of your hand. We would be sitting out there, a target for Japan.

Whenever Japan is ready, without the formality of a declaration of war, it could go out there and jump on Guam and kill some American sailors or soldiers or marines, and then we would be insulted. Then Japan could go back into her shell and, in order to protect the dignity of this Nation, we would have to send the Navy and the Army of the United States to Japan and declare war on her; and this when there was never any sense in putting our men out there in the first place, like a sore thumb, to be jumped on by Japan.

Mr. Chairman, I am certainly going to support this amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, I do not know that I can add anything to the argument that has been made here against this appropriation, but I do feel keenly the duty and the responsibility to raise my voice in protest again this year, as I did last year, against this beginning of the fortification of an island approximately 6,000 miles from the American shores.

Let me read briefly from a statement of General Schley, Chief of the Army Engineers. I believe most of you will be interested in getting these figures about the location of this island:

> By trade routes the island is 1,820 miles southeast of Hong Kong, China; 1,350 miles almost due south of Yokohama, Japan; 1,740 miles east of Manila, P. I.; 3,070 miles north of Sydney, Australia; 3,320 miles west of Honolulu, T. H.; 7,990 miles west of the Panama Canal Zone; and 5,050 miles southwest of San Francisco, Calif.

In other words, we are embarking upon a new foreign policy of fortifying—and that is all this is, the beginning of the fortification—an island that far away from the American shore.

This House is a wonderful body. It is composed of what I believe are the best minds in this country, but it can do some very peculiar things sometimes. Last year when this matter was under consideration, not in connection with an appropriation and not in an era of economy, this House turned down the authorization for the appropriation. This year, when we are in the midst of a drive for economy, when the farmers want

money and have been turned down by the House, we apparently now are on the verge of appropriating money for an island way out there bordering upon Japan. [Applause.]

I cannot believe that this House is so soon going to reverse its position. What is there that has happened that would so change the situation as to justify the House in reversing its position so quickly? On the contrary, is there not every reason that the House should be consistent and again refuse the funds to begin what eventually will be a fortification of an island just off the shores of Japan with the resultant and inevitable international complications that would arise? But in this connection permit me to say that I am in nowise motivated by what Japan might think of this, or any other foreign nation for that matter. My opposition to the improving or fortifying of this island is not, as some have suggested, due to Japan's opposition. I do not give a tinker's damn about what Japan might think of it. But I am concerned with the trouble that it might lead to so far as this country is concerned. This country is not now, nor has it ever been, a country with imperialistic tendencies. If we want to embark upon the troubled seas of imperialism, then this is a good way to begin. It does not require a vivid imagination to foresee that this is but the entering wedge to the eventual fortification of this island. It was recommended in the Hepburn report, and its most ardent advocates of this improvement here today believe in the fortification of the island.

Moreover, it does not require a seer to see that the island having been fortified at an enormous expense to an already overburdened Government will require the call of American youth eventually to defend such fortifications off the shores of Japan. Do you not realize that when we begin to fortify islands off the coasts of other countries that this is another demand for an ever larger and larger Navy and armed force?

But, Mr. Chairman, I am opposed not only to the fortification of this island with its resultant evils but I am opposed to the expenditure of even $3,000,000 of the taxpayers' money at a time when we are trying to do everything within our power to prevent additional taxation and to prevent going further and further into the red each year. This House refused to make the appropriation this year for parity prices for the farmers of the country. And let me digress here to say that so far as I have been able to learn the farmers of the country have been the only ones who have been cut in this economy drive.

It is argued here that this will afford better facilities for the commercial air lines which navigate this course to the Orient. Is it not true that we are now subsidizing these air lines at the expense of the taxpayers? Here is an opportunity to cut the appropriation of somebody other than the farmers who so far have been made the goat in this drive for economy. I hope that the amendment may be adopted. Having led off in the fight last year against this item, it was my purpose to offer this amendment on this occasion. But I was glad to yield to my distinguished friend, the gentleman from South Carolina [Mr. RICHARDS], who did offer this amendment. The gentleman from South Carolina is a ranking member of the Foreign Affairs Committee. He is a patriot of the first order; an American who offered his all upon the altar of his country in the late World War, and who was a hero of that conflict. As a power on the Foreign Affairs Committee I hope that you will believe me when I say that he is a man of sound discretion and whose judgment can be followed with safety on this amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Chairman, as has been stated, this same matter has been disposed of one other time since I have been a Member of this Congress, and I hope it will be summarily disposed of today and probably finally disposed of.

I have listened to the discussion of the necessity or supposed necessity for fortifying the island of Guam, and it is just a reiteration of what took place here 2 years ago. There is no necessity for it. Of course, if you go to the island of Guam and make a radius from that point you will find you are closer to Japan than you are to Honolulu; but that is no reason for fortifying Guam.

There is just one reason for this action, and that is to extend the boundary line of activities for the Navy of the United States. If we want to do anything to keep this country out of war, right here is a pretty good place to start.

Like the gentleman from South Carolina [Mr. RICHARDS], the author of this amendment, I have nothing in common with Japan; if I do, I do not know anything about it. There is an appropriation item in the bill of $325,000 to buy drinking water for the island of Guam. I believe the gentleman from South Carolina had this idea in mind when he offered his amendment. If we want to buy drinking water, that is all right with me; put $325,000 worth of drinking water on the island. That is what the bill provides for. Then we are not likely to get into any war. If we do, all we have to do to separate the Government of the United States from Guam is just to knock the bungs out of the barrels and let the thing go.

Now, this is an item of $3,000,000, and they ought to keep this $3,000,000 for other purposes. We want to use it for something sensible and something that will be worth while to some of the people of the United States. We need this $3,000,000 to further the soil-conservation program that was knocked out by the committee that was handling the agricultural appropriation bill. You should give us this $3,000,000 to give to the farmers of the United States to foster and carry on the work of the soil-conservation districts in the United States. [Applause.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, yesterday when I spoke with respect to this bill, I praised the work of the members of the subcommittee and neglected, unintentionally, to pay due respect and credit to the clerk of the committee, Mr. George Harvey, who jumped into the breech, due to the illness of our beloved friend, John Pugh, and in jumping into the breech without any warning or preparation, Mr. Harvey has filled a big gap and has helped the committee immeasurably. I want these words to appear in the CONGRESSIONAL RECORD, giving due credit where credit is due.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I will be very glad to yield to the gentleman.

Mr. TERRY. A few minutes ago one of the speakers said that unless we provided this line of trade to the east, we would not have a place to get rubber. I would like to call the gentleman's attention to the fact that they have rubber in South America and if we would get our rubber there we would be in a better position to protect the line of trade to South America and we would be helping a country that we should help.

Mr. CASEY of Massachusetts. That is going a little far afield.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I yield to the gentleman from Vermont.

Mr. PLUMLEY. Will the gentleman permit the minority to endorse everything that he has said with respect to the services of Mr. George Harvey.

Mr. CASEY of Massachusetts. I know that the minority feels that way about it.

Now, what are we confronted with in this proposition with respect to the spending of this money on the improvement of Guam Harbor? In the first place, Guam belongs to the United States. We took it over after the War with Spain. On December 23, 1898, President McKinley made it a naval station. There is no question about our right to possess and there is no question about our ownership. Now, we come here as the Naval Appropriations Committee and ask you to

vote for what? For $3,000,000 to improve that harbor. The argument that has been going on here today is an argument against fortifications. As far as the right of the Navy to do this is concerned, let me state quite simply that the Navy needs no authorization to do this. It already has the authorization. This is merely a simple appropriation item.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I will be glad to yield to the gentleman.

Mr. RICHARDS. If the Navy needs no authorization to do this and did not feel obligated to ask Congress for an authorization, why did they come here last year and ask for it?

Mr. CASEY of Massachusetts. That is water under the bridge, but they need no authorization at the present time. This is simply an appropriation bill.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I will be pleased to yield to my colleague on the committee.

Mr. CALDWELL. May I call the gentleman's attention to the fact that the authorization before the House last year did not go specifically to the improvement of the harbor, but went further than that and included authority to purchase or acquire by gift or otherwise certain land and to construct buildings and certain accessories. It was not specifically for the improvement of the harbor but for the construction of buildings and the completion of certain developments on that island.

Mr. CASEY of Massachusetts. I say this is simply an appropriation to improve harbor facilities at Guam. At the present time, due to the rough water in that harbor, where the sea rushes in unobstructed, ships have difficulty in entering the harbor. Planes find it almost impossible to land except under unusually calm conditions. This money will be spent to build a breakwater to reduce the swell, to make the water in the harbor calm, and thus insure safe landing. The appropriation will further provide for the removal of dangerous coral reefs.

This harbor is being used today and will be continued in use whether we make this appropriation or not; but if we do not make this appropriation, planes and ships will be in constant danger, and many lives may be lost. These planes are commercial planes and naval planes. A safe harbor is necessary, because this is a regular stop between Midway and Wake Island and the Philippines. It is the only stop a plane can make in flying a distance of 3,000 miles over the ocean. It is therefore essential to improve this harbor to insure safe shipping and safe flying.

Some of my friends have raised the cry that this is a preliminary step to the fortification of the island. Gentlemen, we can cross that bridge when we come to it. There is nothing about this appropriation that contemplates fortification. The only way the island can be fortified is by the Appropriations Committee coming in here at a future date and asking the Congress for an appropriation to fortify Guam. If you feel that Guam should not be fortified, you can vote against the appropriation at that time. But right here and now it is our plain, unbounded duty, in the interest of safe flying and safe shipping, to vote for this appropriation. [Applause.]

[Here the gavel fell.]

Mr. IZAC. Mr. Chairman, I brought some charts here today so that we could see just what we are talking about, and I shall try to explain what this item in the naval appropriation bill proposes to do.

You will see on this chart of the island of Guam, on the northwest corner is the harbor of Apra. That is the harbor that we intend to dredge and where we should erect a sea wall in order that it may be a protected harbor, which it is not today. Realize that you are in the typhoon district out there. The sea rolls in unobstructed, so it is proposed to spend $2,200,000 of this $4,000,000 to erect a sea wall from the Spanish islands over here to the reef. One million eight hundred thousand dollars is to take these coral bumps out of the harbor. Why? So our ships, our planes, or anybody else's ships or planes, might use that harbor as we have to do in commerce, as we do all the time in every harbor that we have used in the past, whether it is in the continental limits of the United States or in the outlying possessions. We had to do the same thing to Samoa; today we are doing the same thing to Wake and to Midway. We are constantly doing it in the Hawaiian Islands in the development of Pearl Harbor.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. IZAC. Yes.

Mr. TERRY. At Wake you are doing it under Rivers and Harbors, are you not?

Mr. IZAC. Of course.

Mr. TERRY. And at Midway?

Mr. IZAC. At Midway and Wake the Army engineers are doing it; but as the gentleman knows—and I do not have to go any further than my own harbor of San Diego—that there we have to do some of the dredging ourselves and the Navy has to do some for itself. We do not go out and ask the Army engineers to do all of this work, because you would have to give them a whole lot more than $30,000,000 or $75,000,000.

Mr. CALDWELL. Is it not a fact that this island is a naval base and is governed by the Navy and no one else in command?

Mr. IZAC. It is under an officer of the Navy, and, of course, he is there for the express purpose of doing everything in times of stress or in times of peace or in war to take care of the needs of our commerce, which is exemplified today by the Pan American route to the Orient. Let me direct your attention to this fact: This island is the focal point for the whole Orient. Do not forget that this is the crossroads of the east. If you were sending out a clipper to the west, to the south, to the north, you would have to go through the island of Guam. To the south is Australia, to the west is China and the mainland of Asia. To the north is Japan. All our hopes for the trade of the future rest in the Pacific. You cannot get it in the Atlantic. We have almost exhausted the possibilities there. Our whole future is right here in the development of the traffic on the high seas to the Orient, and Guam is the focal point through which our aviation routes must go. [Applause.]

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BATES of Massachusetts. Mr. Chairman, a year ago this same matter of the question of Guam came before the House for consideration under a favorable report from the Committee on Naval Affairs. There was quite a good deal of opposition in the committee at the time, but a majority of the members voted out the bill. When the measure came on the floor of the House it was fully discussed, and after the debate the Guam provision in the naval authorization bill was stricken out; and here we have it again, not from the Committee on Naval Affairs but from the Committee on Appropriations. Why this circumvention of the ordinary procedure of the House? Those of us who are on the Committee on Naval Affairs have some idea as to procedure in this respect, and we know that in the cases of Wake Island and Midway Island, where harbor developments have been authorized, the procedure was somewhat different from that pertaining to the present bill. The regular procedure was followed. I wish you gentlemen would look at this map. Here is continental United States. There is Honolulu, and there is Wake Island, 4,100 miles from the mainland, and there is Midway Island, over 3,000 miles into the mid-Pacific. Wake and Midway Islands were authorized under resolution of the Committee on Rivers and Harbors, and of which our good friend from Texas [Mr. MANSFIELD] is the chairman. A complete study was made under that authorization by the War Department and a favorable report recorded and money appropriated. The work is now going on in Midway Island and will presently start in Wake Island. Back in 1900 the Committee on Rivers and Harbors presented a resolution to the House authorizing a study of Guam Harbor. That study was carried out by the

Navy Department, but the report up to this time has never been presented. Obviously there is some reason for contravening this procedure. First, we have the Committee on Rivers and Harbors authorizing a study of Guam by the Navy Department in 1901. No report was ever made by the Navy Department to the Congress. Second, consideration by the Committee on Naval Affairs and a report brought in here defeated by the House a year ago, and now, by circumventing that former procedure, the Committee on Appropriations bring it in.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I have only a few moments. It will be noted that Honolulu is 2,100 miles away from the mainland, and that the island of Guam is 3,300 miles away from Honolulu, and 5,600 miles from continental United States, but only 1,400 miles from the island of Japan. If we want to create a provocative situation, this Guam provision in the bill will do it. If we are interested in maintaining peace in this country, then the thing for us to do is to go slow in matters of this kind. If there is economic justification for this development, it ought to go through the same procedure that it went through in 1900, through a Committee on Rivers and Harbors' study, and we will be able to consider it then on an entirely commercial basis and not otherwise. [Applause.]

Mr. CALDWELL. Mr. Chairman, a strange sentiment is being expressed in the House this afternoon. I do not believe the American public will ever understand how the Congress of the United States can say that although we own an island and want to use it, although we want to make a harbor safe for aviation and make the island safe for the people who live on it, we dare not do it because some other nation for some nebulous and hazy reason may be offended. That attitude is incomprehensible to the average American. He cannot believe that the future of America is dependent upon the adoption of a course of arrant cowardice. The first step toward peace, insofar as America is concerned, is the assertion of thoughtful and considerate independence or, to put it another way, the preservation of our national integrity. In no other way can America hold up its head in the company of nations. Any other course is an admission that we are afraid to use that which is ours. The adoption of the course proposed in the pending amendment is, in the eyes of the Orient, a complete loss of face and a surrender of national pride.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. MILLER. In reply to the argument advanced by the gentleman from Oklahoma [Mr. NICHOLS] could the gentleman tell the committee how many serious delays the Pan-American ships have had there and how many minor accidents there were which might have well been serious accidents?

Mr. CALDWELL. I do not have those figures before me, but we want to put a breakwater across the entrance of the harbor to break the swells that come there periodically. Under certain conditions in that harbor it is not safe to land airplanes. Further, under certain conditions in the harbor the coral heads create a very definite menace. What is sought to be done with this appropriation is to make the harbor safe for aviation—American aviation and the aviation of the world, civilian and naval aviation. I can see nothing inconsistent with that.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. THOMASON. The gentleman is a member of the Committee on Appropriations. Do I understand from what he has just said that this is only a good-faith effort on the part of the committee to do this dredging and make this a safe place for airplanes, and is not a step toward military or naval fortification of the island?

Mr. CALDWELL. Speaking for myself, I will say I am convinced that it is purely a good-faith effort to make this harbor usable. My committee—personally I am willing to do anything that ought to be done—but my committee is not in favor of the fortification of Guam.

Mr. THOMASON. There are some of us, and I am one of them, who are quite willing to do the necessary dredging there and make the place safe for aviation; but I am unalterably opposed to any step that might be taken toward the fortification of that island at this time. I am happy to have the assurance of the gentleman from Florida, a member of the Appropriations Committee, to that effect. I want the United States to lead the world in aviation. I am willing to vote for anything in reason short of military or naval activities in Guam that will improve the harbor facilities or airfield on that island. But, in view of present world conditions and the uncertainty of what will happen regarding the Philippine Islands, we should not go farther in the Pacific at this time than Hawaii.

Mr. CALDWELL. I will say that it was no part of this committee's intention to let this be the first, second, or third step toward the fortification of the harbor.

Mr. THOMASON. And, of course, there is no such intention now on the part of the Appropriations Committee to later on, or perhaps quite soon, ask for an appropriation for fortification?

Mr. CALDWELL. The gentleman is entirely correct so far as I am concerned.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Illinois [Mr. KELLER] is recognized.

Mr. KELLER. Mr. Chairman, it seems to me we are going far afield for arguments that ought to be perfectly plain to us. A study of the map will show that Guam is certainly on the line of commerce from the United States to all parts of the Orient. That it is, therefore, one of the American possessions that ought to be improved, I cannot doubt. There seems to be a feeling here that if the Committee on Rivers and Harbors had brought in this bill it would be all right. I do not believe there ought to be any such nonsensical jealousy as that between committees. I do not believe the Committee on Rivers and Harbors could feel that way about it.

We have been in the Philippines for many years. We are going to walk out of there in 6 years from now. But do you think for a moment that where we have built up a great people and have voluntarily given them their liberty, that our commercial association is going to cease, because of that? That would be the height of nonsense. What we ought to do is to follow the custom America has always followed; that is, follow our shipping wherever we find profit in it. That is what all other nations have commerce for, and that is what we have commerce for. That is what we are going to go on doing. We are going to go on carrying on more and more business with the Philippines as those islands and the people who inhabit them develop along commercial lines. This same thing will be true of Asia as Asiatic peoples develop.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. CASEY of Massachusetts. I call the gentleman's attention to the fact that Guam is also the only stop between Midway and Wake Islands and the Philippines, a distance of 3,000 miles, so it is absolutely essential to make this a safe landing place.

Mr. KELLER. The gentleman is entirely correct, and I thank him for his contribution. The map shows all that very clearly.

The map shows that this is one of the necessary harbors on the route—the American commercial routes to all the Orient. We must have a place of safety for our ships and for our airships. We will need them more and more. This country is not going to remain an agricultural country as it was 75 years ago. It is developing constantly along industrial lines. We must understand that much of our raw material comes from that section of the world. I do not care anything about whether we are going to fortify Guam or not.

That will come up, if we want to do it, at another time. We are not doing it now. This is voting for commercial convenience and usefulness for the people of the United States in carrying on the business of the United States. If anybody is against fortification, when the time arrives then is the time to vote against fortification. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Minnesota [Mr. MAAS] is recognized.

Mr. MAAS. Mr. Chairman, this is not the same bill that was before Congress last year which the Congress rejected, nor is it a subterfuge. It is not an attempt to do this year by indirection that which we prohibited to be done last year. The two are entirely separate propositions.

No question of fortification is involved in what is asked for in this item, nor can it possibly be interpreted that this is a step toward fortification. You could not possibly use it for that purpose because this dredging will not permit warships of any nature to use this harbor. The proposal last year was to dredge the harbor in such way that we could use seaplane tenders and bring in destroyers, but that is not involved in this item. This has to do solely with the removal of coral heads and making the harbor of Apra at Guam suitable for the use of airplanes. It is being used every day now more or less. Pan American Airways use it. When we sent our patrol squadron over to the Philippines last fall they had to mill around in the air for hours over the island of Guam because of the swells, and they were unable to land when they arrived. Frequently the Pan American clippers are delayed a day or two, sometimes even 3 days, in their take-offs because the coral heads made it impossible to take off into the wind.

What is going to be done is to remove the coral heads in the prevailing-wind runways so that these planes can take off and land under all conditions. The breakwater proposed will prevent the swells. There is nothing more to it than that. It is a plain, simple harbor development necessary for both commercial planes and such naval planes as may be going back and forth to the Philippines.

If we lose a few of our big patrol planes which have to use the harbor at Guam in going back and forth from the Philippines, it will cost as much as, if not more than, to do the dredging proposed in this appropriation. These big planes cost us up to $250,000 apiece, and there is Government insurance of $10,000 for each member of the crew; so that the cost of cracking up a few planes, with injuries or death to personnel, would very soon absorb the cost of this dredging. It is perfectly conceivable that a complete squadron might get into serious difficulties there, and the resulting cost might very easily exceed the figure of this appropriation for making the harbor safe for plane operation.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. KITCHENS. It is said that Japan has a thousand islands there, fortified. I am just wondering if Japan has opened up any port in those islands so our ships could have a protected harbor.

Mr. MAAS. No; they have not. They absolutely prohibit us from even visiting those ports although treaties with them provide that we have that right.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman speaks of commercial aviation and the objectives sought here. We all know how the gentleman feels. Will not the gentleman tell us that he is in favor of fortifying Guam?

Mr. MAAS. Oh, personally, I will say frankly that I am in favor of making a Gibraltar of it. I believe if we did this we would be absolutely immune from attack by anybody in the Far East; but that is not a question involved at the present time.

Mr. COLMER. Quite so; but is it not a forerunner, and that the gentleman and those who belong to his school of thought will come back here in the near future advocating their plan?

Mr. MAAS. Not at all. If they do come back for that, it will be through the Committee on Naval Affairs, the legislative committee, not the Committee on Appropriations. The Committee on Appropriations can go no further than this harbor development, so there is not involved any question of fortifying the island. This would have to be decided by the Congress before any appropriation could be made available for such a purpose.

I want to point out that while the proposal in this bill is limited to improving the harbor for planes, such improvement would have tremendous national-defense value without any fortification whatever. There is not the slightest intention of extending our defense line—which is roughly drawn from the Aleutian Islands to Hawaii and through Samoa to the Panama Canal. It is important, however, in order to maintain that defense line to have observation posts well in advance of that line. Our defense line covers thousands of miles, and the fleet has to be in a position to meet an enemy threat anywhere on that line. In order to be able to meet a possible thrust anywhere along this line, it is necessary to know well in advance of such an attack where the enemy is likely to strike, so that our Navy will be able to proceed to that point. There seems to be an impression that we can string our Navy out like a fence from the Aleutian Islands to the Panama Canal. This, of course, is utter nonsense. No navy in the world could be big enough to maintain a standing guard along the whole route of our defense line in the Pacific. Many of you served in the World War. You know that while the defense line was the front-line trenches, it was necessary to have observation posts well out into no-man's land to give a warning when an attack was about to be made, so that the defense line itself would not be taken by surprise. It is even more impossible to defend a long line at sea, such as our Pacific defense line, without adequate warnings from observation posts well out in front of that line. Not to have this information might very well lead to a tragic destruction of the Canal or a surprise raid on Hawaii, or even the continental coast cities themselves. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New Jersey [Mr. SUTPHIN] is recognized.

Mr. SUTPHIN. Mr. Chairman, it seems rather strange to me that, having owned this island for 40 years, no effort was made prior to last year to develop its wonderful commercial facilities. I am told that last year the exports from Guam to this country amounted to $73,000.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. SUTPHIN. I yield.

Mr. CALDWELL. Answering the gentleman's question, the gentleman knows that the reason is the development of aviation facilities. Forty years ago we did not have aviation. Trans-Pacific flights started only about a year or two ago.

Mr. SUTPHIN. I thank the gentleman for his kind observation, but am I to believe from the gentleman's statement that there were no commercial relations with this country during these 40 years?

Mr. CALDWELL. No one, of course, contends that the commerce of Guam amounts to anything, no one has suggested that.

Mr. SUTPHIN. But still the committee is justifying the spending of $3,000,000 in that out-of-the-way spot on the ground of its benefit to commerce, when practically every section of continental United States is clamoring for Federal funds at the present time. It seems to me we could much more advantageously spend this amount of money in some section of continental United States.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. SUTPHIN. I yield.

Mr. RICHARDS. The gentleman is a member of the Committee on Naval Affairs, and, as I recall, he made a very strenuous fight on this proposition last year. It has been suggested that there is a big difference between what is sought to be done this year and what was sought to be done

last year in the authorization bill which was turned down by Congress. Is there any actual difference?

Mr. SUTPHIN. If my memory serves me accurately I think one of our colleagues said that the activity there was largely if not entirely commercial aviation. This might lead us to believe that this appropriation is largely for the benefit of one commercial concern.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SUTPHIN. I yield.

Mr. NICHOLS. That commercial interest can, of course, be only Pan American Airways which the Government is rather liberally subsidizing in mail contracts in its foreign operations. If this harbor is so necessary to the continuance of Pan American's trans-Pacific operations, does it not occur to the gentleman that this company is strong enough to improve this harbor itself?

Mr. ANDERSON of Missouri. Will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from Missouri.

Mr. ANDERSON of Missouri. Does not the gentleman think this should be called a bill for the relief of the Pan American Airways?

Mr. MOTT. Will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from Oregon.

Mr. MOTT. The gentleman, who is a member of the Naval Affairs Committee, will recall that last year's authorization provided not only for the dredging of the harbor but for the erection of certain buildings and other facilities to be used by the Navy?

Mr. SUTPHIN. That is correct.

Mr. MOTT. That required an authorization. Now, the gentleman does not say that this item in the appropriation bill is the same as the authorization for Guam last year; does he?

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I am opposed to the $3,000,000 provided in this bill for what is designated as improvement of harbors and channels of the island of Guam, first, because we have not the money; second, because regardless of how we may look upon such an expenditure, Japan will take the view that it has for its purpose the ultimate building up of a huge fortification and naval base on this island. This would not ameliorate the already too strained relations between us. I am of the opinion there can be no gain to the United States in doing anything which has even the possibility of further straining these relations.

Granting the harbor and channel improvements proposed in this measure may be desirable, the amount of good that would be accomplished is entirely too insignificant to be compared with the damage which might result to us from such a move.

I do not claim to be a student of maritime or any other kind of warfare. What I do know, however, about the far-eastern situation and ours in relation to it convinces me that the United States should be exceedingly careful in any move we might make in the far Pacific which might in any way involve our future relations with Japan. There is not, in my opinion, a single naval student in the world who will not readily acknowledge that Japan is in a position to take the Philippines, as well as Guam Island, should she be of a mind to do so. Naval strategists have not hesitated to stress the supreme task it would be for the United States to recover those possessions from Japan should she take them away from us. Major Eliot in the Ramparts We Watch is far from convincing that they could be recovered, and certainly leaves the impression that the cost, in any event, would be colossal if not entirely prohibitive.

The United States would do well to recognize these fundamental facts and base its far-eastern policy squarely upon them. We do not want anyone to take the Philippines away from us, but we should get rid of them at the earliest moment in the best saving manner possible.

The question of Guam as it affects our future position in the far Pacific should at this moment remind us of an exceedingly important event that took place at the World War Peace Conference in Paris. That event is little known to the American people but may be of the greatest importance to us. Certainly it has a most profound bearing upon the outcome of any possible conflict between our Nation and Japan.

Do you remember how the Japanese delegates at the peace conference claimed the former German islands north of the equator, the Marianas, excepting Guam, Marshall, Caroline, and Pellew, excepting full control of Yap, as a part of their spoils of war? Do you remember how President Wilson asked the Japanese delegates upon what ground they based their claim—it is supposed he knew nothing of this arrangement up to that time—to possession of these islands? And do you remember how Wilson was frankly told that they claimed them because they had a treaty with England, France, Russia, and Italy that upon the conclusion of peace they were to receive the former German-owned islands in the Pacific north of the Equator and Great Britain those south of it? It is difficult to believe that President Wilson did not know of that treaty until the question came up formally at the peace conference. It had been revealed long before that in this country. However that may be, the facts are it was a secret treaty, first concluded between herself and England February 16, 1917; France, March 1, 1917; Russia, March 5, 1917; and Italy sometime later. Certain it is the United States did not know of this secret agreement when we entered the war on April 6, 1917. The powers with whom we were associated in the war were fully aware that we intended to enter the conflict at the time those secret treaties were written. Assuredly it was the duty of our then Allies to apprise us of those understandings when we joined the conflict. They knew the great importance to the United States of those secret arrangements. They knew that to hand those islands over to Japan might mean some day that America would be at a great disadvantage in preserving her interests and rights in the Far East. Strange gratitude toward our Nation, which had risked its all for what we were led to believe was a common cause. On our part it was a most shameful surrender.

The American people should now do some serious thinking about this. Another conflict very much like the one in 1914–18 is again in progress in Europe. We should recall that Wilson somehow got the idea, long before we entered the war, that he should play a prominent part at the peace conference when the time came for it. The thought became almost an obsession with him and no doubt influenced him greatly in his decision to have our country enter the war. Our present Executive is now following Wilson's pattern. His expressions of our interest in the peace settlement to be made after the war are identical with those of Wilson. Surely it cannot be that we are to see the sorry failure and humiliation of 1917–18 repeated. However well meaning Wilson may have been, he found himself, when finally confronted with the facts in Paris, in an ocean of secret commitments and intrigue by the Old World powers, so completely foreign to his own understanding that his influence was wholly nil. Exactly the same thing would happen to us were our Nation to repeat that terrible folly, which, God forbid.

Just a few words respecting the sum we are appropriating for the Navy Department, $966,772,878. The following shows how the annual expenditures for the Navy have climbed:

1933	$349,561,925
1934	297,029,291
1935	436,447,860
1936	529,031,666
1937	556,884,449
1938	596,278,301
1939	672,968,993

Although only $778,188,011 was appropriated for the fiscal year 1940, a deficiency appropriation made this year brought the total up to $915,360,249. For 1941 this bill provides $966,772,878.

It is needless to say that we all want adequate defense. This should not blind us to the state of our national finances. We are, as all thoughtful people recognize, a very sick nation internally, being made worse each day by the increasing Fed-

eral deficit. Hence we are in a very peculiar position, a very unpleasant one. Whatever may be our needs for additional expenditures for defense, every dollar we increase previous costs burdens our sick economy that much more. After all, it is hardly a good thing to do to give a sick man a gun too heavy for him to carry.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I would like to ask the committee in charge of this bill the following question: Is the expenditure that we are debating here today to be made in the name of, or as a program for, peace, or what?

Mr. SCRUGHAM. The issue involved is whether the Congress of the United States wishes to take the responsibility for protecting the lives of American aviators.

Mr. ALEXANDER. I am referring to the whole program. I am interested in the $966,000,000, of which this $3,000,000 for Guam is only a small part.

Mr. SCRUGHAM. It is a program of peace. If the gentleman will read the report and if he will read my speech explaining this bill, I stated to the effect: Who are we going to fight? We are not going to fight anybody if this program is carried through as outlined.

Mr. ALEXANDER. All right. I am glad to get the gentleman's viewpoint on this matter. If it is a program for peace, then it seems to me we are not going far enough. We should go a whole lot farther.

How much money does it take to protect a nation from war? If this is a peace program, it means, I assume, that we are going to be protected from war. How much money have the nations of Europe spent for national defense so as to be protected from war and how much good has it done? Where are we going to begin and where are we going to stop with this program if we decide to follow this sort of program for peace? That is the point I want to make.

Mr. Chairman, I contend that what we as Members of Congress should do is call a spade a spade and face the facts, the realities in this great problem now confronting the war-inflamed world, this world which is upset on every hand and in all corners of the globe by military dictatorships, so that now of all the leading nations we alone are not at war, excepting, perhaps, Italy. What good is it going to do us to spend $3,000,000 to improve the harbor at Guam if this is a program for peace? We want to spend enough money there to protect ourselves from attack in case of war, do we not? And according to the statements made in the debate here this money is only to dredge the harbor and make a better landing place for planes.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Does the gentleman contend that the British made a mistake in fortifying the Falkland Islands down in this hemisphere, right off the coast of South America? Has he any objection to that? It is the same situation. The British come over here on our side and fortify islands. Why should we not fortify Guam?

Mr. ALEXANDER. Oh, that is true. We have fortified the Philippines right under the nose of the Japanese, and the British fortified Hong Kong, and that did not result in war. The point I make is we cannot head off war either by these preparedness expenditures or by pacifism; that is, by not spending money for preparedness.

TWO BILLIONS FOR DEFENSE

In this bill and in others to come we will be asked to appropriate upward of $2,000,000,000 for national defense—a so-called program for peace. But it is a misnomer if we call it that.

This is some sum of money, and we should try to get something out of it. Do you realize that it is $500,000,000 more than we spent for all purposes in this Government in the war Budget fiscal year of 1916–17? Do you realize that it is more than we are now asked to appropriate this year for such urgent domestic needs as relief of the unemployed, pensions, aids to agriculture, for public works, or even for interest on our unholy and uncalled-for public debt, and also more than our regular operating expenses of the Government departments?

What a problem it is becoming we can fully realize when such comparisons are made, but when we consider the fact that to support this god of Mars we are cutting out or down on needful programs, it gives us reason to pause and ponder whence this is all leading us. When we consider that we are asked to forego wise and helpful expenditures for civil functions of the War Department so we can build for war, we wonder.

Here is an example of what we are doing. Hear this clipping taken from the Minneapolis Tribune of February 7, quoting General Schley, of the United States Army Engineers:

ST. ANTHONY LOCKS PLANS COMPLETED

MEMPHIS, TENN., February 6.—Maj. Gen. Julian L. Schley, Chief of United States Army Engineers, said today "many rivers and harbors construction projects could not be started in 1940 because the $173,973,050 program before Congress is so far below the $401,444,660 expenditure recommended."

Schley said work could begin on some of the larger river and harbor projects as soon as funds become available.

"On the inland waterway system," Schley added, "plans are ready for new work on the Illinois waterway, dredging and dike construction on the Missouri River, construction of two locks of the upper Mississippi River project, and construction of two locks at St. Anthony Falls.

Do we prefer to spend money for war or for such pressing domestic needs as Schley describes? And I mean just that, for up in our section the situation is critical and becoming more so all the time because of failing industry, low farm prices, high living costs, and unemployment caused by unjust and discriminatory freight rates, and lack of adequate water-transportation facilities, such as are enjoyed by most other sections of the Nation, and especially since the advent of the Interstate Commerce Commission and the Panama Canal.

As a good indication of our problem I insert herewith an article from the Minneapolis Star-Journal dated February 9, which is headed as follows: Government aids one in three here.

GOVERNMENT AIDS ONE IN THREE HERE—SUMMARY OF FITERMAN'S REPORT SHOWS EXTENT OF PUBLIC AID

Disclosure that 920,348 persons in Minnesota—34.7 percent of the State population—are dependent, directly or indirectly, on Government, is made in the final summary of a public-welfare survey by Harry Fiterman, Minneapolis tax consultant and finance analyst.

The figure is based on a public-welfare case load of 211,086 and a total of 126,000 Federal, State, and local employees.

The Government workers include 15,000 Federal, 19,000 State, and 92,000 local government, the latter group including 52,000 elected and 40,000 appointed.

The welfare load break-down: W. P. A., 66,000; relief and miscellaneous (State), 35,000; old-age assistance, 63,733; children, 14,495; blind, 658; institutions, 17,000; war veterans, 14,200.

Conditions such as these give us cause to think, but if this $2,000,000,000 expenditure for national defense would really give us peace, it would be worth it. But it will not, and we should not fool ourselves, or try to fool the public into believing such a thing. It will not guarantee peace; it just makes it possible for us to fight better. When war comes, as come it will, if we do not turn over a new leaf and stop following false cures and panaceas and start building a real program for peace, we will have that much better start, and that is about the best you can say for such a program as is being offered here. No preparedness of whatever size or magnitude has kept England, France, or Russia from war, nor will it us, or anyone else in the long run, if we are so bankrupt in mental, moral, and spiritual resources as to put our ultimate trust in that sort of program for peace.

No, we should either do one of two things, if we are to be consistent, either spend two or three times as much as we propose to do, so as to be really invincible, and consequently less attractive meat for attack, or else we should come to our senses and get a real program, and stop this wasteful extravagance, dilly-dallying, and foolishness.

Not a program of words either, such as I notice in the news article reporting the recent action taken at the American Youth Congress, in which they are reported as follows:

The Youth Congress assembly planned a peace demonstration April 6 and drafted a message to the youth of 52 countries, asking help to "get our brothers out of the trenches and keep ourselves out."

The April 6 demonstrations, on the anniversary of United States entry into the World War, will include a referendum on war. Twin ballot boxes will be erected in prominent places, one black and inscribed with skull and crossbones, for ballots in favor of war; the other will be white, for ballots of peace.

Such resolutions sound good and look good in print, but it is doubtful if there is much practical value in taking a ballot such as proposed. Upon analysis it looks a lot like the sort of ballots Stalin has in Russia and Hitler in Germany. I cannot believe America is ready yet for such procedure, but I do feel that our people are ready for a real peace program.

WHY BE ENSNARED WITH FURTHER ILLUSIONS?

A good illustration of the impracticality of our past and present programs to stop this business of war is found in this little clipping I just saw in a Washington paper. A good title for the article would be "Business is Business." It is found in a report of action taken at the meeting of the American Jewish Congress and I quote as follows:

Dr. Joseph Tenenbaum, boycott committee chairman, reported that large quantities of United States copper are sent to Mexico on American ships and reloaded on Russian freighters for Vladivostok, eventually destined for Germany. He added that German goods are sent to Belgium, Holland, etc., repacked, relabeled and sent to the United States as neutral products.

This is only one of many illustrations which one might offer to show how impossible it is to stem the tide of war either by neutrality laws, attempts at isolation, tirades against the munitions makers, investigations of the international bankers, or in any other of the hundred and one simple ways we have used and are still trying to use to keep this country safe from war. No; we must stop having illusions, we must have something different.

At this point in the RECORD I wish to insert a part of the remarks made last November just after our passage of the so-called neutrality bill, and which it seems to me is the one solution we must come to in this new world era in which we now find ourselves enmeshed. This is my suggestion for a real peace program:

Mr. Speaker, 181 against to 243 for is the sad record of the roll-call vote this afternoon, November 2, 1939, in the House of Representatives on the question of repeal of the embargo against the sale of arms and munitions of war. My heart sinks when I realize the meaning of such a vote. I was never so forlorn or so filled with despair as I am tonight as I approach the thankless task of trying to pick up the wreckage after the storm, to use a descriptive phrase with which we are all familiar.

I know of no better time, however, than right now to start to build on the broken pedestal of hope for a real peace after the war which we cannot escape, I fear, after the action of the House today.

In a great majority of the hundreds of speeches I have made on many and varied occasions in the past 12 years I have stated that there is a way to real and lasting peace, a way as yet untried, a way open to us after all else—all human experimentation—has failed—a sure way, because it is the way appointed by the Creator of Mankind.

I suggested it in my address in the House on February 22 last, entitled "Is Democracy in Guam?" again on May 9, in my "The Only Road to Peace"; also in my neutrality address of June 28, and again yesterday, when I suggested in my remarks before the House that we should, as a corollary to our vote here today, demand the right to write the terms of the next treaty of peace when this war has finally burned itself out after years of destruction.

The future welfare of this Nation and of humanity in general greatly depends on how well we write that peace treaty; consequently, I want to cut the pattern for it now, to set out a formula. I want to have it ready for the great minds—if any be left then—who will sit around the peace table in that day and year, after travail and shedding of blood have wrought the reform we need, and have burned the word "honesty" into our hearts and souls, which the oratory of the Congress could not do this year, even though supported by the voices and letters of thousands of our citizens begging us not to traffic in war materials.

GUIDING PRINCIPLES OF A NEW WORLD ORDER

Shall we strive to attempt or venture to obtain a glimpse of the first streaks of the promised dawn that must, in the fullness of time, chase away the gloom that has encircled humanity? Let me point out in broad outline what appears to be the guiding principles underlying a new world order.

That the unrest and suffering afflicting the mass of mankind are in no small measure the direct consequences of the World War and attributable to the unwisdom and short-sightedness of the framers of the peace treaties, only a biased mind can refuse to admit. It would be idle, however, to contend that the war, with all the losses it involved, the passions it aroused, and the grievances it left behind, has solely been responsible for the unprecedented confusion into which almost every section of the civilized world is plunged at present.

Is it not a fact—and this is one of the ideas I desire to bring out—that the fundamental cause of this world unrest is attributable, not so much to the consequences of what must sooner or later come to be regarded as a transitory dislocation in the affairs of a continually changing world, but rather to the failure of those into whose hands the immediate destinies of peoples and nations have been committed, to adjust their system of religious, economic, and political institutions to the imperative needs of a rapidly evolving age? Are not these intermittent crises that convulse present-day society due primarily to the lamentable inability of the world's recognized leaders and preachers to read aright the signs of the times, to rid themselves of their preconceived ideas and fettering creeds, and to reshape the machinery of their respective governments or positions according to a new standard—the standard that is implicit in the declaration of the oneness of mankind—the chief and distinguishing feature of the faith Christ proclaimed? Consider that question carefully and see if your answer is not the same as mine. Do you not recall that in every dispensation the light of divine guidance has been focused on one central theme? In this glorious century of ours the foundation of the faith of God and the distinguishing feature of His law are the evidences and the consciousness of the oneness of mankind.

How pathetic indeed are the efforts of all those leaders of human institutions who, in utter disregard of the spirit of the age, are striving to adjust national processes, suitable to the ancient days of self-contained nations, to an age which must either achieve the unity of the world or perish. At so critical an hour in the history of the world, great and small, whether in the east or in the west, whether victors or vanquished, whether aggressors or peacemakers, all must give heed to this clarion call and arise manfully to carry out in its entirety the one remedial scheme He, the Divine Physician, has prescribed for an ailing humanity. Let them discard, once for all, every preconceived idea, every national prejudice or human subterfuge, and give heed to this sublime counsel.

WE NEED A UNITED STATES OF THE WORLD

Here in America, I am convinced, we can best serve our country by striving in our capacity as citizens to assist in the eventual application of the principle of federalism underlying our own Government, to the relationships now existing between all the peoples and nations of the world, so that we may have a United States of the World.

Such an ideal requires great leadership. True civilization will unfurl its banner in the midmost heart of the world whenever a certain number of its distinguished and high-minded leaders—the shining exemplars of devotion and determination—shall, for the good and happiness of all mankind, arise with firm resolve and clear vision to establish in this way the cause of real and universal peace—universal peace, and not the fake, nationalistic peace most of us have been pursuing without satisfactory results. The cause of peace must be made the object of general consultation, built on a union of the nations and peoples of the world. We must conclude a binding treaty and establish a covenant, the provisions of which shall be sound, inviolable, and definite. It must be proclaimed to all the world and obtain the sanction of all the human race. This supreme and noble undertaking—the real source of the peace and well-being of all the world—should be regarded as sacred by all that dwell on earth. All the forces of humanity must be mobilized to insure the stability and permanence of this great covenant, the world's great need. In such an all-embracing pact the rights and limitations of each and every people and nation should be clearly fixed, the principles underlying the relations of governments toward one another definitely laid down, and all international agreements and obligations ascertained and determined.

In like manner the size of the armaments of every government should be strictly limited, for if the preparations for war and the military forces of any nation should be allowed to increase they will arouse the suspicion of others. The fundamental principle underlying this solemn pact should be so fixed that if any government later violates any one of its provisions all the governments on earth should rise to reduce it to utter submission; nay, the human race as a whole should resolve, with every power at its disposal, to destroy that government. Should this greatest of all remedies be applied to the sick body of the world, it will recover from its ills and will remain safe from war, without the least bit of doubt.

INDOMITABLE DETERMINATION REQUIRED

Some timid souls, unaware of the power latent in human endeavor, consider this suggestion as highly impracticable; nay, even beyond the scope of man's utmost efforts. Such is not the case, however. On the contrary, thanks to the unfailing grace of God, the loving kindness of His favored ones, and the unrivaled endeavors of wise and capable souls, nothing whatsoever can be regarded as unattainable. Endeavor, ceaseless endeavor, is required. Nothing short of an indomitable determination can posibly achieve it. Many a

cause which past ages have regarded as purely visionary now in this day has become an accomplished fact. Why should this most great and lofty cause—the cornerstone of true civilization, of the advancement, the well-being, and the success of all humanity—be regarded as impossible of achievement?

THE LIGHTS OF UNITY

In cycles gone by, though harmony was established, yet, owing to the absence of means, the unity of all mankind could not have been achieved. Continents remained widely divided, so that, even among the peoples of one and the same continent, association and interchange of thought were well-nigh impossible. Consequently understanding and unity amongst all the peoples and kindreds of the earth were unattainable.

In this day, however, means of communication have multiplied and the five continents of the earth have virtually merged into one. In like manner all the members of the human family, whether peoples or governments, cities or villages, have become increasingly interdependent. For none is self-sufficiency any longer possible or desirable, inasmuch as political ties unite all peoples and nations, and the bonds of trade and industry, of agriculture and education are being strengthened every day. Time and space have virtually been eliminated as elements in world conditions. Hence the unity of all mankind can in this day be achieved. Actually this is none other but one of the wonders of this wondrous age, this glorious century. Of this, past ages have been deprived. This century—the century of light—has been endowed with the miraculous unfolding of a fresh marvel every day, but none greater than that which I have just described, because it makes possible the true road to peace.

"But," I hear someone say, "there will be opposition." Yes; there is and will be; and yet are we not justified in deriving fresh encouragement when we observe that the very consideration of such proposals is in itself an evidence of their steady growth in the minds and hearts of men? In the organized attempts that are made to discredit so exalted a conception, are we not witnessing the repetition, on a large scale, of those stirring struggles and fierce controversies that preceded the birth, and assisted in the reconstruction, of our own present unified action in this country?

THE FEDERATION OF MANKIND

To pursue this illustration further, how confident were the assertions made in the days preceding the unification of the States of the North American Continent regarding the insuperable barriers that stood in the way of their ultimate federation. Was it not widely and emphatically declared that the conflicting interests, the mutual distrust, the differences of government and habit that divided the States were such as no force, whether spiritual or temporal, could ever hope to harmonize or control?

And yet, how different were the conditions prevailing a hundred and fifty years ago from those that characterize present-day society! It would, indeed, be no exaggeration to say that the absence of those facilities which modern scientific progress has placed at the service of humanity in our time made of the problem of welding the American States into a single federation, a task infinitely more complex than that which confronts a divided humanity in its efforts to achieve the unification of all mankind into a united states of the world.

Upon the consummation of this colossal and glorious enterprise will depend the fulfillment of the prophecies uttered by the prophets of old when swords shall be beaten into plowshares and the lion and the lamb lie down together. It alone can usher in the kingdom of the Heavenly Father as anticipated by the faith and by the prayer of Jesus Christ, whose main point in His philosophy proclaimed the oneness of mankind. Surely the world, contracted and transformed into a single highly complex organism by the marvelous progress achieved in the realm of physical science, by the world-wide expansion of commerce and industry, and struggling under the pressure of world economic forces, amidst the pitfalls of a materialistic civilization, stands in dire need of a restatement of the truth of that philosophy.

Into such a period and condition, overshadowed by such moral and solical gloom, we are now steadily and irresistibly moving whether we will it so or not. Amidst the shadows which are increasingly gathering about us we can faintly discern the glimmerings appearing fitfully on the horizon of history. To us, the generation of the half light, living at a time which may be designated as the period of the incubation of the world commonwealth, has been assigned a task whose high privilege we can never sufficiently appreciate and the arduousness of which we can as yet but dimly recognize. We may well believe, we who are called upon to experience the operation of the dark forces destined to unloose a flood of agonizing afflictions, that the darkest hour that must precede the dawn of the golden age of our faith has about struck.

UNIVERSAL FERMENT

If we view the world carefully, we cannot miss the clear evidence of that universal fermentation which, in every continent and in every department of human life, be it religious, social, economic, or political, is purging and reshaping humanity in anticipation of the day when the wholeness of the human race will have been recognized and its unity established.

A towfold process, however, can be distinguished, each tending in its own way and with an accelerated momentum, to bring to a climax the forces that are transforming the face of our planet. The first is essentially an integrating process, while the second is fundamentally disruptive. The former, as it steadily evolves, unfolds a system which may well serve as a pattern for that world polity toward which a strangely disordered world is continually advancing, while the latter, as its disintegrating influence deepens, tends to tear down, with increasing violence, the antiquated barriers that seek to block humanity's progress toward its destined goal. The constructive process stands associated with the faith of Jesus and is the harbinger of the new order which that faith must ere long establish. The destructive forces that characterize the other should be identified with a secular civilization that has refused to answer to the expectation of this new age and is consequently falling into chaos and decline.

A titanic struggle, unparalleled in its magnitude, yet unspeakably glorious in its final consequences, is being waged as a result of these very opposing tendencies. The hollow and outworn institutions, the obsolescent doctrines and beliefs, the effete and discredited traditions which these forces represent, have, in certain instances, been undermined by virtue of their senility, the loss of their cohesive power, and their own inherent corruption. The perversion of human nature, the degradation of human conduct, the corruption and dissolution of human institutions, reveal themselves, under such circumstances, in their worst and most revolting aspects. Human character is debased, confidence is shaken, the nerves of discipline are relaxed, the voice of human conscience is stilled, the sense of decency and shame is obscured, conception of duty in both high and low places, of solidarity, of reciprocity, and loyalty are distorted, and the very feeling of peacefulness, of joy, and of hope is gradually extinguished.

ELEMENTS OF A DECADENT SOCIETY

The reappearance of religious intolerance, of racial animosity, and of patriotic arrogance; the increasing evidences of selfishness, of suspicion, of fear, and of fraud; the spread of terrorism, of lawlessness, of drunkenness, and of crime; the unquenchable thirst for, and the feverish pursuit after, earthly vanities, riches, and pleasures; the weakening of family solidarity; the laxity in parental control; the lapse into luxurious indulgence; the degeneracy of art and music, the infection of literature, and the corruption of our press; the extension of the influence and activities of those "prophets of decadence" who refuse to regard the procreation of children as the sacred and primary purpose of marriage, who denounce religion as an opiate of the people, who would, if given free rein, lead back the human race to barbarism, chaos, and ultimate extinction—all these appear as the outstanding characteristics of a decadent society, a society that must be either reborn or perish.

With this situation, compare and consider the character and philosophy of Christ. Instead of the recrudescence just described, He pushed every good trait of human character and condition of life to its utmost limit of perfection. His forgiveness was unbounded; His generosity was untiring; His patience was inexhaustible; His mercy was immeasurable; His courage was illimitable; His wisdom was unfathomable; His kindness was interminable; His faith removed mountains; His hope had no shadow in it; His love was infinite.

Of these two pictures of a pattern for life and for a basis for social, economic, political, and religious stability and success and peace, which do you choose as the ultimate winner? Does anyone doubt which philosophy of life will be the eventual winner? And then remember that the central feature in the real Christian philosophy points and leads to the unification of the whole of mankind.

Unity of family, of tribe, of city, State, and Nation have been successively attempted and fully established. World unity is now the final goal toward which a harassed humanity is slowly striving. Nation building seems to have come to a standstill, except perhaps temporarily and artificially by force of arms. The anarchy inherent in state sovereignty when carried to its ultimate is moving us all toward a climax. A world growing to maturity must abandon this fetish, in the interest of all our fellow men, recognizing the oneness and wholeness of human relationships, and establish once for all the machinery that can best incarnate this great fundamental principle of its life.

We blame the munitions makers, the international bankers, crooked diplomats, and unwise statesmen for war. But what, if they are the cause, are we going to do about it? After so placing the blame, it seems to me that we have done absolutely nothing about it of a constructive nature. All corrective measures at least have failed. By the vote of this Congress we have even removed the restrictions against the sale of munitions. Is it not evident, therefore, that something new and untried must be the answer, rather than the false cures and remedies we have so unsuccessfully sought to apply?

How can we control international problems except with international machinery? Our mistake is that we have tried to do it with local or national laws. I suggest an international organization for peace and contend that the preordained unity of the human race implies the establishment of a world commonwealth in which all nations, races, creeds, and classes are closely and permanently united, and in which the autonomy of its state members and the personal freedom and initiative of the individuals that compose them are definitely and completely safeguarded as we have here in the United States.

This commonwealth must, so far as I can visualize it, consist of a world legislature, whose members will, as the trustees of the whole of mankind, ultimately control the resources of the component nations, and will enact such laws as shall be required to satisfy the needs and adjust the relationships of all races and peoples.

A world executive, backed by an international police force contributed on a proportional basis, will aid in preserving the peace of the world and in seeing that its international laws are obeyed and its organic unity is safeguarded. A world tribunal must adjudicate and deliver its compulsory and final verdict in all disputes arising between the various nations. That would be better than settling disputes by war, would it not? At least, that is the way we settle disputes in this country between States and between people, so I assume it is a qualified method.

A world script, a world literature, a uniform and universal system of currency, of weights and measures, will simplify education, trade, and business problems, and will produce a better, friendlier understanding among the nations and races of mankind. In such a world society, science and religion, the two greatest forces in human life, could be reconciled and would work together, instead of out of harmony as they seem to be now as we practice the art of war.

If these words and thoughts which I have expressed are not true, and if they are not in complete accord with the experience and wisdom of the ages; if they are not in accord with the eternal laws of the Creator, then they can but fail of realization. But if they are true, then is it not the duty of yourself and all of us to bring them into fruition and realization with every ounce of energy and talent at our command and in the name of peace?

Monica Williams has penned a poem just fitted for this occasion. What more fitting conclusion can I append than this:

"LOVE WILL NOT FAIL

"There are no words with which to voice our grief
That war has come—no tears with which to weep,
For hearts in anguish a deep silence keep,
And minds are lulled to kindly unbelief.
It cannot be! There is no laurel wreath,
No joyous song of triumph that will leap
From muted throats; we know we can but reap
The sorrow which all cruel wars bequeath.

"And yet we wonder why such things must be;
Have we but built our house upon the sand,
Is there no good that evil shall prevail,
No God of Love to guide humanity?
Then let us look within and understand
That when we serve God first love will not fail."

For the past several weeks I have received daily commendations for the above suggestion, and requests from all over America have come in totaling several thousand copies. The following letter from the head of one of the greatest grain companies in Minneapolis is very pleasing to me, knowing the type of gentleman the writer, Mr. A. C. Andrews, is, and I insert it here to indicate how thinking, wise, and patriotic Americans are beginning to feel about the idea of a United States of the World:

ANDREWS GRAIN CO.,
Minneapolis, Minn., February 14, 1940.

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

DEAR MR. ALEXANDER: A week or so ago I received from you copy of the page from the CONGRESSIONAL RECORD of date November 2, your remarks about the world political situation, "After the War, Peace."

It is seldom I read clear through sheets of this kind that occasionally come to my desk. Usually I glance at them a bit and either toss them in the wastebasket or file them until I have more leisure time to peruse. But this article of yours compelled my attention from the very start, clear through to the end. And I certainly want to congratulate you on such a broad-gage view as you have taken. It is so hard for most of us to look beyond our immediate confines—either State or Nation.

I feel we must, all of us, take a broader than even national view alone before we will ever get peace and prosperity even for our own country.

Am very glad, indeed, you are thinking along the lines indicated in this congressional article.

Sincerely yours,

A. C. ANDREWS.

In conclusion, let me say that as long as our leaders can keep the hearts of America's men and women heavy with fear of the present and future alike, with jealousies and rivalries that are suckled from the breast of untruth, of sophistry, and chicanery—as long, I say, as we are blind to truth, to realities, and to the cold, practical facts which surround not only the lives of individuals but also of nations—then there is no hope of peace, there will be no peace, either for the United States or for the world.

Oh, yes, this is radical doctrine, but so was Abraham Lincoln's at the time, so were the doctrines of the Revolutionary fathers which brought forth on this continent a new, great hope for mankind, and so is Christianity itself, as the rich young ruler found when he talked to Christ. But how are we to save ourselves and to grasp the garment of sweet and wonderful peace but by doing eventually as I suggest? Why not now? Next year may be too late. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Nevada [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Chairman, dredging items for the island of Guam have been carried in naval appropriation bills since 1906, namely, in the Naval Act of 1906, in the Naval Act of 1907, in the Naval Act of 1916, and in the Naval Act of 1924. Those acts all carried dredging items for Guam harbor, although they were in comparatively small amounts. All of the objections to unauthorized work at Guam would apply also to items in the naval bills of the years mentioned. When did the American Congress ever before refuse to authorize necessary work on their island possessions to insure safety of human lives, because it might irritate or offend some foreign nation? I cannot understand the reasoning in such an argument. You have before you a map of Guam showing the Apra Harbor and obstructions therein. It is proposed to dredge out coral heads and build a breakwater. The work is designed solely for the purpose of furnishing a safe landing place for trans-Pacific aviation, for the safety of American aviators, and for the protection of American shipping. There is no element of fortification involved in the appropriation. There is no reason whatever that any other agency than the Navy should supervise work in this area. It is governed by the Navy and the Navy has the personnel at hand to do the work. In the interest of economy and efficiency of operation it ought to be done exactly as provided for in the bill. [Applause.]

Mr. HILL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HILL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HILL. Mr. Chairman, there is no question that we have authorization to appropriate this money. There is no question that we own this island. There is no question that we have no fear of fortifying it if we want to do so. But I want to add that we have also the right to insist on the freedom of the seas. Yet you and I recognize the fact that it is folly to do so. We had better stay at home. The same thing, I believe, is true of fortifying Guam. It is not a matter of right; it is a matter of wisdom and good sense.

I am opposed to this fortification—and that is what I am going to call it—first, because I believe it tends to lead us eventually into war. I think a large overwhelming majority, probably over 90 percent of the American people, insist that we do everything in our power here in Congress to prevent going into war.

The second reason why I am opposed to this is that it is economically unsound. It has been proven here that the amount will not be $3,000,000 but will be twice that before we get through fortifying and guarding it.

Third. We are going to spend this money, if this item remains in the bill, as has been shown on these charts, to fortify an island 6,000 miles from our shores. Had we not better spend that money here at home?

Only last week the American Youth Congress met here. Whether we take sides on that question one way or the other is immaterial. I do not approve of some of the things they stand for as far as it concerns communism. I am against communism, as well as fascism and nazi-ism. However, they came looking for jobs. They want jobs. They have a right to demand jobs. Yet we are here proposing to spend $3,000,000, 6,000 miles away, when these young men and women are asking for employment when they come out of high school. There is nothing more tragic in America today than youth looking in vain for an opportunity to earn a livelihood, self-respect, and decent homes.

Further, we can use some of this money for soil conservation. Funds for this worth-while program have been cut and cut to the bone. Our projects that have been started

in the West have been cut in half—in some cases cut two-thirds. We are asking that these projects be continued and finished on scheduled time. Yet the committee wants to spend this money far afield—away across the Pacific Ocean.

I was only a lad when the Spanish-American War was fought, but there was a great Democrat in that day who was opposed to imperialism. His name was William Jennings Bryan. We started our policy of imperialism then, and now we are reaping the results. We should never have gone into the Philippines, and, at the earliest possible moment, should get out of the Philippines, and we should get out of Guam. We should stay here at home, which includes the Aleutian Islands, Hawaii, and the Panama Canal.

Someone has mentioned here that this work on Guam is not fortification. A rose with another name has the same perfume still. A member of the committee said he is not for fortification, yet another member said very emphatically on the floor, "Yes; we want to make it a Gibraltar"; and that is the tendency.

Mr. Chairman, we need to keep our minds and our common sense here this afternoon and insist on spending our efforts and our money here at home, where they are needed for unemployment, for the young people, and for soil conservation.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. If improving this harbor in Guam would have the commercial advantages we are led to believe it would have, why not let provision for this improvement go through a committee of the House to determine its economic justification?

Mr. HILL. That would be more proper. However, it is immaterial to me from what committee this item comes. I am going to vote against it because I do not believe in spending any funds in Guam or in the Philippines. I believe in staying here in America and using any funds available for adequate defense, for construction of necessary dams, for soil conservation, for unemployment, for American development, and American people. [Applause.]

[Here the gavel fell.]

Mr. SCRUGHAM. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I just wish to call the attention of the gentleman to the fact that the labor involved in the expenditure in this item is all American labor, not foreign labor. The argument that the money is not to be used for employing American labor is entirely without merit.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Washington.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. RICHARDS].

The question was taken; and on a division (demanded by Mr. RICHARDS) there were—ayes 111, noes 91.

Mr. SCRUGHAM. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. SCRUGHAM.

The Committee again divided; and the tellers reported that there were—ayes 123, noes 114.

So the amendment was agreed to.

Mr. SCRUGHAM. Mr. Chairman, I ask unanimous consent to return to page 40, line 18, for the purpose of offering an amendment, which I send to the desk. This is purely for correcting the total as a result of the amendment just adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. SCRUGHAM: Page 40, line 18, after the first dollar mark, strike out "42,638,475 (composed of 'A' item $41,788,475, and 'B' item $850,000)" and insert "41,638,475 (composed of 'A' item $40,788,475, and 'B' item $850,000)."

The amendment was agreed to.

The Clerk read as follows:

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized (and appropriated for in part), and for the commencement of the following vessels authorized by the act approved May 17, 1938 (52 Stat. 401–403), one battleship, one aircraft carrier, two cruisers of subcategory (b), eight destroyers, two submarines, one submarine tender, one seaplane tender, two small seaplane tenders, and one minesweeper, and for the following vessels authorized by the act of March 27, 1934 (48 Stat. 501), one battleship and four submarines, $259,071,979, to remain available until expended, of which sum $50,000,000 shall be immediately available: *Provided*, That the sum to be paid out of the amount available for expenditure under the head of "Construction and machinery" for the fiscal year 1941 for employees in the field service assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed 5 percent of the aggregate amount available under this heading on July 1, 1940: *Provided further*, That, of the appropriations made available by this act under the head of "Replacement of naval vessels," there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services, and the employment of personnel in the Navy Department and in the field, the purchase of plans, drafting and other supplies, telephone and telegraph expenses, and the expenses of printing and travel, in addition to those otherwise provided for, owing to the construction of vessels which have been or may hereafter be authorized.

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 55, line 1, strike out the words "one battleship", and on page 55, line 7 strike out "$259,071,979" and insert "$258,571,979."

Mr. SCRUGHAM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. RICH. Mr. Chairman, I am offering an amendment here to stop the laying down of the keel of one large battleship. If we carry out this appropriation as it is presented in this bill, we will have under construction 10 battleships, 9 cruisers, 3 aircraft carriers, 50 destroyers, 26 submarines, and many other naval vessels too numerous to mention in the time I have allotted to me.

There seems to me a great increase in the number of capital ships that we are contemplating the construction of and authorization for in this bill. My reason for asking for the elimination of this ship is because it is a 45,000-ton vessel and the cost, as was estimated by the Navy Department, is from $90,000,000 to as high as $115,000,000—no definite figure of cost.

If you are going to construct 10 large battleships, you should consider the hearings, which show that some of the ships that will very shortly be completed have been stated by naval officials to be perhaps antequated, except insofar as they can compete with a vessel of a similar type; and it seems to me that we ought to have somebody from the Navy or from this committee tell us what it is going to cost to maintain our Navy 5 years from now. I have been trying to get these figures, but I cannot find anybody that will give the estimated cost of the Navy 5 years hence—a terribly lax situation; very unbusinesslike.

This is the largest Navy appropriation bill we have had at any one time in the history of this Nation, notwithstanding the fact that the committee has probably done a very good job in cutting it down from what the Bureau of the Budget or the President's Office wanted for naval construction. They wanted more than one hundred million more to be spent. I ask them, Where will they get the money?

What are we building this great navy for? I am not a pacifist and I do not want anybody to charge me with being a pacifist, but I say that we need today more jobs, things constructive, more bread and butter for the people of this Nation rather than more battleships, more bullets, and more agencies of destruction; and it seems to me that there is no nation on the face of the earth that I know of, or no

combination of nations, that will come here to attack America. If we stay at home and attend to our own business, we do not need to worry about people coming over here and getting after us. Be a friend to all people, and no need to worry about war. So why start the construction of so many capital ships? Who said we need them? Let us help agriculture; let us help the unemployed; let us help America.

This is not a political issue. There is no reason why the Democratic Party should be responsible for this, and there is no reason why the Republican Party should be responsible for this great construction program. It is simply a question of whether the Members of this Congress want to go on with this great building program, the largest building program this Nation has ever known. Your personal vote will determine. I will venture we do not have a roll call on the bill, because the Members who support this bill are ashamed of it.

We have reached a state, apparently, in our national life where we see each of the departmental appropriation bills being slashed, and if we permit the naval appropriation bill to go up by leaps and bounds—and you will have an Army appropriation bill which will be greatly increased—what are you Members of Congress going to do? What will you tell your constituents? You are the people who are responsible for this construction program, and if you permit it to go on, then it is your responsibility, and the people back home are going to hold you to your responsibility. I hope, at least, they do.

I believe that the greatest weapon of warfare, as well as the greatest instrument of our national defense, is our airplane. I believe that the airplanes and the local fortifications will keep people away from our shores. That will be defense enough, and enough to support with our present Navy.

Now, what is the Navy for? Is it not more likely to be used by those who are anxious to use it to go across and attack some foreign country rather than to try to protect our own shores? Certainly that is the case.

I hope the Members of the Congress will give consideration to this amendment. I would have cut out four or five of these vessels, but I wanted to go easy on this project and I am proposing to cut out only one battleship. Will you do it? [Applause.]

Mr. SCRUGHAM. Mr. Chairman, I ask for a vote upon the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania.

The question was taken, and Mr. RICH demanded tellers.

Tellers were ordered and the Chair appointed Mr. RICH and Mr. SCRUGHAM to act as tellers.

The Committee divided; and the tellers reported—ayes 52, noes 109.

So the amendment was rejected.

The Clerk read as follows:

Neither the appropriation "Replacement of naval vessels, construction and machinery," nor the appropriation "Replacement of naval vessels, armor, armament, and ammunition," shall be available for expenditure for any work of any character (including material) undertaken upon ships commissioned prior to July 1, 1939, nor as to any ship commissioned subsequently to such date after 12 months shall have elapsed from commissioning date.

Mr. TABER. Mr. Chairman, I move to strike out the last word. I have a statement to make and a notice to serve which I want every department of the Government to absorb. We are getting altogether too many deficiency estimates. I want every department of the Government to realize that I, at least, shall oppose every deficiency appropriation next winter, if I happen to be a Member of the House, where it is based upon facts that were in the possession of the committee that held the hearings in connection with the determination of the amount of the appropriation. In other words, I expect every department, including the Navy Department, to so allocate its funds and divide them that they will last through the year 1941 for which they are appropriated. Also, I speak for a very large number of the members of the Committee on Appropriations who have had to bear with so many deficiency items. We feel that there must be better financial management on the part of the departments, and we feel that every outfit, including the Navy and the Army, must get along with the money that is appropriated for them by the Congress in accordance with law. [Applause.] So that there may be no misunderstanding, for replacement of naval vessels, in the fiscal year 1941, there is carried $290,000,000, and in this bill there is also carried $50,000,000, which is made available for replacement of naval vessels during the fiscal year 1940. I hope that every department of the Government will manage its business in accordance with law and not incur deficiencies.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Georgia. Does not the gentleman understand that, in view of the language in the bill, we are taking $50,000,000 of the 1941 money and using it to carry on work for 1940?

Mr. TABER. I said that we were carrying in this bill $50,000,000, which is to be available for replacement of naval vessels in the fiscal year 1940, and the sum of $290,000,000 for expenditure in 1941. I understand that thoroughly, and I want the Navy Department and every other department of the Government to understand just how I feel. [Applause.]

The Clerk read as follows:

Office of the Secretary of the Navy: Secretary of the Navy, Assistant Secretary of the Navy, and other personal services, $205,990 (composed of "A" item, $202,570, and "B" item, $3,420).

Mr. SCRUGHAM. Mr. Chairman, I offer the following amendment, which I send to the desk, to correct a clerical error.

The Clerk read as follows:

Committee amendment offered by Mr. SCRUGHAM: Page 59, line 22, strike out "$205,990" and insert "$211,230", and strike out "$202,570" and insert in lieu thereof "$207,810."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Hydrographic Office, $457,500 (composed of "A" item, $417,000, and "B" item, $40,500).

Mr. SCRUGHAM. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. SCRUGHAM: Page 60, line 17, strike out "$457,500" and insert in lieu thereof "$458,820", and on page 60, line 18, strike out "$417,000" and insert "$418,320."

Mr. RICH. Mr. Chairman, I rise in opposition to the amendment to ask the chairman of this committee, the gentleman from Nevada [Mr. SCRUGHAM] a question. We are increasing this bill a thousand dollars here and a thousand dollars there, and we have increased this bill some $50,000,000 over the naval appropriation bill of a year ago. The naval appropriation bill and the Army appropriation this year will be the largest appropriation bills that we have made in the history of the United States for our Army and Navy; and I ask the gentleman from Nevada, "Where are we going to get the money, or what kind of money will we use to pay these bills?" This may seem like a simple question, but it is most important to the welfare of our Nation. It is the real lifeblood of the Nation, to have a solvent country and sensible, sane people operating it for the best interest of all its citizens.

Mr. SCRUGHAM. Mr. Chairman, that is a question which has been answered so many times that I think it does not need repetition. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Nevada.

The amendment was agreed to.

The Clerk read as follows:

SEC. 6. No part of any appropriation contained in this act shall be used for alterations to destroyers Nos. DD 409 to DD 444, inclusive, to improve stability.

Mr. SCHULTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHULTE: On page 68, after line 21, add a new section as follows:

"SEC. 7. No part of any appropriation contained in this act shall be used directly or indirectly after January 1, 1941, for the payment of any civilian for services rendered by them on the Canal Zone while occupying a skilled, technical, clerical, ministrative, or supervisory position unless such person is a citizen of the United States of America."

Mr. SCHULTE. Mr. Chairman, the reason for offering this amendment at this particular time is that it has been called to the attention of a great many Members by William C. Hushing, of the A. F. of L., that in the Panama Canal Zone there are any number of aliens, probably 5,000, who are not citizens of the United States and who are working for this Government and are being paid out of the Federal Treasury. In view of the fact that we have so much unemployment throughout the United States, practically every Member is receiving letters from his constituency that the people want jobs of some kind. I know that I have received any number of letters from my section of the country asking for jobs like this, and I certainly want to do everything I can for my people to see that they get employment. I have at least 500 in my district who will leave in the morning if they can be furnished with a job.

What the amendment does is to provide that all personnel on such construction work occupying skilled, technical, clerical, administrative, or supervisory positions shall be citizens of the United States.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield to my good friend the gentleman from Texas [Mr. LANHAM], who has always been very sympathetic with labor and doing all he can to help them, and I know the workingman appreciates his efforts.

Mr. LANHAM. I am quite in sympathy with the gentleman's amendment and for several terms in this Congress I have endeavored to keep American employment for Americans. It seems to me to be especially important in the Canal Zone. It is far removed from us, and in these days of wars and rumors of war it behooves us to take every proper step for the security of our Nation and our defense.

I wish to ask the gentleman this question: In addition to giving this employment to Americans, is it not likely true that American citizens filling positions of the various kinds referred to in the gentleman's amendment are so much more efficient in their service that the compensation paid to them, while it may be greater per individual, would not likely be greater in the aggregate, in that a fewer number of American citizens could probably render these services than the aliens now employed in this important part of our governmental activity?

Mr. SCHULTE. Absolutely; without any question.

On August 11, 1939, the President approved an act of Congress, Public, 391, Seventy-sixth Congress, which authorized an appropriation of $277,000,000 for a new set of locks on the Canal Zone. This law contains the same language suggested in my amendment. In addition, on January 29, 1940, the House enacted H. R. 7941, which carried identical language and which applies to $42,000,000 worth of Army construction work on the Canal Zone.

The Senate Committee on Military Affairs has favorably reported without amendment H. R. 7941.

The several departments of the United States Government engaged in activities on the Canal Zone are all administered separately, but it is recognized that the provisions of the amendment proposed should apply to all these departments.

The law now calls for its application in the construction of the new set of locks.

The House has enacted and Senate favorably reported H. R. 7941, which will apply it to the Army construction work on the Canal Zone, and the amendment now proposed will apply it to the Navy's activities on the Canal Zone. In view of the previous actions of the House and Congress, as a whole it seems that no one should object to my amendment.

I wish to direct attention to letters directed to the Speaker of the House and to the chairman of the Senate Military Affairs Committee by the Secretary of War and to read therefrom a paragraph which shows that this has the approval of the President, the Director of the Budget, and the Secretary, and that it will not necessitate more appropriations, as Government investigators have found and officially reported that the West Indian alien employed on the Canal Zone is but 33 percent as efficient as an American workman.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. Yes; I yield to my colleague.

Mr. LUDLOW. I think the gentleman is to be congratulated on offering this amendment. Since my colleague from Indiana became a Member of this body he has rendered constructive service of the highest order. He believes as a matter of sheer justice that Americans are entitled to these jobs at Panama, and I thoroughly agree with him. With thousands of unemployed at home imploring us for work, as good men as you and I, what excuse is there for giving these Panama positions to aliens? Furthermore, with the whole world aflame with actual or potential hostilities, we should put only Americans in charge at that delicate nerve center known as the Panama Canal. In offering this amendment, the gentleman from Indiana [Mr. SCHULTE] has again shown what a fine American he is. It seems to me the merit of his amendment is very obvious, and I hope it will be adopted unanimously. I wonder if the gentleman knows how many aliens are employed down there?

Mr. SCHULTE. I do not have any idea, but it has been estimated anywhere from 5,000 up. They are aliens in every sense of the word. I feel as my friend and colleague the gentleman from Indiana [Mr. LUDLOW] and the gentleman from Texas [Mr. LANHAM] that American citizens are paying this money into the Federal Treasury, and certainly they expect that money to be paid out to Americans for American labor.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. STEFAN. The amendment offered says nothing about common labor?

Mr. SCHULTE. No; but I wish that we could add common labor to this amendment as it would create about 5,000 more jobs for American citizens.

Mr. STEFAN. It merely refers to skilled labor?

Mr. SCHULTE. That is all.

Mr. STEFAN. I want to support the gentleman's amendment.

Mr. SCHULTE. That is all; just the skilled labor.

Now, here is a letter from the Secretary of War:

The passage of this legislation will require the use of appropriated moneys for the employment of American skilled labor and thereby help to relieve the unemployment situation within the United States. To that extent it will be an extension of the principle of taking care of American skilled labor as expressed in the act of August 11, 1939, authorizing the construction of additional facilities to the Panama Canal, and also to that extent it puts the Army construction work in question on a parity with the Panama Canal improvement. Insofar as the rate of wages paid the employees is concerned, the same parity will prevail as to employees employed by the Governor of the Canal to carry out that work.

It is not believed that the enactment of the proposed legislation will, from a practical viewpoint, result in any appreciable increased cost.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation.

This situation was brought to my attention by the American Federation of Labor through their national legislative chairman, William C. Hushing, who has been trying for 21 years to correct this evil that exists in the Panama Canal Zone, that of aliens being employed by the Federal Government receiving their money from the Federal Treasury, and American citizens standing idly by wondering where their next meal was coming from.

William C. Hushing is known and respected by every Member of this House, and I would like to pay my compliments to him for giving to this amendment his untiring efforts, his tenacity, and willingness to continue to fight for the things that are for the best interests of those who must work for a living, and for his loyalty to the American workers.

I do hope this amendment will be accepted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. SCHULTE].

The amendment was agreed to.

Mr. SCRUGHAM. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore (Mr. RAYBURN) having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8438, the Navy Department appropriation bill for 1941, directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. SCRUGHAM. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. STEFAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. STEFAN. Yes.

The SPEAKER pro tempore. The gentleman qualifies.

The Clerk read as follows:

Mr. STEFAN moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with an amendment as follows: On page 10, strike out all of lines 1 to 8, inclusive.

Mr. SCRUGHAM. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent that the Clerk may have authority to correct the totals in the bill just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, on behalf of the gentleman from Pennsylvania [Mr. DITTER], I ask unanimous consent that he may be permitted to extend his remarks in the RECORD and to include therein a statement in explanation of a bill which he introduced today to amend the Communications Act of 1934 in order to preserve and protect liberty of expression in radio communications.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert a brief article by our colleague the gentleman from Pennsylvania [Mr. ALLEN].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MASSINGALE, Mr. BATES of Massachusetts, Mr. SMITH of Ohio, Mr. HAVENNER, Mr. BENDER, and Mr. MILLER asked and were given permission to revise and extend their own remarks.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to insert therein an article by Rudolph Lee regarding the upper harbor development at Minneapolis. I am advised by the Printing Office that this article will cover three and a half pages of the RECORD. I have an estimate from the Printing Office as to cost.

The SPEAKER pro tempore. Is it a newspaper article?

Mr. ALEXANDER. No; it is a statistical article regarding the upper Mississippi River.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BARNES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by Hon. James A. Farley at New Salem, Ill., on February 12.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief article by Mark Sullivan.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WILLIAMS of Delaware. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial from the Wilmington Morning News entitled "The Road to War."

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a brief extract from a publication entitled "Deep Water."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE METHODS OF HITLER AND THE DISCIPLES OF STALIN ARE IN VOGUE HERE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, Hitler, through a measure of orderly and legal procedure, brought about a revolution and established himself as dictator in Germany. Stalin literally lopped off the heads of his political opponents and made himself supreme. The New Deal uses the methods of Hitler, applied by some of the disciples and adherents of Stalin, to bring about the overthrow of our Government and to create a draft-Roosevelt movement.

Congress enacted the National Labor Relations Act, creating the National Labor Relations Board. The President appointed a Board which conceived it to be its duty to drive all workers into industrial unions, adherents of which had contributed more than a million dollars to the political success of Franklin D. Roosevelt.

The National Labor Relations Board selected, at a salary of $2,700 per year, a Hungarian woman, 27 years of age, who came to the United States in 1929, was naturalized in 1935, with a husband drawing a salary of $4,600 a year in another Government department, to act as a reviewing attorney—to read, consider, thousands of pages of testimony and then report to the Board her conclusions as to the decisions—affecting the jobs of thousands of men and the financial existence of great corporations—which should be made by the Board.

The Board, notwithstanding the provision found in section 4, subdivision (a), of the act creating it, which provides that—

Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statitsical work), where such service may be obtained from the Department of Labor—

Hired the Russian-born Saposs, as full of communistic ideas as a vagabond dog is of fleas, to make investigation outside

the record and report to investigators, reviewing attorneys, and the Board itself his conclusions and interpretation of testimony given before the Board.

The procedure is in violation of every idea of fair play and of justice inherent in every American. The procedure is characteristic of the procedure of Stalin and his secret agents. The Board denies to employers accused of an unfair labor practice their day in court, the right to be confronted with the witnesses who testify against them, the right of cross-examination; in short, the right to be heard in their own defense.

As disclosed by the Smith hearings, one of the activities of Saposs seems to have been to inquire into the financial standing of the employers investigated by the Board, and, apparently, if the company was prosperous, a labor dispute, followed by a strike, was in order, and, when demands of the C. I. O. unions were not met and a strike followed, in the end the Board, bent upon inflicting punishment, made an order reinstating the strikers with payment for the time lost while on strike.

If, perchance, the employer was not making a profit, the testimony of Saposs, an economist, so-called, could be used to point out how, if the employer had operated his business properly, he would have made a profit, and therefore a demand for an increase in wages was justifiable.

Restated, Saposs' mission was to find evidence to show that an employer was making too much money; therefore a demand for increase in wages was justifiable; or, if it could not be shown that the employer was making a profit, then that his methods should be changed to correspond to Saposs' theories, and, in the meantime, an increase in wages should in any event be given.

With the aid of the Hungarian reviewing attorney and the Russian economic expert, the Board, biased and prejudiced, with the preconceived notion that its purpose under the law was to force all employers into a contract with representatives of the industrial union which harbored within its ranks many a Communist, buttressed by the reports of its investigators and prosecutors, has been able to build a broad foundation for its punitive orders.

These orders may be based upon hearsay, on reports made by investigators who traveled outside the record, who made statements considered by the reviewing attorney and by the Board when those charged with unfair labor practices had no opportunity to be heard or to answer.

Circuit courts of appeal have time and again said that the evidence upon which the Board bases its findings must be sound and substantial, not hearsay.

The Supreme Court last Monday inferentially rebuked the circuit courts of appeal and then decided that, when Congress passed the National Labor Relations Act and provided that—

> The findings of the Board, as to the facts, if supported by evidence, shall * * * be conclusive—

It intended to make the findings of the Board conclusive, if supported by evidence which was substantial.

The hearings before the Smith committee disclose that the Board conceives itself to be charged with the duty of forcing all industrial workers into a union. The hearings disclose that the purpose of the Board is to force an employer into the making of a collective-bargaining contract with a union, although the Supreme Court has distinctly said that an employer need not, under the act, make such a contract.

The hearings disclose that the Board has employed men like Dr. Saposs to make investigations and give opinions on which reviewing attorneys and the Board itself have based decisions, and this without affording the person charged with an unfair labor practice an opportunity to be heard—a procedure which is un-American but in conformity with the practice of Stalin.

The hearings before the Smith committee disclose that the Board's secretary has been a party to the instigation and the carrying on of a strike in a great industrial corporation's plants; that its trial examiners or reviewing attorneys have traveled outside the record in making up their reports, and considered information not given in hearings before them and which parties accused of a violation of the law had no opportunity to meet.

A BLACKJACKING BOARD

The Board has not been content to use the remedies given it by the National Labor Relations Act. By letters to other departments of the Government, it has sought to blackjack employers into entering into collective-bargaining contracts. The Chairman of the Board has been guilty of coercion and intimidation by writing to other departments of the Government, asking them to either withhold from giving, or to cancel contracts already given, to employers who were charged with, or who might be charged with, unfair labor practices.

Where successful and had the results of his efforts gone to him, instead of to the labor-union organizers and racketeers Chairman Madden would have been guilty of blackmail or extortion. The best that can be said for his conduct is that he did not himself receive financial reward; that the benefits went to his friends in the particular labor organization involved.

If administrative bodies are to continue to encroach upon the functions of Congress, of the courts, and of the Executive, it is about time that we abolish the lot and let some of those who conceive themselves to be czars start at the bottom of the ladder.

We now have proof in the testimony produced before the Smith committee of many of the things heretofore known but contradicted. We now know that the National Labor Relations Act has been used by the Board and its employees in an arbitrary, unlawful, and prejudiced manner to injuriously affect, and sometimes destroy, the jobs of workers; to deprive employees of the right to bargain collectively through representatives of their own choosing; to make unjust and ruinous orders against employers.

We now know that the overwhelming sentiment of our countrymen demands the amendment of this law. Evidence is piling up day after day that it is the purpose of powerful political groups to prevent the amendment of this law, to thwart the will of the people.

That the will of the people may be done, I have placed on the desk of the Speaker discharge petition No. 23 and, if the Members of this House want this law amended, they can get it amended by forcing out for consideration the bill I introduced in March a year ago. [Applause.]

[Here the gavel fell.]

ADJOURNMENT OVER

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado [Mr. LEWIS]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I do not rise at this time to charge anybody with bad faith. Everybody is entitled to his constitutional prerogatives under the rules of the House. At the same time I think the RECORD should show a factual history of what occurred here on the matter of Members having an opportunity to register a protest vote in favor of a 10-percent cut and an opportunity of a record vote in favor of a 10-percent cut in this naval appropriation bill.

Under the rules, only one motion to recommit is permitted. A motion to recommit, under the rules, belongs to the minority. When the motion to recommit was offered by the minority we expected a motion to recommit that meant something. Instead the motion to recommit that was offered carried the recommendation to strike out the language on page 10 of the naval appropriation bill from line 1 to line 8, a most innocuous and meaningless motion to recommit, because all it would

have stricken out is an appropriation for welfare and recreation for sailors. That amendment, therefore, in my opinion, was meaningless and absurd, perhaps not intentional, and I am not charging anybody with bad faith, because that would be contrary to the rules of the House; but it served the purpose, and that purpose was to prevent a motion to recommit which would have carried the recommendation for a 10-percent cut in the total appropriation. For one I was prepared to offer that motion, and had, in fact, sent it to the Clerk's desk, because I, too, am a member of a minority party, but, under the rules, the members of the major minority party had the preference to offer that motion. I put this in the RECORD so that the country may have a factual history as to how the Members of this House were deprived of an opportunity to record their vote in favor of a 10-percent cut in this all-time record Navy bill.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. There are a great many members of the second minority party, Republicans on this side of the House, who would have been very pleased to vote for the gentleman's motion to recommit so as to provide for a reduction of 10 percent of the total amount carried in this bill. I would have been happy to vote for a much greater reduction. There is no sense spending billions of dollars for the Army and Navy and in the name of economy taking it out of the hides of the hungry people who are unemployed or on W. P. A., our disabled war veterans, and distressed farmers.

Mr. MARCANTONIO. I think the farmers who have been cut and the W. P. A. workers who are about to be let loose on the streets, left to hope and pray that the so-called war boom will take care of them, will read what I have inserted in the RECORD, and I hope they will realize just how their Representatives were deprived of the opportunity to vote for a 10-percent cut in the naval appropriation bill and thereby cast a vote in their behalf. Nine hundred and sixty-six million dollars for war and terrific reductions in appropriations for agriculture and labor. Why were we blocked in our effort to go on record on this vital matter?

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman is laying all the blame on the minority side. I am just wondering if the majority side did not have something to do with the procedure that has taken place.

Mr. MARCANTONIO. I am a minority of one and am in no position to know what alliances are made. I do not know if any were made on this particular question. I have my own ideas, however.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. How could the majority have anything to do with the action that was taken? It was purely within the control of the minority party, because under the rules of the House it is the right of the minority party to make a motion to recommit. If the gentleman who asked the question will follow his question to the final conclusion, he will realize he is indicting his own party if an agreement was made, because the agreement could not be consummated without the minority party having complete control of the situation.

Mr. MARCANTONIO. I am not drawing any conclusions. I am simply setting forth the facts to let the country draw its own conclusions from the facts, which are uncontrovertible. You Democrats and you Republicans will have to fight it out to see who is to blame.

Mr. JENSEN. Mr. Speaker, will the gentleman yield further?

Mr. MARCANTONIO. I yield.

Mr. JENSEN. I should like to answer the gentleman from Massachusetts. Does not the majority side have the power to vote down any resolution or any motion that is offered? I notice they did not take any action.

Mr. McCORMACK. If the gentleman will yield, the gentleman from Iowa ought to know there is only one motion to recommit allowed under the rules. Two such motions cannot be made. The same thing was done to me the other day. I know I would have opposed the motion of the gentleman from New York today and he would have opposed mine the other day when I tried to get the Ambassador back from Soviet Russia. The same thing was done the other day. It is within the rules. We are both recipients of the same play. Both situations were under the control of the minority party.

Mr. MARCANTONIO. Yes; except this, that in the gentleman's case nobody was hurt, and in this case the farmers and the W. P. A. workers are hurt.

Mr. McCORMACK. The same principle is involved, however. The gentleman is trying to argue one way in this case and another way in the other.

Mr. MARCANTONIO. The gentleman from Massachusetts well knows that I had absolutely no control over the situation the other day and he cannot blame me for it; nor did I argue the other way the other day because I had no part in that argument. Furthermore, while the same principle may be involved, it is not the same people who are getting kicked around. In this case the farmers and the workers are getting the boot. The other day, only the gentleman from Massachusetts got the boot.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter and excerpts from a Supreme Court decision.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered last night by the gentleman from Texas [Mr. POAGE].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GEHRMANN (at the request of Mr. HULL), indefinitely, on account of illness.

To Mr. MALONEY, for 1 week, on account of official business.

To Mr. DUNN, indefinitely, on account of illness.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred, as follows:

S. Con. Res. 38. Concurrent resolution authorizing the printing of additional copies of Senate Report No. 1182, entitled "Investigation of Railroads, Holding Companies, and Affiliated Companies"; to the Committee on Printing.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939.

ADJOURNMENT

Mr. SCRUGHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 31 minutes p. m.), under its previous order, the House adjourned until Monday, February 19, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Monday, February 19, 1940, at 10 a. m., before the petroleum subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON FOREIGN AFFAIRS

On Tuesday, February 20, 1940, there will be a meeting of the Committee on Foreign Affairs at 10:30 a. m. to consider H. R. 8446, to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended, and H. R. 7809, authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1397. A letter from the Secretary of War, transmitting a draft of a proposed bill for the relief of Charles N. Barber, former United States property and disbursing officer, Vermont National Guard; to the Committee on Claims.

1398. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the granting of a right-of-way for roadway purposes on the Fort Thomas Military Reservation, Ky., in exchange for the release of property rights in and to a certain road on said reservation; to the Committee on Military Affairs.

1399. A letter from the Administrator, Rural Electrification Administration, transmitting the report of the Rural Electrification Administration for the year 1939; to the Committee on Interstate and Foreign Commerce.

1400. A letter from the Acting Secretary of Commerce, transmitting the Annual Report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1939, and the annual report of the city of New York covering operations of the foreign-trade zone at Stapleton, Staten Island, N. Y., during the calendar year 1938; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 8476. A bill to adjust the boundaries of the Cedar Breaks National Monument and the Dixie National Forest, in the State of Utah, and for other purposes; without amendment (Rept. No. 1614). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 8024. A bill to provide for the leasing of restricted allotments of deceased Indians in certain circumstances, and for other purposes; without amendment (Rept. No. 1615). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WEAVER: Committee on the Judiciary. H. R. 7230. A bill to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd; with amendment (Rept. No. 1616). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN:

H. R. 8508. A bill to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405); to the Committee on Expenditures in the Executive Departments.

By Mr. DITTER:

H. R. 8509. A bill to amend the Communications Act of 1934 in order to preserve and protect liberty of expression in radio communication; to the Committee on Interstate and Foreign Commerce.

By Mr. LEA:

H. R. 8510. A bill to amend the Locomotive Inspection Act of February 17, 1911, as amended, so as to change the title of the chief inspector and assistant chief inspectors of locomotive boilers; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON of Florida:

H. R. 8511. A bill authorizing the Bradenton Co., its successors and assigns, to construct, maintain, and operate a bridge across Sarasota Pass where Manatee Avenue, Bradenton, if extended, would cross Sarasota Pass, county of Manatee, State of Florida; to the Committee on Interstate and Foreign Commerce.

By Mr. TARVER:

H. R. 8512. A bill to provide for the acquisition of additional lands for the national military parks, national historical parks, national battlefield parks, and battlefield sites administered by the National Park Service of the Department of the Interior, and for other purposes; to the Committee on the Public Lands.

By Mr. BYRNS of Tennessee:

H. R. 8513. A bill to provide Saturday half holiday with pay for all employees on the Panama Canal and Canal Zone; to the Committee on the Civil Service.

H. R. 8514. A bill to provide for 8-hour shifts for nurses in hospitals on the Canal Zone; to the Committee on the Civil Service.

By Mr. FLAHERTY:

H. R. 8531. A bill to authorize the acquisition by the United States of certain lands adjacent to the Navy Yard, Boston, Mass.; to the Committee on Naval Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their House Resolution No. 20, with reference to an emergency landing field within a short distance of Chaffey Junior College and Pomona Junior College; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Missouri:

H. R. 8515. A bill for the relief of Joseph Schneider; to the Committee on Claims.

H. R. 8516. A bill for the relief of Erwin J. Fischer; to the Committee on Claims.

By Mr. BARRY:

H. R. 8517. A bill to authorize the President to bestow the Navy Cross upon Edward Abrams, former sergeant, United States Marine Corps; to the Committee on Naval Affairs.

By Mr. GEYER of California:

H. R. 8518. A bill for the relief of Joseph F. Hollingshead; to the Committee on Naval Affairs.

By Mr. LANDIS:

H. R. 8519. A bill granting a pension to Myrtle Snow; to the Committee on Invalid Pensions.

H. R. 8520. A bill granting a pension to Dorris K. Fitch; to the Committee on Invalid Pensions.

H. R. 8521. A bill for the relief of Isabel H. Maxey; to the Committee on Invalid Pensions.

H. R. 8522. A bill for the relief of Alleda Handrick; to the Committee on Invalid Pensions.

H. R. 8523. A bill granting a pension to Elizabeth L. Jones; to the Committee on Invalid Pensions.

H. R. 8524. A bill granting a pension to Gracie D. Maxey; to the Committee on Invalid Pensions.

H. R. 8525. A bill granting a pension to Mary McCarty; to the Committee on Invalid Pensions.

H. R. 8526. A bill granting a pension to Willis Snow; to the Committee on Invalid Pensions.

By Mr. MYERS:

H. R. 8527. A bill for the relief of Samuel Young; to the Committee on Claims.

By Mr. ROBINSON of Utah:

H. R. 8528. A bill for the relief of Estella King; to the Committee on Claims.

By Mr. SHANLEY:

H. R. 8529. A bill for the relief of Byron A. Guthrie; to the Committee on Naval Affairs.

By Miss SUMNER of Illinois:

H. R. 8530. A bill for the relief of Esther Cottingham Grab; to the Committee on Foreign Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6510. By Mr. HARTER of New York: Petition of 11 citizens of Erie County, favoring House bill 1, the so-called Patman chain-store tax bill; to the Committee on Ways and Means.

6511. By Mr. HILL: Resolution of the City Council of Goldendale, Wash., and similar resolutions of 22 interested organizations in Washington State, opposing the creation of a national park in the Cascade Range area of the State of Washington; to the Committee on the Public Lands.

6512. By Mr. KEOGH: Petition of the Kiwanis Club of Williamsburg, Brooklyn, N. Y., favoring legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Foreign Affairs.

6513. By Mr. LAMBERTSON: Petition of Mrs. W. W. Peyton and 128 other citizens of Topeka, Kans., and members of the Westminster Presbyterian Church of that city, urging that our Government restrict, by such measures as may be appropriate and effective, the very substantial aid that Japan is receiving through the procurement of essential war materials from the United States; to the Committee on Foreign Affairs.

6514. By Mr. LECOMPTE: Petition of citizens of Deep River, Iowa, in the interest of the chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6515. By Mr. VOORHIS of California: Petition of John Horasek, of Norwood, Ohio, and 10 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6516. Also, petition of H. B. Geers, of Norwood, Ohio, and 17 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6517. Also, petition of Joseph A. Nicoletto, of Norwood, Ohio, and 26 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6518. Also, petition of Mrs. William P. Feismann, of Norwood, Ohio, and 26 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6519. Also, petition of Harry Sauder, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6520. Also, petition of Marcella Kuderer, of Norwood, Ohio, and 26 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6521. Also, petition of Marie G. Rakel, of Norwood, Ohio, and 25 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6522. Also, petition of Arthur A. Hamann, of Norwood, Ohio, and 25 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6523. Also, petition of Hazel Jonte, of Norwood, Ohio, and 25 others, urging Congress to seriously consider a monetary reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6524. Also, petition of Grover C. Schulte, of Norwood, Ohio, and 25 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6525. Also, petition of Mrs. Anthony Roling, of Norwood, Ohio, and 25 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6526. Also, petition of Marie F. Lemker, of Norwood, Ohio, and 16 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6527. Also, petition of Helen McFarthy, of Norwood, Ohio, and 24 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6528. Also, petition of Phyllis Schlerbaum, of Norwood, Ohio, and 25 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6529. Also, petition of Ralph Dumont, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6530. Also, petition of Herman Ferdelman, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6531. Also, petition of Marie Bicknell, of Norwood, Ohio, and 25 others, urging Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6532. Also, petition of L. Sutherlana, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6533. Also, petition of Virginia Costello, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6534. Also, petition of William J. Mullen, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6535. Also, petition of Harry J. Wilke, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6536. Also, petition of Mrs. A. Backhaefer, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6537. Also, petition of John Junker, of Norwood, Ohio, and 17 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6538. Also, petition of George Schmidt, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6539. Also, petition of Fred Walter, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6540. Also, petition of William Feldwisch, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6541. Also, petition of Edward O'Malley, Jr., of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6542. Also, petition of Fred A. Geier, of Norwood, Ohio, and 26 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6543. Also, petition of Joseph Hendker, of Norwood, Ohio, and 20 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6544. Also, petition of James S. Butter, of Norwood, Ohio, and 21 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6545. Also, petition of August Speller, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6546. Also, petition of Herbert M. Small, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6547. Also, petition of Theresa C. Dirr, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6548. Also, petition of Urban Vonhagen, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6549. Also, petition of Gilbert A. Parsons, of Norwood, Ohio, and 16 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6550. Also, petition of Carrol Brown, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6551. Also, petition of August Rau, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6552. Also, petition of J. Macke, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6553. Also, petition of H. J. Rueno, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6554. Also, petition of Peter Yorkery, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6555. Also, petition of Thomas Cunningham, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6556. Also, petition of James T. Denaly, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6557. Also, petition of Earl Siebert, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6558. Also, petition of William Martin, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6559. Also, petition of William McGrann, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6560. Also, petition of David S. Talmage, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6561. Also, petition of Rupert Stier, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6562. Also, petition of Roger Winkelman, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6563. Also, petition of Edward Speed, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6564. Also, petition of Robert F. Huelsman, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6565. Also, petition of Roy Tepe, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6566. Also, petition of Joseph H. Hudepohl, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6567. Also, petition of Florence A. Everleiu, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6568. Also, petition of Ruth Brinkmeyer, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6569. Also, petition of Gino Bellini, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6570. Also, petition of Regina Peter, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6571. Also, petition of James Murdock, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6572. Also, petition of B. Overberg, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6573. Also, petition of Cletus Meyer, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6574. Also, petition of Anton Kramer, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6575. Also, petition of Edwin J. Tepe, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6576. Also, petition of Florence Niehaus, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6577. Also, petition of Herman B. Schwittining, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6578. Also, petition of Marie Lynch, of Norwood, Ohio, and 24 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6579. Also, petition of Loretta C. Kuhr, of Norwood, Ohio, and 23 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6580. Also, petition of Anna Schmu, of Norwood, Ohio, and 14 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6581. Also, petition of Louis Bross, of Norwood, Ohio, and eight others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

6582. Also, petition of Theo Houser, of Norwood, Ohio, and 25 others, urging the Congress to seriously consider a monetary-reform program, and calling particular attention to the Binderup Monetary Control Act; to the Committee on Banking and Currency.

SENATE

MONDAY, FEBRUARY 19, 1940

The Reverend Edward Gabler, S. T. D., rector of Christ Episcopal Church, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, who didst lead and guide the minds and hearts of our forefathers, accept our gratitude and thanks for the blessings and benefits Thou hast bestowed upon our native land.

Do Thou by Thy infinite wisdom guard and guide the Members of the Senate that they, through Thy Divine Help, may have a right judgment in all things. Take away from each one of us the hatred, prejudice, and fear that so easily sway our life and, in their place, may love, tolerance, and courage be the measure of our minds and hearts. Make us ever conscious of our duty toward Thee and our fellow man. Grant us, in all our uncertainties and doubts, to ask what Thou wouldst have us to do, that the spirit of wisdom may save us from all false choices, and in Thy light we may see light; and in Thy straight path, may not stumble. In His name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 15, 1940, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the following concurrent resolution (S. Con. Res. 32):

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January, 1941.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

House Concurrent Resolution 45

Resolved by the House of Representatives (the Senate concurring), That the proceedings at the various ceremonies in commemoration of the one hundred and fiftieth anniversary of the commencement of the first session of the Supreme Court of the United States, together with such additional matter as the Joint Committee on Arrangements in charge of these ceremonies may deem fitting and appropriate, in connection with this historical event, be printed, with illustrations, as a document; and that 200,000 additional copies be printed, of which 50,000 shall be for the use of the Senate and 150,000 shall be for the use of the House of Representatives.

And—

House Concurrent Resolution 46

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed for its use 2,000 additional copies of the hearings held before said committee during the current session on the resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

ENROLLED BILL SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 8237) to amend the District of Columbia Revenue Act of 1939, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	Maloney	Slattery
Bankhead	Glass	McCarran	Smith
Barkley	Green	McKellar	Stewart
Bilbo	Guffey	McNary	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
Chandler	Hill	Nye	Vandenberg
Chavez	Holt	O'Mahoney	Van Nuys
Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

Mr. MINTON. I announce, and request that the announcement stand for the day, that the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Texas [Mr. CONNALLY], and the Senator from California [Mr. DOWNEY] are absent from the Senate because of illness.

The Senators from Louisiana [Mr. ELLENDER and Mr. OVERTON], the Senator from Massachusetts [Mr. WALSH], the Senator from Montana [Mr. WHEELER], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from New Jersey [Mr. SMATHERS] are detained on important public business.

The Senator from Maryland [Mr. TYDINGS] is unavoidably detained.

Mr. MCNARY. I announce that my colleague [Mr. HOLMAN] is absent because of illness.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] and the Senator from New Hampshire [Mr. BRIDGES] are unavoidably absent.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

FOREIGN-TRADE ZONES REPORTS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, Acting Chairman, Foreign Trade Zones Board, transmitting, pursuant to law, the annual reports of the Foreign Trade Zones Board for the fiscal year ended June 30, 1939, and the annual report of the city of New York covering operations of the foreign-trade zone at Stapleton, Staten Island, N. Y., during the calendar year 1938, which, with the accompanying reports, was referred to the Committee on Commerce.

REPORT OF RURAL ELECTRIFICATION ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Rural Electrification Administration, transmitting, pursuant to law, the report of the Administration for the fiscal year ended June 30, 1939, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Assembly of the State of California, which was referred to the Committee on Commerce:

House Resolution 20

Whereas the United States of America has lately embarked upon a program of aviation expansion and to that end is cooperating with colleges and universities throughout the Nation in training students in flying; and

Whereas Chaffey Junior College and Pomona Junior College are now giving courses in aviation and conducting training programs for aviators pursuant to regulations of the Civil Aeronautics Authority; and

Whereas the Pomona-Ontario-Upland area of California is an especially advantageous locality for the training of aviators, in that it is in close proximity to Inglewood, Santa Monica, and Glendale, where much of the construction of aircraft is at present taking place, is free from fog and has ideal flying, climatic, and weather conditions, and is yet not so close to the Pacific coast as to cause an undesirable concentration of the aviation industry; and

Whereas the construction of an airport would greatly strengthen the aviation program of Chaffey Junior College and Pomona Junior College, be an important factor in promoting the aviation industry in California, and assist the national defense: Now, therefore, be it

Resolved by the Assembly of the State of California, That it hereby respectfully urges and memorializes the President, the Secretary of War, and the Congress of the United States to take such steps as are necesssary to establish an emergency landing field within a short distance of Chaffey Junior College and Pomona Junior College; and be it further

Resolved, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President, the Vice President, and Secretary of War of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States; and that the Senators and Representatives from California are hereby respectfully urged to support any necessary or appropriate measures to accomplish the establishment of the emergency landing field.

The VICE PRESIDENT also laid before the Senate a resolution of the Cheshire County Forest Fire Wardens' Association, Keene, N. H., favoring an adequate Federal appropriation for cooperative assistance to the State of New Hampshire for fire hazard reduction work, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring an increase in the appropriation for the United States Housing Authority to at least $30,000,000 per annum, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of the executive board of the New York State Industrial Union Council at

Albany, N. Y., favoring the program of the national organization of the C. I. O., calling for the employment of a minimum of 3,000,000 persons on public works, a public-work program for all unemployed young people, an increase in old-age pensions to $60 per month at the age of 60, and so forth, and opposing undue expenditures for military purposes, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions of the Central Labor Union of Augusta, Ga., and Muscle Shoals Building and Construction Trades Council, and Local No. 77, International Association of Bridge, Structural, and Ornamental Iron Workers, both of Sheffield, Ala., favoring completion of the Florida ship canal project, which were referred to the Committee on Commerce.

He also laid before the Senate a resolution of the executive board of the New York State Industrial Union Council, assembled at Albany, N. Y., relative to the wage and hour law, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of the executive board of the New York State Industrial Union Council, assembled at Albany, N. Y., favoring the enactment of Senate bill 1620, the so-called Wagner health bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring adoption of the legislative program of the C. I. O. relative to the cane-sugar refining industry, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Inland Lodge No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring amendment of the wage and hour law so as to include workers now outside the scope of the law, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring the adoption of a public-works program to give work to the unemployed at a good living wage, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring the enactment of Senate bill 1620, the so-called Wagner health bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring amendments to strengthen the National Labor Relations Act in several particulars, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring old-age pensions of $60 per month, with an additional $30 per month for wives of beneficiaries, which was referred to the Committee on Finance.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring the levying of increased taxation on wealthy persons and corporations and the reduction of taxation on consuming groups and wage earners, which was referred to the Committee on Finance.

He also laid before the Senate a resolution of the executive board of the New York State Industrial Union Council, assembled at Albany, N. Y., protesting against involvement of the United States in foreign wars, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., protesting against participation by the United States in foreign wars and favoring necessary appropriations for domestic purposes rather than for military purposes, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the Council of Administration, Veterans of Foreign Wars of the United States, assembled at Marion, Ohio, endorsing the operations of the so-called Dies committee investigating un-American activities and subversive forces in the United States and favoring the appropriation of adequate funds therefor, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., protesting against the operations of the so-called Dies committee investigating un-American activities, which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by James Lardner Lodge, No. 452, International Workers Order, of Los Angeles, Calif., and the executive board of the New York State Industrial Union Council, assembled at Albany, N. Y., favoring the prompt enactment of pending antilynching legislation, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions of the National Farm Loan Associations of Panhandle and Perryton, Tex., favoring the restoration of the Farm Credit Administration to the status of an independent bureau and the placing of the operations of the Federal land banks, national farm-loan associations, and other units of the Administration under the supervision of a bipartisan board appointed by the President, by and with the advice and consent of the Senate, which were referred to the Select Committee on Government Organization.

He also laid before the Senate a resolution of Inland Lodge, No. 1010, Steel Workers Organizing Committee, C. I. O., of East Chicago, Ind., favoring a conference of leaders of all industrial and social forces in America to endeavor to solve the problem of unemployment, which was referred to the Special Committee to Investigate Unemployment and Relief.

He also laid before the Senate a letter in the nature of a memorial from the president and board of trustees of the New Jersey State Federation of Women's Clubs, Newark, N. J., remonstrating against the enactment of the bill (S. 1650) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government, which was ordered to lie on the table.

Mr. HOLT presented a resolution of Local No. 6105, United Mine Workers of America, of Winding Gulf, W. Va., remonstrating against any change or amendment of the National Labor Relations Act or any reduction of the W. P. A. program, which was referred to the Committee on Education and Labor.

Mr. BARKLEY presented the following resolution of the Legislature of Kentucky, which was referred to the Committee on Post Offices and Post Roads:

Whereas there are more than 45,000 miles of poorly maintained county-system roads in Kentucky, and a large mileage of same in other States of the Nation; and

Whereas much of this mileage of bad county roads is necessary for the rural free delivery of United States mails, and for transportation of children to distant schools; and

Whereas this tremendous mileage of bad roads is the only outlet for daily business, social, and other purposes, available for the great majority of the rural population of the country; and

Whereas many miles of this county-system road have been constructed and hard surfaced by W. P. A. labor and materials and by counties, and said large mileage of roads, thus improved, is suffering serious damage and disintegration for the want of maintenance, due to the lack of funds: Therefore be it

Resolved by the Senate of Kentucky (the house of representatives concurring), That the Congress of the United States be memorialized to enact all laws and amendments to existing laws, and to do all other things necessary to aid both in the speedy construction and the substantial maintenance of the said county-system roads of Kentucky and of other States of the Nation, for the urgent reasons and purposes herein set forth; be it further

Resolved, That the chief clerk of the senate forward one copy each of this resolution to the President of the United States, to the President of the Senate, and to the Speaker of the House of Representatives of the United States, and to our Senators and Representatives in the United States Congress.

The VICE PRESIDENT laid before the Senate a resolution identical with the foregoing, which was referred to the Committee on Post Offices and Post Roads.

Mr. SHEPPARD presented a resolution of the Federation of Women's Clubs of Texas, which was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Whereas the Federal Government has assisted cities of the United States, including Texas, in eradicating slums and establishing in their place safe and sanitary dwellings for families of low income who could not otherwise afford decent living quarters, and thereby convert what was once the seat of crime and disease to centers of health and good citizenship; and

Whereas there is now pending in Congress legislation which has already passed the Senate which will make it possible for the United States Housing Authority to continue this great work and extend it into the field of rural housing, and give low-income families on the farms of our Nation now living in unhealthful and unsafe substandard dwelling places, decent, safe, and sanitary homes in which to live; and

Whereas it is the mothers who bear the burdens of making the home the center of family life and good citizenship, and the Federation of Women's Clubs of Texas is interested in better living conditions for all homes in Texas and in the Nation: Therefore be it

Resolved by the Federation of Women's Clubs of Texas, That it endorses the United States Housing Authority program as carried on through the housing authorities of the different States of the Union, and as carried on in Texas, and that it endorse and urge the passage of the legislation and appropriation now pending in Congress to continue the United States Housing Authority's program, and to extend it into the rural areas of the Nation; be it further

Resolved, That the Federation of Women's Clubs of Texas memorialize, and it hereby does memorialize the legislature of Texas to add provisions to its present housing enabling act to provide for rural housing through the establishment of county housing authorities to operate in rural areas as do the city housing authorities of Texas at the present time in cities and towns by the aid of the Federal Government through the United States Housing Authority, or by other appropriate means remedy the defect in the Texas housing laws which now prevent such Federal aid to rural housing which is so greatly needed in our State; be it further

Resolved, That the Governor of this State, Hon. W. Lee O'Daniel, be and hereby is memorialized to include said legislation in any call which he may make for a special session of the legislature in order that the great Commonwealth of Texas may share in the Nation's program for better homes and better standards of living for those who till the soil and make it possible for us all to live from the products of their labor.

Respectfully submitted.

MRS. VOLNEY W. TAYLOR.
MRS. GEORGE W. COX,
MRS. J. W. WALKER.
MRS. O. H. CARLISLE.
MRS. FLORENCE J. SCOTT.
MRS. WM. BACON.
MRS. JUD COLLIER.

[These names appeared on the resolution when it was presented by Mrs. Volney W. Taylor to the executive board for consideration and adoption. The resolution was adopted verbatim.]

Mr. PEPPER presented a resolution of the Board of County Commissioners of Duval County, Fla., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas under the provisions of the Federal Social Security Act no protection is afforded to governmental employees; and

Whereas under existing laws Federal, State, county, and city employees are amenable to the provisions of the income-tax law; and

Whereas it would seem that governmental employees, except those under pensions, should be afforded benefits of the Social Security Act or the set-up under the unemployment-insurance system: Therefore be it

Resolved, That this Board of County Commissioners of Duval County, Fla., does hereby commend to the Members of Congress from the State of Florida that they make an investigation of the matters and things set forth in the preamble of this resolution and, if after an investigation the same appears economically feasible, that they initiate such legislation as would bring about the inclusion of governmental employees under the Social Security Act protection and/or unemployment-insurance system; be it further

Resolved, That a copy of this resolution be sent to each Member of the National Congress from the State of Florida.

PREVENTION OF AND PUNISHMENT FOR LYNCHING

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Rev. H. Francis McClure, minister of the Brown Chapel, African Methodist Episcopal Church of Parsons, Kans., urging enactment into law of the antilynching bill.

I cannot state too strongly my own position in support of this bill. I have sponsored and supported this proposed legislation for years. I think the lynching record of the United States is a disgrace to our civilization. I sincerely feel that in many localities the local authorities are unable to afford proper protection to those accused of crime, or, at any rate, do not do so. The mob concludes that the accused persons are guilty and then takes the law into its own hands.

This condition should not, must not, be allowed to continue. The colored people for whom Reverend McClure speaks are entitled to the protection of their Government; and I believe that the antilynching bill pending now in a Senate subcommittee will offer a strong incentive to better law enforcement by local officials. The House measure should be reported at an early date and passed by the Senate without amendment.

I send the letter to the desk and ask that it be printed in the RECORD at this time as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AFRICAN METHODIST EPISCOPAL CHURCH,
Parsons, Kans., February 8, 1940.

Senator ARTHUR CAPPER,
United States Senate, Capitol Building, Washington, D. C.

HONORABLE SIR: On behalf of the colored voters of this section of Kansas I am requested to write you and ask that you give the support of your honorable office to the pending antilynching bill now being considered by your honorable body.

We regard this very fine measure, not as legislation designed to benefit the American Negro alone, but as a further guarantee of the rights of the American people as prescribed, but not fully secured, by our Constitution. You are our highest representative in government and we feel that our request is in line and in perfect harmony with your fine judgment, and that you will support any move that may arise to limit debate and minimize the liability of a filibuster on the part of its opponents.

With abiding faith in your fine judgment and great courage we express to you in advance our sincere gratitude.

Respectfully yours,

H. FRANCIS MCCLURE,
Minister, Brown Chapel, A. M. E. Church, Parsons, Kans.

REPORTS OF COMMITTEES

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (S. 3325) to provide for the transfer of the duplicates of certain books in the Library of Congress to the Beaufort Library, of Beaufort, S. C., reported it without amendment.

He also, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred, for examination and recommendation, six lists of records transmitted to the Senate by the Archivist of the United States which appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

S. 3386. A bill for the relief of Julia A. S. O'Brien; to the Committee on Finance.

S. 3387. A bill for the relief of Owen Ewart Smith; to the Committee on Naval Affairs.

S. 3388. A bill for the relief of Dan A. Tarpley;

S. 3389. A bill for the relief of Ernest H. Tarpley; and

S. 3390. A bill for the relief of Pearl Tarpley; to the Committee on Claims.

By Mr. PEPPER:

S. 3391. A bill for the relief of the Florida Citrus Exchange, the Growers Loan & Guaranty Co., and the Guaranty Operating Co.; to the Committee on Claims.

S. 3392. A bill for the relief of Joseph E. Myers; to the Committee on Military Affairs.

By Mr. SCHWELLENBACH:

S. 3393. A bill for the relief of Herman Wulff; to the Committee on Military Affairs.

S. 3394. A bill to enable Eva Sofia Bildstein to remain permanently in the United States; to the Committee on Immigration.

(Mr. WILEY introduced Senate bill 3395, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. McKELLAR:

S. 3396. A bill granting a pension to Steven E. McLaughlin; to the Committee on Pensions.

S. 3397. A bill to authorize the use of Tennessee Valley Authority funds for the reconstruction and relocation of certain highway bridges; to the Committee on Appropriations.

By Mr. CHANDLER:

S. 3398. A bill for the relief of William W. Addis (with accompanying papers); to the Committee on Claims.

S. 3399. A bill granting a pension to Maud Davis (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

S. 3400. A bill for the relief of Capt. Robert W. Evans (with accompanying papers); to the Committee on Claims.

S. 3401. A bill for the relief of Charles N. Barber, former United States property and disbursing officer, Vermont National Guard, and for other purposes; and

S. 3402. A bill to authorize the granting of a right-of-way for roadway purposes on the Fort Thomas Military Reservation, Ky., in exchange for the release of property rights in and to a certain road on said reservation; to the Committee on Military Affairs.

By Mr. CLARK of Idaho:

S. 3403. A bill for the relief of Harry E. Ferguson; to the Committee on Military Affairs.

By Mr. THOMAS of Idaho:

S. 3404. A bill for the relief of Mahlon E. Lante (with accompanying papers); to the Committee on Military Affairs.

By Mr. VAN NUYS:

S. 3405. A bill to provide for a money grant to Harriet F. Wright in recognition of the valuable services rendered to the United States by her late husband (with accompanying papers); to the Committee on Education and Labor.

By Mr. HATCH:

S. 3406. A bill granting to the regents of the University of New Mexico the right to alienate certain lands conveyed to them under authority of the act of Congress approved August 19, 1935 (49 Stat. 659), in exchange for an equivalent amount of land more expediently situated; to the Committee on Indian Affairs.

By Mr. MILLER:

S. 3407. A bill authorizing the President to appoint Harry Edward Cook, Jr., to the grade of lieutenant (junior grade), United States Navy; to the Committee on Naval Affairs.

By Mr. ASHURST:

S. 3408 (by request). A bill to provide for the punishment of persons conspiring to violate the laws relating to counterfeiting, and certain other laws; to the Committee on the Judiciary.

By Mr. MEAD:

S. J. Res. 213. Joint resolution authorizing the acceptance of the invitation of the Government of Italy to participate in the Rome universal exhibition to be held at Rome, Italy, in 1942; to the Committee on Foreign Relations.

PROPOSED PUBLIC HEARINGS BY WORK PROJECTS ADMINISTRATION

Mr. WILEY. Mr. President, I desire to comment briefly on a bill which I am introducing at this time. The bill requires that hearings or meetings held by the Work Projects Administration with respect to the grievances of relief workers be open to the public.

It has long been a traditional American custom that any type of hearing on a matter of public concern is open to the general public and to the press.

At the instigation of a newspaperman in Wisconsin, I have investigated the policy of the Work Projects Administration regarding hearings on labor grievances and complaints. I am advised that the decision regarding public hearings "is one which necessarily must rest with the officials conducting such hearings."

According to the policy of the Administration, "it should be understood that an open hearing, attended by interested parties, is not necessarily a public hearing."

Quoting further:

> Decisions in these matters must be determined on the basis of requirements of good administrative practice. The experience of this administration does not support the claim sometimes made that the review of labor or other grievances should be public. Many of the issues involved are minor matters which can be determined by less elaborate procedure. The methods used in a review should be determined by the officials in charge on the basis of fairness and efficiency, and it has not been found that public hearings serve either objective.
>
> While it may be deemed expedient for this administration, as for other operating agencies of the Federal Government, to reserve the right to admit or exclude newspaper reporters, the press is not excluded from the findings.

This seems to be a fair enough procedure. I do not wish to intimate that the W. P. A. hearings are back-room star-chamber proceedings. I feel, however, that it is desirable to insure that the W. P. A. hearings be as democratic as possible.

W. P. A. and its administration have been subjected to much criticism. The grievance hearings of W. P. A. workers are rightly matters of public concern. The holding of hearings open to the public would be desirable not only in the interest of preserving a democratic procedure but also in the best interests of the W. P. A. itself.

So long as W. P. A. hearings are held in a manner which is free from politics, there is no reason why the meetings cannot be public. It is all very well for the W. P. A. to make their findings public after a hearing has been held. That does not explain how the findings have been reached. No court in the land could operate in that way. The mere publishing of a decision does not in any way indicate that the decision was entirely free from considerations of political expediency; and we know from what we heard in the last session of the Congress that too much attention was paid to political expediency. Reading the decision in no way indicates what factors have been weighed in writing it. Hearings where the press is excluded violate a very fundamental American concept.

When hearings deal with the human rights of unfortunate men who have been driven into the lowest class of W. P. A. labor, it is more than ever imperative that orderly, democratic, and public proceedings be held. The American worker in the low brackets of governmental work must not be reduced to the level of the serf. His rights must not be slaughtered on the altar of smug bureaucracy.

If there is politics in W. P. A. hearings, we want to know about it. If any unfair political considerations affect the findings of hearings for these unfortunates, we want to know about it.

Mr. President, at this time I introduce, for reference to the appropriate committee, a bill requiring that hearings or meetings held by the Work Projects Administration with respect to the grievances of relief workers be open to the public.

The bill (S. 3395) to require that hearings or meetings held by the Work Projects Administration with respect to the grievances of relief workers be open to the public was read twice by its title and referred to the Committee on Education and Labor.

Mr. BARKLEY. Mr. President, I have for a number of weeks felt it my duty to call the attention of the Senate to the fact that during the morning hour extended speeches should not be made, that it is a violation of the rule of the Senate. The practice has been indulged in on both sides of the Chamber, and I have no particular reference, of course, to the address made by the Senator from Wisconsin today, any more than to the remarks of other Senators. It seems that a habit is growing up of Senators seeking to make extended speeches during the morning hour, and I do not think that should be indulged in. The morning hour is set aside in order that the morning business may be proceeded with, and it seems to me that Senators who have addresses to deliver, political or otherwise, should wait until after the morning hour has been concluded.

I shall feel it my duty hereafter, regardless of who may seek to make an address during the morning hour, to make a point of order against any Senator who takes advantage of the morning hour to make an extended speech on any subject. Senators have a right to insert in the RECORD during the morning hour, under the proper heading, any communication, and

describe what it is, but I certainly think that we should observe the rules of the Senate in regard to the conduct of business arising during the morning hour. I think I may say that the Senator from Oregon [Mr. McNARY], the minority leader, with whom I conferred about this matter some days ago, concurs in my view.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McNARY. Of course, the rules should be observed, and, so far as I am concerned, I usually try to have the rules and practices of the Senate followed. During the transaction of the routine morning business there should be no discussion or statement not having to do with the regular transaction of the business of the Senate. I am sure the Senator and I agree upon the value of orderly procedure.

Mr. BARKLEY. I thank the Senator.

The VICE PRESIDENT. If the two Senators who are leaders of their respective parties do not invoke the rule, the Chair will call attention to the fact that such a practice is a violation of the rules. But the Chair did not feel that he was obligated to call attention to the matter until the Senators expressed themselves as they have just done.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred to the Committee on Printing:

H. Con. Res. 45. Concurrent resolution authorizing the printing as a document the various proceedings in commemoration of the one hundred and fiftieth anniversary of the commencement of the first session of the Supreme Court of the United States; and

H. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives, current session, on the resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

ADVERTISEMENT OF ALCOHOLIC BEVERAGES BY RADIO—AMENDMENT PROPOSING TO ATTACH ANTILYNCHING BILL

Mr. CLARK of Missouri submitted an amendment intended to be proposed by him to the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table and to be printed.

AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. McNARY submitted amendments intended to be proposed by him to House bill 8202, the Agricultural Department appropriation bill, 1941, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 46, between lines 4 and 5, insert the following:

"REPORT ON FOREST LAND IN LINCOLN COUNTY, OREG.

"For a study of, and report on, a tract of 12,731 acres of forest land in Lincoln County, Oreg., in accordance with Senate Resolution No. 225, Seventy-sixth Congress, agreed to February 1, 1940, $3,000, to be immediately available.

"On page 46, line 5, strike out '$16,366,000,' and insert in lieu thereof '$16,369,000,'."

Mr. CLARK of Idaho submitted amendments intended to be proposed by him to House bill 8202, the Agricultural Department appropriation bill, 1941, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 38, line 18, strike out "$600,000" and insert in lieu thereof "$602,000."

On page 40, line 9, strike out "$10,000,000" and insert in lieu thereof "$12,120,485."

On page 42, line 5, strike out "$605,000" and insert in lieu thereof "$607,900."

On page 42, line 12, strike out "$600,000" and insert in lieu thereof "$668,200."

On page 42, line 16, strike out "$140,000" and insert in lieu thereof "$140,900."

On page 42, line 23, strike out "$135,000" and insert in lieu thereof "$135,400."

On page 42, line 24, strike out "$12,795,000" and insert in lieu thereof "$14,989,885."

On page 43, line 25, strike out "$2,200,000" and insert in lieu thereof "$2,200,540."

On page 45, line 13, strike out "$1,000,000" and insert in lieu thereof "$1,000,900."

On page 46, line 5, strike out "$16,366,000" and insert in lieu thereof "$18,562,325."

On page 46, line 20, strike out "$7,500,000" and insert in lieu thereof "$10,000,000."

LETTER BY SENATOR NORRIS REGARDING ASSOCIATED GAS & ELECTRIC CASE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD copy of a letter written by Senator NORRIS to the Chairman of the Securities and Exchange Commission concerning the Associated Gas & Electric case, and also a statement with relation to the same situation, which appear in the Appendix.]

WORK OF TENNESSEE VALLEY AUTHORITY

[Mr. NORRIS asked and obtained leave to have printed in the RECORD a letter written to him by Hon. David E. Lilienthal, Director, Tennessee Valley Authority, relative to the operations of the T. V. A. during the last 6 months, and also an article by Edward R. Smith, published in the Knoxville (Tenn.) News-Sentinel, entitled "Papers Using 'Canned Stuff' Opposing T. V. A.," which appear in the Appendix.]

ARTICLE BY HARLAN TROTT ON RURAL ELECTRIFICATION

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article by Harlan Trott entitled "New England Waves a Yardstick," published in the Christian Science Monitor of the issue of February 3, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR TYDINGS ON AID TO FINLAND

[Mr. BROWN asked and obtained leave to have printed in the RECORD a radio address delivered by Senator TYDINGS on February 16, 1940, on the subject Aid to Finland, which appears in the Appendix.]

ARTICLE BY SENATOR REYNOLDS ON ADMISSION OF REFUGEE CHILDREN

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article written by him and published in the February number of the Rotarian magazine on the subject of the proposed admission of refugee children into the United States, which appears in the Appendix.]

ADDRESS BY SENATOR MURRAY ON THE AMERICAN YOUTH ACT

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address delivered by Senator MURRAY on February 13, 1940, on the American Youth Act, which appears in the Appendix.]

ADDRESS BY SENATOR MALONEY ON NATIONAL DEFENSE

[Mr. MALONEY asked and obtained leave to have printed in the RECORD a radio address on national defense delivered by him on February 11, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR SCHWELLENBACH TO NATIONAL LAWYERS GUILD

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address delivered by Senator SCHWELLENBACH, on February 16, 1940, at the annual banquet of the Los Angeles Chapter of the National Lawyers Guild on the subject, American Democracy and the Bill of Rights, which appears in the Appendix.]

ADDRESS BY SENATOR SCHWELLENBACH ON THE SITUATION IN THE FAR EAST

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address delivered by Senator SCHWELLENBACH, on February 18, 1940, on the situation in the Far East, which appears in the Appendix.]

ADDRESS BY SENATOR WILEY ON FINLAND

[Mr. WILEY asked and obtained leave to have printed in the RECORD a radio address delivered by him on February 17, 1940, on the subject of Finland, which appears in the Appendix.]

INTERVIEW WITH SENATOR MEAD ON OLD-AGE SECURITY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a radio interview with Senator MEAD on the problems of the middle-aged and older workers, which appears in the Appendix.]

ADDRESS BY SECRETARY ICKES ON GOVERNMENT AND BUSINESS

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address on Government and Business, delivered by Hon. Harold L. Ickes, Secretary of the Interior, before the Economic Club of New York on Wednesday, February 14, 1940, which appears in the Appendix.]

ADDRESS BY HON. JAMES A. FARLEY TO JUNIOR CHAMBER OF COMMERCE OF MEMPHIS, TENN.

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley, on February 14, 1940, under the auspices of the Memphis Junior Chamber of Commerce at Memphis, Tenn., which appears in the Appendix.]

JACKSON DAY ADDRESS BY HON. LOUIS JOHNSON

[Mr. GEORGE asked and obtained leave to have printed in the RECORD a Jackson Day address delivered at Atlanta, Ga., on January 8, 1940, by Hon. Louis Johnson, Assistant Secretary of War, which appears in the Appendix.]

ARTICLE BY ERNEST K. LINDLEY ON OPERATIONS OF HOME OWNERS' LOAN CORPORATION

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article by Ernest K. Lindley, published in the Washington Post of today, entitled "Loans for Homes," which appears in the Appendix.]

AMERICA'S AIR PROTECTION—ARTICLE BY FRAZIER HUNT

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD an article by Frazier Hunt, entitled "Can Our Planes Protect America?" published in This Week magazine for February 18, 1940, which appears in the Appendix.]

NEW DEAL FINANCING—EDITORIAL FROM THE PITTSBURGH POST-GAZETTE

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial by Paul Block in the Pittsburgh Post-Gazette of February 13, 1940, entitled "Mr. Roosevelt's Financial Statements Are Both Puzzling and Shocking," which appears in the Appendix.]

ALLOTMENT OF FEDERAL FUNDS AMONG THREE REGIONS OF THE UNITED STATES

[Mr. BAILEY asked and obtained leave to have printed in the RECORD tables showing the allotment of Federal funds among three regions of the United States, which appear in the Appendix.]

GUAM—EDITORIAL FROM THE WASHINGTON EVENING STAR

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an editorial from the Washington Evening Star of February 17, 1940, entitled "Guam Loses Again," which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS—ARTICLE BY ROBERT P. VANDERPOEL

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an article by Robert P. Vanderpoel, published in the Chicago Herald-American of February 14, 1940, on the subject of reciprocal-trade agreements, which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial published in Collier's weekly of February 12, 1940, entitled "Let Trader Hull Trade On," which appears in the Appendix.]

THE CALENDAR

The VICE PRESIDENT. The routine morning business is closed. The calendar, under rule VIII, is in order. The clerk will proceed with the call of the calendar.

The resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule, was announced as first in order.

Mr. CLARK of Missouri. Over.

Mr. BARKLEY. Mr. President, my attention was diverted. I had intended to ask unanimous consent that the calendar be called for action on unobjected-to bills and other measures.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BARKLEY. Before the call is proceeded with, I feel that I should state that the senior Senator from Florida [Mr. ANDREWS] last week gave notice that he desired to address the Senate this morning. I hope that the Chair will recognize the Senator from Florida to deliver his address at this time before we proceed with the call of the calendar.

The VICE PRESIDENT. Is there objection to the Senator from Florida addressing the Senate at this time? The Chair hears none, and the Senator from Florida is recognized.

PERMANENT OLD-AGE ASSISTANCE

Mr. ANDREWS. Mr. President, on last Thursday I again gave notice that I would take up Senate Joint Resolution 145, introduced by me for myself and the junior Senator from Massachusetts [Mr. LODGE] on June 5, 1939.

This amendment was considered by the Senate Committee on the Judiciary last summer, and on the 30th day of June 1939 it was reported out favorably by a vote of 10 to 6, and now constitutes No. 759 on the present Senate Calendar. It had been my purpose to discuss this important amendment before the close of the regular session last August or at the beginning of the special session which met in September, but due to an understanding between the executive department and the Congress, no matters other than the Neutrality Act were considered during the extra session. This is the first time I have had an opportunity, therefore, to present my views on this resolution to the Senate.

In view of the fact that there seems to be some doubt that Congress has the authority, even under the general-welfare clause of the Constitution, to enact a law providing for levying a tax to be placed in a separate special fund and paid out only for a specific purpose, such as old-age assistance, it has occurred to us to submit this proposed constitutional amendment—Senate Joint Resolution 145—which, in simple terms, provides that "The Congress shall have power to levy taxes for old-age assistance." Under this amendment Congress would have undoubted authority to provide in due course a method of taxation deemed best advisable upon the amendment being ratified by three-fourths of the States.

The present method of combining appropriations of money for old-age assistance with that raised by a tax on pay rolls for other purposes under the Social Security Act has not been satisfactory but has been a source of much unfavorable comment among our citizens generally.

The rather meager funds provided under the Social Security Act by the Federal and State Governments are not only indefinite but admittedly inadequate in many instances to provide the bare necessities of life, even for the comparatively few who are able to qualify for old-age assistance under its provisions.

We are receiving hundreds of letters complaining of the inadequacy of the present program for old-age assistance from all sections of our country, and, since it is a matter of national interest, as it affects our old people, also our young who should be kept in school and under parental influence through youth's adolescent years, I feel that each State in this Union should have the opportunity to pass judgment upon whether a definite program of old-age security should be permanently provided by way of a constitutional amendment. We therefore submit this proposed amendment for the consideration of Congress, with the hope that favorable action will be taken at this Seventy-sixth Congress.

The amendment, if adopted and ratified, does not undertake to state the form nor the amount of the tax, but leaves that to be worked out in due course by act of Congress carrying it into effect.

When the financial crash of 1929, and the economic depression which followed, came upon us, it found many thousands of our once self-sustaining older citizens in a deplorable situation. They had carefully provided for the "rainy day," but had not anticipated one of the most destructive financial crashes in history.

Those persons over 55 or 60 years of age, and even younger, finding themselves in dire need, sought employment, but soon learned that it was practically impossible to obtain employment either in the industries or even with the Federal Government, and mainly by reason of their age.

It was apparently presumed that they were not able to perform either manual or mental labor in a way or manner satisfactory to those from whom they sought employment. Millions of these fine old American people, who have endured the cold winters and the noonday heat, are to be found in every State in the Union. Many thousands, coming from nearly every State in the Union, are passing their declining years in Florida and California to avoid some of the rigors of the colder climates.

It is not alone a problem of my State, or of any particular State. It is a Nation-wide problem. We have heard much in recent years about securing old age against want and poverty. Many felt that the Social Security Act would ultimately meet the requirements for relief for old age and unemployment, and no doubt it is a very long step taken in the right direction. We often hear the statement that its operation is a severe burden not only on small business but upon the laborer who should be the main beneficiary. It is now claimed by many that it is so complicated and the amounts so meager that a more simple and workable method of old-age assistance should be provided; in fact, has become necessary.

We might as well recognize this fundamental truth: That in a democracy like America the national security of our people in the ultimate is rooted in economic contentment. To retain that democratic security we must keep our human efforts and natural resources harnessed in productive work.

Religious liberty, political liberty, economic liberty—these liberties that have heretofore made America the land of opportunity and contentment are like the foundation of a great building. It is futile to try to save the upper stories when the foundation stones are crumbling.

We become astonished and surprised when we take time to analyze our economic and social conditions as they are. In the United States we have less than 8 percent of the world's population. But under normal conditions we use about one-half of the world's rubber, a fifth of its sugar, two-thirds of its silk, a third of its coal, half of its pig iron, half of its copper, and more than two-thirds of its crude oil.

We operate over half of the world's telephone and telegraph lines and units. We own more than three-quarters of the automobiles of the earth and a third of the world's railroads. We produce more than half of the wheat, cotton, lead, and zinc of the world.

Deep in the ground at Fort Knox, Ky., we have hidden more than half the world's most precious monetary metal. We have two-thirds of the world's banking resources. Our people have a purchasing power greater than that of the 500,000,000 people of Europe and considerably larger than that of the billion people who live in Asia.

No people excels us in inventive genius or capacity for constructive building. Having no more natural resources and raw materials than possessed by some of the other great nations, we have, in our relatively short history, created by our own industry the wealthiest nation on earth. Yet we are still in a depression that began nearly 10 years ago, with about one out of every seven of our citizens living off some form of relief or governmental salary. The present dilemma is a test of our ingenuity and economic leadership in the world.

For 2 years I have joined my efforts with others here in Congress to try to force better prices by restricting the production of the farm, factory, and the shop. We have tried to give labor better wages by restricting the output of the worker. We have tried to keep millions of able-bodied men and women in productive tasks by various forms of work created by rule of law. This administration—more than any other in our history—has tried to and has greatly helped the underprivileged by a spending process, yet we all admit that we cannot lift ourselves out of the depression's quagmire by our own bootstraps. Our national debt has now reached the point where it equals nearly two-thirds of our combined national income.

Through private and public borrowing we have sought to maintain our economic pace. The experiment would be more pleasing if it were not for the fact that the restrictions on output plus relief cannot be continued indefinitely.

Many feel that the establishment of a permanent plan of old-age assistance would, at the same stroke, better secure our youth through modern education and employment. Generous provisions for securing the comfort of the old, and broadening opportunities for the youth in other civilized countries have been found valuable throughout the experience of past ages.

Families did this in the past before the machinery age. For the nation to aid when the family breaks down is fundamentally sound. A failure to do so is dangerous. A democracy, even such as ours, exists by the will and support of the citizens composing it, and we should be able, with all the experience of the past few years, to apply the very sound old principle of supply and demand to new conditions.

Looking back a decade we find that the underlying, fundamental assumptions of both the Hoover and Roosevelt administrations are very much the same: That to spend or lend public money and restrict agricultural production would enable our people and our resources to mark time until the economic crisis could pass.

Having diligently tried out this experiment, there are many who feel that we need to return to the planting of abundant harvests, the foundation of real wealth—that no one could starve in a land of plenty. Indeed there are times when these necessities of life are far more valuable to the well-being of our people than gold, silver, or currency.

We have learned many useful lessons from the operations of relief measures such as the W. P. A., and among them, that we cannot continue indefinitely to appropriate billions to provide jobs. Some say we may have started something we cannot stop. We must now lend our efforts to find an effective substitute, the burdens of which could be shared by all according to their productive capacity.

Referring more directly to the effect the prevailing economic condition of the country may have had upon the youth in recent years, I am informed that over 50 percent of the crime in this country, of the more serious types—kidnaping, highway robbery, bank robbery, gangsterism—is being committed by minors, mere boys in their teens. Twenty-five years ago, only the seasoned barroom gambling thug of mature age would have committed such felonies as we have become so accustomed to seeing described in the daily papers.

There is a reason or cause back of this social cancer that is eating at the very heart of our people, and it will remain a pitiful commentary upon our civic ingenuity and pride if a solution is not found to alleviate it. We can and must find the cause and, if possible, apply the age-old ounce of prevention at the very source, rather than that pound of cure usually administered by the courts after the jail doors are closed.

We are told that in recent years it has cost city, county, State, and National Governments several billion dollars annually to run down, convict, incarcerate, guard, feed, and take care of these boys who have thumbed their way down the broad road to crime.

When the crash came in 1929, there were millions of parents past middle age, with minor children, less than 10 years of age. Many are growing up through the adolescent age, without that guidance and protection traditionally and properly divided between parental control and the ever-dependable teachers of the common and private schools.

Many thousands of these boys of our older people became desperate when they realized that there was nothing at home to pay for their food, clothes, and schooling. They soon thumbed their way down the road by the tens of thousands. The records will show that many never returned. They went along until they became hungry. Long experience has shown that a human being will break in and steal rather than perish from hunger.

The first time the wayward boy was not detected. He went farther on the way and again became hungry, and again broke and entered. The third time he was caught, tried, and sentenced as a felon. He then took his place, at that most impressionable age, in prison among hardened criminals. From that hour he became an outcast and a liability to society.

The old heartbroken mother and father are still hunting for some way to earn enough to eke out an existence during their remaining days.

We do not know the gross amount that a sales or transaction tax, or gross income tax, or some other tax, would produce, nor what the average per month would be when divided among the eligible old people, but a 2-percent sales tax on purchases for an average family with an income of $2,500 annually is only $50. It is clear that the average annuity insurance, providing for retirement at 60, is costing many times that amount.

A reasonable and workable tax would permit the younger people to lay up for themselves an insurance policy, in the form of old-age security, that would allow them to retire on what may be termed a fixed annuity at the age of 60. There ought to be some kind of a dividend or annuity for the citizens of this country who have paid their taxes for 40 years and actually own a life interest in at least one share in the richest government on earth. The proposed plan is nothing more nor less than a gradual form of industrial or old-age insurance to which all would contribute during the 40 years people are usually able to provide for themselves.

There could be little danger of our citizens becoming Communists or Nazis or Fascists if every American citizen knew that he had a definite reserved annuity fund laid up for him with his Government to secure him against want after he is too old to provide for himself.

If we could thus retire several millions of our people over 60, there would be ample employment for the young men and women who now often find there is no demand or call for their services. I have thousands of letters from young men and women who are well qualified to fill responsible positions, but I can find places for only a portion of those who seek employment.

We are facing facts, not mere theories. The Gallup poll, on the outcome of the 1938 elections and on several important national questions, has become so accurate that it is now generally respected as a more or less reliable expression of the cross section of our citizens. The poll which appeared in the Sunday, February 26, 1939, issues of the daily press, shows very significant facts as to the public's views on old-age security or pensions.

Bearing in mind that we live in a democracy in which our citizens through our system may express their views, it has occurred to me to show the undoubted trend of public sentiment on this question.

On the direct question, Do you believe in Government old-age pensions? 94 percent voted "yes" and only 6 percent voted "no."

In the same poll this important question was asked: "Would you be willing to pay a sales tax or an income tax in order to provide these pensions?" Eighty-seven percent voted "yes" and 13 percent voted "no."

That is the answer of the people of the United States.

In closing his comment on this test Dr. Gallup made the very significant observation that—

1. The present Social Security Act falls short of providing what the public considers an adequate old-age-pension system at this time. Unless Congress and the various States take steps to remedy the situation a growth rather than a decline of glittering pension schemes can probably be expected.

2. Although few Americans completely accept the proposals of Dr. Townsend and other pension leaders, or would be willing to pay the taxes to make them effective, many voters say they are supporting these plans because they are "in the right direction."

Under the circumstances, and especially in view of the fact that this matter has been discussed from coast to coast and in every State, it is the thought of many that the people should have the opportunity to vote on it. The Congress can then work out in detail an act in line with the principles expressed in S. 3255 and S. 3270 to put it into operation.

IT IS A NATIONAL AND NOT A STATE OR LOCAL PROBLEM

Mr. President, this important social and economic problem was carefully and wisely analyzed in a recent decision of our United States Supreme Court in the case of *Helvering* v. *Davis* (301 U. S. 619), involving the constitutionality of title II of the Social Security Act, captioned "Federal old-age benefits." The necessity for better securing the aged and thus the welfare of the Nation as a whole is so ably presented in the body of the opinion in that case that I shall here give that portion having reference to old-age security.

This is an epoch-making decision. It lays a new foundation for at least one important social edifice upon which to build old-age security.

Judge Cardozo, speaking for our Supreme Court, said:

The purge of Nation-wide calamity that began in 1929 has taught us many lessons. Not the least is the solidarity of interests that may once have seemed to be divided. Unemployment spreads from State to State, the hinterland is now settled that in pioneer days gave an avenue of escape. Spreading from State to State, unemployment is an ill, not particular but general, which may be checked, if Congress so determines, by the resources of the Nation. But the ill is all one or at least not greatly different whether men are thrown out of work because there is no longer work to do or because the disabilities of age make them incapable of doing it. Rescue becomes necessary irrespective of the cause. The hope behind this statute is to save men and women from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when journey's end is near.

Congress did not improvise a judgment when it found that the award of old-age benefits would be conducive to the general welfare. The President's Committee on Economic Security made an investigation and report, aided by a research staff of Government officers and employees, and by an advisory council and seven other advisory groups. Extensive hearings followed before the House Committee on Ways and Means and the Senate Committee on Finance. A great mass of evidence was brought together supporting the policy which finds expression in the act. Among the relevant facts are these: The number of persons in the United States 65 years of age or over is increasing proportionately as well as absolutely. What is even more important, the number of such persons unable to take care of themselves is growing at a threatening pace.

Mr. LODGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Florida yield to the Senator from Massachusetts?

Mr. ANDREWS. I yield.

Mr. LODGE. Does the Senator prefer to make a connected statement without interruption, or is he willing to entertain a few questions?

Mr. ANDREWS. I believe I prefer to make my full statement without interruption. I think I can then better answer questions. The questions which the Senator has in mind may be answered a little later in my address.

Mr. LODGE. The Senator is making a very able and comprehensive speech. I wish more Senators were present to get the benefit of it.

Mr. ANDREWS. I continue reading from the opinion of the Supreme Court of the United States. My opinion may not be worth much, but the opinion of the Supreme Court is, and it is based upon facts brought before it in an orderly way.

More and more our population is becoming urban and industrial instead of rural and agricultural. The evidence is impressive that among industrial workers the younger men and women are preferred over the older. In times of retrenchment the older are commonly the first to go, and even if retained their wages are likely to be lowered. The plight of men and women at so low an age as 40 is hard, almost hopeless, when they are driven to seek for reemployment. Statistics are in the brief. A few illustrations will be chosen from many there collected. In 1930, out of 224 American factories investigated, 71, or almost one-third, had fixed maximum hiring age limits; in 4 plants the limit was under 40; in 41 it was under 46; in the other 153 plants there were no fixed limits, but in practice few were hired if they were over 50 years of age. With the loss of savings inevitable in periods of idleness, the fate of workers over 65, when thrown out of work, is little less than desperate. A recent study of the Social Security Board informs us that "one-fifth of the aged in the United States were receiving old-age assistance, emergency relief, institutional care, employment under the works program, or some other form of aid from public or private funds; two-fifths to one-half were dependent on friends and relatives; one-eighth had some income from earnings; and possibly one-sixth had some savings or property. Approximately 3 out of 4 persons 65 or over were probably dependent wholly or partially on others for support."

The problem is plainly national in area and dimensions. Moreover, laws of the separate States cannot deal with it effectively. Congress, at least, had a basis for that belief. State and local governments are often lacking in the resources that are necessary to finance an adequate program of security for the aged. This is brought out with a wealth of illustration in recent studies of the problem. Apart from the failure of resources, States and local governments are at times reluctant to increase so heavily the burden of taxation to be borne by their residents for fear of placing themselves in a position of economic disadvantage as compared

with neighbors or competitors. We have seen this in our study of the problem of unemployment compensation. A system of old-age pensions has special dangers of its own, if put in force in one State and rejected in another. The existence of such a system is a bait to the needy and dependent elsewhere—encouraging them to migrate and seek a haven of repose. Only a power that is national can serve the interests of all.

Mr. President, some of the authorities noted by our Supreme Court in their opinion were cited in footnotes and are rather illuminating. They bear out with emphasis the Court's conclusions. I will give five of them here, as follows:

First. The Senate committee estimated, when investigating the Social Security Act, that over one-half of the people in the United States over 65 years of age and there are at least 6,000,000 of them—probably 8,000,000—are dependent upon others for support—Senate Report No. 628, Seventy-fourth Congress, first session, page 4. A similar estimate was made in the report to the President of the Committee on Economic Security, 1935, page 24.

Second. A report of the Pennsylvania Commission on Old Age Pensions made in 1919, page 108, after a study of 16,281 persons and interviews with more than 3,500 persons 65 years and over, showed two-fifths with no income but wages and one-fourth supported by children; 1.5 percent had savings and 11.8 percent had property.

Third. A report on old-age pensions by the Massachusetts Commission on Pensions—Senate Report No. 5, 1925, pages 41, 52—showed that in 1924 two-thirds of those above 65 had, alone or with a spouse, less than $5,000 of property and one-fourth had none. Two-thirds of those with less than $5,000 and income of less than $1,000 were dependent in whole or in part on others for support. It may be mentioned in this connection that the people of the New England States have been more frugal and more careful to provide for their older people perhaps than have the people of any other section of the United States.

Fourth. A report of the New York State commission made in 1930—Legislative Document No. 67, 1930, page 39—showed a condition of total dependency as to 58 percent of those 65 and over, and 62 percent of those 70 and over.

Fifth. The National Government has found in connection with grants to States for old-age assistance under another title of the Social Security Act, title I, that in February 1937, 38.8 percent of all persons over 65 in Colorado received public assistance; in Oklahoma the percentage was 44.1; and in Texas, 37.5. In 10 States out of 40 with plans approved by the Social Security Board, more than 25 percent of those over 65 could meet the residence requirements and qualify under a means test and were actually receiving public aid.

No one will undertake to say that old-age security has not become one of the outstanding questions before the American people, and justice demands that ample provision be made for the necessary support, health, and comfort of these elderly citizens, who are practically ostracized from all employment.

As clearly pointed out by our Supreme Court, social security for the aged is more a National than a State duty and obligation. It cannot be solved by the enactment of a multiplicity of conflicting State laws, with unequal burdens of taxation, always subject to constant changes. It can be adequately solved only by a uniform basic law, national in scope, which will insure to the aged citizens of each State permanent and equal security with those in every other State.

The consensus of opinion among the leading economists and social workers is that the unemployment status through which we are passing is largely due to a lack of purchasing power of the average citizen; in other words, to a lack of ability of the American consumers to buy. The lack of ability to buy is, of course, chiefly due to a lack of employment. It is further conceded that employment is largely affected by the fact that many are compelled to labor many years beyond the age when they can deliver a dollar's worth of service for a dollar's worth of pay. Up to this time the only plan that has received Nation-wide study and the approval of many millions of our people is the plan proposed and known as the general-welfare bill recently re-formed and introduced in the Seventy-sixth Congress by the Senator from California [Mr. DOWNEY] as S. 3255, customarily referred to as the Dr. Townsend plan.

In brief, this revised plan provides for the levying and collecting of a Federal tax of 2 percent upon the gross income of all companies and persons over and above $250 per month from whatever source derived, the revenue collected therefrom to be placed in a separate general-welfare account, to be equally distributed among qualified citizens over the age of 60, and upon the specific conditions that the same shall not be hoarded but expended within a given period.

Such a tax imposed by the Federal Government would be equal and uniform and would necessarily be based upon ability to earn, in that those with small incomes would naturally pay less than those who receive much.

The plan does not require that the Federal Government issue any interest-bearing bonds, borrow any money, make appropriations, increase the national debt, or assume any financial obligations in any way to meet the provisions of the act, except to collect and receive the amounts brought in by reason of the special tax, to be paid out to each individual qualifying to receive it. The amount each beneficiary could receive of the total tax so collected would be determined by dividing the total sum collected by the number of eligible persons. Of course, no one can tell at this time just what that amount for each recipient will be.

It is believed by many who have carefully studied the whole situation that the carrying out of some plan in line with the principles stated in S. 3255, will result in the employment of millions of able-bodied persons now idle, not only by increasing production but by withdrawing large numbers of elderly people from the field of productive activity, thus creating new opportunities for the younger people of our land who would take their elders' places.

The indications are very convincing that this would ultimately make W. P. A. relief appropriations for unemployment almost, if not totally, unnecessary. As pointed out heretofore, it would decrease dangerous idleness and afford youth an opportunity for employment. It would necessarily reduce crime, thus saving additional billions of dollars of tax money expended annually in the enforcement of law, court costs, and other costs which follow in the wake of crime, including the maintenance of numerous prisons, reformatories, and protective agencies. Idleness and hunger are the twin beds of crime and lawlessness. It would also mean a tremendous saving in losses to our private citizens due directly to crime. For example, in 170 cities of over 25,000 population in 1938, detailed figures show that the value of property stolen, either by robbery, burglary, larceny, or theft, was over $28,000,000.

Perhaps the greatest benefit ultimately and continuously to be derived from the plan of old-age security would be the fact that it would inspire a greater spirit of loyalty to our Government and our American institutions. No one, whether foreign born or native citizen, regardless of any organizations, political or otherwise, to which he may belong, would have any incentive to try to tear down institutions under a government such as ours, definitely providing him against the infirmities of declining years, when he is no longer able properly to provide the comforts of life. A citizen will not tear down the temple which shelters him.

It would likewise be an incentive to youth, including the young married man, to pay the tax, in order that his old mother and father might be properly taken care of when they shall have reached the evening of life. Everyone could face old age with an assurance that he would not be a burden upon his children or his grandchildren. It is significant here to state that crime has seldom been chargeable to the idleness of persons after the age of 60.

It is believed by many who have made a close study of the old-age plan that it will have a strong tendency to substitute an economy of plenty for an economy of scarcity. It would likewise effect tremendous savings in the cost of operating and maintaining numerous county, State, and municipal institutions now known as homes for old people, reform schools for indigent children, and other like institutions which are direct burdens upon local governmental taxing units.

It is claimed that more than half of the old people now maintained at the hospitals for the mentally defective are not there because of their being a menace or dangerous to society, but are there classified as persons afflicted with senile dementia, which is nothing more nor less than old age. The fact that these dear old people have had to be sent away from their loved ones to spend their last days behind high walls and barred gates, remains a sad commentary upon our boasted humanitarian civilization.

The people of the State of Florida, through its legislature, have adopted and presented a solemn memorial to this Congress which is now here on record, pointing out the facts which I have mentioned, and in which they declare that old-age assistance is a national question.

We are further alarmed when we consider that crime is now the largest economic problem of the United States, particularly with regard to the fabulous expenditures it involves. The annual cost of crime in this country is estimated to be $15,000,000,000; and it will readily be admitted that a $15,000,000,000 enterprise, even in these days and times, is large in every sense of the word. This predatory activity levies and collects a tax of nearly $120 annually for every man, woman, and child in our Nation. Out of every dollar of national income, 25 cents must be charged off to crime.

In order to present the problem in a still more realistic manner, may I say that this $15,000,000,000 annual cost of crime is 400 percent greater than the national annual cost of education, which is a little over $3,000,000,000. In other words, the onslaughts of these criminal armies are costing us 400 percent more than we are spending in the education of the juvenile members of our communities.

If we spent more upon constructive education, our crime bill would be less. It may be further noted that the cost of lawlessness is 25 percent more than our total annual tax bill of approximately $12,000,000,000.

We have youth in crime because we have failed to provide youth with proper upbringing and opportunities. Only in the rarest instances of diseased minds can we say that the first offender commits crimes out of sheer antisocial sentiments. Children merge into crime because of deep-laid faults in society, such as poverty, idleness, and because their elders too often neglect them for pleasure.

Today, as you know, 20 percent of our worst crimes are the work of persons who have not yet even reached the voting age. This means that one-fifth of all murders, thieveries, robberies, and the other malignant outrages against our people are committed by boys in their teens—youths who should be reaching the threshold of useful lives.

This 20 percent falls tragically short of the boasted ideals of American citizenship. It is not a pleasant picture. It is not a healthful outlook. It is a deplorable condition when a nation such as America must bow under the disgrace of a set of circumstances in which one-fifth of our most deadly outlaws, our murderers, our machine-gunning desperadoes are little beyond childhood. It is incumbent upon all of us, therefore, to recognize and admit the causes for such conditions, and, reaching beyond, to search for the means by which they may be remedied.

When we are confronted with the fact that the crime army of America includes more than 700,000 boys and girls of less than voting age who, at the very threshold of life, were cut off from worthy careers, then, indeed, the other side of the cost of crime is recognized as a ghastly one. But the human costs do not end even here.

What of the 700,000 mothers who risked their lives to bring these boys and girls into the world? What of the mothers and fathers with heads bowed down in sorrow, the lines of which cannot be effaced?

President Coolidge, in speaking on this subject, made a profound statement. He said:

> To my mind, the great strength of society lies in its recognition of the necessity of discipline.

If the truth of that statement could only be instilled into the mind of every parent in the United States, we would have less crime. Discipline seems to have been forgotten. Laxity of administration in the duties of parenthood threatens the foundations upon which the family is based. It is all very well to say that youth should have its fling, but statistics show that the way of youth is tending too swiftly toward the path of crime. The family circle, once sacred in every American home, has been too often transferred from the fireside to the tonneau of a "tin lizzie."

There is no reasonable explanation which the fathers and mothers of America can make for this outrageous situation. They are allowing the reins to slip from their hands; they have allowed their own personal pleasures to become uppermost; they have allowed the spirit of family discipline to become weakened, and thus youth has lingered along the roads of life which must lead, all too often, to disillusionment. Parents have become too engrossed in enjoying the fleshpots and pleasures of the age to give proper attention to their offspring.

Discipline must be reestablished in the American home before we can look for better conditions. The father who thinks too much about golf to care what his son is doing; the mother who is so eager for bridge that she pretends to believe that her daughter, in a parked car beside the roadway, is merely indulging in a bit of harmless pleasure, must either recast their ideas or ultimately realize that they are unable to govern their own children for whose existence and upbringing they are responsible.

The law of sex with all its temptations and weaknesses, will never change until the laws of nature change; the laws of nature, like those of the Medes and Persians, change not.

In considering the problem of old-age assistance, the primary questions are: (1) How should it be initiated? and (2) How can it be financed?

The United States in this regard has lagged far behind other civilized nations, but of late years there has come a growing recognition of this, not only as it relates to our aged, but to youth as an economic factor in our national life.

The attitude toward this matter has steadily veered from the single idea of old-age assistance as a pension, per se, to a recognition of the fact that it likewise involves an economic factor affecting the lives of middle-aged and young people, all of whom must grow old some time. So the problem has become not only one of establishing a living standard for superannuates, but because of the large number affected and the consequent cost, a solution of the problem must be devised in such manner as will harmonize it with other national economic measures.

In other words, the old-age assistance problem has definitely become a part of any program for national recovery and relief. It cannot be otherwise, for current sources of revenue are not sufficient to take care of our relief problem, and it is the consensus of opinion that we should not add to our present methods of taxation from which the people are crying for relief.

Industry is adding to the acuteness of the situation by its continuous methods of lowering the age limit for employees. This is part of the trend brought about by the recognition that employers' liability insurance discloses that a majority of claims paid are to those past the age of 40, and the employer refuses to take a chance on the efficiency of a worker where Nature's processes of mental reaction to danger stimuli are operating against the older worker.

Therefore the problem of old-age assistance will become more and more acute as time goes on. The importance of making our desire to solve this situation in favor of the old people an interrelated measure with all the rest of our economic planning becomes pressingly important. Population trends indicate that, in the passing of the years, an ever-increasing percentage of our people will come under the classification of superannuates, and any system of assistance for this growing class must be undertaken on a pay-as-you-go basis, or we shall, as a nation, become bankrupt.

The matter of financing this program out of the revenue derived from incomes over a certain amount is practical and worthy of consideration. Some special form of tax must therefore be devised.

But when we come to the matter of levying new forms of taxes, particularly for specific purposes, we run into certain limitations, or at least implications in the Constitution. Some have said that the Congress already has the power to levy specific taxes for old-age assistance. Perhaps it has, but there are those equally sincere who have their doubts about the matter.

Let us remove these doubts by amending the Constitution on this point. This will save litigation, time loss, and serve to hearten our people in the belief that the Congress is mindful of their problem. If the only result of this amendment would be to show to the people of our Nation, both old and young, that we know their trouble and are seeking to help them, the new hope that would kindle in their breasts would amply pay us.

We must never lose sight of the fact that this problem of old-age assistance will become more acute as time passes. Technological advances, the lowering of age limits in industry, and the changing percentage of old to young in our population, all tend to emphasize the importance of this type of legislation. We should not leave the welfare of these old people, of whom our loved ones are or will be a part, to the vagaries and uncertainties of succeeding Congresses.

In the face of factual data available to all of us daily we should not leave the lot of the old ones in our midst to become a football of future acts of the Congress. We can fix the assurance to old age in our basic law; if it is unjust, it will be repealed; have no fear of that. But our duty to the old is plain. Regardless of any legislation which may come to us, we may now do more to add to the hopeful security of yet unborn generations by passing this amendment than all the temporary legislation we might pass in a whole session.

It will be noted that this joint resolution calls for the submission of this amendment to State conventions for their approval, according to the Constitution. We have a vexing old-age and youth problem in our midst today. All over this land of ours there are millions of our people who have espoused the principles of the Townsend plan and other plans. This joint resolution refers the amendment back to the people themselves, from whom we all receive our authority to act. In our perplexity we can thus consult with those whose franchise directed us here to do their service.

This matter rises above all party considerations. It is too important to our people to resolve it by party considerations. It is an amendment whereby all our people can take this important step and solve it once and for all.

Several Senators have asked me about the constitutional need for an amendment giving Congress the power to levy taxes for old-age assistance.

Of course, the question of constitutional need is of the utmost importance and is one reason for this proposed legislation. There are two other needs for it. One is to enable the testing of public opinion on the question, and the other is having the power of Congress to levy taxes for old-age assistance written into our fundamental law.

In order to elucidate the question of constitutional need and to show that there is a grave doubt in the minds of well-qualified persons as to the power of Congress to levy taxes for a specific purpose, the Senator from Massachusetts [Mr. LODGE] and I contend that there still exists considerable doubt as to the validity of earmarking taxes for a specific purpose, and we submit authorities which I shall cite in a moment as a basis for our belief. Many informed people believe that such a tax is not a "true" tax, but, rather, an "exaction" or "appropriation of money from one group for the benefit of another," which is in violation of the due-process clause. They maintain that such taxes are not levies "for the support of the Government," but are being used to pay pensions to specific individuals.

This constitutional amendment—Senate Joint Resolution 145—has been introduced in order to resolve this grave doubt.

EVIDENCE THAT THIS IMPORTANT CONSTITUTIONAL PROBLEM REMAINS UNSETTLED

(1) There is no judicial decision which meets the particular problem embodied in Senate Joint Resolution 145 foursquare.

(2) Professor Corwin, in his book, the Twilight of the Supreme Court, page 176, wrote:

So long as Congress has the prudence to lay and collect taxes without specifying the purposes to which the proceeds from any particular tax are to be devoted, it may continue to appropriate the national funds without judicial let or hindrance.

(3) The Social Security Act of 1935: Experts who assisted in the drafting of this measure clearly indicate that the separation of the benefit provisions in title II from the taxing provisions was dictated by constitutional considerations.

(a) Prof. J. Douglas Brown in his article, the Development of the Old-Age Insurance Provisions of the Social Security Act in Law and Contemporary Problems, volume 3, page 193, wrote:

The development of a formula for Federal action within constitutional limitations was early recognized as the key to a sound solution to the problem. The proposal to separate the contribution and benefit features of one legislation into two separate measures based on the taxing and appropriation powers of the Federal Government, was advanced early in the deliberations of the staff and the technical board. The absence of any need for elaborate regulatory material in either measure gave basis for the hope that the courts would not question the exercise of these broad Federal powers if clear-cut separation were possible. The staff was bolstered in this hope by the approval of the plan by a number of outstanding students of constitutional law.

The drafting of two distinctly separate titles covering the tax and benefit features of the proposed system proved a difficult task. Since the contributions, now taxes, were necessarily converted into the general funds of the Treasury, some formula had to be developed for the reapportionment of an equivalent amount from general funds to an old-age reserve account. * * *

As a result of this necessary adjustment to the exigencies of constitutional law, the character of the scheme was fundamentally different from that first considered by the staff.

(b) Prof. Paul H. Douglas, in his book, Social Security in the United States, wrote regarding compulsory old-age insurance—page 157:

The taxes or contributions required to provide the necessary funds are levied under title VIII of the bill, while the scale of monthly annuities and benefits is specified under title II. Here, as in the unemployment-insurance features of the bill, the revenue portions are separated from the sections which appropriate money because of the belief that this will enable the act better to run the constitutional gamut.

Page 320:

Perhaps the weakest section of the Security Act from a constitutional standpoint is that which provides for mandatory old-age insurance. While title VIII, which levies taxes upon employers and employees, is formally distinct from title II, which prescribes the scale of benefits to those over the age of 65 and to the heirs of the deceased, there is in fact a close and immediate connection between them. The individual benefits to be paid are computed upon the basis of the contributions or taxes levied and upon nothing else. It will undoubtedly be charged that these titles of the act in effect, therefore, prescribe the specific purpose for which the tax is levied, and that they are consequently unconstitutional since they launch the Federal Government into the performance of functions not specifically delegated to it by the Constitution. There is certainly very real danger that such may indeed be the fate of this feature of the act.

(4) The 1939 amendments to the Social Security Act: That there is still doubt as to the constitutionality of earmarking tax proceeds for a special purpose is indicated by this latest old-age measure. The device of using funds in the General Treasury rather than unquestionably earmarked tax receipts is continued here.

(5) *United States* v. *Butler* (56 Sup. Ct. 312, 1936): As said by Mr. Justice Roberts in delivering the opinion of the Court in the A. A. A. decision with respect to processing taxes levied upon processors, the proceeds of which were to be paid to certain producers of agricultural products:

A tax, in the general understanding of the term, and as used in the Constitution, signifies an exaction for the Government. The word has never been thought to connote the expropriation of money for one group for the benefit of another.

(6) Mr. Justice Cardozo, speaking for the Court, in declaring the Social Security Act to be constitutional, neatly avoided the important question of earmarking. This is sufficient reason to cast doubt on the whole question. He said:

Third. Title II being valid, there is no occasion to inquire whether title VIII would have to fall if title II were set at naught.

The argument for the respondent is that the provisions of the two titles dovetail in such a way as to justify the conclusion that

Congress would have been unwilling to pass one without the other. The argument for petitioners is that the tax moneys are not earmarked, and that Congress is at liberty to spend them as it will. The usual separability clause is embodied in the act, section 1103.

We find it unnecessary to make a choice between the arguments, and so leave the question open.

(7) Robert Jackson, then Assistant Attorney General, arguing the Government's case in *Seward Machine Co.* v. *Davis* (301 U. S. 548), which involved the unemployment compensation features of the Social Security Act (titles IX and III), gave careful consideration to this problem. In his oral argument, he said:

The relation of this tax to the appropriation is entirely unestablished, either by the act itself or by the facts in the case. In the first place, the appropriation under section 301, if it be construed as an appropriation, began before the tax was payable. The appropriation is not measured by the proceeds of the tax. The tax is not earmarked for this purpose. There is no equivalence between the amounts set aside by this section and the proceeds of the tax.

The authorities cited sustain the position I have taken, that it would require a constitutional amendment to authorize a special tax for old-age assistance and to require that the money collected be placed in a fund to be used for the one purpose exclusively. The taxes assessed and collected by the Federal Government at the present time are put into a common fund, and we draw on that as long as any remains, and when there is no more, we issue bonds. We have issued and outstanding nearly $40,000,000,000 of bonds at the present time.

The plan I have discussed contemplates that this financial problem shall be met by a specific tax, which all who come under its terms will be required to pay, the money to be placed in a special fund to be used for the one purpose only, somewhat like the reserve funds of the great life-insurance companies are used.

Mr. McNARY. Mr. President, I have enjoyed the comprehensive speech made by the able Senator from Florida in its relation to Senate Joint Resolution 145. I hope his remarks may have wide circulation. I believe this joint resolution has been on the Senate Calendar since July of last year.

Mr. ANDREWS. The Senator is correct.

Mr. McNARY. I know the desire of the Senator from Florida, and of the junior Senator from Massachusetts [Mr. LODGE], is for early consideration of the joint resolution, and I assure the Senator that I shall be glad to cooperate with him at any time to have it taken up for consideration and a final vote obtained.

Mr. ANDREWS. I thank the Senator.

CALL OF THE ROLL

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Slattery
Bankhead	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Bilbo	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
Chandler	Hill	Nye	Vandenberg
Chavez	Holt	O'Mahoney	Van Nuys
Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

The clerk will state the next number on the calendar.

RESOLUTION PASSED OVER

The resolution (S. Res. 74) providing for a Committee on Civil Aviation was announced as next in order.

Mr. ADAMS. I ask that the resolution be passed over.

The PRESIDING OFFICER. The resolution will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 45) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes," was announced as next in order.

Mr. McNARY. Mr. President, this joint resolution and the bills immediately following have heretofore been objected to by the Senator from Utah [Mr. KING]. I have no objection to the measures being considered, but I wonder if the Senator's attention has been called to the situation existing today.

Mr. KING. Mr. President, a bill was passed under the terms of which a special committee was appointed, of which the chairman is the Senator from Texas [Mr. CONNALLY]. The committee has conducted hearings, and I hope the report will be submitted in the near future. I ask that the joint resolution and the bills, beginning with Calendar No. 83 down to and including Calendar No. 116, be passed over.

The PRESIDING OFFICER. The seven bills and the joint resolution, beginning with Calendar No. 83, Senate Joint Resolution 45, down to and including Calendar No. 116, Senate bill 498, will be passed over.

The joint resolution and bills passed over are as follows:

Senate Joint Resolution 45, to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes."

S. 783, to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925.

S. 790, conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States.

S. 1222, authorizing an appropriation for payment to the Osage Tribe of Indians on account of lands sold by the United States.

S. 767, conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes.

S. 864, authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes.

S. 498, authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901.

The bill (S. 1303) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to cotton, was announced as next in order.

Mr. VANDENBERG. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 795) to provide for the education of all types of physically handicapped children, to make an appropriation of money therefor, and to regulate its expenditure, was announced as next in order.

Mr. VANDENBERG. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1681) to amend section 107 of the Judicial Code to create a mountain district in the State of Tennessee, and for other purposes, was announced as next in order.

Mr. McNARY. I ask that the bill be passed over.

Mr. McKELLAR. As to that bill, which was reported from the Committee on the Judiciary some time ago, certain questions have been raised, for which reason I think it ought to be returned to the committee. I desire to ask that it be recommitted to the committee with the understanding, if I may have it, with the Senator from Vermont [Mr. AUSTIN], who is also interested in the measure, that we may have an early hearing on the measure before the committee.

Mr. AUSTIN. So far as I am concerned, Mr. President, I am ready to do what I can toward that end.

The PRESIDING OFFICER. Without objection, Senate bill 1681, Calendar No. 227, will be recommitted to the Committee on the Judiciary.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Slattery
Bankhead	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Bilbo	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
Chandler	Hill	Nye	Vandenberg
Chavez	Holt	O'Mahoney	Van Nuys
Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

AGREEMENT WITH MUSKOGEE OR CREEK TRIBE OF INDIANS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that Senate bill 498, Calendar No. 116, which has previously been passed over, and which was introduced by me and favorably reported by the Committee on Indian Affairs, be recommitted to the Committee on Indian Affairs.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill is recommitted to the Committee on Indian Affairs.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Slattery
Bankhead	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Bilbo	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
Chandler	Hill	Nye	Vandenberg
Chavez	Holt	O'Mahoney	Van Nuys
Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

The clerk will state the next bill on the calendar.

BILL PASSED OVER

The bill (S. 570) to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products, to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production, and for other purposes, was anounced as next in order.

SEVERAL SENATORS. Over! Over!

The PRESIDING OFFICER. The bill will be passed over.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

Mr. THOMAS of Oklahoma. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. I make a point of order against the suggestion of the absence of a quorum. I understand there is no precedent on this question. I make the point of order that the Senate has transacted no business.

Mr. CLARK of Missouri. The Senate has disposed of a bill on the calendar.

Mr. THOMAS of Oklahoma. The refusal to transact business is not the transaction of business.

Mr. CLARK of Missouri. Mr. President, I shall be glad to be heard on that question if the Chair has any doubts.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. CLARK of Missouri. The refusal to take up a bill on the calendar is as much an adverse disposal of the measure for the present as would be taking up the bill and failing to pass it. It is as much the transaction of business as though the bill were taken up and passed. I submit that the uniform precedents of the Senate are to the effect that any action of the Senate—even the recognition of a Senator for a unanimous-consent request—amounts to the transaction of business, and justifies the point of order of no quorum.

The PRESIDING OFFICER. The Chair is ready to rule. The present occupant of the Chair is of the opinion that the Senate, by declaring its unwillingness to take action, has taken action; and therefore the point of no quorum made by the Senator from Missouri [Mr. CLARK] is sustained. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Slattery
Bankhead	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Bilbo	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
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Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

The clerk will state the next bill on the calendar.

BILL PASSED OVER

The bill (S. 1305) to promote the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education, was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Slattery
Bankhead	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Bilbo	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
Chandler	Hill	Nye	Vandenberg
Chavez	Holt	O'Mahoney	Van Nuys
Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. There is a quorum present.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. AUSTIN. I should like to ask the Chair what the parliamentary situation is, the hour of 2 o'clock having arrived?

The PRESIDING OFFICER. The Chair is of the opinion that the Senate is now operating under a unanimous-consent rule, and, therefore, rule VIII of the Senate's order of business is temporarily suspended. The clerk will state the next number on the calendar.

BILL PASSED OVER

The bill (S. 2203) to amend certain sections of the Social Security Act was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Slattery
Bankhead	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Bilbo	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
Chandler	Hill	Nye	Vandenberg
Chavez	Holt	O'Mahoney	Van Nuys
Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

The Clerk will state the next number on the calendar.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 34) for the relief of W. K. Richardson was announced as next in order.

Mr. KING. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Frazier	Lee	Schwartz
Andrews	George	Lodge	Schwellenbach
Ashurst	Gerry	Lucas	Sheppard
Austin	Gibson	Lundeen	Shipstead
Bailey	Gillette	McCarran	Slattery
Bankhead	Glass	McKellar	Smith
Barkley	Green	McNary	Stewart
Bilbo	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Tobey
Byrnes	Hayden	Neely	Townsend
Capper	Herring	Norris	Truman
Chandler	Hill	Nye	Vandenberg
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Clark, Idaho	Hughes	Pepper	Wagner
Clark, Mo.	Johnson, Calif.	Pittman	White
Danaher	Johnson, Colo.	Reed	Wiley
Davis	King	Reynolds	
Donahey	La Follette	Russell	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

The clerk will state the next business on the calendar.

PROHIBITION OF ADVERTISING OF ALCOHOLIC BEVERAGES BY RADIO

The bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio was announced as next in order.

Mr. LA FOLLETTE. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSON of Colorado. Mr. President, as I understand the ruling of the Chair, this bill cannot be voted upon at the present time by a voice or by a yea-and-nay vote.

The PRESIDING OFFICER. The Chair is of the opinion that since the Senate is operating under the unanimous-consent rule, one objection is sufficient to require the bill to go over at this time.

Mr. JOHNSON of Colorado. That being the situation, Mr. President, it is not the purpose of the junior Senator from Colorado to work any hardship whatever upon the Senate.

This bill has been upon the calendar since April 28 of last year. Last summer I served notice upon the Senate that early in January I should bring up the bill. I had an opportunity to bring up the bill in January, but I was told by my majority leader that the Senator from Wisconsin [Mr. LA FOLLETTE] wanted to be present when the bill should be considered. The Senator from Wisconsin was detained in California on important business connected with the affairs of the Senate; and, out of courtesy to him, I did not call up the bill in January.

I think this bill should come before the Senate and be disposed of in the regular way. I do not think the present obstructionist policy is at all in keeping with the dignity of the Senate; but that is not the point to be argued, and it is not for me to determine. So I will say to the senior Senator from Missouri [Mr. CLARK] that today I shall not move to have this bill taken up by the Senate for disposal. At some future time I expect to make such a motion.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Kentucky?

Mr. JOHNSON of Colorado. I yield to the Senator from Kentucky.

Mr. BARKLEY. I wish to express my appreciation of the Senator's attitude in this matter. Of course, he realizes that with the procedure which has been followed for the past few minutes we should not get through the call of the calendar today, so that he would not have an opportunity to make his motion today anyway.

I appreciate the Senator's attitude. I can confirm what he has said. This bill has been on the calendar ever since last April. The Senator from Colorado is its author, and the bill was reported by one of the standing committees of the Senate. Regardless of its merits, and regardless of whether or not it is wise for Congress to pick out a particular subject and say that it shall not be advertised over the radio, which is not a matter upon which I now wish to pass or to comment, I have taken the position with respect to this and other measures that a bill reported by a standing committee is entitled to be considered by the Senate; and I have never regarded it as a part of my duty as majority leader to say to any Senator that he could not or ought not to make an effort to get up a bill in which he was interested, or of which he was the author.

The Senator from Colorado did speak to me in January about this bill. I knew that the Senator from Wisconsin [Mr. LA FOLLETTE] was absent on official business; and the Senator from Colorado very readily agreed that it would be improper, or at least he did not desire, to take advantage of the absence of the Senator from Wisconsin to take up the bill. The Senator from Colorado has been very patient and considerate of every Senator in regard to this measure, and I appreciate his present attitude.

I think he is acting wisely, however, in stating to the Senate that he has no purpose to try to get the bill up today because it would interfere with other desirable legislation, and practicaly nothing would be accomplished. I thank the Senator from Colorado for his generous attitude in the matter.

Mr. JOHNSON of Colorado. I thank the majority leader for what he has said. At some future time I shall move to bring the bill up, but such a motion will not be made by me today.

Mr. CLARK of Missouri. Mr. President, if I may be indulged for just a moment, in view of what has been said I am very glad indeed to bear witness to what the Senator from Colorado and the majority leader have said. In my judgment, it would not have been possible to consider the bill today, because I do not believe we would have completed the calendar. It was certainly my intention to make the point of no quorum after action on every bill taken up for consideration.

As to what the Senator from Colorado has said about it not being in keeping with the dignity of the United States Senate for a Senator to exercise his constitutional right to make the point of no quorum, I merely refer him to the Constitution of the United States. I am willing to take the judgment of George Washington and the other founding fathers on that subject in preference to the opinion of the Senator from Colorado, much as I respect his judgment.

I merely desire also to serve notice that when the Senator from Colorado, in pursuance of his right, does attempt to get the measure before the Senate, in pursuance of my right as a United States Senator, I shall oppose it by every proper and honorable means.

In the meantime, I send forward an amendment which I intend to propose to the bill at the proper time, so that it may be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table. The clerk will call the next measure on the calendar.

BILL PASSED OVER

The bill (S. 1730) to amend the civil-service law to permit certain employees of the legislative branch of the Government to be transferred to positions under the competitive classified civil service was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

RELIEF OF SPANISH-AMERICAN WAR VOLUNTEER OFFICERS AND SOLDIERS

The bill (H. R. 289) for the relief of officers and soldiers of the Volunteer Service of the United States, mustered into service for the War with Spain, was announced as next in order.

Mr. KING. Mr. President, this bill passed the Senate upon two occasions, and upon each occasion was vetoed by the President of the United States. I feel it is a measure on which the Senate should express itself, and I shall have no objection later, when the time is not so restricted, if someone who favors the bill will move to take it up and have the President's veto considered, and then such consideration given to the bill as its merits require. But for the present I object to consideration, in view of the limited time at our disposal, and the fact that the bill has been twice vetoed. I think the Senate should have a chance to consider it in the light of the President's veto before taking final action.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

BILLS PASSED OVER

The bill (S. 1650) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government, was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 915) to provide for the more expeditious settlement of disputes with the United States, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BUSINESS AND ECONOMIC RESEARCH

The bill (S. 1740) to promote business and economic research in the United States by establishing and maintaining in connection with State university schools of business administration, research stations to cooperate with the Department of Commerce, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. SHEPPARD. Mr. President, if the Senator who objected will withhold his objection, I should like to make a brief explanation of the bill.

The Secretary of Commerce is authorized by the bill to establish business-research stations at State and Territorial universities and other institutions. Once established, such a station can be discontinued or transferred to another qualified institution after a hearing by the Secretary.

Mr. McKELLAR. Mr. President, what appropriation is proposed?

Mr. SHEPPARD. I shall come to that. I am about to give a brief description of the bill.

These stations are to be under the direction of the college of business administration, or, if there is no such college, the department of the university in which business subjects are taught, which will cooperate with the Department of Commerce in conducting research in business.

The bill prescribes that, to enable the business-research stations to function in pursuance of its provisions, there is authorized to be appropriated, to be paid to each institution at which a business-research station is established under the bill, a sum not to exceed $20,000 for the fiscal year ending June 30, 1941; and, similarly, a maximum for each succeeding year as follows: $30,000 for the fiscal year ending June 30, 1942, inclusive of the first $20,000; $40,000 for the fiscal year ending June 30, 1943, inclusive of the first $20,000, and $40,000 for each fiscal year thereafter; provided, that no payment in excess of $20,000 shall be made to any such institution for any fiscal year unless such institution, or the State for such institution, makes available for the use of such institution for each fiscal year, out of funds not acquired under the bill, an amount equal to such excess; and provided further, that no payments made under the bill shall be used by any such institution for any purpose other than for business research, nor shall any such payments in excess of $20,000 annually be used to reduce the business-research budget otherwise provided at such institutions below the average of those for the 3 fiscal years immediately preceding the enactment of the bill.

To enable the Secretary of Commerce to carry out the terms of the bill, there is authorized to be appropriated for each fiscal year beginning with the fiscal year ending June 30, 1941, a sum not to exceed 4 percent of the total appropriation made for such year under the bill, or $50,000, whichever is the larger amount.

Mr. President, small-business men number about 4,000,000, and provide employment for approximately 15,000,000 people. They have been handicapped by a lack of facilities for research essential to their efficient operation, and, in fact, their very existence. Business-research stations, set up with the aid of Federal funds in those States where there is a real interest in such work, will be able to collect, study, and make recommendations concerning problems of the small-business man who is unable to give any time or money to such efforts himself.

Working through State and local trade associations and trade papers, as well as directly through their own reports, these business stations will have under this measure facilities and support not now available.

To a considerable extent at the present time, schools of business administration on a collegiate level have directed their time and effort to the training of young men and young women who expect to go into some phase of local business life. This training has been based upon the experience of the teachers and their individual contact with business and business leaders in the State. If the bill is enacted into law, and funds are made available for the establishment of research stations, not only will more facts of a local and practical character be made available to these young men and women, but the State, through its business-research stations, will be able to serve those who are already in business and who need information which is not now available to them.

The businessmen of this Nation desire to operate their own affairs in such a way that their businesses will benefit customers as well as themselves. It is my opinion that this piece of proposed legislation will, in the long run, place small business, particularly, on a more stable basis, place competition on a higher level, produce more continuous employment, and give the ultimate consumer a greater variety of goods and services for every dollar of income.

Mr. President, that is all I have to say at this time. I give notice that I shall move to take the bill up at the close of the call of the calendar.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. HILL. I merely wish to say, as a member of the committee which sat with the Senator from Texas and heard the testimony on the bill, that I agree with what the Senator has said as to the importance of the measure. I know the Senator from Texas has been diligent in his efforts to get the bill before the Senate, and I certainly hope he will have an early opportunity when he can move to take it up, and give the Senate an opportunity to consider and pass upon it.

Mr. SHEPPARD. I thank the Senator.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. SHEPPARD subsequently said: Mr. President, since I gave notice that I would endeavor to call up Senate bill 1740, I have looked further into the situation and do not feel I can make much headway by endeavoring to call it up this afternoon. I shall therefore postpone my effort until a later day and more favorable opportunity.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1850. An act to aid the States and Territories in making provisions for the retirement of employees of the land-grant colleges;

S. 2867. An act to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the Pennsylvania Railroad Co. for right-of-way purposes a small strip of land at Veterans' Administration facility, Coatesville, Pa.;

S. 2868. An act to facilitate the procurement of aircraft for the national defense; and

S. 2876. An act to amend the Annual and Sick Leave Acts of March 14, 1936.

The message also announced that the House insisted upon its amendment to the bill (S. 1036) to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROGERS of Oklahoma, Mr. HILL, and Mr. BURDICK were appointed managers on the part of the House.

The message further announced that the House had passed a bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

REGULATION OF EQUIPMENT ON NAVIGABLE WATERS

The bill (S. 2259) to amend laws for preventing collisions of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Mr. President, this bill came from the Committee on Commerce last June, and I have been objecting to its consideration on each call of the calendar. It deals with the operation of motorboats throughout the United States. Since June I have been in conference with the Department of Commerce with respect to a series of amendments, and I am happy to say we are now in complete agreement on amendments, and I think that by the time of the next call of the calendar I shall be able to present a complete agreement for the consideration of the Senate.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

JOINT RESOLUTIONS AND BILLS PASSED OVER

The joint resolution (S. J. Res. 145) proposing an amendment to the Constitution of the United States relating to old-age assistance, was announced as next in order.

SEVERAL SENATORS. Over! Over!

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 1296) to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes was announced as next in order.

Mr. THOMAS of Oklahoma. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2585) to reimburse the cotton cooperative associations for losses occasioned by the Federal Farm Board's stabilization operations, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over

The joint resolution (S. J. Res. 84) proposing an amendment to the Constitution of the United States for a referendum on war was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The joint resolution (S. J. Res. 140) proposing an amendment to the Constitution relating to the power of the Congress to declare war was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 2687) to establish a Circuit Court of Appeals for Patents was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 409) to protect American labor and stimulate the employment of American citizens on American jobs was announced as next in order.

SEVERAL SENATORS. Over! Over!

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 5643) to invest the circuit courts of appeals of the United States with original and exclusive jurisdiction to review the order of detention of any alien ordered deported from the United States whose deportation or departure from the United States otherwise is not effectuated within 90 days after the date the warrant of deportation shall have become final; to authorize such detention orders in certain cases; to provide places for such detention; and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over! Over!

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2573) to amend the Agricultural Adjustment Act of 1938, as amended; for the purpose of regulating interstate and foreign commerce in rice and providing for the orderly marketing of rice at fair prices in interstate and foreign commerce was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6039) to amend laws for preventing collisions of vessels; to regulate equipment of certain motorboats on navigable waters of the United States, and for other purposes was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 101) defining and classifying gratuity expenditures allowable as offsets in favor of the United States and against the Five Civilized Nations or Tribes of Indians was announced as next in order.

Mr. KING. Mr. President, the subject connected with this measure is before the special committee of which the Senator from Texas is chairman, and his committee has had 2 or 3 days' hearings, and will be ready to report on the joint resolution within a short time.

The PRESIDING OFFICER. Objection being heard, the joint resolution will be passed over.

OPPRESSIVE LABOR PRACTICES

The bill (S. 1970) to eliminate certain oppressive labor practices affecting interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. KING subsequently said: Mr. President, with respect to Senate bill 1970, which was reached on the calendar a few moments ago, inadvertently objection was made. I thought it was an Indian bill. I have no objection to its consideration; but I understand from the Senator from Wisconsin that perhaps it should not be taken up under the unanimous-consent agreement, with the limited period available for consideration.

Mr. LA FOLLETTE. Mr. President, I appreciate the statement of the Senator from Utah; but this is an important measure, and will require considerable debate. I do not think it can be disposed of during consideration of bills on the calendar by unanimous consent.

BILLS PASSED OVER

The bill (S. 2575) to provide pensions, compensating retirement pay, and hospital benefits for certain Reserve officers of the Army of the United States, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2830) to provide for the registration of aliens, was announced as next in order.

Mr. ADAMS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6901) granting increase of pensions to certain widows of veterans of the Civil War, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2510) to promote the general welfare through the appropriation of funds to assist the States and Territories in providing more effective programs of public kindergarten or kindergarten and nursery-school education was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2103) to repeal the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes," approved June 18, 1934, and the act of June 15, 1935, supplementary thereto was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (H. J. Res. 367) to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments and for other purposes was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

PAYMENT OF COMPENSATION TO RECESS APPOINTEES

The Senate proceeded to consider the bill (S. 2773), to authorize the payment of compensation to recess appointees in certain cases, which had been reported from the Committee on the Judiciary with amendments on page 2, line 4, after the word "office", to insert "other than the nomination of a person appointed during the preceding recess of the Senate," and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That section 1761 of the Revised Statutes be, and it is hereby, amended to read as follows:

"SEC. 1761. No money shall be paid from the Treasury, as salary, to any person appointed during the recess of the Senate to fill a vacancy in any existing office, if the vacancy existed while the Senate was in session and was by law required to be filled by and with the advice and consent of the Senate, until such appointee has been confirmed by the Senate. The provisions of this section shall not apply (a) if the vacancy arose within 30 days prior to the termination of the session of the Senate; or (b) if, at the time of the termination of the session of the Senate, a nomination for such office, other than the nomination of a person appointed during the preceding recess of the Senate, was pending before the Senate for its advice and consent; or (c) if a nomination for such office was rejected by the Senate within 30 days prior to the termination of the session and a person other than the one whose nomination was rejected thereafter receives a recess commission: *Provided*, That a nomination to fill such vacancy under (a), (b), or (c) hereof, shall be submitted to the Senate not later than 40 days after the commencement of the next succeeding session of the Senate."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXEMPTION OF CERTAIN INDIANS FROM PROVISIONS OF ACT OF JUNE 18, 1934

Mr. CHAVEZ. Mr. President, I believe the Senator from Utah, under misapprehension, objected to Senate bill 2103 when it was reached on the calendar.

Mr. KING. Mr. President, I misconceived the number.

Mr. CHAVEZ. Mr. President, I ask unanimous consent for the present consideration of Senate bill 2103, Calendar No. 1094, which was previously passed over.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2103) to repeal the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes," approved June 18, 1934, and the act of June 15, 1935, supplementary thereto, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert:

That section 13 of the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes," approved June 18, 1934, as amended, is amended by adding at the end thereof the following new paragraph:

"None of the provisions of this act shall apply to (1) any Indian tribe on the Standing Rock Reservation located in the States of North and South Dakota; (2) the Pine Ridge Sioux Tribe of Indians of the State of South Dakota; (3) the Cheyenne River Sioux Tribe of Indians of the State of South Dakota; (4) the Yankton Sioux Tribe of Indians of the Rosebud Agency of the State of South Dakota; (5) any Indian on any reservation or any Indian tribe or group, located in the State of Nevada; (6) the Eastern Band of Cherokee Indians located in the State of North Carolina; (7) any Indian tribe, band, or group located in the State of California; (8) any Indian or Indian tribe on the Colorado River Indian Reservation of the State of Arizona; or (9) the Navajo Tribe located in the State of New Mexico."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended."

KINGS CANYON NATIONAL PARK, CALIF.

The bill (H. R. 3794) to establish the King's Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes, was announced as next in order.

Mr. PITTMAN. Mr. President, reserving the right to object, I desire to make a statement against this bill. Under the

unanimous consent agreement I believe I will not have sufficient time to speak against the bill. I need more than 5 minutes.

Mr. President, a parliamentary inquiry. How much time in all do I have?

The PRESIDING OFFICER. The Senator has 5 minutes on the bill, and 5 minutes on any amendment to the bill.

Mr. PITTMAN. I do not think 5 minutes will be sufficient time for me to express my opposition to the bill.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Could not the Senator from Nevada by unanimous consent speak longer than 5 minutes?

The PRESIDING OFFICER. Without question, by unanimous consent, he could speak longer than that.

Mr. BARKLEY. I ask unanimous consent that the Senator from Nevada be permitted to make his statement on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PITTMAN. Mr. President, then I will not raise any objection to taking up the bill.

I think the introduction of this bill and the stage it has reached in the Senate is one of the most remarkable things I have known to happen in connection with any legislation, and I have known of a great many peculiar things since I have been here. The Legislature of the State of California, after long hearings were had on the proposed establishment of the Kings Canyon National Park, voted on the subject, and in the State senate the vote against the measure was unanimous, except for two votes. The lower house of the legislature voted against it by a 2 to 1 vote.

The Farm Bureau of California acted on this matter and opposed the creation of this park. Seventy-two organizations in the State of California opposed the creation of this park. There is no doubt in my mind that this proposed legislation so far is solely the result of the domination of one man, standing against the Legislature of California, against the chambers of commerce of California, against the farm bureau, against the conservation societies. I know there is no one here who longs to see the bill pass. All long to get it out of the way because it is embarrassing to have the measure pending.

Mr. President, today there are in California over 2,000,000 acres in national parks. There is the great Sequoia National Park on one side of this proposed Kings Canyon National Park, and then there is the Yosemite National Park on the other side of it. Yet, in spite of that, it is proposed now to add 600,000 acres more lying between these two great national parks.

Nearly all the summits of the Sierra Nevada Mountains of California are today in national parks. Let it be understood that I believe in those watersheds being conserved. I believe also in having the timber conserved. But the 600,000 acres which are now proposed to be put in a national park are already, and have for many years been, under the control of the Forest Service. So far as I have observed, the Forest Service is as great a conservation organization as we have in the Government. It has done more to preserve the forests on the watersheds than has any other agency. It has done more toward scientific reforestation than the Park Service could possibly do, because the Park Service does not contain a scientific organization capable of handling the problem.

We have today 19,000,000 acres in national parks in the United States. Their area has been increased by over 1,000,000 acres in the past year, and there is a plan laid out for the future whereby the national parks will be increased to a far greater extent.

I feel, however, that the legislature of a State should have some voice in deciding whether or not the land in that State should be withdrawn from use. It is getting so that now in the Western States there is not enough land which may go into private ownership to raise sufficient taxes to support a State. Eighty-seven percent of the land in the State of Nevada is Government owned and controlled. Yet additional land is constantly being withdrawn from private acquisition.

In the southern part of my State 2,400 square miles have been taken and made into what is called a recreation area under the Park Service. They are now asking for appropriations to carry out that recreation scheme. In Nevada only about a year ago an area 52 miles square, taking in a whole mountain range, was withdrawn for park purposes. That is the only range in that section on which a farmer can graze his cattle. That is now being withdrawn from use or acquisition. The Government has taken it all.

The number of acres set aside for the Indians in my State is being increased. The Government has gone with cash money and bought up miles and miles of private ranches and turned them over to the Indians. That land is taken out of taxation.

Outside the forests of my State, all the land is today placed under the Taylor Grazing Act. That land is not subject to homesteading. It is not subject to acquisition under any law whatever except the mining law. It is out of use; it is out of private possession, out of taxation forever.

I see the Senator from Arizona [Mr. ASHURST] sitting here. I am satisfied that three-fourths of the State of Arizona has been subjected to every character of withdrawal, so that today it is not subject to taxation at all.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. ASHURST. The Senator from Nevada is quite correct; that is to say, nearly two-thirds of the area of Arizona is withdrawn from the people and therefore, of course, withdrawn from taxation. If additional withdrawals are to take place in Arizona, it may become impossible to maintain the county governments, and it might become extremely difficult to maintain a State government. I cite for example two counties in Arizona. The Federal Government now controls 88.9 percent of the total acreage of Coconino County and 89 percent of the total acreage of Navajo County.

I know nothing of the pending bill, and I ask, Are we to understand that the Legislature of the State of California is opposed to the withdrawal?

Mr. PITTMAN. Absolutely; by an almost unanimous vote in the State senate, with the exception of two votes, and by a vote of 2 to 1 in the house, after long hearings.

Mr. ASHURST. Mr. President, will the Senator further indulge me?

Mr. PITTMAN. With pleasure.

Mr. ASHURST. It has long been my policy—from which I have never deviated—not to vote for the creation of any reserve or the withdrawal of any land from the people unless and until the board of supervisors of the county in which the land is located and the eligible State land board or the legislature of the State petitioned Congress to make the withdrawal.

Some 2 years ago I was requested to assist in securing the creation of what was to be known as the Petrified Forest National Park in Arizona; but I refused to support the bill unless and until the Arizona State Land Board and the supervisors of the counties in which the land lies urged the creation of the park.

Will the Senator further yield to me?

Mr. PITTMAN. I yield.

Mr. ASHURST. Mr. President, power is the headiest wine known to the human race. We may explore the pages of history, but it is difficult to find in the annals of the human race any man in any nation at any time who, clothed with all power, did other than exercise that power oppressively. I know of no instance of an official of this Government or any other government who, being given absolute and arbitrary power, used it wisely.

In the West such reserves have been created, frequently by the ipse dixit of a department head or a bureau chief, and frequently by pressure from local civic authorities, who were told, "If you will have this or that half-million acres created into a park or other reserve, we will obtain for you $1,000,000 a year from Uncle Sam's Treasury to maintain the withdrawal."

This decade is not a resisting one when it comes to taking money out of the Public Treasury. I commend the Senator

from Nevada [Mr. PITTMAN] because he has—with success on many occasions—tried to see to it that such vast tracts of land shall be reserved to the people when they are not needed for public purposes.

Under the law of 1906 the President is authorized to create national monuments. It was expected that there might be a rock, a tree, some freak of nature, some pinnacle of marvelous beauty embracing a few acres or a square mile, which might under that law be set aside as a national monument. But, Mr. President, under the heady wine of power, not only this administration, but preceding ones as well, have set apart and withdrawn hundreds of square miles as national monuments. Happily enough—I do not know when or how—Congress at some lucid moment reserved to itself the right to create a national park, and Congress has never given to any department head or bureau chief the power to create a national park. That is a happy circumstance. For once Congress retained the reins of power. National monuments, however, may be created by Executive power and thus a thousand square miles, forsooth, may be withdrawn from the people for one national monument by a stroke of the pen.

I thank the Senator.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield with pleasure.

Mr. ADAMS. It seems to me the Senator from Arizona is somewhat lacking in information as to the situation. This is not a transfer from private ownership to public ownership. It is a transfer from a forest reserve already established over to the national park. Less than 1 percent of the land involved is in private ownership. Both Senators from California have indicated that they favor the creation of the park.

Mr. ASHURST. I have not read the pending bill and know nothing of it except what I have just learned from the Senator from Nevada [Mr. PITTMAN]. I am speaking generally of the habit of departments in creating such reserves. However, if the pending bill proposes to withdraw lands from the State of California, and the Legislature of California is opposed to the bill, I would not support it.

Mr. PITTMAN. Mr. President, the land involved is forest land. It has been in a forest reserve for many, many years. It lies between the Yosemite National Park and the Sequoia National Park. It has been the best recreation site in California. So far as I know, it has been the best recreation site in the United States, and yet that recreation was had with conservation. A man could take his family and a tent and motor up to any little lake or stream in that forest and camp and fish. He would not be permitted to do that in a national park.

Mr. ASHURST. The Senator is correct.

Mr. PITTMAN. I do not criticize such regulations. The national parks were intended to preserve certain phenomena of nature, such as the geysers which spout at regular intervals in Yellowstone National Park. It is conceivable that they might be injured or destroyed. That is absolute conservation.

One may not camp in Yellowstone National Park. He must go to one of the miserable concessionaires and live with him. He may not fish in a national park without employing a concessionaire to take him out in a boat. If he desires to get on a horse and ride up to the high streams to camp and fish, he is not permitted to do so. I think that is all probably very proper.

However, when we are speaking of recreation and of opportunities for the people to get out into the wilds, there is no comparison between the forest reserves and the park system. The forest reserves have been preserved as wild areas, where any American citizen may go in his automobile with his tent and fish, or even hunt, or live. That may not be done in a national park.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Nevada yield to the Senator from Wyoming?

Mr. PITTMAN. I yield.

Mr. SCHWARTZ. Under proper regulations he may also graze his livestock on the national forests, but he may not do so in a national park.

Mr. PITTMAN. The difference between a national park and a forest reserve is that a national park is conserved without use, except for the tourists to look at, whereas the national forests are preserved under conservation for the purpose of conserving the forests by reforestation and fire prevention, allowing the largest possible use by our people consistent with conservation.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. ASHURST. I may be a little thin-skinned or sensitive on this subject. I hope not; but I have had some distressing experiences.

More than 20 years ago it occurred to me that the Grand Canyon in Arizona ought to be a national park. I need not now enter upon any eulogy of the gorgeous majesty of the Grand Canyon. Many artists in words have dipped their pen into the ink of temerity with a view of depicting the colors of the Grand Canyon. I make no attempt to do so, further than to say that I did believe that the Grand Canyon should be a national park. I sought the counsel and aid of an eminent lawyer who subsequently went to the Supreme Court of the United States and there served with great distinction. We drew a bill to create such national park, and the bill had the approval of the State of Arizona. We provided in the bill that although the lands might become a national park, all persons who had established or acquired homestead rights, mining rights, or any other rights in the proposed park should not be disturbed, but should enjoy such rights and be protected therein.

Under the bill creating the Grand Canyon National Park, all claims, locations, and entries, of whatsoever nature, which were at that time valid and subsisting were not to be disturbed. Some of the paragraphs of that bill, which became the law and is now the law, are as follows:

SEC. 4. That nothing herein contained shall affect any valid existing claim, location, or entry under the land laws of the United States, whether for homestead, mineral, right-of-way, or any other purpose whatsoever, or shall affect the rights of any such claimant, locator, or entryman to the full use and enjoyment of his land and nothing herein contained shall affect, diminish, or impair the right and authority of the county of Coconino, in the State of Arizona, to levy and collect tolls for the passage of livestock over and upon the Bright Angel Toll Road and Trail, and the Secretary of the Interior is hereby authorized to negotiate with the said county of Coconino for the purchase of said Bright Angel Toll Road and Trail and all rights therein, and report to Congress at as early a date as possible the terms upon which the property can be procured.

SEC. 5. That whenever consistent with the primary purposes of said park the act of February 15, 1901, applicable to the locations of rights-of-way in certain national parks and the national forests for irrigation and other purposes, and subsequent acts shall be and remain applicable to the lands included within the park. The Secretary of the Interior may, in his discretion and upon such conditions as he may deem proper, grant easements or rights-of-way for railroads upon or across the park.

SEC. 6. That whenever consistent with the primary purposes of said park, the Secretary of the Interior is authorized, under general regulations to be prescribed by him, to permit the prospecting, development, and utilization of the mineral resources of said park upon such terms and for specified periods, or otherwise, as he may deem to be for the best interests of the United States.

SEC. 7. That, whenever consistent with the primary purposes of said park, the Secretary of the Interior is authorized to permit the utilization of areas therein which may be necessary for the development and maintenance of a Government reclamation project.

SEC. 8. That where privately owned lands within the said park lie within 300 feet of the rim of the Grand Canyon no building, tent, fence, or other structure shall be erected on the park lands lying between said privately owned lands and the rim.

Notwithstanding this law, the Interior Department has recently instituted a suit, under the power of eminent domain, to try to condemn some of the lands in private ownership in the Grand Canyon National Park. This lawsuit has aroused the resentment, the just resentment, of many persons in northern Arizona.

Mr. KING. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. KING. I understand an effort was made a short time ago to set aside as a national monument an area in my State larger than the State of Rhode Island.

Mr. ASHURST. The Senator is correct.

Mr. KING. I have interposed objection to it. I do not know what the result may be. I think a measure should be enacted to prevent lands in the public domain being set apart for monuments, parks, or reserves without an act of Congress.

Mr. PITTMAN. I think I thoroughly agree with what the Senator has said. I have announced two or three times that I intended to introduce a bill of that kind. One would not think it was necessary, however, to introduce such a bill.

Mr. KING. I would not.

Mr. PITTMAN. One would have an idea that Senators representing States here would have some respect for other States and that they would give adequate consideration to some of their interests. It is very difficult, of course, for a Senator coming from a State where all the land is held in private ownership, and has been probably from the beginning of our Government, to understand the situation in the section where the public lands are located.

I repeat that with 87 percent of the area of my State public land, the support of State and local governments becomes a serious matter. There have already been withdrawn large areas for forest reserves, large areas for Indian reservations; there were taken 2,400 square miles for a recreation area in the southern part of the State; and, going a little farther north, there was taken a tract of land 52 miles square—think of that—as large, probably, as the State of Rhode Island. With a pencil it was marked on the map as a reserve for mountain sheep. Yet that high mountain land in the southern part of the State, where it is hot and dry, is the only range land available to small farmers living around that mountain. But it is reserved forever now by the great Department of the Interior. Right across the valley from this 52 miles square is a forest reserve that has been there for years, covering almost a great mountain range. That is a game reserve which will take care of all the mountain sheep and all the other game that may be found in southern Nevada.

I say Senators do not understand the situation, and, therefore, we of the West should have some expression with regard to what should be done with the lands in our States.

Let me read a resolution adopted by the Legislature of the State of California. It is very brief and was adopted unanimously, I believe, except for two votes in the California Senate. The resolution is as follows:

Senate Joint Resolution 2

Relative to the memorialization of the President and the Congress of the United States for the protection, use, and development of the natural resources of the State of California

Whereas nature has bestowed upon the State of California a priceless heritage of natural resources of soil, water, forests, minerals, forage, game animals, birds, fish, and scenic and recreational attractions; and

Whereas these natural resources are vital to the permanence and future growth and prosperity of the basic industries of the State, and to the welfare and happiness of its citizens; and

Whereas the protection and wise use of our valuable natural resources is the responsibility of the Federal and State Governments, and the civic duty of all our people; and

Whereas large areas of California's important watersheds, forests, grazing and mineral lands, fishing streams and lakes, wildlife ranges, free public playgrounds, and scenic features are found within the national forests in the State; and

Whereas there is pending national legislation which will create a new national park in the Middle and South Fork of Kings River that will remove large water and other natural resources from development and use by adjacent dependent communities; and

Whereas these national-forest resources are protected and managed for the benefit of all our citizens and the permanence of our industries and are open at all times to full utilization and economic development: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California jointly, That the State of California, through its legislature, hereby memorializes and petitions the President and the Congress of the United States that all national-forest lands in the Middle and South Fork of Kings River and their valuable natural resources be permanently retained in national-forest status under the protection and administration of the Forest Service, United States Department of Agriculture, where they will be perpetually open, as needed, to all measures, developments, and activities necessary for the full use, regulation, and control of the land and the resources thereof; and be it further

Provided, That this resolution is not to be construed as any criticism of the National Park Service or as evidence of any lack of appreciation of the aid given this State by the Federal Government in respect to flood control and the construction of irrigation dams; and be it further

Provided, That this petition is not to be interpreted as manifesting a lack of sympathy on the part of this legislature with the basic objective of the Federal Government to provide for the perpetual protection of national-forest lands in the Middle and South Fork of Kings River as a protected wilderness for the benefit and enjoyment of future generations; and be it further

Resolved, That the State of California, through its legislature, hereby memorializes and petitions the President and the Congress of the United States that any contemplated further extension to Yosemite National Park be deferred until some plan is evolved to compensate adequately the counties for the resulting loss of tax revenue; and be it further

Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and to Members of the Senate and the House of Representatives and to the Secretary of Agriculture and the Chief of the Forest Service.

I think that explains the situation as clearly as anything could.

In addition to that there is the resolution adopted by the Farm Bureau Federation of California, which I ask leave to have printed at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution referred to is as follows:

"Whereas for a number of years the Department of the Interior has had an announced policy calling for the creation of a new national park in California to be known as the Kings River Canyon National Park; and

"Whereas this proposed national park embraces some 600,000 acres of territory in this State, having within its boundaries resources of high economic value to the future development of the State; and

"Whereas the territory in question is now under the administration of the United States Forest Service, whose management and multiple use policy guarantees the availability of these resources for future economic development of the State, as well as full recreational use; and

"Whereas many of the important economic resources in question would be locked up and future development prohibited under national-park policy and administration; and

"Whereas the United States Forest Service has submitted a development plan for the area, which is highly commendable, which guarantees proper recreational development and scenic safeguard; and

"Whereas we are informed that a general expansion program of national parks in California is contemplated by the Department of the Interior; and

"Whereas there are now within this State 2,905,269 acres of national parks and national monuments yielding no revenue to the State, many of these units (notably Lassen Volcanic National Park) being underfinanced and underdeveloped for public use; and

"Whereas it is the belief of this body that the interests of the State can best be served if Kings River Canyon area remain under the management of the United States Forest Service; and

"Whereas it is the belief of the Fresno County Farm Bureau that 'within the forested regions of California, the extension of present boundaries of national parks, or the establishment of new national parks should be made only when such extension or establishment shall be for the best national interests and in accordance with the best social and economic development of the State in its broadest aspects': Now, therefore, be it

"*Resolved,* That this body earnestly request the board of directors of the California Farm Bureau Federation to oppose the creation of the proposed Kings River National Park."

Motion to adopt by California Farm Bureau Federation carried, May 18, 1938.

We understand that the Army engineers and the Reclamation Service have completed reports concerning the possibility of building the Pine Flat Dam.

May we recommend that copies of each of these reports be made available to interested and affected groups, and that no action be taken looking to the construction of the Pine Flat Dam until water users in the area have had full opportunity to study the reports and express their opinions.

Respectfully submitted.

CALIFORNIA FARM BUREAU FEDERATION,
By ALEX. JOHNSON.

Mr. PITTMAN. Seventy-two other organizations have appeared and their resolutions are in the hearings.

Mr. President, I realize that this is a futile attempt on my part so far as this bill is concerned, but the question is of too great importance to allow it to drift on without protest. It looks as though everybody is ashamed to look at or to

mention this bill. I even have dear friends who are anxious that it go through in a hurry so that they may forget it, urge me to let it pass, and I want to help them all I can.

I wish to say again that the legislature of my own State of Nevada supported the resolution of the legislature of the State of California and have petitioned their Representatives in Congress to oppose this bill, and I am opposing it, hopelessly I know.

Mr. KING. Why?

Mr. PITTMAN. I cannot say why. I stated why once in the Burlew hearings, and my reason now is the same.

Mr. ADAMS. Mr. President, just a word or two. This bill received extensive hearings in the Public Lands Committee of the other House. It was passed there with certain amendments. It came before the Public Lands Committee of the Senate. A subcommittee was appointed which held extensive hearings. The report of the subcommittee approving the passage of the bill appears in the report on the bill, and I think, in order to save time, I will ask that the report of the subcommittee be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

JULY 28, 1939.

Hon. ALVA B. ADAMS,
Chairman, Committee on Public Lands and Surveys,
Washington, D. C.

MY DEAR MR. CHAIRMAN: The subcommittee appointed by the Committee on Public Lands and Surveys to study an act (H. R. 3794) to establish the Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes, having considered the same, report favorably thereon with the recommendation that the bill do pass.

The purpose of the act, H. R. 3794, is to conserve permanently in its natural condition, as a national park for the benefit and enjoyment of the people, one of the most famous scenic areas in the United States. The bill would abolish the General Grant National Park and would add it, to be known as the General Grant Grove Section, to the new national park, which would be known as the Kings Canyon National Park. All of the public lands to comprise the new park, with exception of the General Grant National Park, would be transferred from the Sierra and Sequoia National Forests. The total area of the proposed park is 454,600 acres, of which 5,763 acres are privately owned. The major portion of the privately owned lands comprise the Redwood Mountain Grove of giant sequoias, the finest large grove remaining in private ownership, which the bill would authorize for addition to the park. This proposed legislation has been approved by the Department of Agriculture and the Department of the Interior.

Timber, mineral, and grazing resources of the Kings Canyon wilderness are negligible. The average annual number of livestock grazing within the proposed park during the last 5 years is only 985 cattle and horses and 300 sheep, allotted to 12 permittees. The act protects these privileges and provides for the continuation of these permits during the lives of the present permittees. The Commissioner of the United States Bureau of Reclamation and the Chief of Army Engineers have both issued written statements giving assurance that the most feasible water-storage and power-development sites along the Kings River are outside of the proposed park and that they have no plans for developments within the proposed park area.

The Chief Forester of the United States Forest Service, now administering these public lands, has testified that their primary value is for recreation and that they are of national-park caliber. The State of California, at a cost of millions of dollars, has built a highway into the canyon of the South Fork of Kings River, converting what has been an inaccessible wilderness into a resort for tens of thousands of visitors. It is urgent that Congress establish a permanent policy for administration of this region before the new highway is opened to traffic this summer.

The creation of the park is supported by almost every newspaper of California, by almost every organization and group that has considered it, and by almost all the voters.

Very truly yours,

PAT MCCARRAN, *Chairman.*

Mr. ADAMS. Mr. President, the bill has the approval both of the Interior Department and of the Department of Agriculture. The subcommittee report points out one thing which should be of interest to the Senate. It gives the total area involved and then states:

Timber, mineral, and grazing resources of the Kings Canyon wilderness are negligible. The average annual number of livestock grazing within the proposed park during the last 5 years is only 985 cattle and horses and 300 sheep, allotted to 12 permittees. The act protects these privileges and provides for the continuation of these permits during the lives of the present permittees.

I have a very general accord with the purposes and views of the Senator from Nevada, but I think the particular bill, if passed, would tend to preserve for public recreational purposes, under the administration of the park authorities, one of the finest scenic areas of the country. The passage of the bill would not jeopardize power development; it would not involve the taking away of grazing or other privileges.

I am relying, as did the committee in reporting the bill favorably, upon the report of the subcommittee and upon the favorable recommendations of both the Interior Department and the Forestry Service, supplemented by the favorable attitude of the two Senators from the State of California, whose judgment would largely conclude my opinion.

Mr. LODGE. Mr. President, I will ask the Senator what would happen to this land or what would happen to its scenic value if this bill were not passed?

Mr. ADAMS. The scenic features of it are in the forest reserve, and nothing would happen to them except that they would not be available in the same way that they would be available under the administration of the Park Service. In other words, the Park Service develops scenic resources; the Forestry Service does not make the same character of development.

Mr. LODGE. Is this land at the present time in danger of being despoiled or wasted or damaged?

Mr. ADAMS. I think not. It is under the forest administration. The tract is large, embracing, as I recall, 454,000 acres, and including 5,763 acres which are privately owned and which contain an extensive growth of giant sequoias. Those trees may be cut and destroyed if something is not done. That, in acreage, is a minor part. In scenic value, it is a major part.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the tract of land in the State of California particularly described as follows, to wit: Beginning at the summit of Junction Peak, being a point on the present north boundary of Sequoia National Park, also a point on the Tulare and Inyo County line; thence westerly along said north boundary of said park to the crest of the hydrographic divide between Boulder Creek and Sugarloaf Creek; thence in a northerly direction along the crest of the hydrographic divide between Boulder Creek and Sugarloaf Creek to the intersection of said divide with the section line between sections 3 and 4 of township 14 south, range 30 east, Mount Diablo base and meridian; thence northerly along the section line between said sections 3 and 4 and between sections 33 and 34, and sections 27 and 28 of township 13 south, range 30 east, to the northwest corner of southwest quarter of section 27; thence northwesterly along the ridge immediately adjacent to and lying northeast from the headwaters of the east fork of Lightning Creek to the intersection of said ridge with the section line between sections 21 and 28, township 13 south, range 30 east, which point lies on the said section line three-quarters of a mile more or less westerly from the northeast corner of said section 28; thence in a northerly direction across the easterly branch of the east fork of Lightning Creek at Summit Meadow to the ridge north of said creek branch; thence northeasterly along said ridge to Lookout Peak; thence in a northeasterly direction along the ridge from said peak, being also the crest of the hydrographic divide between Sheep Creek and Lightning Creek to the intersection of said ridge with the line between sections 15 and 22, township 13 south, range 30 east, which point lies one-quarter of a mile more or less westerly of the northeast corner of said section 22; thence easterly along said section line to the corner of sections 14, 15, 22, and 23; thence north along the line between sections 14 and 15 to the southwest corner of the northwest quarter of the northwest quarter of section 14; thence east to the southeast corner of the northeast quarter of the northwest quarter of the said section; thence south to the southwest corner of the northeast quarter of the said section; thence east to the southeast corner of the southwest quarter of the northeast quarter of the said section; thence south to the southwest corner of the northeast quarter of the southeast quarter of the said section; thence east to the northeast corner of the southeast quarter of the southeast quarter of the said section; thence south to the southwest corner of section 13; thence east on the line between sections 13 and 24 to the southeast corner of section 13; thence south to southwest corner of the northwest quarter of the northwest quarter of section 19, township 13 south, range 31 east; thence east along the north latitudinal one-sixteenth section line of sections 19, 20, and 21 to the southeast corner of the northeast quarter of the northwest quarter of said section 21; thence north to the quarter section corner of sections 16 and 21; thence east along the line between sections 16 and 21 to the southeast corner of said section 16; thence north along the section line to the quarter section

corner of sections 15 and 16; thence west along the latitudinal quarter section line of sections 16, 17, and 18 to the northwest corner of the southeast quarter of section 18; thence north to the northeast corner of the southeast quarter of the northwest quarter of said section 18; thence west to the northwest corner of the southwest quarter of the northwest quarter of said section 18; thence north along the range line between ranges 30 and 31 east, township 13 south, to the northeast corner of section 13, township 13 south, range 30 east; thence west along the line between sections 12 and 13 to the southeast corner of the southwest quarter of the southwest quarter of section 12; thence north to the northeast corner of the southwest quarter of the southwest quarter of said section 12; thence west to the northwest corner of the southeast quarter of the southeast quarter of section 11; thence north to the northeast corner of the northwest quarter of the northeast quarter of said section 11; thence west along the line between sections 2 and 11 to the northwest corner of the northeast quarter of the northwest quarter of said section 11; thence south to the southwest corner of the northeast quarter of the northwest quarter of said section 11; thence west to the northwest corner of the southwest quarter of the northwest quarter of said section 11; thence north along the line between sections 10 and 11 and 2 and 3 to the intersection with the ridge of southeast spur of Stag Dome; thence in a northwesterly direction along the crest of said spur to the summit of Stag Dome; thence in a northerly direction along the crest of the hydrographic divide between Lewis Creek and Deer Cove and Grizzly Creek to its intersection with Monarch Divide at Hogback Peak; thence in a westerly direction along the crest of Monarch Divide, to its junction with the northwesterly spur of Mount Harrington; thence northwesterly along the crest of hydrographic divide on the southwest side of the Gorge of Despair to the intersection with the line between sections 12 and 13, township 12 south, range 29 east; thence continuing west along the line between sections 12 and 13, 11 and 14 to the southwest corner of the southeast quarter of the southeast quarter of said section 11; thence northerly to the southwest corner of the southeast quarter of the northeast quarter of said section 11; thence east to the quarter section corner of sections 11 and 12; thence north to the southeast corner of the northeast quarter of the northeast quarter of said section 11; thence east to the southeast corner of the northwest quarter of the northwest quarter of section 12; thence north to the northeast corner of the northwest quarter of the northwest quarter of said section 12; thence east to the quarter section corner of sections 1 and 12; thence north to the northeast corner of the southeast quarter of the southwest quarter of said section 1; thence east to the southeast corner of the northwest quarter of the southeast quarter of said section 1; thence north to the northeast corner of the northwest quarter of the southeast quarter of said section 1; thence east to the quarter section corner of sections 1 and 6; thence north along the range line between the ranges 29 and 30 east, township 12 south, to the northeast corner of said section 1, township 12 south, range 29 east; thence east along the township line between townships 11 and 12 south, range 30 east to the southeast corner of the southwest quarter of the southwest quarter of section 31, township 11 south, range 30 east; thence north to the northeast corner of the southwest quarter of the southwest quarter of said section 31; thence west to the northwest corner of the southwest quarter of the southeast quarter of section 36, township 11 south, range 29 east; thence south to the quarter section corner of sections 1 and 36; thence west along the township line between townships 11 and 12 south, range 29 east to the northwest corner of section 1, township 12 south, range 29 east; thence south to the southwest corner of the northwest quarter of the northwest quarter of said section 1; thence west to the northwest corner of the southwest quarter of the northwest quarter of section 2; thence south to the northwest corner of the southwest quarter of the southwest quarter of said section 2; thence west to the northwest corner of the southeast quarter of the southeast quarter of section 3; thence south to the southwest corner of the southeast quarter of the southeast quarter of section 3; thence continuing south to the intersection with the four thousand four hundred contour; thence along the four thousand four hundred-foot contour in a southwesterly direction to its intersection with Tombstone Ridge; thence in a northwesterly direction along the crest of the Tombstone Ridge to the summit of the Obelisk; thence in a straight line in a northeasterly direction crossing Crown Creek to the summit of Kettle Dome; thence in a northeasterly direction along the crest of Kettle Ridge to the summit of Finger Peak in the White Divide; thence northwesterly along the crest of the said White Divide and the Le Conte Divide, passing over the summits of Mount Reinstein and Red Mountain to the summit of Mount Henry; thence in a northerly direction along the crest of the north spur of Mount Henry to the junction of the South Fork San Joaquin River and Piute Creek; thence across the South Fork San Joaquin River and in a northeasterly direction along the hydrographic divide between Piute Creek and the South Fork San Joaquin River to the summit of Pavillion Dome; thence in an easterly direction along the crest of said hydrographic divide to its intersection with Glacier Divide; thence continuing southeasterly along the crest of said Glacier Divide to a point of intersection with the crest of the Sierra Nevada Range, also the boundary line between Inyo County and Fresno County; thence continuing southeasterly along the crest of said Sierra Nevada Range, passing over the summits of Mount Lamarack, Mount Darwin, Mount Haeckel, Mount Wallace, Mount Powell, Mount Thompson, Mount Gilbert, Mount Johnson, Mount Goode, Mount Winchell, North Palisade, The Thumb, Mount Bolton Brown, Split Mountain, Cardinal Mountain, Striped Mountain, Mount Perkins, Colosseum Mountain, Mount Baxter, Diamond Peak, Black Mountain, Dragon Peak, Mount Bixford, Mount Gould, University Peak, Mount Bradley, and Mount Keith to the summit of Junction Peak, being the point of beginning; is hereby reserved and withdrawn from settlement, occupancy, or disposal under the laws of the United States and dedicated and set apart as a public park, to be known as the Kings Canyon National Park, for the benefit and enjoyment of the people: *Provided*, That nothing in this act shall be construed to affect or abridge any right acquired by any citizen of the United States in the above-described area: *And provided further*, That no grazing permits heretofore issued and in effect on January 15, 1939, affecting the area described in this section, for whose renewal an application is made before the date of expiration, shall be affected by this act, except that they shall be subject to such terms and conditions to insure protection of the lands and for other purposes as may be prescribed by the Secretary of the Interior.

SEC. 2. That the General Grant National Park is hereby abolished, and the west half of section 33, township 13 south, range 28 east, and west half of section 4, all of section 8 and the northwest quarter of section 9, township 14 south, range 28 east, Mount Diablo meridian, California, together with the lands formerly within the General Grant National Park, Calif., and particularly described as follows, to wit: All of sections 31 and 32, township 13 south, range 28 east, and sections 5 and 6, township 14 south, range 28 east, of the same meridian, are, subject to valid existing rights, hereby added to and made a part of the Kings Canyon National Park and such lands shall be known as the General Grant grove section of the said park. The General Grant grove section of the Kings Canyon National Park may, by proclamation of the President, be extended to include the following described lands, to wit: Section 9, south half, section 10, southwest quarter, and that part of the east half south of Generals Highway; section 11, that part south of Generals Highway; section 13, that part south of Generals Highway; section 14, that part south of Generals Highway, section 15, east half, northwest quarter, and the southeast quarter of the southwest quarter, section 21, southeast quarter of the northeast quarter, and the east half of the southeast quarter; section 22, east half, east half of the northwest quarter, southwest quarter of the northwest quarter and southwest quarter; section 23; section 24, that part south of Generals Highway, sections 25 and 26; section 27, east half, northwest quarter, and that part of the southwest quarter north and east of the crest of Redwood Mountain; section 34, that part east of the crest of Redwood Mountain; sections 35 and 36, township 14 south, range 28 east; all of sections 1 and 2; section 3, that part east of the crest of Redwood Mountain; section 11, that part east and north of the crest of Redwood Mountain; all of section 12; section 13, that part north of the Sequoia National Park boundary, township 15 south, range 28 east, Mount Diablo meridian, which shall be subject to all laws, rules, and regulations applicable to the said park. Such extension of the General Grant grove section of the said park shall not interfere with the movement of stock and vehicular traffic without charge, under general regulations to be prescribed by the Secretary of the Interior, to and from national forest lands on either side of the said park extension. The Kings Canyon National Park shall receive and use all moneys heretofore or hereafter appropriated for General Grant National Park.

SEC. 3. That the National Park Service shall, under the rules and regulations to be prescribed by the Secretary of the Interior, administer for public recreational purposes the lands withdrawn.

SEC. 4. That any motor-vehicle license issued for Sequoia National Park shall be applicable to Kings Canyon National Park, and vice versa: *Provided*, That in order to insure the permanent preservation of the wilderness character of the Kings Canyon National Park the Secretary of the Interior may, in his discretion, limit the character and number of privileges that he may grant within the Kings Canyon National Park. No privileges shall be granted for a period in excess of 5 years.

SEC. 5. That the administration, protection, and development of the Kings Canyon National Park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes," as amended.

INVESTIGATION OF ECONOMIC AND INDUSTRIAL CONDITIONS IN PUERTO RICO

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 18) providing for an investigation of economic and industrial conditions in Puerto Rico, which had been reported from the Committee on Territories and Insular Affairs with amendments, on page 1, line 7, after the words "investigation of", to strike out "economic" and insert "the social, economic", and in line 8, after the words "Puerto Rico", to strike out "with a particular view to determining" and insert "and to determine", so as to make the concurrent resolution read:

Resolved, etc., That a special joint committee of three Senators, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, is authorized and directed to make a full and complete study and investigation of the social, economic, and industrial conditions in Puerto Rico, and to determine the effect

upon Puerto Rico of the Sugar Act of 1937, the Fair Labor Standards Act of 1938, and foreign-trade agreements entered into pursuant to the Reciprocal Trade Agreements Act of 1934. The special joint committee shall select a chairman from among its members, and shall report to the Congress at the earliest practicable time the results of its study and investigation, together with its recommendations.

For the purposes of this resolution the special joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-sixth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman.

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to.

RESOLUTION AND BILL PASSED OVER

The resolution (S. Res. 168) providing for an investigation of the immigration of aliens into the United States was announced as next in order.

Mr. SCHWELLENBACH. Let the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 282) to provide that State employees employed in connection with programs carried on with the assistance of the Federal Government be selected in accordance with a nonpolitical civil service plan was announced as next in order.

Mr. MINTON. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

RELIEF OF FORMER DISBURSING OFFICERS FOR CIVIL WORKS ADMINISTRATION

The bill (H. R. 7050) for the relief of certain former disbursing officers for the Civil Works Administration was considered, ordered to a third reading, read the third time, and passed.

INDIAN SCHOOL BUILDINGS IN MONTANA

The bill (S. 1450) to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $30,000 for the purpose of cooperating with school district No. 13, Froid, Mont., for the extension and improvement of public-school buildings: *Provided*, That the expenditure of any money so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the school district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That plans and specifications for construction, enlargement, or improvement of structures shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further*, That any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States; and in computing the amount of recoupment for each project interest at 3 percent per annum shall be included on unrecouped balances: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

PUBLIC-SCHOOL FACILITIES, M'CURTAIN, OKLA.

The bill (S. 2523) to provide for the construction, extension, equipment, and improvement of public-school facilities at McCurtain, Okla., Haskell County, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $15,000 for the purpose of cooperating with School District No. 37, Haskell County, McCurtain, Okla., for construction, extension, equipment, and improvement of school facilities: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That plans and specifications for construction, enlargement, or improvement of structures shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further*, That any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States, and in computing the amount of recoupment for each project interest at 3 percent per annum shall be included on unrecouped balances.

PUBLIC SCHOOL BUILDINGS, UINTAH COUNTY, UTAH

The Senate proceeded to consider the bill (S. 1671) to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 3, after the word "hereby" to insert "authorized to be," so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000 for the purpose of cooperating with the Uintah County School District, Utah, for extension and improvement of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That plans and specifications for construction, enlargement, or improvement of structures shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further*, That any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States, and in computing the amount of recoupment for each project interest at 3 percent per annum shall be included on unrecouped balances.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 3035) authorizing certain appointments to the United States Military Academy to fill cadetships heretofore created was announced as next in order.

Mr. RUSSELL. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 199) amending Public Resolution No. 112 of the Seventy-fifth Congress and Public Resolution No. 48 of the Seventy-sixth Congress was announced as next in order.

Mr. HATCH. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

CITIZENSHIP, ETC., OF CERTAIN PANAMA CANAL ZONE EMPLOYEES

The bill (S. 3130) relating to the citizenship and compensation of certain employees on military construction work in the Panama Canal Zone was announced as next in order.

Mr. KING. Let us have an explanation of the bill.

Mr. CLARK of Missouri. Mr. President, I am going to ask that the bill go over; and if the Senator from North Carolina [Mr. REYNOLDS], who reported the bill from the Committee on Military Affairs, were present, I should move that the bill be recommitted.

This bill is properly within the jurisdiction of the Committee on Interoceanic Canals, which has considered that and

similar subjects on a number of occasions. In my opinion, the bill was erroneously referred to the Committee on Military Affairs, and erroneously reported from that committee.

I shall not make the motion to recommit the bill at this time, in view of the absence of the Senator from North Carolina, but it is my intention at the proper time to make such a motion.

Mr. DANAHER. Mr. President, I invite the attention of the Senator from Missouri to Calendar No. 1234, House bill 7941.

The PRESIDING OFFICER. House bill 7941 is similar to the bill which the Senator from Missouri has asked to go over. Without objection, House bill 7941 will go over, as well as Senate bill 3130.

The PRESIDING OFFICER subsequently said: House bill 7941 has already gone over under a previous order.

Mr. CLARK of Missouri. Mr. President, that bill is not identical with Senate bill 3130. I was under a misapprehension if I asked that House bill 7941 go over, because it simply has to do with Army construction work on the Panama Canal. Therefore, I withdraw my objection and ask unanimous consent that the other bill be returned to Senate bill 3130, if that is an identical bill.

The PRESIDING OFFICER. Without objection, the Senate will consider the House bill, H. R. 7941.

Mr. AUSTIN. Let the bill go over.

Mr. KING. Both bills should go over.

The PRESIDING OFFICER. The bills will be passed over.

BILL PASSED OVER

The bill (S. 3016) to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy," was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

DISPOSITION OF REMAINS OF NAVY AND MARINE CORPS PERSONNEL, ETC.

The bill (S. 3067) authorizing appropriations to be made for the disposition of the remains of personnel of the Navy and Marine Corps and certain civilian employees of the Navy, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That funds to be expended under such regulations as the Secretary of the Navy may prescribe are hereby authorized to be appropriated as may be necessary from time to time for the funeral expenses of the deceased persons hereinafter specified.

SEC. 2. The words "funeral expenses" as used in this act, and in subsequent acts appropriating funds as herein authorized, shall be construed to include the expenses of, and incident to, the recovery of bodies; cremation, but only on request of the relatives of the deceased; preparation for burial; transportation to the home of the deceased or to a national or other cemetery designated by proper authority; and interment.

SEC. 3. Funeral expenses shall be allowed for—

(a) Officers and enlisted men of the Navy and Marine Corps, including those on the retired lists who die while on active duty;

(b) Members of the Nurse Corps (female) of the Navy, including those on the retired list who die while on active duty;

(c) Members of the Naval Reserve or Marine Corps Reserve who die while on active or training duty, or while performing authorized travel to or from such duty;

(d) Accepted applicants for enlistment;

(e) Civilian employees of the Navy Department or the Naval Establishment who have been ordered away from their homes in the United States to duty outside the continental limits of the United States and who die while on such duty or while performing authorized travel to or from such duty;

(f) Former enlisted men of the Navy and Marine Corps who were discharged while patients in hospitals and who remain as patients in such hospitals to the day of their death; and

(g) Pensioners and destitute patients who die in naval hospitals: *Provided*, That only the expenses of preparation for burial and interment shall be allowed in disposing of the remains of such pensioners and destitute patients.

SEC. 4. The provisions of this act shall apply in the case of personnel temporarily absent with or without leave when death occurred.

SEC. 5. In any case where funeral expenses authorized by this act are incurred prior to receipt of official authority, reimbursement may be made in the amount allowed by the Navy Department for such services.

SEC. 6. Funds to be expended under such regulations as the Secretary of the Navy may prescribe are hereby authorized to be appropriated as may be necessary from time to time for the purchase and care of cemetery lots; for the care of graves of deceased personnel of the Navy and Marine Corps outside the continental limits of the United States, with which shall be included those in sites not owned by the United States; and for the removal of remains from abandoned cemeteries to naval or national cemeteries or to the homes of the persons deceased, with which shall be included remains interred in isolated graves in the United States and abroad and remains temporarily interred.

BILL PASSED OVER

The bill (H. R. 6044) to regulate the number of warrant and commissioned warrant officers in the Marine Corps, was announced as next in order.

Mr. CLARK of Missouri. May we have an explanation of the bill?

The PRESIDING OFFICER. Let the bill go over.

DIKE OR DAM ACROSS STANSBURY CREEK, MD.

The bill (S. 2977) authorizing the construction and maintenance of a dike or dam across Stansbury Creek in Baltimore, Md., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Glenn L. Martin Co. and its successors and assigns to construct and maintain a dike or dam across Stansbury Creek at a point suitable to the interests of navigation about five-eighths mile above the mouth of Stansbury Creek in the county of Baltimore in the State of Maryland, in accordance with the provisions of section 9 of the River and Harbor Act of March 3, 1899.

The title was amended so as to read: "A bill authorizing the construction and maintenance of a dike or dam across Stansbury Creek in Baltimore County, Md."

EXCHANGE OF LANDS BETWEEN UNITED STATES AND SAN DIEGO, CALIF.

The Senate proceeded to consider the bill (S. 2993) to authorize an exchange of lands between the city of San Diego, Calif., and the United States, and acceptance by gift of certain lands from the city of San Diego, Calif., which had been reported from the Committee on Naval Affairs with amendments, on page 1, line 5, after the word "California", to strike out "by an appropriate deed of conveyance"; on page 3, line 7, after the word "transfer", to insert "and quitclaim"; in line 8, after the words "United States", to strike out "by appropriate deed of conveyance"; in line 11, after the word "interest", to strike out "of" and insert "which"; in line 12, after the word "city", to insert "may claim in and"; on page 5, line 6, after the word "said", to strike out "five"; in line 12, after the words "United States", to strike out "by appropriate deed of conveyance"; on page 6, line 24, after the words "United States", to strike out "by appropriate deed of conveyance"; and on page 7, after line 4, to insert:

SEC. 4. The acceptance by the Secretary of the Navy of the transfer or quitclaim by the city of San Diego of any of the lands herein mentioned shall not be construed as a relinquishment by the United States of its claim of title or interest in said land in any manner arising.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to transfer under such conditions as may be approved by the said Secretary, to the city of San Diego, Calif., without cost to the said city of San Diego, Calif., all right, title, and interest in and to the following parcels, situated in the city of San Diego, Calif., metes and bounds descriptions of which are on file in the Navy Department:

Parcel A. Sixty-one and seventy-two one-hundredths acres, more or less, of Marine Corps base area adjacent to the municipal airport, lying between the southwesterly prolongation of the southeasterly lines of Harasthy Street and Southerland Street to the combined pierhead and bulkhead line;

Parcel B. A triangular piece of land of the naval supply depot on the westerly side of Pacific Highway between E Street and F Street, containing six hundred and nineteen square feet, more or less;

Parcel C. A strip of land ten and one-half feet wide, of the naval training station, extending along and adjacent to Rosecrans Street, between Lytton Street and Lowell Street, including a curbed corner at the intersection of Lytton Street and Rosecrans Street, containing an area of one and sixty-eight one-hundredths acres, more or less;

Parcel D. That portion of the Marine Corps base lying to the north of the south side of Water Street extending easterly from

Wright Street, containing an area of four and twenty-five one-hundredths acres, more or less;

Parcel E. A triangular piece of land comprising the corner at the intersection of Barnett Avenue and Pacific Highway, being a part of the Marine Corps base, containing an area of twenty-five one-hundredths of an acre, more or less;

Parcel F. Three areas comprising one and thirty-six one-hundredths acres, more or less, being a part of the destroyer base situated on the north and south sides of Bay Front Street included in the proposed Harbor Drive and a small parcel to the east thereof; in consideration of the transfer and quitclaim to the United States by said city of San Diego, free from all encumbrances, except as hereinafter provided, and without cost to the United States, all right, title, and interest which the said city may claim in and to the following parcels, metes and bounds descriptions of which are on file in the Navy Department:

Parcel 1. A parcel of land between Broadway and E Street and between Pacific Highway and the westerly line of Belt Street in the city of San Diego, Calif., containing an area of one and ninety-three one-hundredths acres, more or less, excepting and reserving therefrom (a) the area held and occupied by the Sunset Sea Food Company under a lease that expires on July 20, 1951; and (b) the area held and occupied by the Star and Crescent Oil Company under a lease that expires April 30, 1942: *Provided*, That the areas held under said leases, upon expiration of the terms thereof, become the property of the United States in fee simple.

Parcel 2. A parcel of land between E Street and F Street and between Harbor Street and the easterly line of Belt Street in the city of San Diego, Calif., containing an area of two and seven one-hundredths acres, more or less; excepting and reserving therefrom the area held and occupied by the Union Ice Company under a lease that expires on September 23, 1941: *Provided*, That the area held under said lease, upon expiration of the term thereof becomes the property of the United States in fee simple.

Parcel 3. A parcel of land between F Street and Market Street and Harbor Street and Pacific Highway, in the city of San Diego, Calif., containing an area of four and twenty-six one-hundredths acres, more or less, excepting and reserving therefrom (a) the area held and occupied by the Arrowhead Puritas Distributors, Incorporated, under a lease that expires on February 28, 1947; and (b) the area held and occupied by the General Petroleum Corporation under a lease that expires on March 31, 1948: *Provided*, That the areas held under said leases, upon the expiration of the terms thereof, become the property of the United States in fee simple.

Parcel 4. A parcel of land between the United States bulkhead line and the United States pierhead line, lying southerly and adjacent to the present Navy pier in the city of San Diego, Calif., containing an area of two and seventy-seven one-hundredths acres, more or less: *Provided*, That said parcels 1 to 4, inclusive, shall be used for military purposes, and particularly for the purpose of establishing and maintaining thereon piers, landings, buildings, and structures to be used by the United States and reserving to the said city of San Diego perpetual easements in said parcels for the laying and maintaining of underground public utilities, such as sewers, drains, water mains, gas, electric, and power lines across said parcels wherever necessary or convenient.

SEC. 2. The Secretary of the Navy is further authorized, on behalf of the United States, to accept from the city of San Diego, Calif., without cost to the United States, all right, title, and interest of the said city in and to the following-described parcels of land situated in the city of San Diego, Calif.:

Parcel 1. A strip of municipal tidelands four hundred and thirty and five-tenths feet in width and containing fourteen and fifty-one one-hundredths acres, more or less, in the city of San Diego, Calif., lying northerly of and adjacent to the northerly line of the United States destroyer base for military uses of the United States, and particularly to be used by the Navy Department in connection with and as part of the naval destroyer base in the city of San Diego;

Parcel 2. All land lying between the high-water mark and the westerly line of proposed Harbor Drive adjacent to the easterly boundary of the destroyer base, in the city of San Diego, Calif., excluding that portion of the destroyer base embraced within the proposed Harbor Drive on the northerly and southerly sides of Bay Front Street and to the east of proposed Harbor Drive, containing an area of eight acres, more or less;

Parcel 3. All that portion of Balboa Park in the city of San Diego, Calif., in pueblo lots 1136 and 1143 of the pueblo lands of the city of San Diego, Calif., adjoining the southeasterly, southerly, and southwesterly boundaries of the Naval Hospital, San Diego, Calif., containing an area of thirty-two and ninety-three one-hundredths acres, more or less;

Parcel 4. A triangular area embracing portions of lots 2 to 11, inclusive, in West Atlantic Street Addition and a triangular area embracing the unnumbered block in Middletown, lots 7 to 12, inclusive, of block 231; and lots 7 to 12, inclusive, of block 236, in the city of San Diego, Calif., adjoining the northerly and easterly portions of the athletic field of the Marine Corps base, San Diego, Calif., containing an area of two acres, more or less.

SEC. 3. The Secretary of the Navy is further authorized, on behalf of the United States, to accept from the city of San Diego, Calif., without cost to the United States, all right, title, and interest of the said city in and to such other areas abutting the naval properties at San Diego, Calif., as will bring the exterior boundaries thereof to the adjoining boundary of the proposed Harbor Drive as now or hereafter may be located.

SEC. 4. The acceptance by the Secretary of the Navy of the transfer or quitclaim by the city of San Diego of any of the lands herein mentioned shall not be construed as a relinquishment by the United States of its claim of title or interest in said land in any manner arising.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ACCEPTANCE OF LANDS IN NATIONAL CITY, CALIF.

The Senate proceeded to consider the bill (S. 2991) to authorize the Secretary of the Navy to accept on behalf of the United States certain lands in the city of National City, Calif., which had been reported from the Committee on Naval Affairs with amendments, on page 1, line 6, after the words "United States" to strike out "by an appropriate deed of conveyance"; on page 3, line 23, after the word "The", to strike out "said"; and on page 4, after line 13, to strike out:

That in the event the United States of America shall fail to use the above-described land for a period of 10 successive years, then the same shall revert back to the city of National City, Calif.

And insert:

SEC. 3. The acceptance by the Secretary of the Navy of the transfer or quitclaim by the city of National City of any of the lands herein mentioned shall not be construed as a relinquishment by the United States of its claim of title or interest in said land in any manner arising.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized on behalf of the United States to accept from the city of National City, Calif., without cost to the United States, all right, title, and interest of the said city in and to the following-described area of tide and submerged lands:

All lands situated on the National City side of the San Diego Bay, lying between the line of the mean high tide line and the pierhead line in said bay, as the same has been or may hereafter be established by the Federal Government, and between the prolongation into the Bay of San Diego, to the pierhead line of the boundary line between the city of National City and the city of San Diego and a prolongation into the Bay of San Diego to the pierhead line of the southerly line of the street commonly known as Seventh Street, containing approximately ninety-six and forty-two one-hundredths acres of tidelands, and more particularly described as all or any portion or portions of those tidelands, situated in the city of National City, San Diego County, State of California, commencing at a concrete monument on the northerly line of National City, designated as U. S. C. & G. S. point numbered 49; thence south seventy-one degrees forty-three minutes fifteen seconds west along said northerly line a distance of seventy-two and one-tenth feet to a concrete monument on the mean high-tide line of San Diego Bay, the true point of beginning; thence south forty-eight degrees sixteen minutes east two hundred and sixty-seven and fifty-eight one-hundredths feet; thence south seventy-three degrees fifty-four minutes east one hundred and seventy-nine and four-tenths feet; thence south forty-nine degrees fifty-three minutes thirty-four seconds east two hundred and sixty-one and ninety-five one-hundredths feet; thence south sixty-four degrees five minutes forty-four seconds east four hundred and four and ninety-five one-hundredths feet; thence south forty-nine degrees two minutes fourteen seconds east one hundred and forty-nine and sixty-four one-hundredths feet; thence south sixty-two degrees forty-one minutes fifty-three seconds east two hundred and fifty-one and eighty-one one-hundredths feet; thence south thirty-six degrees thirty-nine minutes eight seconds east two hundred and six and twenty-nine one-hundreds feet; thence south thirty-seven degrees forty-eight minutes forty-one seconds east one thousand and ninety-five and six-tenths feet; thence south sixty-three degrees three minutes fifty-nine seconds west two thousand and ninety-four and two-tenths feet to the bulkhead line of San Diego Bay; thence north twenty-six degrees fifty-six minutes one second west along said bulkhead line two thousand seven hundred and twenty-two and two-tenths feet to an intersection with the westerly prolongation of the northerly line of National City; thence north seventy-one degrees forty-three minutes fifteen seconds east along said northerly line one thousand and eighty-six and sixty-seven one-hundredths feet to the point of beginning, excepting and reserving therefrom a roadway approximately one hundred feet in width along the easterly side.

SEC. 2. The Secretary is authorized to accept title to the above-described tract from the city of National City, Calif., upon the following conditions recited in the city of National City, Calif., Resolution No. 2024:

That the conveyance shall be subject to any and all existing leases on the aforesaid property or tidelands.

That the city of National City may reserve perpetual easements for laying and maintaining sewers and drains across any and all of the above-described land wherever necessary and convenient.

That the above-described tract shall be used for military purposes of the United States and particularly for the purpose of establishing and maintaining thereon piers, landings, buildings, and structures to be used by the United States Navy.

SEC. 3. The acceptance by the Secretary of the Navy of the transfer or quitclaim by the city of National City of any of the lands herein mentioned shall not be construed as a relinquishment by the United States of its claim of title or interest in said land in any manner arising.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

H. D. BATEMAN AND OTHERS

The Senate proceeded to consider the bill (S. 1373) for the relief of H. D. Bateman, P. L. Woodard, and J. M. Creech, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the name "Bateman", to strike out "P. L. Woodard" and insert "Henry G. Conner, Junior, executor of the last will and testament of P. L. Woodard"; and in line 8, after the words "sum of", to strike out "$1,572" and insert "$1,048", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. D. Bateman, Henry G. Conner, Jr., executor of the last will and testament of P. L. Woodard, and J. M. Creech, residents of Wilson County, N. C., the sum of $1,048, in full settlement of their claims against the United States for damages resulting from the destruction of timber by the Civil Works Administration in the year 1934 on a drainage ditch and canal project, which project was later abandoned by the Civil Works Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of H. D. Bateman, Henry G. Conner, Jr., executor of the last will and testament of P. L. Woodard, and J. M. Creech."

LLOYD S. HARRIS

The Senate proceeded to consider the bill (S. 2595) for the relief of Lloyd S. Harris, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$1,375.58" and insert "$700", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lloyd S. Harris, of Shiprock, N. Mex., the sum of $700, in full satisfaction of all claims against the United States because of property losses sustained by said Lloyd S. Harris as a result of a fire which occurred in the Cove demonstration area of the Soil Conservation Service on December 10, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROXIE RICHARDSON

The Senate proceeded to consider the bill (S. 2268) for the relief of Roxie Richardson, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of" to strike out "$2,500" and insert "$1,250", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roxie Richardson, of Hartford, Vt., the sum of $1,250, in full settlement of her claims against the United States for personal injuries, medical and hospital expenses, and damages sustained by her when the automobile in which she was a passenger was struck by a car owned by the United States and used in connection with the Civilian Conservation camp at Bellows Falls, Vt., said accident having occurred March 31, 1938, at East Bethel, Windsor County, Vt..: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

M. L. PARISH

The bill (H. R. 4198) for the relief of M. L. Parish was considered, ordered to a third reading, read the third time, and passed.

GLEN E. ROBINSON

The Senate proceeded to consider the bill (S. 2884) for the relief of Glen E. Robinson, doing business as the Robinson Marine Construction Co., which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "$900 with interest at 4 percent per annum from November 30, 1931, to complete the payment to the said Glen E. Robinson of a bill" and insert "$900, in full settlement of all claims against the United States growing out of a contract", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Glen E. Robinson, doing business as Robinson Marine Construction Co., of St. Joseph, Mich., the sum of $900, in full settlement of all claims against the United States growing out of a contract for the construction of two gasoline motorboats furnished to the United States district engineer, Cairo, Ill., in accordance with a proposal dated August 31, 1931, and accepted under date of September 10, 1931 (3328–motorboat–Memphis D. O.–11), which sum represents a penalty of $10 per day per boat, for 45 days of alleged delay in delivery of said motorboats, after completion, said delays being due to causes unforeseeable and beyond the control and without the fault or negligence of the said Glen E. Robinson as contractor: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NADINE SANDERS

The Senate proceeded to consider the bill (S. 3044) for the relief of Nadine Sanders, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of" to strike out "$1,500" and insert "$500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nadine Sanders, Santa Fe, N. Mex., the sum of $500. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Nadine Sanders on account of personal injuries received on February 13, 1937, when the automobile in which she was riding was struck in Santa Fe, N. Mex., by a Soil Conservation Service truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WARREN ZIMMERMAN

The Senate proceeded to consider the bill (H. R. 4126) for the relief of Warren Zimmerman, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$887.09" and insert "$304.08", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Warren Zimmerman, of Lawrence, Kans., the sum of $304.08, in full settlement of all claims against the United States for losses sustained because of the failure of the postmaster and postal employees at Lawrence, Kans., to handle mail deposited in that post office in accordance with the understanding and agreement made with this patron: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KATHERYN S. ANDERSON

The bill (H. R. 6084) for the relief of Katheryn S. Anderson was considered, ordered to a third reading, read the third time, and passed.

JERSEY CENTRAL POWER & LIGHT CO.

The Senate proceeded to consider the bill (S. 2552) for the relief of the Jersey Central Power & Light Co., which had been reported from the Committee on Claims with amendments.

The PRESIDING OFFICER. The amendments of the committee will be stated.

The CHIEF CLERK. On page 1, after the enacting clause, it is proposed to strike out and insert certain words.

Mr. KING. Mr. President, I observe that an adverse opinion has been rendered on this bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN L. HINES

The bill (S. 3038) to provide for the advancement of John L. Hines on the retired list of the Army was announced as next in order.

Mr. CLARK of Missouri. May we have an explanation of the bill?

Mr. SHEPPARD. Mr. President, the War Department recommends the passage of this bill. Its purpose is to provide for the advancement of Maj. Gen. John L. Hines, United States Army, retired, former Chief of Staff of the Army, to the grade of general on the retired list of the Army without the benefit of increased retired pay and allowances. General Hines is the only former Chief of Staff on the retired list who does not hold this rank. It is provided by a law enacted after he had served as Chief of the General Staff.

Mr. McKELLAR. Mr. President, one minute. I think we ought to have a better explanation than that. Is this just the entering wedge for giving to retired generals of the Army, later on, greater compensation than the regular compensation?

Mr. SHEPPARD. No retired pay is provided for.

Mr. McKELLAR. I understand that; but if we enact the measure——

Mr. SHEPPARD. The bill provides that he shall not have the benefit of increased retired pay and allowances.

Mr. McKELLAR. Let the bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

PAYMENT OF MILEAGE TO EMPLOYEES OF BUREAU OF RECLAMATION

The bill (H. R. 3391) providing payment to employees of the Bureau of Reclamation for mileage traveled in privately owned automobiles was announced as next in order.

Mr. McKELLAR. May we have an explanation?

Mr. HATCH. Mr. President, a bill similar to this has passed the Senate at least two, and perhaps three, times. It also passed the House of Representatives two or three times, but never happened to pass both bodies during the same session.

Mr. McKELLAR. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

PREVENTION OF DISSEMINATION OF PULLORUM AND OTHER DISEASES

The bill (S. 3227) to enable the Secretary of Agriculture in cooperation with official State agencies, to prevent the dissemination of pullorum and other diseases of poultry and to improve poultry, poultry products, and hatcheries, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of this act—

(a) The term "Territory" means any Territory or possession of the United States, including the District of Columbia and excluding the Canal Zone.

(b) The term "commerce" means commerce between the United States and any foreign country; or between any State or Territory and any place outside thereof; or between points within the same State but through any place outside thereof; or within any Territory; or by means of the United States mails, between any two points within the United States, including its possessions.

(c) The term "Secretary" means the Secretary of Agriculture of the United States.

(d) The term "person" includes individual, partnership, corporation, and association.

(e) The term "official State agency" means an agency set up in any State or Territory, by law, such as a department of agriculture, college of agriculture, or livestock sanitary board, or any organization, the governing board of which includes one or more representatives of an agency set up by law, which such agency or organization shall have been recognized by the Secretary as suitable for the purpose of participating in the administration of the national poultry improvement plan, but not more than one official State agency shall be recognized in any State or Territory.

SEC. 2. The Secretary is authorized and directed to adopt and, from time to time, as conditions may warrant or require, to alter such a plan as will, in his opinion, improve poultry, poultry products, flocks, and hatcheries within the United States, and prevent the dissemination of pullorum and other diseases of poultry from one State or Territory to any other State or Territory, or from the United States into any foreign country. In the formulation and execution of such a plan, which shall be known as the national poultry improvement plan, the Secretary may cooperate with the appropriate official State agencies and with poultry leaders, poultry breeders, and members of the breeder and commercial hatchery industry in such States and Territories. The Secretary is authorized to devise and adopt an emblem which may be used by persons participating in and complying with the provisions of said plan.

SEC. 3. Each such official State agency may issue regulations for its administration of the said plan, but the said regulations shall not become effective until they have been found by the Secretary to be satisfactory for the purposes of the national poultry improvement plan and have been approved by him.

SEC. 4. When the said regulations have been approved as provided in section 3 hereof, and, thereafter, it is certified to the Secretary by an official State agency that any named person, engaged in the poultry business in the State or Territory of the certifying official State agency, is participating in and complying with the provisions of the national poultry improvement plan, the Secretary may permit such person to use the said national poultry improvement plan emblem and also the prefix "U. S.", in connection with terms provided in the said national poultry improvement plan, in describing, advertising, or selling, hatching eggs, chicks, poultry, or poultry-breeding stock, but, if the Secretary shall become satisfied that any such person shall have ceased such participation or compliance, he shall, in his discretion, suspend or revoke such permission.

SEC. 5. The following acts are declared to be injurious to commerce in hatching eggs, chicks, poults, and poultry breeding stock and are hereby prohibited and made unlawful:

(a) The use of the said national poultry improvement plan emblem or the prefix "U. S." in describing, advertising, or selling, in commerce, any hatching eggs, chicks, poults, or poultry-breeding stock, without the unsuspended and unrevoked permission of the Secretary so to do; or the use of any word or combination of words, letter or combination of letters, or of any emblem, design, or device, or of any false, misleading, or deceitful means or practice in describing, advertising, or selling, in commerce, any hatching eggs, chicks, poults, or poultry-breeding stock for the purpose of indicating that the user is participating in or complying with the provisions of the said national poultry improvement plan when he is not.

(b) The use of the said national poultry improvement plan emblem or the prefix "U. S." in describing, advertising, or selling any hatching eggs, chicks, poults, or poultry-breeding stock, without the unsuspended and unrevoked permission of the Secretary so to

do; or the use of any word or combination of words, letter or combination of letters, or of any emblem, design, or device, or of any false, misleading, or deceitful means or practice, in describing, advertising, or selling any hatching eggs, chicks, poults, or poultry-breeding stock for the purpose of indicating that the user is participating in or complying with the provisions of the said national poultry improvement plan when he is not.

SEC. 6. Any person who shall violate any of the provisions of section 5 of this act shall be guilty of a misdemeanor, and for the first offense, shall, upon conviction thereof, be fined not to exceed $200, and for each subsequent offense and conviction thereof shall be fined not less than $200 nor more than $500.

SEC. 7. After judgment of the court, notice shall be given by publication in such manner as may be prescribed by such regulations as the Secretary may deem proper.

SEC. 8. This act shall become effective upon the date of its passage: *Provided, however,* That those persons who, at that time, are participating in and complying with the provisions of any plan for the improvement of poultry, poultry products, flocks, and hatcheries within the United States, approved by the Secretary, may be allowed to use the terms provided in such plan until 6 months from the date of passage of this act, after which time they also shall be subject to the provisions of this act.

SEC. 9. Funds appropriated for carrying into effect the provisions of this act shall be available for allotment by the Secretary to the bureaus and offices of the Department of Agriculture and for transfer to other departments and agencies of the Government which the Secretary may call upon to assist or cooperate in carrying out such purposes or for services rendered or to be rendered in connection therewith.

SEC. 10. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

CONTROL OF SOIL EROSION, ARKANSAS

The bill (H. R. 112) to facilitate control of soil erosion and flood damage on lands within the Ozark and Ouachita National Forests in Arkansas was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 169) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif., was announced as next in order.

Mr. McKELLAR. I should like to have an explanation of this bill. If there is no explanation to be offered, I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 2009) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 2417) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Sequoia National Forest, Calif., was announced as next in order.

Mr. McKELLAR. This bill should go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3226) to facilitate and simplify national-forest administration was announced as next in order.

Mr. ADAMS. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3136) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws was announced as next in order.

Mr. McKELLAR. Let us have an explanation of this bill.

Mr. HAYDEN. Mr. President, there is a matter in connection with the bill about which I should like to confer with the Senator from Wyoming, and I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3195) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill? If not, let it go over.

The PRESIDING OFFICER. The bill will be passed over.

RELIEF OF JOSE ANTONIO SOSSA D AND OTHERS

The bill (S. 3196) to amend the act approved May 24, 1938, entitled "An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama" and for the relief of Jose Antonio Sossa D was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama," approved May 24, 1938 (52 Stat. 1317, ch. 271), be, and the same is hereby, amended to read as follows:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Government of Colombia the sum of $1,981.30, and to the Government of Panama the sum of $550.25, amounting in all to $2,531.55, in full settlement of all claims against the United States by the Government of Colombia, by the Government of Panama, and by the Comision Mixta Demarcadora de Limites Entre Colombia y Panama, an agency now dissolved, heretofore created by and functioning under and on behalf of such governments, for damages to cargo sustained and expenses incurred by said commission as a result of a collision on December 7, 1936, in the Bay of Panama between the motor launch *Don Bosco,* chartered by the commission, and Panama Railroad barge *No. 205,* operated by the Signal Corps, United States Army."

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jose Antonio Sossa D, owner of the motor launch *Don Bosco,* the sum of $1,398.46, such payment to be made as an act of grace and not to be construed as a precedent, in full and final settlement of all claims against the United States for damages, including the cost of repairs to the hull, machinery, and other equipment of the said motor launch *Don Bosco,* and for other damages sustained by the said owner resulting from and due to the same collision described in section 1 of this act.

CHRISTINE LUND

The Senate proceeded to consider the bill (S. 815) for the relief of Christine Lund, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "$4,000" and insert "$2,646," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Christine Lund, of Lane County, Oreg., care of Slattery & Slattery, Eugene, Oreg., the sum of $2,646, in full satisfaction of her claim against the United States for personal injuries sustained by her when struck on December 16, 1937, at 1½ miles north of Florence, Oreg., by an automobile of the United States operated by H. T. Schinaman, an employee of the Lighthouse Service, then engaged in the performance of his duties as such employee.

SEC. 2. The payment authorized to be made by this act shall not be made until the said Christine Lund has released, in a manner satisfactory to the Secretary of the Treasury, any judgment or other claim arising out of such accident which she may have against the said H. T. Schinaman.

SEC. 3. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF THELMA JONES

The bill (H. R. 2860) for the relief of Ben Willie Jones as legal representative of Thelma Jones, a deceased minor, was considered, ordered to a third reading, read the third time, and passed.

ANDREW OLSON

The Senate proceeded to consider the bill (S. 3061) for the relief of Andrew Olson, which had been reported from the Committee on Claims with an amendment, to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Andrew Olson, of Port Townsend, Wash., the sum of $26, in full satisfaction of his claim against the United States for compensation for services rendered while employed as a laborer at the Marrowstone Point Light Station, Wash., from September 7 to September 15, 1939, such compensation having been withheld from him for the reason that he was not a citizen of the United States during such period: *Provided,* That no

part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EDMUND S. DENNIS

The Senate proceeded to consider the bill (S. 1531) for the relief of Edmund S. Dennis, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$205.48" and insert "$176.80", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edmund S. Dennis, of Richmond, Va., the sum of $176.80, in full satisfaction of his claim against the United States Government for expenses incurred by reason of accident with a Civilian Conservation Corps car on March 26, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BESSIE SHARRAH

The Senate proceeded to consider the bill (S. 2988) for the relief of Bessie Sharrah, which had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out "$10,000" and insert "$3,000," and insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,000 to Bessie Sharrah, of Tucson, Ariz., in full settlement of her claim against the United States arising out of a collision between a United States Army truck and a vehicle driven by her husband, George F. Sharrah, and resulting in his death, on or about December 19, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ZOOK PALM NURSERIES, INC.

The Senate proceeded to consider the bill (H. R. 808) to confer jurisdiction upon the District Court of the United States for the Southern District of Florida, to hear, determine, and render judgment upon the claim of Zook Palm Nurseries, Inc., a Florida corporation, which had been reported from the Committee on Claims with amendments.

Mr. McKELLAR. Mr. President, let us have an explanation of the bill.

Mr. BROWN. Mr. President, this bill proposes to confer on the District Court of the United States for the Southern District of Florida the authority to try the question whether or not the claimants, the Zook Palm Nurseries, Inc., are entitled to damages against the United States.

The claim arose out of the construction of the Inland Waterway in central Florida, near Palm Beach, and the case is one in which the facts are rather seriously controverted. The amount of the claim is rather large. The Government concedes that damages amounting to some $85,000 probably resulted. Whether or not the Government should be held liable is a close question.

There were two serious questions in controversy, which caused me to suggest important amendments to the bill. The original bill conferred absolute jurisdiction upon the court to determine the question involved. I recommended an amendment, and the committee approved my recommendation, I being chairman of the subcommittee in charge of the bill, to provide that the district judge, not the court, but the district judge, without jury, should first determine whether or not there had been executed by the claimant a release, and, secondly, to determine before the trial whether or not there had been an agreement on the part of the Government to build a dike.

The bill now provides that if either of those questions is answered adversely to the claimant, proceedings shall then stop, but if the judge finds that there was no release and that there was an agreement on the part of the Government to build the dike contemplated by the parties when they made a certain settlement, the court shall then proceed and try the case with a jury.

I think there has been worked out a very fair arrangement from the standpoint both of the Government and the complainants in the case. I think the bill is one which should pass. There is no doubt that substantial damages were suffered, but whether or not the Government should be held responsible is a question.

Mr. McKELLAR. Did not the Department report against the enactment of the bill?

Mr. BROWN. The Department's report is not entirely favorable or unfavorable. What impressed me was that the Department conceded that the parties had been damaged to the amount of $85,000. The claim for damages is somewhat larger than that; I think it is almost twice that amount, but the facts are in such controversy that I felt that there should be a determination of the facts. I was of the opinion, however, there should be first a determination by the court as to whether there had been a legal or valid release by the Zook Nursery to the Government.

Mr. KING. Mr. President, it seems to me that the question whether or not there had been a valid release is one which the committee could determine, and certainly the able Senator from Michigan could determine it as well as any judge who sits in Florida. I do not wish to disparage the judicial authorities in Florida, but I would be satisfied with a determination of the question by the Senator from Michigan, and as he investigated the case, may I ask him if he cares to express an opinion as to whether there was a release?

Mr. BROWN. I may say that if one depended upon the writings alone, he would be unable to come to a sound determination. I would not be satisfied from the writings alone to make a determination of that question. My inclination would be to hold with the Government, but the facts as testified to by the president of the corporation were such that if his statement was true there was not a valid release.

Mr. McKELLAR. Mr. President, the Senator says it should be left to the judge to pass on the facts.

Mr. BROWN. No——

Mr. McKELLAR. Does the Senator think that such a bill as this would be constitutional, taking into consideration the provision of our Constitution which distinctly provides that "where the value in controversy shall exceed $20 the right of trial by jury shall be preserved"?

Mr. BROWN. I think that the Congress can do anything it desires about a grant of authority to a court to make determination. I thought the determination of the facts was one which the court should make, under all the circumstances. I believe that a jury would readily determine against the Government on the facts which are presented, and I thought that the determination should be confined to a judge, and since we have the power to say that jurisdiction shall be conferred, I think we have the power to limit jurisdiction, and the bill so limits it. It is a mixed question of law and fact. I felt that upon that proposition we ought to leave the determination to the court alone. I think there is no doubt that we have the power to hedge about our consent in the manner in which it has been done in the bill now before the Senate.

Mr. McKELLAR. I am not sure that I understand the situation, but if I do, I do not see how the Congress can overrule the Constitution and turn over to a judge the right to pass on the facts of any lawsuit. There is a constitutional right to have a jury trial.

Mr. BROWN. We can refuse to grant jurisdiction altogether if we so desire. I believe that under such circumstances we can place in the court jurisdiction of the whole matter.

Mr. McKELLAR. I suggest to the Senator that he let the bill go over to another call, so that I can look into it.

Mr. BROWN. I am glad to consent to that.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

MR. AND MRS. JOHN W. FINLEY

The bill (S. 2667) for the relief of Mr. and Mrs. John W. Finley was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. John W. Finley, of Roswell, N. Mex., the sum of $2,500. The payment of such sum shall be in full settlement of all claims against the United States for the death of a minor son, Calvin Finley, who was killed in an accident involving a Civilian Conservation Corps truck on April 24, 1934, east of Roswell, N. Mex.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 133) to confer jurisdiction on the Court of Claims or the District Court of the United States for the Northern District of Georgia to hear, determine, and render judgment upon the claim of Mrs. J. W. Marks of Stephens County, Ga., was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation. If not, let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

KATHERINE SCOTT AND OTHERS

The Senate prceeded to consider the bill (S. 2132) for the relief of Katherine Scott, Mrs. J. H. Scott, Jettie Stewart, and Ruth Mincemeyer, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$15,000" and insert "$2,000"; on line 7, to strike out "$2,500" and insert "$1,300"; in line 8, to strike out "$250" and insert "$100"; on line 9, after the names "Missouri", to strike out "$300" and insert "$100"; on line 9, after the words "in all" and the comma, to strike out "$18,050" and insert "$3,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Katherine Scott, Ellington, Mo., the sum of $2,000; to Mrs. J. H. Scott, Ellington, Mo., $1,300; to Jettie Stewart, Ellington, Mo., $100; and to Ruth Mincemeyer, Clayton, Mo., $100; in all, $3,500, in full settlement of their respective claims against the United States for personal injuries sustained when the vehicle in which they were riding was struck by a truck of United States Civilian Conservation Corps Camp S–70, Forest Service, Department of Agriculture, on Missouri State Highway No. 106, at the point where it intersects with the park road leading to Camp S–70, June 12, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ISADORE J. FRIEDMAN

The Senate proceeded to consider the bill (S. 2199) for the relief of Isadore J. Friedman, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$10,293.86, in compensation", and to insert "$1,693.86, in full settlement of all claims against the United States," and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Isadore J. Friedman, of Belmar, N. J., out of any money in the Treasury not otherwise appropriated, the sum of $1,693.86, in full settlement of all claims against the United States for property damage and personal injuries suffered by him when a truck owned by the United States Naval Air Station, Lakehurst, N. J., collided with his vehicle on February 5, 1938, on Main Street, Lakehurst, N. J.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MAJ. HERBERT A. JACOB

The bill (H. R. 1456) for the relief of Maj. Herbert A. Jacob was considered, ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF SMALL RESERVOIRS UNDER THE FEDERAL RECLAMATION LAWS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that we may revert to Calendar No. 1244, Senate bill 3136, to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws. I was absent from the floor, in attendance upon the hearing of the Temporary National Economic Committee, when this bill was called, and I have since learned that an objection was made to consideration of the bill by the Senator from Arizona [Mr. HAYDEN], who asked that it be permitted to go over.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. McNARY. Mr. President, what is the nature of the request?

The PRESIDING OFFICER. The Senator from Wyoming [Mr. O'MAHONEY] requests that the Senate revert to Calendar No. 1244, and consider Senate bill 3136, to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws.

Mr. HAYDEN. Mr. President, I shall have no objection to any statement or explanation that the Senator from Wyoming wishes to make.

Mr. TAFT. I object on the ground that I do not believe a bill involving so large an authorization should be passed without time being allowed for debate.

Mr. O'MAHONEY. I hope the Senator from Ohio will withhold his objection at least until the author of the bill may make an explanation.

Mr. TAFT. Surely.

Mr. O'MAHONEY. Mr. President, I understood the Senator from Arizona was going to ask a question.

Mr. HAYDEN. I say I have no objection to hearing an explanation from the Senator from Wyoming. After we have heard the explanation we can determine what to do.

Mr. O'MAHONEY. Mr. President, I merely desire to call attention to the fact that this bill authorizes appropriations up to $5,000,000 for the construction of small reservoirs, each reservoir to cost not more than $50,000 under the provisions of the reclamation law. That means under the provisions of a law which requires the repayment into the Federal Treasury by those who are benefited by the expenditures of the funds which will be expended. In other words, if a small reservoir is constructed, then the owners of the land which will be benefited by the storage of water in that reservoir will be required to repay the expenditures into the Federal Treasury.

The bill authorizes this fund to be taken either from the General Treasury or from the special fund known as the reclamation fund.

It appears to me that the Senator from Arizona will be particularly interested in the facts which I am about to relate, because he and I have cooperated in years past in the effort to build up the reclamation fund.

I will say to the Senator from Ohio that so far as the reclamation fund itself is concerned, the proposal does not in any sense whatsoever constitute a drain upon the taxpayers of the United States. The reclamation fund is built up by receipts from the sale of public lands and by receipts from oil royalties, among other sources. Oil royalties, which are derived from leases upon the public domain, have in recent years been the chief source of revenue for the reclamation fund. Those leases have been issued by the Department of the Interior under a royalty system which, in some cases, is upon a sliding scale and which returns to the Federal Treasury a fund which is subsequently divided between the Federal Government and the States.

The Senator from Arizona well remembers that when the General Leasing Act was passed, my predecessor, the late Senator Kendrick, was largely responsible for securing the amendment of that act in this particular, so that the States would obtain this revenue in lieu of the loss of revenue from taxation. Of the royalty fund, 10 percent goes to the Federal Treasury for general expenses, and 37½ percent goes to the States. The latter fund in turn is divided by State law between the counties and the schools. It is expended for the building of roads and highways. It is expended for the payment of salaries of school teachers and for the maintenance of schools, and in the State of Wyoming it is also expended for the support of the State university.

In addition to the 10 percent which goes to the Federal Government, and the 37½ percent which goes to the States, there is another proportion, namely, 52½ percent, which goes into the reclamation fund.

LANCE CREEK OIL ROYALTIES

The Senator from Arizona will be interested in the fact that beginning last October the Department of the Interior has initiated adverse proceedings against some 100 or more placer mining claims in the Lance Creek oil field in Wyoming. In this field, according to the allegations by the Department of the Interior, there are approximately 1,200 or 1,500 acres of land now being claimed by certain oil companies—the Ohio Oil Co. for one and the Continental Oil Co. for another—under placer locations, which claims the Department of the Interior alleges are invalid. According to the contest proceedings which have been begun, these placer locations, which originated more than 20 years ago, were abandoned and all rights under them had terminated, but later they were attempted to be revived when the value of the land became apparent.

On the 1,200 acres of which I spoke I am advised that something like 15 separate wells have been drilled, each well producing daily, or capable of producing daily, 1,000 barrels of oil. Obviously, 15 oil wells, each capable of producing 1,000 barrels of oil a day, would be a source of tremendous revenue to the reclamation fund and to the treasury of the State of Wyoming if the claims of the Department of the Interior are sustained. If the placer-law locations are maintained, the Federal Treasury, the reclamation fund, and the State will receive no royalty. But, on the other hand, if the adverse proceedings of the Department succeed, I think it is safe to say that this Lance Creek field in Wyoming alone will produce for the State of Wyoming at least $3,000,000, and for the reclamation fund, I am told, approximately $5,000,000, which is the authorization for future appropriations provided in this bill.

These adverse proceedings of which I spoke were initiated between October of last year and January of this year, and I am advised that the Interior Department is very confident of the strength of the case which it has brought. And if it should succeed there would be this great accretion to the reclamation fund and to the Treasury.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. I have no objection to the use of the reclamation fund, but as I read the bill, it authorizes the appropriation of $5,000,000 out of the General Treasury for the construction of 100 small reservoirs at any point that the Secretary wants to place them. That is $50,000 apiece. Does the Senator think this should be a general appropriation from the Treasury of the United States?

Mr. O'MAHONEY. Mr. President, the Senator will observe that that is an amendment which was put in in the committee, because of the fear of some members that the reclamation fund would not be large enough to accomplish this purpose, and because of the knowledge by members of the committee of the fundamental desirability of the suggested program. It is for this reason that I have been explaining to the Senator from Arizona that the accretion to the reclamation fund may be considerable in the very near future.

The Senator may recall that within the past few months the courts finally decided that the United States was entitled to lease a certain very valuable area of oil land in the State of California. It has been a producing section for many years. And it is estimated that that in itself will result in the accrual of several million dollars, maybe $6,000,000, to the Federal reclamation fund. The matter is now under study in the Department of the Interior as the result of a query addressed to the Department by the Senator from Arizona and myself.

Mr. HAYDEN. Mr. President, I want it distinctly understood that the purposes to be accomplished by an appropriation of this kind are highly desirable. There is no question that particularly in the Great Plains area, in the so-called Dust Bowl, where thousands and thousands of people have been driven off the land, these small reclamation projects are the very things that ought to be undertaken in order to allow the people to remain, rather than move away and become a burden on other States, as has been so graphically portrayed in books like The Grapes of Wrath. That proposal is entirely sound. Heretofore we have made appropriations of this kind out of the Federal Treasury because there was not enough money in the reclamation fund to carry on the work in that way. Of course, if the reclamation fund were a very large fund and there were great accretions of money coming into it, the picture would be different.

The Senator from Wyoming [Mr. O'MAHONEY] brings out some new facts. There is a possibility that money will come in from another source, such as that recently assured us by the Supreme Court decision in the Elk Hills case in California, which, as he states, will bring in a very substantial sum of money. That decision makes the picture a little different; but personally I should like to obtain the facts and have them all before us before we act.

Mr. O'MAHONEY. If the Senator desires to study the matter a little further, I shall not press for consideration at this time.

Mr. HAYDEN. For that reason I prefer to have the bill go over until we may know exactly what we are doing.

PERMANENT IMPROVEMENTS INSTEAD OF "GHOST" CITIES

Mr. O'MAHONEY. Mr. President, before relinquishing the floor I desire to add another word. In the past when mineral resources in Western States and in other States have been exhausted, nothing has remained to give testimony of the wealth underground except a few "ghost" cities. Under the program of using oil royalties for the development of reclamation we have the possibility of permanent improvements upon the surface of the land to take the place of the mineral resources under the surface which have been taken out and spent. There are thousands of acres of land in the State of Wyoming, in the neighborhood of the Lance Creek field, which would benefit from the program which I suggest.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. TAFT. What bothers me is the appropriation from the general-revenue fund. If we want to build flood-control

dams or anything of the sort in Ohio, we must have a report from the Army engineers, and then Congress must pass a bill authorizing the particular projects.

Mr. O'MAHONEY. Under the provisions of this bill an appropriation would have to be made for the particular projects.

Mr. TAFT. We seem to be authorizing a hundred different $50,000 dams which have not as yet been reported upon by the Reclamation Service, the Army engineers, or anybody else.

Mr. O'MAHONEY. I think the Senator is mistaken in that respect. The present bill is the primary authorization; and no appropriation could be made until exactly the procedure the Senator has just outlined had been followed; and specific recommendation for a specific project would have to be submitted to the Appropriations Committee, of which the Senator is a member, before any of the money could be expended.

Mr. TAFT. In connection with flood-control expenditures we must authorize the expenditure for particular dams; and it seems to me that is a wise procedure. The question of the reclamation fund is a question which is entirely outside my objection. However, when it comes to the General Treasury, I believe particular projects ought to be authorized by Congress before we proceed to authorize the appropriation.

Mr. O'MAHONEY. The projects involved are very small.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HAYDEN. I have great sympathy for what the Senator from Wyoming is telling us. His predecessor, Senator Kendrick, was responsible for the enactment of the law which put a part of the oil royalties into the reclamation fund. As a result of that action it is my recollection—the Senator can verify it—that more than $30,000,000 has been paid in the past into the reclamation fund from oil royalties in Wyoming.

Mr. O'MAHONEY. In the State of Wyoming alone.

Mr. HAYDEN. What is the total amount now?

Mr. O'MAHONEY. It is in excess of that. I do not have the exact figures with me at the moment.

Mr. HAYDEN. If there were to be future substantial accretions to the fund from that source the picture would be different from what it now is. I should like to look into the matter a little further.

Mr. O'MAHONEY. As the Senator has said, the State of Wyoming has poured millions of dollars into the Federal Treasury in oil royalties. If we should eventually pass this bill—and, of course, I shall not press it at the moment—it would mean that a part of that money would come back to be a permanent endowment to the State. I shall call the bill up at a later time.

Mr. President, I ask unanimous consent that a statement which I prepared last Saturday with respect to royalties in the Lance Creek field may be printed in the RECORD as a part of my remarks in connection with Senate bill 3136.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OIL ROYALTIES IN LANCE CREEK

A huge fund in oil royalties for Wyoming schools and roads and a similar fund for reclamation, the total estimated at not less than $10,000,000, will be available under the provisions of the O'Mahoney-Greever Act if a Government contest against claims of the Ohio and Continental oil companies in Lance Creek is successful.

For more than a year the Department of the Interior, under Secretary Ickes, has been investigating the charge that these two companies are holding more than 1,200 acres of the most valuable Lance Creek oil lands under invalid placer locations.

According to the reports which I have received, 15 wells, all of them producers of at least a thousand barrels each, have been drilled by these two companies on this area. If the information which has been given to me is correct and the Government succeeds in the contest it has initiated, this tract will probably rival the Salt Creek section 36 as a producer of revenue for the schools and counties of Wyoming and the State university. The Ohio and Continental oil companies are seeking to hold the lands under placer locations which require no royalty to be paid to the Government. If the Government prevails, the oil companies would have to surrender possession and the lands would be offered for sale at competitive bidding to the highest bidder. A huge bonus would in all probability have to be paid as well as annual royalties mounting into hundreds of thousands of dollars.

The Leasing Act provides that the royalties paid to the Government shall be divided between the State and the Federal Government. The State's share is 37½ percent of the total; 10 percent goes to the Federal Treasury, and the remaining 52½ percent goes to the reclamation fund. By State law, the royalty which goes to the State is divided among the common schools, among the counties for the building of roads, and to the State university for its support. Every citizen of the State thus participates in the benefits derived from the development of oil on the public domain.

One of the greatest difficulties we are now encountering with respect to the continued development of reclamation and the construction of small reservoirs in the West is to be found in the depletion of the reclamation fund. If this contest is successful, I am told that several million dollars would accrue to the reclamation fund. This would provide funds from which it would be possible to secure appropriations for the construction of small reservoirs under my reservoir bill, which was approved this week by the Senate Committee on Irrigation and Reclamation.

The area involved is outside of the original Lance Creek field. Placer locations were made almost 25 years ago but were then abandoned, according to the Government. It is charged that no effort was made to revive these locations until the recent activity in the Lance Creek field. It will be the contention of the Government that no work was done upon the lands by the Ohio and Continental companies or by any of the original locators until long after all rights had expired and the provisions of the Leasing Act had gone into effect.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 3784) for the relief of the estate of J. D. Warlick was announced as next in order.

The PRESIDING OFFICER. The bill will be passed over.

C. Z. BUSH AND W. D. KENNEDY

The Senate proceeded to consider the bill (H. R. 3481), for the relief of C. Z. Bush and W. D. Kennedy, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of" to strike out "$2,500", and insert "$1,204.50", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. Z. Bush, of Dawson, Ga., the sum of $1,204.50 for personal injuries sustained, and to W. D. Kennedy, of Dawson, Ga., the sum of $72.80 for property damage suffered, in full satisfaction of their claims against the United States, sustained when the automobile in which they were riding was struck by a National Park Service truck operated in connection with the Civilian Conservation Corps, on the Dawson-Albany Highway, near Dawson, Ga., on August 12, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on acocunt of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

SESQUICENTENNIAL ANNIVERSARY OF SIGNING OF FIRST UNITED STATES PATENT LAW

The joint resolution (S. J. Res. 206) creating a joint committee to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby created a joint committee consisting of the chairman of the Senate Committee on Patents, the chairman of the House Committee on Patents, the Secretary of Commerce, the Commissioner of Patents, and five other members to be selected by them, with power and authority to make suitable arrangements for an appropriate observance of the sesquicentennial of the first United States patent law.

SEC. 2. That the President of the United States is requested to set aside April 10, 1940, as Inventors' and Patent Day to invite a general public commemoration of an event which has proved so important and salutary to this Nation.

SEC. 3. That the committee shall present to the Senate and the House of Representatives suggestions for suitable exercises whereby Congress may mark the anniversary.

The preamble was agreed to.

JOHN L. HINES

Mr. SHEPPARD. Mr. President, I ask unanimous consent to recur to Calendar No. 1236, Senate bill 3038.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. SHEPPARD. The Senator from Tennessee [Mr. McKELLAR] objected when the bill was first called.

Mr. McKELLAR. Mr. President, when the bill was reached on the calendar I objected. I find that there is a proviso in the bill that there is to be no increase in retired pay. With the understanding that there is to be no increase in retired pay either now or hereafter, I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3038) to provide for the advancement of John L. Hines on the retired list of the Army was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That John L. Hines, formerly Chief of Staff of the Army of the United States and now major general on the retired list of the Army, shall, beginning with the date of the enactment of this Act, have the rank of a general on the retired list of the Army: *Provided*, That the said John L. Hines shall receive no increase in retired pay, allowances, or other pecuniary benefits by reason of the enactment of this Act.

The PRESIDING OFFICER. That completes the calendar.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. BARKLEY. I ask unanimous consent that when the Senate completes its work today it adjourn until Thursday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR APPROPRIATIONS COMMITTEE TO REPORT DURING ADJOURNMENT

Mr. BARKLEY. I ask unanimous consent that during the adjournment of the Senate following today's session the Appropriations Committee may be authorized to report any measures before it on which it may be ready to act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELIZABETH COSBY YOUNGER

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, without amendment, Senate Resolution 230, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 230) submitted by Mr. GLASS on February 7, 1940, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Elizabeth Cosby Younger, widow of Thomas L. Younger, late custodian of the Senate Office Building, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EXPEDITIOUS SETTLEMENT OF DISPUTES WITH THE UNITED STATES

Mr. KING. Mr. President, I give notice that as soon as possible after the disposition of the next appropriation bill I shall move to take up for consideration Senate bill 915, Calendar No. 475, to provide for the more expeditious settlement of disputes with the United States, and for other purposes. Our deceased friend, the late Senator Logan, reported this bill to the Senate at the last session of Congress.

Mr. McNARY. Mr. President, there was so much disturbance that I did not hear the nature of the statement.

Mr. KING. I intend to press for consideration of the so-called Logan bill at as early a date as possible following the disposition of the next appropriation bill.

Mr. BARKLEY. Mr. President, of course the Senator may give notice to that effect. However, I think it ought to be stated that a few days ago a letter was received and put into the RECORD from Mr. Dean Acheson, who was chairman of a committee appointed by a former Attorney General to consider this whole subject. In that letter he states that the committee will require further time to study the subject. I hope the committee will be given further time, because I think the average Member of the Senate probably has not had an opportunity to study the full implications of the measure. I should not like to see it brought up until the committee has had sufficient time to study it.

Mr. KING. Mr. President, I feel that we have been very patient in failing to press for consideration at an earlier date. At least for the present I shall not modify the suggestion I made a moment ago.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER (Mr. HILL in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

WORK PROJECTS ADMINISTRATION—NOMINATIONS PASSED OVER

Mr. BARKLEY. Mr. President, inasmuch as the nomination of Linus C. Glotzbach to be regional director of the W. P. A. for region VII, and that of S. L. Stolte to be work-projects administrator for Minnesota, will probably entail some discussion, I ask that they be passed over until the other nominations are disposed of.

The PRESIDING OFFICER. Without objection, the two nominations referred to will be temporarily passed over, until the other nominations are acted upon.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of Philip B. Fleming to be Administrator of the Wage and Hour Division of the Department of Labor.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The legislative clerk read the nomination of Joseph T. Sylvester to be collector of customs for customs collection district No. 1, with headquarters at Portland, Maine.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS—NOMINATION PASSED OVER

Mr. McKELLAR. Mr. President, I ask that the nomination of John V. Collard to be postmaster at North Collins, N. Y., be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTMASTERS

Mr. McKELLAR. I ask unanimous consent that the remaining nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations of postmasters are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That completes the calendar, except for the two nominations passed over.

WORK PROJECTS ADMINISTRATION NOMINATIONS PASSED OVER

Mr. McKELLAR. Mr. President, I should like to make a brief explanation of the two nominations passed over.

Mr. Glotzbach has been nominated by the President for the post of regional director of the W. P. A. for region VII; and S. L. Stolte, of St. Paul, has been nominated to the position of work-projects administrator for Minnesota.

The committee took very full evidence in the matter; the typewritten record is quite elaborate. From that evidence it appears that Mr. Glotzbach was formerly assistant State administrator, was then promoted to be State administrator, and that while he was so serving what is known as the Woodrum amendment to the relief act was adopted. Under that amendment the hours of work were increased, the pay somewhat decreased, and certain persons who had been on the rolls for 18 months or more were dismissed. In Minneapolis there was a strike against this provision of the law. I think, probably, I had better read the provision of the law under which this action was taken. It is section 15a of the law and reads as follows:

SEC. 15. (a) The Commissioner shall fix a monthly earning schedule for persons engaged upon work projects financed in whole or in part from funds appropriated by section 1, which shall not substantially affect the current national average labor cost per person of the Work Projects Administration. After August 31, 1939, such monthly earning schedule shall not be varied for workers of the same type in different geographical areas to any greater extent than may be justified by differences in the cost of living. The Commissioner shall require that the hours of work for all persons engaged upon work projects financed in whole or in part by funds appropriated by section 1 shall (1) be 130 hours per month except that the Commissioner, in his discretion, may require a lesser number of hours of work per month in the case of relief workers with no dependents, and the earnings of such workers shall be correspondingly reduced, and (2) not exceed 8 hours in any day and shall not exceed 40 hours in any week.

There was a penalty attached in section 28 of that act.

SEC. 28. Any person who knowingly and with intent to defraud the United States makes any false statement in connection with any application for any work project, employment, or relief aid under the appropriations in this joint resolution, or diverts, or attempts to divert, or assists in diverting, for the benefit of any person or persons not entitled thereto, any portion of such appropriations, or any services or real or personal property acquired thereunder, or who knowingly, by means of any fraud, force, threat, intimidation, or boycott, or discrimination on account of race, religion, political affiliations, or membership in a labor organization, deprives any person—

Deprives any person—

of any of the benefits to which he may be entitled under any such appropriations, or attempts so to do, or assists in so doing, or who disposes of, or assists in disposing of, except for the account of the United States, any property upon which there exists a lien securing a loan made under the provisions of this joint resolution or the Emergency Relief Appropriation Acts of 1935, 1936, 1937, and 1938, shall be deemed guilty of a felony and fined not more than $2,000 or imprisoned not more than 2 years, or both. The provisions of this section shall be in addition to, and not in substitution for, any other provisions of existing law, or of this joint resolution.

There was, in Minneapolis, a strike of the employees against this act. And it seems that the mayor of the city did not protect those who wanted to go to work, and the strikers prevented those who had been employed and wanted to go to work from going to work. The result was that there was a shut-down for a few days. Then the matter was settled by those who had been employed going back to work. In the meantime, an indictment for conspiracy to violate section 28 of the law to which I have referred was brought against, I think, 165 persons, if I am correct as to the number, who attempted to prevent, or were charged with conspiracy to prevent, persons who had been employed by W. P. A. from working. In due time the case came up for trial before the court. As I have said, it was a conspiracy case and they were all tried together. I believe 32 or 33 were convicted; the charges against 2 or 3 were dismissed by the court and the remainder, so far as I know and so far as the record which we have goes, are still pending. It may be that they have been dismissed since that time, but I do not think that appeared before the committee. At any rate, the leaders were convicted.

It seemed to the subcommittee—and the three members of the subcommittee were unanimous in their opinion—that this was a strike against a law passed by the Congress, and that it should not be excused, especially when the committee had before it the record of the conviction of those who had been engaged in the strike. Therefore, the subcommittee reported that in its judgment the nomination of Mr. Glotzbach and the nomination of Mr. Stolte should be confirmed.

What I have stated was the only reason given for their not being confirmed. There was no personal objection and, indeed, both men were shown by the evidence to be men of good character and standing. One of them, Mr. Glotzbach, appeared before the committee. He seemed to be a very fair man and had testified in the court case, but the United States district attorney for that district stated that he alone was responsible for the prosecution and that Mr. Glotzbach was simply under a subpena to testify in the case. Mr. Victor E. Anderson, United States attorney, wrote Senator BARKLEY from St. Paul under date of January 25, 1940, and I read from his letter as follows:

Upon direction of the Attorney General I had the grand jury reconvened to consider the violences that grew out of such W. P. A. strike, with the result that something like 168 individuals were indicted—

I said 165 were indicted; I was mistaken; the number was 168—

either for a substantive offense of violating section 28 of the Emergency Appropriation Act of 1939 or for conspiracy to violate such provision. Of course, neither Mr. Glotzbach nor Mr. Stolte had anything to do with the reconvening of the grand jury, the proceedings had before such grand jury, or in the indictments that resulted from testimony produced before such grand jury. However, upon trials that were subsequently had, both of these gentlemen appeared under subpena and testified as Government witnesses.

Thirty-three of the defendants have thus far been convicted, two have been acquitted, and against three the charges were dismissed by the trial court. A number of these cases still remain for disposition and in all likelihood additional trials will be required unless by appropriate pleas as to certain defendants who were very active in the strike the cases are disposed by withdrawals of the pleas of not guilty.

I do not think it is necessary to read further from Mr. Anderson's letter.

The report of the subcommittee recommending the confirmation of the nominations of Mr. Glotzbach and Mr. Stolte was made to the full committee and the full committee—not unanimously but unanimously with the exception of one or two votes, if I recall correctly—voted to report the nominations favorably. That report is now before the Senate for action, either confirming or rejecting the nominations.

Mr. LUNDEEN. Mr. President, I am very glad the Senator has reminded the Senate that the report was unanimous with the exception of several Senators.

There was in Minnesota the labor disturbance to which the Senator from Tennessee has referred. I have objected to the confirmation of the nominations of Mr. Glotzbach and Mr. Stolte because of the policy they pursued. I did so before the subcommittee and the main committee, and do so now.

Labor has strenuously objected to the confirmation of their nominations. It is not only the junior Senator from Minnesota who is objecting, but also the Central Labor Union in Minneapolis, representing 40,000 members and 120 unions, whose resolutions of protest I have here, and also telegrams and statements by William Green, president of the American Federation of Labor, and others, against the policy which was pursued. I also have here as well an editorial which appeared in Labor, the weekly publication of the railroad brotherhoods, with which we are well acquainted, and numerous other newspaper articles which I ask permission to have inserted in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *February 19, 1940.*

Senator ERNEST LUNDEEN,

Senate Office Building, Floor of United States Senate:

Letter from Senator ALBEN W. BARKLEY received only this morning discloses he misread my letter regarding position of Central Labor Union on Glotzbach. He takes position we are in favor of Glotzbach, when you know we are drastically opposed. I wired him this morning immediately on receipt of his letter in endeavor to correct his position. If BARKLEY speaks or does anything in favor of Glotzbach, hope you will use this wire. Good luck and best wishes.

BOB CRAMER,
Editor, Minneapolis Labor Review.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., July 13, 1939.

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.

DEAR SIR: I enclose herewith a copy of a declaration relating to the W. P. A. situation which exists throughout the Nation adopted unanimously by a conference of the representatives of national and international unions affiliated with the American Federation of Labor. This conference was held at the Washington Hotel, this city, on July 12. I respectfully request that you give this declaration careful and sympathetic consideration.

The representatives in attendance at the conference referred to represented many millions of workers affiliated with the American Federation of Labor. In the statements made by these representatives at the conference they reflected the deep feeling which exists among working people in the different communities throughout the land because of the elimination of the prevailing-rate-of-wage section from the W. P. A. relief measure recently enacted by the Congress of the United States.

In submitting the enclosed statement for your information and consideration, I appeal to you to remedy the existing economic situation prevailing among W. P. A. workers by giving support to a prevailing-rate provision to be applied on W. P. A. construction projects launched and carried forward in the different cities and towns throughout the Nation.

Very sincerely yours,

WM. GREEN,
President, American Federation of Labor.

REPORT OF SPECIAL COMMITTEE TO THE CONFERENCE OF REPRESENTATIVES OF NATIONAL AND INTERNATIONAL UNIONS ON THE W. P. A. SITUATION.

(The report was unanimously adopted)

Both the Congress of the United States and the public have evidenced deep interest and manifested grave concern in the spontaneous strikes which have taken place within the past few days upon W. P. A. jobs in various parts of the country. These protests which have been against wage reductions have been erroneously interpreted as strikes against the Government when as a matter of fact they have been the mainfestations on the part of wage earners to maintain the standards of work and of wages built up through years of effort. The very lifeblood of a trade-union structure is the standard union rate of wages. It is perfectly understandable that our trade-unions shall use all of their economical strength by every legitimate means to maintain their respective standards of rates of wages on public as well as private enterprises.

The president of the American Federation of Labor, recognizing that immediate consideration should be given to this alarming situation and in order that a definite policy be approved for the guidance of organized labor as represented by the American Federation of Labor, has called this conference of the officers and representatives of national and international unions affiliated to the American Federation of Labor.

It should be evident to all concerned that wage earners in general and particularly those who have been organized for many years, do not lay down their tools unless some situation vitally affecting their interests has arisen which cannot be adjusted through the method of negotiations, conciliation, and arbitration. The cause for these Nation-wide protests, these spontaneous strikes, was an arbitrary increase in the hours of work for labor on W. P. A. work resulting in the reduction of hourly wages running over 50 percent in the hourly rate. This cutting of wages in half by the increasing of working hours was the result of action taken by the conferees of the Senate and of the House of Representatives working under a so-called emergency situation—the necessity of having W. P. A. appropriations made so that W. P. A. workers might be continued in their employment on July 1. Previously the House of Representatives had passed the W. P. A. measure which eliminated the prevailing-wage provision. The United States Senate had passed a measure which contained the prevailing-wage provision. Pressure was brought to bear on Congress to enact the W. P. A. appropriation bill before midnight June 30. This tremendous pressure for immediate action by Congress prevented adequate discussion of serious consequences that would follow immediately should the provisions of the prevailing wage be eliminated from the act. This action taken by Congress was seemingly a violation of the principles covering wage earners on all other Government projects which had heretofore been established by Congress. Congress had heretofore enacted, and the President signed, the Bacon-Davis Act which provides for the prevailing wage on work done by the Government. If enacted, and the President approved, the Walsh-Healey Act which provides for the payment of the prevailing wage on all manufactured goods purchased by the United States Government on all orders amounting to $10,000 or over. Ever since W. P. A. has functioned the prevailing wage has governed and has been paid under joint resolution of Congress whereby the President was authorized and did fix the rates of wages so as not to affect adversely or otherwise tend to decrease the going rates of wages paid for works of a similar nature.

It is clearly evident from the foregoing that the policy of the Government up to this time has been to establish, formulate, and administer its labor policy so as to protect the workers in the prevailing wages established and followed in free and private enterprise.

It has always been the definite policy of the Government up to this time to so protect and advance the rights of wage earners to collective bargaining in free enterprise in order that advanced standards of compensation and of working conditions might be established for all workers from time to time.

It is difficult and alarming to believe that the Government of the United States is now bent on a policy of wage cutting and of lengthening working hours and under the cloak of alleged relief bring additional suffering to the great mass of our wage earners.

When the original emergency appropriation was first enacted provision was made for a large building program under the Public Works Administration. Under it W. P. A. construction was first limited to $5,000 projects, and then to $25,000 projects. At the present time it has increased so tremendously that we find that one single construction project for revenue-producing purposes is under construction and embraces an expenditure of over $40,000,000. The wages of the men employed in this, as well as other large construction programs are now arbitrarily reduced by over 50 percent. Then too it is noteworthy that humans—the workers of our land—are now receiving much less consideration than is being shown to business and to commodities they sell. Neither Congress nor the Federal administration have heretofore attempted to reduce the price of materials. To the contrary, the attempt to reduce the cost of production has been placed entirely upon the shoulders of labor and is to be taken out of the sweat of the wage earners. As a matter of fact W. P. A. today is no longer engaged in a purely relief enterprise. It is engaged in construction work never designed for relief purposes and under cloak of a relief measure is working a vital injury not alone to labor but likewise to free enterprise in the construction of other fields of industry.

If the Government is to continue in its construction policy and in venturing into other fields in competition with free enterprise, then in our judgment it should prove an exemplar in the establishment and development of a labor policy that will tend to raise the standards of life and work rather than to lower them and repress our wage earners.

"There is a well established method for the redress of grievances—the right of protest, the right of petition, the right of appeal to Congress, and to be heard. This conference is aware that the Congress is now in session. In keeping with our rights this conference, therefore, petitions Congress immediately to redress grievances and wrongs herein complained of by immediately reenacting the provisions calling for the observance of the prevailing wage rate on W. P. A. projects. In order that these declarations and petition may be carried out without delay, your committee recommends that the president of the American Federation of Labor be authorized and directed to appoint a representative committee whose membership shall include the president of the American Federation of Labor, the presidents of the several departments of the American Federation of Labor, and such other officers of national and international unions as he may deem advisable."

We likewise recommend that this committee present this action of our conference and of this declaration and petition to the President of the United States, to the President of the Senate, and to the Speaker of the House of Representatives and to urge immediate and favorable cooperation in this effort to right these grievances and wrongs.

It is our further recommendation that upon adjournment of this conference the representatives of all unions in attendance visit their respective United States Senators and Congressmen, and urge upon them the necessity for immediate and favorable action on this petition. Then, too, we recommend that copies of this statement of grievances and petition for relief be forwarded immediatey to all central labor unions affiliated to the American Federation of Labor for their information and guidance.

[From Minneapolis Labor Review, January 12, 1940]

[Green's statement at W. P. A. defense banquet, January 6, 1940]

FIGHT ON, GREEN URGES

Day letter.

WASHINGTON, D. C., *January 5, 1940.*

GEORGE E. MURK,
18 North Eighth Street, Minneapolis:

Regret, because of engagements previously made, impossible to attend labor's dinner meeting at Minneapolis on January 6. The indictment and conviction of W. P. A. strikers in Minneapolis arouses resentment among all classes of working men and women. The American Federation of Labor sought to prevent such procedure through appeals that the Government cease and desist in its policy of prosecution. Now we feel it has resolved itself into persecution. We protest the action taken. We deplore it. In our opinion, men and women have a right to strike against injustice without being classified as criminals. We urge the officers and members of the American Federation of Labor to do all that lies within their power to have the sentences of W. P. A. workers set aside.

WILLIAM GREEN,
President, American Federation of Labor.

[From Minneapolis Labor Review of September 8, 1939]

"PERSECUTION," SAYS PRESIDENT GREEN ABOUT W. P. A. INDICTMENTS—GREEN PRAISES C. L. U. FOR AIDING DEFENSE OF W. P. A. MARTYRS—CONDEMNS WHOLESALE ARRESTS AND DRAGGING MANACLED VICTIMS THROUGH STREETS—"WORKING PEOPLE EVERYWHERE PROTEST AGAINST SUCH A POLICY PURSUED BY GOVERNMENT," HE DECLARES. BAD ENOUGH TO SUFFER PAIN OF UNEMPLOYMENT WITHOUT BEING PERSECUTED, A. F. OF L. PRESIDENT TELLS COMMITTEE

President William Green of the American Federation of Labor at Duluth Labor Day branded the indictment and arrest of W. P. A. workers as persecution, not prosecution.

The A. F. of L. chief displayed deep interest in the W. P. A. victims and commended the Minneapolis Central Labor Union for defending and seeking bail for them.

President Green's complete statement, reflecting the sentiment of 5,000,000 members of the American Federation of Labor throughout the country, follows:

"It seems quite clear that the alleged prosecution of W. P. A. workers in Minneapolis is persecution.

"That is made clear in the wholesale arrests which have been made, the way in which the victims have been arrested, the manner in which they have been unnecessarily humiliated, and in the exorbitant bail which has been fixed.

"Working people everywhere protest against such a policy pursued by the Government at a time when more than 10,000,000 are unemployed.

"It is bad enough for workers to suffer the pain of unemployment; it is cruelty when the Government adds to this suffering through persecution such as is being inflicted on workers in Minneapolis.

"The membership of the American Federation of Labor will extend to these persecuted people their sympathy and full measure of moral support.

"The work of the Minneapolis Central Labor Union in defending these persecuted workers is to be commended."

President Green, who was in Duluth to deliver the Labor Day address, gave this statement to a committee that had been sent by the Minneapolis Central Labor Union W. P. A. defense committee to confer with him.

The committee was headed by Chairman George Murk of the defense committee. Other members were Organizer Roy Wier, of the Central Labor Union, and R. D. Cramer.

It was evident from the attitude of the A. F. of L. president that throughout the ranks of the A. F. of L. there is bitter resentment against the outrageous persecution that has been inflicted on Minneapolis W. P. A. workers.

[From Minneapolis Labor Review of July 14, 1939]

GREEN CALLS MEETING TO GAIN W. P. A. REPEAL

WASHINGTON, D. C.—William Green, president of the American Federation of Labor, called a conference of the presidents of all the national and international unions affiliated with the American Federation of Labor to be held here July 12 to consider "the W. P. A. strike situation" caused by the provision in the W. P. A. Appropriation Act ending the payment of prevailing hourly wages to W. P. A. workers and increasing the number of hours per month for hundreds of thousands of those on W. P. A. rolls.

In a statement announcing the convening of the conference, Mr. Green said:

"The general discontent now manifesting itself throughout the country in strikes on W. P. A. projects is the inevitable consequence of the elimination of the prevailing-wage principle from the W. P. A. bill recently adopted by Congress.

"The entire Nation, as well as organized labor, had accepted the prevailing-wage principle as a fixed and permanent policy of the Government. It was incorporated in the Walsh-Healey Act, in the administration of the P. W. A., in Government construction projects, and in all relief measures since 1929.

"When the W. P. A. Act for the current fiscal year was passed by the House, the prevailing-wage clause was omitted. The American Federation of Labor then concentrated its fight in the Senate to have it restored. It was restored by the Senate. Then, for some mysterious reason, it was eliminated in the conference report which was finally adopted by Congress.

"While the W. P. A. Administrator favored the elimination of the prevailing-wage principle, we cannot believe he and his aides reflected the attitude of the administration on this subject.

"A vital principle is at stake. The wage standards of organized labor, built up through years of sacrifice, suffering, and collective bargaining are threatened.

"It is our purpose at the conference called for Wednesday to organize all the political and economic strength we possess in an effort to prevail upon Congress to amend the W. P. A. Act in conformity with the policy that has been consistently maintained for many years by the Government."

[From Minneapolis Labor Review of July 28, 1939]

MINNEAPOLIS FACTS RELATED BY LABOR—BLAME FOR TROUBLE PLACED ON GLOTZBACH AND JITTERY STRIKE POLICE

Minneapolis is indebted to Labor, official weekly organ of the railroad unions, for getting the facts of the Minneapolis W. P. A. situation to its more than half million readers in the following article published last week:

"That Congress and the administration have made a frightful mess of unemployment relief is increasingly apparent as the disastrous results of legislation hastily put through a few hours before the beginning of this fiscal year becomes better understood.

"Labor's fears that chiseling employers would seize upon the new relief wage rates to batter down standards in industry are being tragically confirmed. Herbert Rivers, secretary of the A. F. of L. building-trades department, says he has been advised from several sections that contractors are demanding drastic reductions in union scales.

"If this program is not abandoned, Rivers declares, there will be an 'avalanche of strikes.'

RESENTMENT WIDESPREAD

"Thousands of men struck in various parts of the country. Most of them have gone back in a sullen and resentful mood. Other thousands have been summarily fired on orders of Col. Francis C. Harrington, W. P. A. Administrator, because they were away from their jobs 5 days.

"But this is only the beginning of trouble. Relief officials anticipate a thunderous protest next September, when workers in the North and West will be compelled to take substantial wage cuts.

SIX HUNDRED AND FIFTY THOUSAND TO LOSE JOBS

"Before that date 650,000 heads of families, representing more than 2,000,000 persons, will be turned adrift, to fend for themselves, and an undetermined number will be dropped from the rolls because they have been on relief for 18 months or longer.

"Relief officials concede that these drastic measures will be a body blow to the efficiency of the W. P. A. It will be reduced 'almost to zero,' according to Col. Brehon B. Somervell, administrator for New York City.

"The American Federation of Labor is trying to correct the situation through legislation, but has made no progress. For one thing, the legislative situation is against anything being done. For another, public sentiment has been inflamed against the relief workers by grossly exaggerated stories of the W. P. A. strike in Minneapolis.

POLICE GUNS BARK

"In that city guns barked and tear-gas bombs were thrown, with fatal results. A policeman died from a heart attack after a clash with pickets, and a bystander was fatally shot.

"Mayor G. E. Leach, of Minneapolis, in highly inflammatory statements, attempted to place responsibility on the strikers. He made hysterical appeals for Federal and State troops, the idea being to create the impression that the situation was out of hand.

"Labor communicated with responsible labor leaders in Minneapolis, and they declared Leach's own cops fomented the trouble, and that the Minnesota relief administrator must also assume a large share of the responsibility.

GLOTZBACH AND STOLTE HARD BOILED

"The strike, Labor's informant said, was entirely orderly until the police got tough. Had W. P. A. Administrator Glotzbach been interested in preserving peace, he would have closed down the project until the resentment and excitement had subsided.

"Glotzbach was determined, however, to show that he was the boss, and insisted that the work should go on. Pickets were thrown about the job, and the police came in. They manhandled the workers, and there was some resistance, but no violence, as far as the pickets were concerned. A policeman with a bad heart died from the excitement, and Mayor Leach proclaimed to the world he was a martyr.

BAD CASE OF JITTERS

"A day or two later policemen became jittery and laid down a barrage of tear gas, and followed it up with gunfire. One person was shot, but the bullet came from a police gun.

"A painstaking investigation by labor representatives and impartial citizens failed to disclose that a single picket carried a weapon.

"A dozen sensible policemen, with a proper appreciation of the rights of the workers, could easily have handled the situation. But that would not have been to the glory of Mayor Leach, who seized an opportunity to strut in the limelight and to capitalize the miseries of the jobless to make a Roman holiday for the vicious Citizens' Alliance, an organization of labor haters.

FACTS NOT REPORTED

"These facts were carefully omitted from newspaper dispatches sent out from Minneapolis, which sought to create an impression that rebellious reliefers were murdering innocent people in cold blood.

"Members of Congress and the President were fooled. When President William Green and a delegation of the A. F. of L. officials went to the White House to urge legislative relief, Roosevelt said that nothing could be done, and emphasized the Minneapolis situation as one reason why the administration would not intervene.

"Friends of labor in Congress said the bad impression created by the misleading stories made action impossible, even if the legislative situation were otherwise favorable.

CONCESSIONS TO LABOR

"On Wednesday an agreement was reached between Gov. Harold Stassen, of Minnesota, and the State W. P. A. administrator providing for resumption of the W. P. A. program in Minneapolis, and it was approved by Colonel Harrington.

"The agreement makes substantial concessions to the leaders of Minneapolis labor, who have gallantly supported the reliefers and endeavored to offset the effects of propaganda. The labor men

insisted the strikers must not be penalized to the extent of being deprived of a chance to earn the necessaries of life.

"Glotzbach was disposed to be hard-boiled, but finally modified his position somewhat.

"Harrington said those who sign an affidavit that they have not engaged in illegal activities would be returned to the pay roll.

"That, apparently, composes the situation so far as Minneapolis is concerned, but it does not remove the damage resulting from giving the country an entirely erroneous picture of what took place there."

[From Northwestern Organizer, December 7, 1939]

"The brutal conduct of the Department of Justice is as senseless a blunder as Hoover committed when he drove the bonus army out of Washington."—From the Racine Day.

Said Labor, weekly organ of the railway brotherhoods:

"As practically everyone expected, a jury in the (Minneapolis) Federal court has returned a verdict of guilty in the conspiracy case involving 25 poor men and women accused of participation in the W. P. A. strike last summer. The jury was practically hand-picked. * * * Victor Anderson, United States district attorney, closed proceedings with an intemperate address in which he attempted to hang the 'red' label on the defendants * * *."

[From Minneapolis Labor Review, September 22, 1939]

NEW DEAL OR NEW SLAVERY?

The viciousness of the persecution of innocent W. P. A. workers becomes more apparent as the number of indictments, especially those of women, increases.

What in effect happened was that the Government through the machinations of Republican Congressmen and Senators who delight in bringing misery and starvation to those who do useful work and are not parasites like themselves, decreed that there must be approximately three times as much work for less than the paltry $60.50 a month that previously had been received.

Against this the W. P. A. workers very justly protested. They protested as anyone with an ounce of red blood in their veins would have done.

If there are businessmen who snarl about the conduct of these W. P. A. workers, let us ask this question:

What would businessmen who furnish machinery or material for W. P. A. work have done if a law had been enacted ordering them to furnish three times as much material and machinery for W. P. A. projects for less money than they had previously received for one-third as much material and machinery as they must now furnish?

Would the patriotic businessmen have praised the Government for this action and made no protest? Would they have continued to furnish three times as much material and machinery for one-third as much money as previously?

Do you say this question is ridiculous and outrageous, Mr. Businessman? We agree with you. It is ridiculous and outrageous. But it is not as ridiculous and outrageous and mean as asking W. P. A. workers to do three times as much work for less pay than previously.

It isn't, Mr. Businessman, because you would have enough money tucked away so that you and your family did not starve because of this outrage and this injustice. Unfortunately, a family can't save on $60.50 a month.

And so when a law was passed to turn this Nation into a Nazi concentration camp, W. P. A. workers who were real Americans protested against this devilish outrage and they were supported in their protest by organized labor and every citizen who is opposed to slow death by starvation.

Continuing to spit out indictment is not frightening or overaweing anybody. It is just simply proving that there does not seem to be any end to how outrageous and unjust the W. P. A. administration can be in the persecution of innocent workers.

Please tell us, somebody, why it is wrong for businessmen to furnish three times as much material and machinery to the W. P. A. for less money than they formerly received for one-third as much material and machinery, and it is right for workers to be compelled to do three times as much work on W. P. A. for less pay than they formerly got for one-third as much work.

What is this that is happening in W. P. A.? Is it the New Deal or the new slavery? You can answer for yourself.

[From Minneapolis Labor Review of October 6, 1939]

THEY ARE PERSECUTED FOR YOU

Every member of organized labor is urged to give liberally tag day to raise funds for defense of W. P. A. victims. These persecuted workers aided in protecting the wage scales and so the homes of all workers. They fought for you. Give for them at the C. L. U.-W. P. A. defense tag day, Friday-Saturday.

[From Minneapolis Labor Review of October 6, 1939]

DO UNTO THEM AS THEY HAVE DONE UNTO YOU

Every worker in Minneapolis owes a debt of gratitude to the men and women workers of the W. P. A. who have been so signally honored as to be indicted for protesting against the starvation pay and increased hours reactionary Republicans and tory Democrats wrote into the W. P. A.

That legislation is part of the scheme of the United States Chamber of Commerce to reduce the wage scales of all workers in the Nation.

So that when those W. P. A. workers, many of them members of the A. F. of L., made their protest they were not protesting just for themselves and their families but for all the workers in the Nation and all their families.

They were playing their part in a heroic way to prevent the workers of this Nation from being driven into serfdom.

Particularly should the splendid conduct of these workers who are indicted be appreciated here in Minneapolis. Minneapolis workers should make it a matter of pride to see that these indicted workers receive the best possible defense, a defense that will acquit them and vindicate them.

There are many indicted. The expense will be great. But compared to the hundreds of thousands of dollars these W. P. A. heroes saved for the rest of the workers in Minneapolis, to say nothing of the millions saved the workers of the Nation by preventing wage cuts, the cost of the most expensive defense imaginable would be infinitesimal.

Indeed, it would be nothing in comparison to the fortunes saved the other workers by preventing wage reductions.

Bear this in mind today and Saturday when you are asked to buy a tag. Make a liberal contribution. Remember the money that has been saved for you by those you are asked to assist and do unto them as they have done unto you.

[From Northwestern Organizer of January 1, 1940]

"There is only one way labor can attain success, and that is through its militancy. Right or wrong, I stand by these W. P. A. strikers," he stated to sustained applause.

Goldie likened the mass trial of 25 strike defendants to the Moscow trials. Stormy acclaim greeted his closing statement that: "So far as the labor movement is concerned, none of you defendants are felons. You are honored heroes."

FARMERS CONCERNED

John Wisdorf, president of the Farm-Cooperative-Labor Council, was hailed appreciatively when he voiced his sympathy with all the indicted strikers. Wisdorf stated that farmers were very much concerned lest the "conspiracy" charge under which the Minneapolis unemployed are being convicted be applied to farmers and farm organizations.

Picturesque Tom Davis, when it came his turn to speak, said "the trial of these cases has been a lesson to me." He blasted the corrupt daily press for poisoning public opinion about the unfortunate strikers.

Other attorneys active in the defense, and representatives of the labor press, were introduced to the diners.

[From Northwestern Organizer of August 8, 1939]

YOU SAID IT, BROTHER

Few workers will disagree with the following statement of Bernard Tasser, American Federation of Labor publicity chief, on the W. P. A. strike, published in the July issue of the New York Central Trades and Labor Council:

"I have a very definite opinion relative to those persons, no matter how high their positions, who have tried to smear the building workers by calling their refusal to work 'a strike against the Government.'

"I believe this opinion is identical with that of every union man in the country, and I am convinced that no worse blunder could ever be made by any public official than to try to outlaw the present highly effective peaceful protest stoppage of the building trades."

[From Northwestern Organizer, July 27, 1939]

[North Dakota Union Farmer Supports W. P. A. Strike]

FARMERS BACK LABOR'S FIGHT ON W. P. A.

(The following editorial is reprinted from the July 17th issue of the North Dakota Union Farmer, leading organ of the Farmers Union):

What does all this hullabaloo about the 130 hours a month for W. P. A. workers mean? Why the strikes? That is what the farmers are wondering about.

Certainly asking a man to work 130 hours a month, or 32½ hours a week is not unreasonable—but the wages per month the W. P. A. worker will get remain exactly the same as when he worked about half that time.

Up until now W. P. A. workers have been paid the prevailing hourly wage which meant, in many trades, the union scale. But limited in the hours of work to a monthly "security wage" which was little enough for security.

Now they have to work many more hours for the same wage. Private employers will undoubtedly use the lower hourly wage of W. P. A. to batter down existing wage standards. As a result the purchasing power of nonrelief workers will be brought nearer to that of relief workers.

What does that mean to farmers who are already broken under the burden of a surplus because of underconsumption? It simply means more underconsumption and more surpluses of farm products and lower prices. It is to the farmers' own interest that they stand squarely with labor in vigorously protesting the inhuman relief measure passed by Congress.

Slashing hourly wage rates is just one of the inequitable features put in by the reactionary House Democrats. Another is the month's starvation period for W. P. A. employees after they have been on the job 18 months. A third is a decrease in the monthly wage, low enough now, in the Northern States. A fourth is reduction of the appropriation so that 2,000,000 instead of 3,000,000 will be employed by W. P. A., though there are still at least 11,000,000 persons out of work. A fifth is that after January 1, the States and municipalities will have to bear 25 percent of the cost, whether able or not.

Farmers fared quite well in securing appropriations for the various farm programs but if the city workers suffer, it will take even more Government assistance to make up for loss of the farmers' market.

[From Northwestern Organizer, December 7, 1939]

F. B. I. INVESTIGATION IS OUTRAGEOUS SAYS THE DES MOINES FEDERATIONIST

Stated the Des Moines Federationist:

"One of the most outrageous persecutions of the labor movement of which the Federal Bureau of Investigation has been guilty is the Minneapolis W. P. A. investigation."

[From Minneapolis Labor Review, August 25, 1939]

LEGION CONDEMNS GLOTZBACH AND STOLTE—DENOUNCE LAW DEFIANCE W. P. A. CHIEFTAINS—WIDOWS AND ORPHANS OF VETERANS DECLARED VICTIMS OF THEIR LAWLESSNESS—BEARCAT POST GOES TO AID OFFICIALS' VICTIMS—ACTIONS GLOTZBACH AND STOLTE ARE BRANDED HIGH-HANDED AND ARBITRARY

High-handed and arbitrary action against widows and wives of veterans by W. P. A. Administrators Glotzbach and Stolte is bitterly condemned by the Bearcat Post of the American Legion.

This precious pair that have brought so much trouble to the workers of Minneapolis are charged with overriding the Federal civil-service laws to strike at the widows and wives of the heroes of the World War.

Glotzbach, the blatter for law and order, now condemned by the American Legion, is assailed as a defier of the law.

Widows and wives of veterans of the World War are protected by the provisions of the Federal civil service. But when you have to work for a living, apparently in the conception of Glotzbach and Stolte, the law does not protect you.

Condemning of this pair by the American Legion, it is hoped, may aid in opening the eyes of the public to the real aims and intentions of Glotzbach, the double-crosser of the late Floyd B. Olson, and his enthusiastic assistant, Stolte.

The resolution, unusual in its severity, coming from the conservative American Legion, it is hoped, may also open the eyes of the administration at Washington as to what enemies of the administration, the widows and daughters of veterans, and the veterans, this pair of bureaucrats drunk with power are.

The resolution follows. It was adopted at the meeting of Bearcat Post held August 11.

"Whereas both the Federal and State civil-service laws have granted to the widows of deceased veterans and to the wives of disabled veterans the same rights and privileges in the matter of employment as has been extended to all honorably discharged veterans; and

"Whereas many of the widows and wives of our deceased and disabled comrades are now employed by the Works Progress Administration on its various projects throughout Minnesota; and

"Whereas Administrators Glotzbach and Stolte, of the Minnesota W. P. A., have ruled that these widows and wives shall not enjoy the rights and privileges granted them under Federal and State statutes and has ruled that they must be separated from the positions under the 18-month lay-off rule now in force on the W. P. A.; and

"Whereas this is clearly a violation of the legal rights granted to such wives and widows of our unfortunate comrades: Therefore be it

"*Resolved*, That we, Minneapolis Bearcat Post, No 504, of the American Legion, Department of Minnesota, do hereby protest such high-handed and arbitrary action on the part of Administrators Glotzbach and Stolte, and demand that they adhere to the Federal statutes made and provided; further be it

"*Resolved*, That we demand that such portions of the lay-off order, which included the laying off of the widows and wives of our comrades, be rescinded."

[From Northwestern Organizer of December 7, 1939]

[Northwestern Organizer says W. P. A. trials are political and unjust]

MAKING MOONEYS WHOLESALE

The New Republic wrote in its current issue:

"Minnesota is going ahead and making Saccos, Vanzettis, and Mooneys wholesale. Another 25 defendants have been found guilty of 'conspiracy' under the W. P. A. law. * * * As we said in our issue of November 8, the only real crime of which these people are guilty is that of protesting, like other W. P. A. workers all over the country, against the terrific reduction in W. P. A. wages on July 1. Any disturbance they created would be amply punished by a $5 fine. Instead, under a curious misuse of the W. P. A., which makes it an offense to interfere with the right of a relief worker to his job, the defendants are subject to a possible fine of $10,000 and 2 years in prison. Minnesotans admit this is a political trial, intended as a lesson to radicals. The chief lesson we see in it is that this is an extremely poor way to administer justice in a democracy."

Mr. LUNDEEN. The important question is, What is the background from which this unfortunate situation arose, and are we producing the kind of economic conditions that force needy people to stop work as a protest?

This situation arose out of the mistake in wiping out the prevailing wage rate on W. P. A., which had been the protection of organized labor for 50 years. It arose because Congress in 1939 began cutting the monthly wage rate of more than half the W. P. A. workers. The low-paid women on the sewing projects were cut eight to nine dollars a month out of their meager pay. What was the result of all this? All over the country on July 5 and 6, W. P. A. workers stopped work in protest against things that no American citizen should be compelled to endure.

These people were finally forced back to work with a statement, "Work at these substandard conditions or else starve." Is that the New Deal?

HOW THE 18-MONTH CLAUSE REALLY WORKS

Now, let us look at this marvelous idea—this 18-month clause. According to a report issued by Colonel Harrington, 775,000 W. P. A. workers were discharged last fall on the theory that if their jobs were taken away on W. P. A. they would somehow get private employment. Colonel Harrington reports that 2 to 3 months after these workers were fired from their W. P. A. jobs only 12.7 percent were able to secure employment in private industry. According to Colonel Harrington, this same number would have gotten jobs in private industry by the normal turn-over if the 18-month clause had not been adopted. Of those who got jobs in private industry, only one-half received as much wages as they had received on W. P. A. In other words, out of 775,000 W. P. A. workers discharged, only about 45,000 were receiving as much income as they had received on W. P. A. That is a fine certificate of credit for private industry. The rest of these figures should make us blush with shame. By November more than 50 percent of the discharged workers were again dependent on relief—about 380,000. About 25 percent of those fired managed to get back on W. P. A. The other 25 percent were on local relief rolls. Says Colonel Harrington in his report:

Large numbers were living on Federal surplus commodities because in many areas no local relief is available for employable cases.

Others, unable to find jobs or to secure public assistance, were dependent upon miscellaneous sources of income or were without any income whatever. The small earnings of secondary family members, aid received by other members of the family, the assistance of friends and relatives—these means had to suffice to support large numbers of separated workers. Approximately 100,000 of all those cut off received no income during the 2 weeks before they were interviewed. Some were living on savings from earlier short-lived jobs or on credit extended by grocers; others were forced to sell personal property or even to beg for left-over and unsalable food.

SURPLUS COMMODITIES NOT A SUBSTITUTE FOR 18-MONTH CLAUSE

Colonel Harrington's report states that "in many southern cities scarcely any workers who lost their W. P. A. jobs were getting local aid even of an emergency character. In these areas surplus commodities, distributed by the Federal Surplus Commodities Corporation, constituted the only relief course of any significance."

What does "surplus commodities" mean? Well, it means exactly 1 cent per meal per person. I have been so informed according to a statement of one of the ranking officers of the Surplus Commodities Corporation. In other words, those of us who voted to throw these needy citizens off their W. P. A. jobs were voting, in effect, to compel them to live on 1 cent per meal. Is there any Member of this Senate who can stand here and defend that action? This situation also existed in some parts of the North. The report of Colonel Harrington continues:

For example, in Omaha, where 16 percent of the families reported surplus commodities as their major source of income, the only commodities distributed during November were flour, apples, and onions.

This calls to mind the old saying, "An apple a day keeps the doctor away, but an onion a day keeps everybody away." One housewife says: "We got flour, but what good is the flour

without lard or baking powder? You can't eat flour raw. We got 5 pounds of dried beans, but I had to get a piece of meat to grease them with."

Here is what a man writes about his story: "The first month was not so bad. I held back the rent and used my last W. P. A. pay check on groceries and other necessities. The second month I could not pay the rent and used my credit for groceries and had to borrow from my friends. This last month I have been forced to the wall. My friends are beginning to avoid me; my creditors have closed in on me; I have been forced to break up my home, give up my children, and sell my furniture."

This has not affected only the W. P. A. workers. Colonel Harrington quotes a report from Texas which states:

The inability of W. P. A. workers to make regular payments on their bills has greatly reduced the income of the merchant.

In Omaha, again, we are told 1 family in every 19 reporting no regular income has resorted to canvassing markets, bakeries, and restaurants for left-over and unsalable food.

The breaking up of families due to these W. P. A. discharges was widespread, Colonel Harrington reports. In other words, we in this Senate who like to make glorious speeches to our constituents about the preservation of the American family have, by callous, cruel, and unthinking action, actually been helping to break up the American family. What effect has this had on the operation of the W. P. A. projects? The report says:

State administrators have reported that the immediate effect of the 18-month requirements was to increase administrative work and to reduce project efficiency * * * these enforced lay-offs may endanger some of the gains in project efficiency attained as a result of many months of steady effort.

I could go on for perhaps a long time telling you of the heartrending stories of misery and suffering caused by this 18-month clause, and yet it is interesting to note that a few days ago in this Senate a Member moved for immediate wiping out of this 18-month clause. We saw this generous action blocked by the administration.

MONTHLY WAGES CUT TO SUBSTANDARD LEVEL

Let me go on to the monthly wage aspect of our action in the last session. Congress passed a provision for readjustment of the wage scales in order to bring wages in different parts of the country more in line with the differences in the cost of living. One of the purposes of this provision which I heartily endorse was the lifting of the W. P. A. wages in the South. But what happened in addition to that? In thousands of communities in the East and North, in many of the States represented by Senators here, the monthly wages of the low-paid workers, the laborers, was cut five to six dollars a month. Thus many people who were earning the glorious sum of $57 a month were reduced to $52.

Those in the cities over 100,000, who had been earning $60 a month, or $14 a week, were cut by a generous administration to $57.20. Somehow I wonder how that 20 cents got in. But the New Deal administration did not stop here in its generosity. It examined the question of what to do for women, the bearers and guardians of our future generation. The New Deal administration remembered that many enlightened States have adopted laws for the protection of women in industry. So this administration decided to single out the women employed on W. P. A. for special attention. And so they placed these women, or at least the overwhelming majority of them, in a special "B" classification, and reduced their wages from $8 to $9 a month. And so these women throughout the country, coming home to their fatherless children, with their wages cut 15 to 20 percent, can give their story when the children ask for milk: "You see, children, this is the abundance of the Congress and the administration."

W. P. A. WORKERS UNABLE TO COLLECT EVEN THEIR REDUCED PAY

I have recently been interested in knowing whether the W. P. A. workers get every month at least this miserable security wage. I have been struck by the situation which has recently occurred, a situation that I think has not yet been brought to light. In many parts of the country, even including the South, projects were unable to operate in many cases for a period of weeks, due to the cold wave. In the situations affecting many hundreds of thousands of W. P. A. workers, the workers could not even get their security wage.

In some cases the projects were closed for 2 weeks, 3 weeks, a month. The workers were told that all they could do was to "make up the time at some future date." I know that within the last few weeks an appeal was made to President Roosevelt and to Colonel Harrington to step into the picture and do something to alleviate the distress to these employees of the Federal Government. What was the answer? W. P. A. could do nothing but just permit them to make up the time in the future, maybe 2, or 3, or 4 months hence.

It is true that surplus commodities were offered to these hungry employees of the Federal Government, but these commodities were offered in emergency situations and then on the basis of the generous additional allowance of one-half cent per person per meal. Let us look at this for a moment. Here are needy people on W. P. A. They have passed a relief test proving that they have no other resources. Cold weather comes, thus increasing their need for food, clothing, and shelter. What does a generous Government do? It says that in cases of real emergency it will increase their surplus-commodity allowance from 1 cent a meal per person to 1½ cents per meal. This is not Russia. This is not Germany. This is not Mussolini's Italy. This is not India, or even China, or Japan. This is America under the New Deal.

I want to touch again on this question of the 130-hour month. As we know, we lengthened the hours of labor for W. P. A. workers, cutting out the prevailing wages, and this was one of the causes of the protest strikes which I have referred to in this Glotzbach matter. There have been two interesting results of this 130-hour month. The first result is that it prevents W. P. A. workers from fully making up their time lost because the projects do not operate or because of illness. It is my belief that if we are going to keep the 130-hour month we ought to guarantee the payment every month at least of that miserable security wage, if the worker is prevented from working through no fault of his own. There has been a second result which Members of this Senate should know. We are all interested in having the W. P. A. workers get their share of private employment, yet I want to know how they are going to do it if they work 130 hours a month, and in many cases spend another 60 hours a month in going to and from the job.

ADMINISTRATION IS TO BLAME FOR DISTURBANCES ON WORK PROJECTS

What I have attempted to do here is to show the gentlemen of this House what some of the effects were of the bill we passed last summer. Here we have fired hundreds of thousands of workers on the 18-month clause and caused them endless suffering. We took away their prevailing wages, we cut their monthly wages, we prevent them from even earning the miserable monthly wage, and yet we wonder why there has been disturbances on the projects. I say that if there have been troubles on the projects the administration is responsible because of the blundering treatment of this problem.

NEW RECESSION UNDER WAY

But some of you will say that these problems are small; that we should deal with larger problems of our economic situation. Let us look at them. Today our Nation is entering a new recession. The war boom, which stirred so many to believe that the depression is over, has now collapsed. The Federal Reserve Board index of production, which was 128 in December 1939, is now down to 112. There are predictions that it will touch 100 before it is over. This would mean that the index would be back to exactly where it was in July 1939, and that over 1,000,000 workers who recently got jobs will be fired. As a matter of fact, with 600,000 new job seekers entering the market, we will have 600,000 more unemployed than before the boom started. This will probably bring our total unemployment up to more than 11,000,000.

Here is the calculation: In July 1929 there were 36,700,000 employed in nonagricultural industries. There were 2,000,000 unemployed, or a total of 38,700,000 available workers. By

July 1940, 6,600,000 new workers will have entered the job market in the ensuing 11 years. This makes a total of 45,300,000 available workers in the nonagricultural industries.

By July 1940 it is probable that total employment in the industries will not be larger than 33,500,000. This would leave a total unemployment well over 11,000,000.

Now, it would seem as a matter of common sense, with this storm rushing toward us, that we put up an umbrella. Increased purchasing power in the hands of the masses of people might help to avert the effect of this recession. Yet what do we plan to do? On the basis of the appropriation passed by this Congress last summer, W. P. A. will be laying off 800,000 workers between now and the 30th of June. And if we pass only the $1,000,000,000, as requested by the President, another 300,000 will be discharged between July and September. In other words, instead of doing the sensible thing of putting up an umbrella, we are going to go out and get ourselves drenched to the skins. Instead of increasing purchasing power at a time when private employment will be decreasing, we plan to fire over 1,100,000. We plan to stop their pay checks from going into the hands of merchants, landlords, farmers. I ask Senators is this common sense?

ARMAMENT EXPENDITURES DO NOT OFFSET SEVERE W. P. A. CUT

Well, some say part of this cut in W. P. A. will be offset by armament expenditures. But will it? Any Government economist can tell you two things about W. P. A. and about armament expenditures. He can tell you that the W. P. A. dollar is the fastest moving dollar in the country; in other words, it produces the greatest net return in trade, purchasing power, and employment. He will tell you also that the armament dollar is the most sterile dollar in the country. It produces the fewest number of jobs; it produces the greatest profits. These profits often amount to 30 percent or more of the total outlay of the Government. It is doubtful in the next 4 or 5 months if armament expenditures will give employment to more than 100,000 of the 1,100,000 people who will be discharged from W. P. A. At the same time, also, we will be cutting farm security, N. Y. A., and C. C. C. expenditures. Before we build up these piles of armaments at the expense of the needy people of this country, let us give thought of who is to man the armaments. A survey of the National Youth Administration showed that in underprivileged families the health of 43 percent of the youth was so impaired that they probably would be rejected for employment by private industry. Obviously then, they would also be rejected by our armed forces.

Today Government economists could tell us that the only thing that prevents this recession from becoming a full-fledged collapse, as took place in 1937, is our export trade. This trade, as I will show, is composed largely today of war materials. It is interesting to raise the question of what would happen if England and France were to decide along about May or June that they would have to stop their purchases on a cash-and-carry basis and demand credit and ships. In the face of our weakened domestic situation, would they not be in a position to exert a great deal of leverage to force us to abandon the cash-and-carry plan? What I am trying to point out here is that the policy we are now pursuing is not only endangering the lives and welfare of our own people but it is endangering our peace as well.

When I deal with the pitiful provisions in the Relief Act passed last summer, I am trying to show its effect upon the whole life of this Nation.

I think it is about time we stop deluding ourselves and the people on this question of aid to the unemployed. We have seen three recovery waves dashed on the rocks of stupidity and selfishness. Are we going to continue to play around with this problem for 10 years more? Will the people stand for our experimenting around with it for 10 years more? It is about time we realized that we cannot preserve either our peace, our democracy, or liberties by starving fifteen to twenty million men, women, and children. We have to devise a program that is going to provide work and security for the American people at peacetime and not wartime pursuits. We have to stop these makeshift W. P. A. appropriations to last for 6 or 7 months or a year, and plan a works program to build schools, as well as battleships, hospitals as well as guns, roads and libraries and rural improvements as well as ammunition. We have to give our youth something to look forward to except poverty or war.

We have to provide a real works program to give real jobs, real work, and real wages. And then we will not have the kind of situation that occurred in Minneapolis and in other parts of the country.

I wish to recall the fact that we had a very fine gentleman at the head of this activity in Minnesota a while ago, a former Representative in Congress, Mr. Christgau. There was no objection to him personally; he was a fine man, but the policy he pursued was such that he was forced out of that office by labor in Minnesota. In spite of the fact that those above him said they would not discharge him, he was discharged, and, unless the gentlemen whose nominations are now before the Senate and which I assume are about to be confirmed, take a leaf from that record and mend their ways, they may find that the power of labor still exists in Minnesota.

Such a situation existed there that less than living wages were paid, and then many workers were thrown off and could not get back on the rolls. Then, of course, conditions became worse instead of better. Their protests were not heeded. You may call it a strike or a protest, or whatever you like, but I call attention to the fact that the court in this case made the statement—I think Senators saw the opinion, and I ask to have that portion of the instructions to the jury inserted in the RECORD—that these men had a right to protest and had a right to strike against these conditions, of course not using any violence or committing any overt acts; but they had a right to gather for protest and to strike and to picket and to urge others to join them, so long as it was a peaceful procedure and without overt acts or force.

This may well be the beginning—I would it were the end—of other instances like this. In a number of other States the same thing occurred, perhaps on a little smaller scale in some other States. Some of the clippings which I have inserted in the RECORD prove that statement.

I ask to have inserted in the RECORD at this point part of the instructions of the court to which I have referred.

The PRESIDING OFFICER. Without objection, the extracts referred to will be inserted in the RECORD.

The matter referred to is as follows:

RIGHT TO STRIKE, AS STATED BY JUDGE JOYCE

Judge Joyce, in his charge to the jury, plainly stated that the defendants had a right to strike against the Government. On October 16, 1939, at 3:45, Judge Joyce, in his charge to the jury which sat in the case of the *United States of America* v. *Myron A. Phillips, John Marshal, Leslie Wachter, Arnold Mullen, Ben Palmer, Carl Pemble, Richard L. Connell, and Gordon T. Smith, also known as Gordon Peterson,* on page 27, said:

"They (the defendants) had a right to quit work and they had a right to strike and to protest conditions which to them appeared unjust or oppressive, and by peaceful and proper means to seek others to join them in protest and to support their cause by stopping work; and in furthering their efforts they had a right to indulge in peaceful picketing. Modern and enlightened laws enacted by Congress and interpreted by the courts have long since recognized such rights as existing."

Mind you, it was not Tom Davis, one of the defense attorneys; it was not one of the defendants who uttered that statement, but it was the Federal judge of the United States District Court of the Fourth Division, District of Minnesota, who said that these defendants had a right to strike.

On October 19, 1939, 1:30 p. m., on page 14, Judge Joyce once more stated that these workers had a right to strike when he delivered his charge to the jury sitting in the case of *The United States of America* v. *William Reiley, Milton McLean, Charles R. Moore, and Charles Connors.*

Mr. McKELLAR. Mr. President——

Mr. LUNDEEN. I shall be very happy to have the Senator read from the instructions to the jury.

Mr. McKELLAR. The Senator, in reading the other day before the committee, read down to the word "existing." I asked that there might go in the committee record, and I now ask that there may go in the CONGRESSIONAL RECORD, the

matter coming immediately after that which has just been put in the RECORD by the Senator from Minnesota.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? Without objection, it is so ordered.

Mr. LUNDEEN. Am I to understand that this extract is to follow the other extracts from the instructions to the jury?

Mr. McKELLAR. Yes. I will read the matter to which I refer:

But the rights just enumerated gave no basis for nor accorded to no person or persons the right to resort to intimidation, threats, force, or violence, or the doing of any other act prohibited by law, resorted to for the purpose of enforcing or compelling a yielding to his or their demands. One may avail himself of any peaceful and lawful means to better his condition or the condition of others with whom he believes he possesses interests in common.

Mr. LUNDEEN. That, of course, does not conflict with the original statement I made. It merely amplifies it, and I think it is in line with the statement I made.

I should like to mention this fact: The great American Congress will have to deal with labor on W. P. A. in a slightly different manner than we did under the law which was passed, unless we wish to have more protests and more difficulties, because these men and their families were forced into destitution and poverty such as cannot be described on this floor.

With the permission of the Senate, at a later time, I shall take opportunity to do so at a more favorable hour.

I believe that the voice of labor should be heeded. When they gather in conventions or pass resolutions, they should be inserted in the RECORD of the Congress for the information of Senators, and we should act favorably upon them. I hope the time may soon come when we will pass laws along this line so that there will be no objection, protest, and strikes.

I cannot understand how the administration is willing to send here the names of men who follow a policy hostile to labor. They built up a background which is hostility itself to the best interests of these men who were in W. P. A., and who were forced on the rolls by circumstances over which they had no control.

In this connection I may say that the business index is not favorable. It indicates a further depression; and men by the hundreds of thousands will be thrown off these rolls in the near future. I have stated that in some cases men were thrown off the rolls and were given as little as 1 cent per meal per day, and then they finally received an increase of one-half cent, so that it made the total a cent and a half per meal per day. I do not know that I should amplify that statement. I think it speaks for itself.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Wisconsin?

Mr. LUNDEEN. I do.

Mr. WILEY. I have listened to the remarks of the Senator. I should like to know just what these two gentlemen have been guilty of that would disqualify them for the positions to which they have been nominated. I do not understand just what they have done.

Mr. LUNDEEN. They have not been accused of any crime, so far as I know. They pursued toward labor a policy which brought about protests and strikes. They appeared at the trial and testified against labor, so that they brought upon themselves the protests and objections to their confirmation which I have here, from William Green, the Minnesota State Federation of Labor, the Central Labor Union, the Labor Review of Minneapolis, the publication called Labor—the organ of the railway brotherhoods here—and many other newspapers and periodicals. It was more a policy pursued than any specific thing, I will say to the Senator.

Mr. President, I include here two editorials bearing on this most important question.

THREE MILLION STARVING AS W. P. A. CUT RESULT

WASHINGTON.—How the millions dropped from relief rolls last summer are living was revealed this week by Col. Francis C. Harrington, W. P. A. Administrator, in a report showing what happened to 775,000 families, representing more than 3,000,000 such cases.

This purge was made compulsory by the last relief-appropriation bill, which contained the so-called Woodrum amendments. One stipulated that all persons who had been on W. P. A. rolls 18 months should be turned adrift.

Of the 775,000 persons laid off, 675,000 are still without jobs. Many of them are almost without food.

Families whose breadwinners were not reassigned to W. P. A. jobs have been compelled to exist on an average income of $3.23 a week. More than 20 percent have no income whatever. Some are helped by relatives, others are begging for unsalable food, still others are foraging in garbage pails. Some have died because they did not have medical care.

Children have been kept out of school for lack of food and clothing. Insurance policies have lapsed, household equipment and personal belongings have gone to pawnbrokers. Gas and electricity have been shut off and scraps of food were substituted for fuel. Many families have been evicted.

The Social Security Board disclosed that the average weekly grant to 6,668,000 persons on direct relief is $5.45 a month.

Congressman CLIFTON A. WOODRUM (Democrat, Virginia) has pledged a majority of the House committee handling relief bills not to vote for a penny more than $1,000,000,000 for relief this year.

That means, according to Colonel Harrington, that 775,000 additional families will be on their own after April next.

The Agricultural appropriation bill, reported by the House Appropriations Committee this week, carries about $500,000,000 less than was voted a year ago.

MINNEAPOLIS OUTRAGE

The Justice Department did the only sane thing to do in dismissing the remaining charges against 125 Minneapolis W. P. A. strikers. If this action reflects the policy of the new Attorney General, Robert Jackson, well and good.

But even if it does, it cannot alter the shabby—yes; the reactionary—role of the New Deal in this case. And the sentences dished out by Federal Judge Joyce, ranging up to 8 months in prison for the previously convicted "ringleaders," shows that the quality of his mercy is strained but too well.

The fact that only the militant Minneapolis strikers were singled out for prosecution, when the strike was Nation-wide and especially strong in Minnesota, New York, and Illinois, indicates someing phoney about the whole business.

And the speech in which Assistant Attorney General Rogge asked for the dismissals, saying that "the President felt * * * that the lesson had been learned, that the object sought had been attained," was a new way of requesting light sentences (which failed to materialize) as well as a new depth in condescension.

The whole sordid picture—the New Deal's weakening before the drive against W. P. A. and relief, the inhuman Woodrum amendments, the strike, the vicious police attacks on pickets, Roosevelt's "you can't strike against the Government" edict, the arrests, the drumming up of the cases, the fantastic charges of "conspiracy," the trial before an antilabor jury of small-business men and farmers—all this is a tragic token of what goes on here.

Together with the antitrust prosecutions, the increase in armaments, the cuts in relief, the talk of balancing the Budget, the hints of "emergency" powers, the slashes in farm subsidies and social services—it forms the pattern of the New Deal's "new" line for the masses: Business first.

That is Roosevelt's answer to labor and labor's friends who saw in him the great messiah who would lead us to the promised land.

Mr. McKELLAR. Mr. President, all that Mr. Stolte and Mr. Glotzbach did was to carry out the instructions which Colonel Harrington gave them in reference to the execution of the law. I do not think anything else was done. Colonel Harrington appeared before the committee and said that at all times these two gentlemen were acting under his instructions.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Linus C. Glotzbach to be regional director, region VII, Work Projects Administration? [Putting the question:] The "ayes" have it, and the nomination is confirmed.

The question now is, Will the Senate advise and consent to the nomination of S. L. Stolte to be Work Projects Administrator for Minnesota? [Putting the question:] The "ayes" have it, and the nomination is confirmed.

Mr. BARKLEY. Mr. President, in view of the fact that it is expected that the Senate will adjourn until Thursday, and may then adjourn until the following Monday, depending on the state of the calendar, I ask unanimous consent that the President be notified of the confirmation of these two nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO THURSDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate adjourned until Thursday, February 22, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate Monday, February 19, 1940

WORK PROJECTS ADMINISTRATION

Linus C. Glotzbach, to be regional director, Work Projects Administration, for region VII.

S. L. Stolte, to be Work Projects Administrator for Minnesota.

DEPARTMENT OF LABOR

Philip B. Fleming, to be Administrator of the Wage and Hour Division, Department of Labor.

COLLECTOR OF CUSTOMS

Joseph T. Sylvester, to be collector of customs for customs collection district No. 1, with headquarters at Portland, Maine.

PROMOTIONS AND APPOINTMENTS IN THE NAVY

MARINE CORPS

Thomas Holcomb to be major general.
Holland M. Smith to be brigadier general.
Philip H. Torrey to be brigadier general.
Ross E. Rowell to be brigadier general.
John Marston to be brigadier general.
Samuel M. Harrington to be brigadier general.
Fred S. Robillard to be lieutenant colonel.
Blythe G. Jones to be lieutenant colonel.
Robert C. Kilmartin, Jr., to be lieutenant colonel.
Edward A. Craig to be lieutenant colonel.
Bernard Dubel to be lieutenant colonel.
Leland S. Swindler to be lieutenant colonel.
Ford O. Rogers to be lieutenant colonel.
Walter G. Farrell to be lieutenant colonel.
Ralph R. Robinson to be lieutenant colonel.
Frederick E. Stack to be lieutenant colonel.
John D. Muncie to be major.
William E. Burke to be major.
Robert G. Hunt to be major.
James E. Kerr to be major.
William G. Manley to be major.
Albert D. Cooley to be major.
Theodore A. Holdahl to be major.
William K. Enright to be captain.
Marion A. Fawcett to be captain.
Robert O. Bisson to be captain.
James G. Smith to be captain.
James F. Climie to be captain.
David S. McDougal to be captain.
William A. Kengla to be captain.
Ralph L. Houser to be first lieutenant.
Charles S. Todd to be first lieutenant.
Charles J. Seibert, 2d, to be first lieutenant.
James W. Keene to be second lieutenant.
William C. Kellum to be second lieutenant.
John F. Kinney to be second lieutenant.
Roger C. Power, Jr., to be second lieutenant.
Richard K. Schmidt to be second lieutenant.
Walter M. Henderson to be chief marine gunner.
Carl M. McPherson to be chief quartermaster clerk.
Clyde T. Smith to be chief quartermaster clerk.
George R. Frank to be chief pay clerk.
John H. Rath to be chief pay clerk.

POSTMASTERS

CALIFORNIA

Fred G. Sutherland, Pasadena.
Ray O. Caukin, Sierra Madre.

MINNESOTA

Roman A. Schmid, Avon.
Harry M. Koop, Crosby.
James E. Cashman, Owatonna.
Mary E. Herron, Watertown.

NEW YORK

Fred T. Frisby, Franklin Square.
Ida J. Posten, Greenwood Lake.
H. Greeley Howland, Hamden.
William G. Mollitor, Hicksville.
James A. Wigg, Hyde Park.
Clifton R. Ericsson, Kennedy.
Frank J. Ball, Lancaster.
Wesley Terry Howland, Leonardsville.
Edward J. Murtaugh, Lockport.
Sylvia F. Kenney, Long Eddy.
Paul F. Plante, Mooers.
Lee H. Starr, Morris.
Francis T. Callan, Mumford.
William H. Miller, Narrowsburg.
Robert F. Talbot, New Berlin.
Minnie Losty Smith, New Lebanon.
Jay Zimmerman, New Paltz.
Jay W. Lee, New Woodstock.
Francis G. Van Emmerik, Oakdale Station.
George R. Hunter, Pine Plains.
Anne R. Cardona, Rocky Point.
George L. O'Marra, Romulus.
Catherine L. O'Leary, Roslyn Heights.
Archibald O. Abeel, Round Lake.
Virginia L. Paris, Sackets Harbor.
Margaret A. Dowd, Salamanca.
Leo B. Bennett, Schenevus.
Augustus D. Seeber, South Dayton.
Lewis S. Filkins, Stattsburg.
John Newton Post, Stanfordville.
Thomas F. Cunningham, Ticonderoga.
Robert B. Casey, Washingtonville.
Gail B. Liner, Wassaic.
Charles O'Connor, Westbury.
Clifford J. Fleckenstein, West Valley.
George W. Probasco, Whitesville.
Edward B. Buckley, Willard.

WEST VIRGINIA

Charles B. Linger, Terra Alta.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 19, 1940

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O heavenly Father, Giver of peace and rest to all mankind, look down upon Thy children. We pray that our labors may be great in their reality and appealing in their understanding. May we learn from the glory of our ancient faith the sacredness of life, the duty and the joy of righteous speech; thus may we reflect the holy life of Him whom we worship. We pray for faith triumphant even as the world is carrying in its breast the gushing fountain of poisonous hate, give us an increasing certainty that all things work together for good to them that love God. As we bravely face life with its countless distractions, crown us with an unfailing and unwithering strength of our holy religion. We praise Thee that neither height nor depth, nor any other creature can separate us from the love of God which is in Christ Jesus our Lord. Inspire us to adorn the House of Life with those fidelities which are the foretaste of the life eternal, in our Saviour's name, in love and mercy be Thou with our dear Speaker and the Congress and may no plague come nigh their dwelling places. Amen.

The Journal of the proceedings of Friday, February 16, 1940, was read and approved.

INAUGURATION OF PRESIDENT-ELECT ON JANUARY 20, 1941

The SPEAKER. Pursuant to Senate Concurrent Resolution No. 32, the Chair appoints the following Members on the joint committee to make the necessary arrangements for the inauguration of the president-elect on January 20, 1941:

Mr. RAYBURN, of Texas, Mr. DOUGHTON, of North Carolina, and Mr. MARTIN of Massachusetts.

READING OF WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the order of the House of February 8, 1940, the Chair designates the gentleman from New York [Mr. CROWTHER], to read Washington's Farewell Address on February 22 next.

HON. J. H. (CYCLONE) DAVIS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have asked for this time to announce the death of a former very able and distinguished Member of this House, the Honorable J. H. (Cyclone) Davis, who served in this body in 1914–16 as Congressman at Large from Texas.

Judge Davis passed away January 31, 1940, at his home in Kaufman, Tex., following a lingering illness of 2 years.

Hon. James Harvey Davis was born in Pickens District, S. C., December 24, 1852, the son of W. B. and Salina Moore Davis, and came with his parents in early childhood to Winnsboro, Tex., where he lived until he attained manhood. Soon after his marriage to Miss Belle Barton, born in Bellview, Rusk County, Tex., December 1, 1853, the daughter of Col. James Mattison Barton and Emily Miller Barton, he with his bride became citizens of Mount Vernon, Tex., where he lived until 1892, at which time they moved to Sulphur Springs, Tex. With the exception of the 2-year residence in Washing, D. C., when Judge Davis was serving in Congress, he remained a resident of Sulphur Springs until 2 years before his death. Interment was made in the City Cemetery at Sulphur Springs, by the side of his first wife, Mrs. Belle Barton Davis, who died September 7, 1934.

The first bill ever to be introduced in Congress providing for drafting money the same as men in the event of war was introduced by Judge Davis during his service in Congress. The bill was introduced after many conferences with the then Secretary of War, the Honorable Newton Baker.

During his entire life he was a crusader for the poor, the weak, and the unfortunate. For this reason he was never a rich man in this world's goods, but he built a life that will be remembered long after riches would have been forgotten. He did not receive the credit that he was justly entitled to receive for helping to initiate and sell to the country many progressive and humane measures that have been adopted in recent years. But the people who knew him will not forget the many and great contributions that he made in their interest and for their welfare.

I am inserting herewith an Associated Press article that appeared in the newspapers of the Nation soon after his death which discloses his interesting career:

KAUFMAN, TEX., January 31.—J. H. (Cyclone) Davis, 85, one-time Texas Congressman at Large, and prohibition leader, died here Wednesday.

The bearded, widely-known politician lately had interested himself in old-age pension questions.

Survivors include his widow and four sons, Arlon B. (Cyclone) Davis, of Dallas; Valton Davis and Roy Davis, of Sulphur Springs; and Landon Davis, of Hamlin; and a brother, Dr. Jeff Davis, of Roby.

It was in the Populist movement that blanketed the agrarian sections of the country in the decade before the turn of the century that Cyclone Davis attained his greatest prominence. He was one of the founders of the group that split from the old parties and grew into the Populist Party.

Davis, with evangelical zeal and burning oratory, threw himself into the movement that placed an aggresisve bloc in Congress.

Davis won the brevet, "Cyclone," afterward made a part of his legal name, in upholding a cause of the farmers. In March 1894 he debated the question at issue with Watt Hardin, attorney general of Kentucky, in that State's capitol, and was described in a newspaper story as "a cyclone from Texas."

For years thereafter "the Honorable Cyclone Davis of Texas" was food for the impish humor of Dana's New York Sun, along with Simpson, "the sockless Socrates of Medicine Lodge."

Davis was brought to Texas when 2 years old by his parents, W. B. and Elma Davis, from South Carolina, where he was born December 24, 1853. He was educated in the district or "common" schools, as he defined them, and taught school 5 years, beginning at 21.

In 1879, when 26, he was licensed to practice law and, as county judge of Franklin County during the administration of Governor Roberts, was said to be the youngest man on the bench in Texas. He practiced law 20 years and published a newspaper 17 years. In the latter capacity he was one of the founders of the Texas Press Association and one of its early presidents.

Davis interested himself in politics at an early age, joining the old Grange when 19, and for many years was one of the leaders of farmers' movements. In 1884 Davis and a group of other friends of Thomas A. Hendricks won wide publicity at the Democratic National Convention for their "slinging bandanna" handkerchiefs, and the tall, bearded Texan clung to that symbol of the proletariat throughout his life. The convention of 1884 nominated Grover Cleveland and Hendricks, the first Democratic Presidential ticket elected since the Civil War.

Since 1934 Davis had been the only survivor of a group of 70 prominent workers in behalf of the election of William J. Bryan in the Presidential campaign of 1900.

The only public office Davis held outside his home region was Representative at Large in the Sixty-fourth and Sixty-fifth Congresses.

AMERICAN MERCHANT MARINE AND THE DIESEL ENGINE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, there is on the high seas at the present time the fastest freighter that ever sailed from a United States port flying the American flag. Known as the *Mormacpenn*, the ship is propelled by four 7-cylinder 2-cycle Busch-Sulzer Diesel engines and develops 9,000 horsepower. The engines were constructed by the Busch-Sulzer Diesel Engine Co., of St. Louis, the pioneers in the development of Diesel engines in this country.

Naturally the engines are the latest type of Diesels. The cost to the corporation of developing this engine was tremendous, requiring research work over a period of many years.

I have contended for years this country erred in not installing Diesel engines not only in its merchant marine but also in Navy ships and Army transports. It is said the German pocket battleships have engines somewhat similar in design to those of the *Mormacpenn*. Not only is it possible now to use the cheapest oil due to improvements, but the ship can fuel in New York and travel around the world without refueling. Economically Diesels operate much below the cost of the turbine-propelled vessel.

In its recent trials the *Mormacpenn* reached a speed of approximately 19½ knots, almost 2 knots above requirements. The ship will operate between New York and South American ports, is of 17,500 tons displacement, 492 feet in length, a cargo capacity of 690,000 cubic feet, 30,000 cubic feet being refrigerated. It is essentially a cargo vessel, but the ship contains four large staterooms that will accommodate eight passengers. The few passengers will be required to eat with the officers, there being no public rooms on the ship.

The *Mormacpenn* will reach Pernambuco in 9 days, Bahia in 10 days, Santos in 14 days, and Rio Grande do Sul in 17 days, arriving at Buenos Aires in 19 days. This is allowing time in each port for discharge and loading cargo. In the past our slow freighters handicapped our efforts to get South American trade, but thanks to the Maritime Commission's building program, many speedy cargo ships are now in the making.

The vessel is so constructed as to provide speedy conversion into a naval auxiliary in the event of war.

The multiengined geared Diesel design installed in the *Mormacpenn* lends itself to economical and safe operation more than any other type of ship propulsion, as it gives a wide range of ship speeds with machinery operating at most efficient power. In the case of a turbine vessel or a single direct-connected Diesel, fuel economy is seriously affected when the vessel has to run at slow speed. Also this design permits and

assists readiness to stop and back at full power, whereas the turbine vessel has less than 50 percent power astern. This design permits faster and safer maneuvering than does any other type.

Now, as to relative first cost. For years here in America there has been a greatly advertised antifactual propaganda spread around by some of the shipyards and other far-from-biased "authorities" that the first cost of a motorship was so much greater than that of a turbine vessel as to completely destroy the advantages of the former insofar as operating economy was concerned. This has been several times disproved by actual bids. There have been instances when yards have bid both ways—turbine versus Diesel—and in which the motorship price was larger than that of the steamer by more than the bid price of the Diesel engines. Such bids did not always come from yards equipped for building their own turbines, boilers, and so forth. Yards equipped to build steam machinery have a very good reason for preferring to build a steamer, as the latter permits productive use of expensive plant equipment which would be idle were the yard to have to buy Diesel engines.

The only yard at present equipped to build Diesels has frequently bid turbine or Diesel drive at the same price; at times it has bid lower for motorship construction.

In carrying out its building program for furnishing the large number of greatly needed American merchant vessels of several classes, types, and sizes, the Maritime Commission wisely decided to develop modern ships of Diesel as well as turbine propulsion. I here quote a paragraph from an article prepared by Admiral Land, Chairman of the Maritime Commission, for publication in the August 1939 Marine Engineering and Shipping Review:

> There are two major contributions by the Commission to the technical development of the shipbuilding industry. One is the high-pressure, high-temperature steam turbine power plant which is being experimentally installed in one of the Commission's C-3 type vessels. The other is not so much a development as a recognition—a recognition of the value and feasibility of the Diesel engine in all kinds of American merchant vessels. Before the Maritime Commission's building program got under way Diesel installations in this country were relatively few. Shipbuilders were equipped to build steam turbine ships. They had been building them for many years and saw no reason why they should humor the occasional ship operator who preferred the efficiency or the cleanliness of the Diesel.

As Admiral Lands says, the Diesel engine has finally been recognized. This recognition has been a long time on the way, but powerful interests from a selfish standpoint have left nothing undone to defeat efforts to advance the Diesel. History of ship construction shows the success that resulted from their campaigns, but by actual performance I predict the Diesel will demonstrate it is superior from every standpoint.

I have addressed myself on this subject several times in the past, my first remarks being made 10 years ago.

I sought recognition for the Diesel over this period and was bitterly disappointed when the three new ships for the Panama Line, a Government-owned corporation, were constructed. It so happened that I was responsible for the construction of those ships. I sailed on two of the old Panama Line ships, used as cargo ships during the construction of the Panama Canal and reconstructed as cargo passenger ships after the Canal was completed. They had outlived their usefulness, were extremely slow, but so constructed as to be able to weather a severe storm, many of which they had encountered in their years of service. In talking to the captains of the ships and also to the Governor of the Canal Zone, I learned there was a special replacement fund in the Treasury amounting to several millions of dollars that could only be used to replace these ships.

On my return to Washington I contacted the President. During our conversation I could see he doubted that I knew what I was talking about when I told him I found money in the Treasury that could only be allocated for ship construction. He promised to investigate and shortly thereafter he wrote me and advised he had ordered the ships replaced with money from this special fund which he found as I told him he would. Knowing the President's interest in ships I talked to him about installing Diesel engines in the new vessels. A private naval architect was employed and in the end the old turbine lobby again used its influence with the result that turbines rather than Diesels propelled the ships.

HISTORY OF THE DIESEL ENGINE

After 17 years of study and experimentation Dr. Rudolph Diesel, of Munich, Germany, in 1897, completed a successful new type of power-producing engine with a higher thermal efficiency than any other type that has been produced before or since.

In collaboration with the engineers of Krupp, and Augsburg Machine Works, of Germany, Sulzer Bros., of Switzerland, and Mr. Adolphus Busch, of St. Louis, Dr. Diesel developed the commercial engine that bears his name. Although the outstanding advantages of this new type of power-producing engine were at once recognized, it took about 10 years to introduce the Diesel in small sizes and another 10 years for it to gain a position as a serious competitor of steam engines, which had become well established as the accepted type of power plant.

During the past 40 years the Diesel engine has been thoroughly tried out in both stationary and marine service, and has shown a thermal efficiency which has never been approached by any other type of heat engine. In the average steam plant less than 15 percent of the heat energy contained in fuel is converted into mechanical energy; in the largest and most modern steam plants less than 25 percent of the heat energy contained in fuel is converted into mechanical energy; while in the Diesel engine, with utilization of waste heat in cooling water and exhaust gases, over 40 percent of the heat energy contained in the fuel is converted into mechanical energy.

In those countries in Europe where cheap fuel is not available, stationary Diesel engine power plants have been widely installed. Chile has an interconnected Diesel power plant system of over 40,000 horsepower. In Shanghai, China, is a 37,000 horsepower stationary Diesel plant.

But the greatest adoption of the Diesel engine has been for the propulsion of ships which must carry their own fuel. As the Diesel burns less fuel than steam engines with the same amount of fuel bunker, the ship can carry more cargo or can purchase fuel in the port of call where fuel is cheapest in price and bunker sufficient for the round voyage. Also the Diesel propelling engine takes up less space than the steam plant. It requires no warming up, while a steam plant must be slowly fired several hours before being placed in operation. Again the simple Diesel engine is self-contained, without such extensive auxiliary apparatus as steam boilers and condensers that are necessary for the steam engine, and therefore the Diesel propelling plant requires a smaller operating crew.

With the trend toward high-speed ocean transportation the cost of fuel has become an ever-increasing part of the cost of ship operation, and because of its greater efficiency and lower consumption of fuel the Diesel has to a great degree superseded steam for the propulsion of medium-size ocean-going passenger and cargo ships.

The unit size of Diesel engines has been rapidly increased. Some German cruisers are fitted with a Diesel plant. Superliners, requiring from 100,000 to 150,000 horsepower, are fitted with steam turbines, although it appears possible that at no distant date Diesels will be developed for even such size plants.

BRIEF HISTORY OF THE AMERICAN DIESEL ENGINE

It was a St. Louisian, the late Mr. Adolphus Busch, who was directly responsible for the advent of the American Diesel-engine industry.

It was Mr. Busch who purchased from Dr. Diesel in 1897 exclusive rights to the Diesel engine for the United States and Canada. He built at St. Louis in 1898 the first Diesel in the world to be placed in commercial service. From 1898 until the expiration of his basic Diesel patents in 1911 Mr. Busch pioneered alone in Diesel building in America, building several hundred stationary engines for installation in public-utility and industrial plants.

Dr. Diesel, from 1898 until his death in 1913, continued—as advisory engineer, director, and stockholder—his close

association with the Busch enterprise, the only American industry in which Dr. Diesel ever participated, or with which he ever cooperated.

After the expiration of the basic Diesel patents other American manufacturers began building Diesel engines, until today there are over 50 American Diesel builders. The leading American firms have made arrangements for collaboration with leading European firms, especially in late years, when the more general adoption of the Diesel abroad has resulted in revolutionary development of new types of improved design and higher efficiency.

Mainly due to the abundance of cheap coal in this country, the Diesel was not so rapidly adopted for stationary power plants as it was in other countries.

In the United States there are now thousands of public-utility Diesel power plants.

One outstanding feature of the Diesel engine is that it eliminates smoke and ashes and requires only a small water supply.

Oil fuel has taken the place of coal in many sections of the world, and almost entirely is this true in speaking of vessels constructed by the leading maritime nations. Foreign countries long since saw the wisdom of installing Diesel engines in their ships, but it was not until the Maritime Commission came into being that the Diesel received any reasonable recognition in this country. Successful operation of the many ships now under construction in this country that will be propelled by Diesels will in the end compel this country as well as private shipowners when constructing ships to install nothing but Diesel engines.

There is in the making at the present time plans and specifications for the construction of an Army transport. I have already called to the attention of the Secretary of War the successful operation of the Diesel engine. This transport on every trip will pass through the Panama Canal and cross the Pacific. From the standpoint of eneconmy in operation, the War Department will be more than justified in insisting Diesel engines be installed in this vessel. With large corporations constructing Diesel engines in every section of the country, competition in bidding is assured.

In a recent statement before the Senate Appropriations Committee, Admiral Emory S. Land, chairman of the United States Maritime Commission, said in part:

The Maritime Commission is seeking to restore the American merchant fleet to its earlier vigor. This in substance, it was directed to do by the Congress. Looking toward that end, it has undertaken a long-range construction program, also at the direction of the Congress. The fundamental purpose is to assure the country of a modern, efficient, and aggressive merchant fleet. We need it for our foreign trade in peace and for the transportation of strategic war materials and as a naval auxiliary in war.

The Commission was created in 1936. Its basic program calls for the construction of 500 ships over a 10-year period. The new vessels are to provide replacements for obsolete ships and additions to the fleet where necessary. And I would like to emphasize that we did not undertake this program before making a very careful study of the entire merchant-marine problem. Upon the conclusions reached in that study we based our construction program. In other words, it was not an idea hatched in haste by an independent Government agency to be repented at leisure when funds were denied. Its principle was insisted upon by the Congress; its details were supplied by us.

The question is frequently asked, What will we do with all these ships?

Another which has been heard in the public forum is, With all our ships being laid up, why are we wasting all this money building new ones?

The answer to the first is, we are going to use them. The 20 completed are already in service, and operators are waiting for more.

The answer to the second is, we are not laying up "all our ships" or even a considerable handful.

The fact is, we could use more new ships than we now have available. And when I say use I mean sell to American operators.

I would like to state that the first type of ship which we have turned out has been proven the most efficient of its kind in the world. Compared, for instance, with the Hog Island vessel of the last war, the new one is 50 percent faster, yet it consumes fuel at less than half the rate of the old ship. Briefly, gentlemen, that means that modern American brains and technical skill have turned out a type of ship which, compared to her predecessor of 20 years ago, will save in fuel alone 35 to 40 percent of the entire construction cost over the ship's 20-year economic life span.

Of this type we are building 40. The record will show that we could sell more than 40.

I am sure that the members of this committee understand the importance of this increased vessel efficiency developed by the Commission both in its relation to economy of operation for commercial purposes and to the national defense, which is thereby assured of a fast and able auxiliary.

Mr. Speaker, the days of experimentation insofar as the Diesel engine is concerned are behind us. What we want now is not only a navy second to none but a merchant marine second to none. That can be accomplished by the construction of vessels of the best and most efficient type, fitted and equipped with the most modern, most efficient, and the most economical engines, machinery, and commercial appliances. It has been demonstrated the most efficient and economical engines are Diesels. Nothing but Diesels should be installed in our new cargo ships and transports, and we should also start placing them in Navy vessels.

Mr. COCHRAN asked and was given permission to extend his remarks and to include therein certain statements of Admiral Land before a Senate committee.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement by Gov. Roy E. Ayers, of Montana, before the Interstate and Foreign Commerce Committee.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a speech made by me in Chicago at a road convention, relative to highways.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

WESTERN OR OLD SETTLER CHEROKEES

Mr. ROGERS of Oklahoma. Mr. Speaker, the matter provided for in the bill (H. R. 4498) for the relief of the Western or Old Settler Cherokees, and for other purposes, has been taken care of in the Deficiency Act of August 9, 1939, and I therefore ask unanimous consent that the bill may be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. McKEOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter received by me from the Polish American Council, Chicago, Ill., with reference to Polish relief in Poland.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALIFORNIA ORANGES

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, in a few minutes there will be delivered to the two cloakrooms some boxes of oranges which I have arranged to have come here from the very heart of the district which I represent. [Applause.]

I hope that everybody will enjoy the oranges and I hope, as you eat them, you will remember the contributions that California has made to the welfare of the United States and the contribution that she is now making, and as we come to you from time to time to appeal to you to understand our problems, that you may remember the sweetness of these oranges and that it may symbolize in your mind the good will of our great State. [Applause.]

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an

article that appeared in the Foreign Service magazine entitled "Legislative Hurdles."

The SPEAKER. Is there objection?

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short editorial on the subject of freight rates.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Atlanta Constitution.

The SPEAKER. Is there objection?

There was no objection.

CALIFORNIA YOUTH LEGISLATURE

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks by printing a certain resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I hold in my hand a resolution adopted by the State Council of the California Youth Legislature at their meeting held in Fresno, Calif., February 3 and 4, 1940. This resolution opposes Army recruiting within the National Youth Administration.

I wish to state that I agree with these young people in their opposition to such practice. When I recall that there is a great demand to militarize the C. C. C., and that both the N. Y. A. and C. C. C. are made up of those who come from the lowest economic strata of society, I become alarmed at the trend.

Is it possible that we are planning to make cannon fodder of those whom industry and commerce cannot use? Is the Army going to be allowed to send smooth-talking recruiting officers into the midst of these young people, most of whom are busily engaged in completing their education? Are these young folks to be talked into enlisting into the service at the expense of the betterment of their mental training?

I do not wish to be misunderstood. I am not opposed to Army service. We need a well-trained Army in these troubled times.

What I am opposed to is the trend toward making one class of our society bear the burden for all classes. These young people who by accident of birth are the children of parents of victims of a fast-changing society should not bear the burden of protecting the lives and property of other young folk whose parents still are fortunate enough to have a fortune or a job. If the national safety demands recruits and the Army is unable to get them through the regular channels let us go about the matter in a way in keeping with a democracy. Let us not take advantage of the unfortunate situation of these people and induce them to do something they might regret for the remainder of their lives. After all, this business of being a soldier is a pretty serious undertaking these days.

There are those who claim that it is a great privilege to have the training that the Army gives and that the children of the poor are fortunate, indeed, to have the opportunity. To these I say, "If it is a good thing for the poor it is equally good for the well-to-do and the rich," and a cross section of all society should be the recipient of all the benefits this training affords. I would much prefer conscription to such undemocratic method as is to be used. Even Hitler plays no favorites when it comes to bearing the military burden.

I compliment the California Youth Legislature for its alertness in detecting undemocratic trends.

Resolution adopted by State Council of California Youth Legislature, meeting in Fresno, February 3–4, 1940, on Army recruiting and National Youth Administration

Whereas Army recruiting officers have been given the authority to demand and obtain from the National Youth Administration complete lists of the youth workers employed by National Youth Administration at any time, for the purposes of recruiting them into the Army; and

Whereas upon the demand of the Army, the National Youth Administration is to arrange and sponsor meetings of its youth employees, so that Army representatives may come to them for the purpose of recruiting them into the Army; and

Whereas such control by the Army of the civilian departments of the Government constitutes a threat to democratic government, the beginning of military regimentation of government administration; and

Whereas such control further constitutes the start of the militarization of American youth, and therefore is a threat to the freedom and civil rights of young people; and

Whereas the President of the United States is responsible for the administration of the Army and the National Youth Administration; and even he has not the right to so alter the purposes and functions of the National Youth Administration, which are defined by law as for the relief of needy young people; and

Whereas we vigorously oppose all steps toward militarization of the American people: Therefore, be it

Resolved, That the State Council of the California Youth Legislature demand that:

1. National Youth Administrator Williams instantly withdraw his order authorizing the furnishing of lists by National Youth Administration to the Army; and authorizing the use of National Youth Administration for other military purposes.

2. The Secretary of War forbid the intrusion of his subordinates into the operation of the civilian departments.

3. The President issue appropriate orders to carry out the foregoing, and notify the employees of National Youth Administration of his action, so they will be able to resume their work and study with reasonable hope and security; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Vice President, the Speaker of the House of Representatives, the administrators of the Federal Security Agency, and the National Youth Administration, and the National Youth Administration of California; and to Mrs. Eleanor Roosevelt; the American Youth Congress; and the press.

REPUBLICAN CONVENTION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, the Republican Party is evidently going to hold its convention in the dark this year. They have just issued a long document, a preliminary platform, in which they completely dodge the power question, except to attack the T. V. A. and its yardstick, about which they show they know practically nothing, offer no relief from the exorbitant electric light and power rates the people are now paying, and promise no help for rural electrification, a matter in which farmers are most vitally interested.

I submit that this document ought to be published in Braille so that they can read it in the dark in their convention, because if they follow out the policy this platform indicates they would impose on the American people; that convention will be a complete blackout. [Applause.]

EXTENSION OF REMARKS

Mr. RODGERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief communication from a businessman on the business situation.

The SPEAKER. Is there objection?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a speech I delivered at Fremont, W. Va.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an article from the Bel Air Daily Leader of January 22, 1940.

The SPEAKER. Is there objection?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks by printing a copy of a speech I delivered at Chattanooga, Tenn., in celebration of Lincoln's Birthday, and likewise by printing a copy of a resolution or memorial relating to the late Representative J. Will Taylor.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two short editorials.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address delivered by Mr. Frank Gannett.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. SNYDER. Mr. Speaker, I was granted consent to address the House today at the conclusion of the legislative program. I ask unanimous consent that that privilege be moved up to Friday, February 23.

The SPEAKER. Is there objection?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

SCHOOL FUNDS FOR WAPATO SCHOOL DISTRICT NO. 54, YAKIMA COUNTY, WASH.

The Clerk called the first bill on the Consent Calendar, (H. R. 3824) to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PAYMENT OF NECESSARY EXPENSES INCURRED BY QUINAIELT INDIANS

The Clerk called the next bill, H. R. 2654, authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 643, may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to pay the attorneys of record for those Quinaielt Indians who received their allotments on the Quinaielt Reservation, State of Washington, pursuant to judgments or decrees of a United States district or appellate court in a case wherein they were named parties plaintiff, the reasonable and fair value of the services rendered and expenses incurred, as heretofore fixed and determined by said Secretary; and the sum of $35,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, to make said payments, the amount so paid for the account of each allottee to be reimbursed to the United States out of any funds now or hereafter accruing to the account of each such Indian allottee from the sale of his or her allotment, or the timber thereon.

Mr. COSTELLO. Mr. Speaker, I offer an amendment to the Senate bill to make it conform to the House bill.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 2, line 1, strike out "$35,000" and insert in lieu thereof "$28,400.10."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 2654) was laid on the table.

RAILROADS IN THE TERRITORY OF ALASKA

The Clerk called the next bill, H. R. 4868, to amend the act authorizing the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING CERTAIN OFFICERS OF THE UNITED STATES INDIAN SERVICE TO MAKE ARRESTS

The Clerk called the next bill, H. R. 5409, to authorize certain officers of the United States Indian Service to make arrests in certain cases, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

SPECIAL MEXICAN CLAIMS COMMISSION

The Clerk called the next bill, H. R. 1821, to provide for the payment in full of the principal of awards of the Special Mixed Claims Commission.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, this is a very meritorious bill. It has been on the calendar for a long time. Many American citizens who suffered damages and financial loss are very much interested in the passage of this bill. It has been passed over two or three times now. This is a bill in which many people throughout this country are deeply interested. Unless my friend has some objection to the bill itself, I hope he will not press his unanimous-consent request.

Mr. WOLCOTT. I hope the gentleman will indulge me. He has caught me somewhat unaware, because my notes on it are in my office, but I think I could convince the gentleman if I had my notes here that there were valid objections. I wish the gentleman would not object to letting it go over without prejudice. If the gentleman will confer with me later, possibly he can remove some of the objections I have before the calendar is called next time. I am very willing to take into consideration the gentleman's suggestions.

Mr. McCORMACK. Of course, in view of the gentleman's statement, I will not object on this occasion.

Mr. FISH. May I inquire of the gentleman what his views are on this bill, because I sometimes agree with him and I would like to know whether I agree with him now.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, the fact that my friend from New York admits that he sometimes agrees with me is accepted by me as the highest compliment that I could receive. I will be frank and say that I agree with the gentleman from New York frequently.

Mr. FISH. Then I am sure we must be in accord. What is this discussion we are now engaged in?

Mr. McCORMACK. Is not the gentleman aware of the parliamentary situation?

Mr. FISH. No. I would like to be led by the distinguished gentleman once in a while. I am trying to get the facts.

Mr. McCORMACK. The gentleman followed me the other day, and I think we were both in a good cause.

Mr. FISH. And we will win in the end, because we are right, and righteousness and truth always prevail.

Mr. McCORMACK. I think so, because diplomatic relations, for all practical purposes, were broken with Russia by the recent speech of the Chief Executive.

I think the bill is a good one. It is to recompense American citizens who received damages years ago, or the heirs of those killed or who have died. It came out of the gentleman's Committee on Foreign Affairs. It has been passed over three times. I think it is a meritorious bill.

Mr. FISH. How much money does this involve?

Mr. McCORMACK. I am informed the amount of the bill is $2,598,000.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. THOMASON. To my mind, it is not so much a question of the amount of the claim as it is the justness of the claim. I have personal knowledge of many of these claims and acquaintance with a lot of the people along the Mexican border who sustained serious losses. Some of my constituents in El Paso and along the Mexican border have waited patiently for years for action in this matter. The Committee on Foreign Affairs has approved this bill. My recollection is that a similar bill has passed the Senate. It seems to me that in all fairness and in all justice some action ought to be taken. These people have a right to know whether they are ever going to recover some of the money to which they are justly entitled. These claimants are innocent in the matter, and it is only fair that the bill be taken up and also debated and voted upon. I hope my friend will not object.

Mr. FISH. Does this include the claim of the Illinois Central Railroad?

Mr. THOMASON. I am not sure who all the claimants are, for I do not have the bill before me at this minute. I do know that many American citizens sustained losses and have never received a cent. They are entitled to have this bill heard and considered. I know that it has much merit in it.

Mr. FISH. Is this the bill that requires the United States to dig into the Federal Treasury and pay out money that some foreign government has never paid us? If that is the precedent we are setting, I am absolutely against this bill and find myself forced against my will to differ with my friend from Massachusetts, whom I like so much.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BLOOM. The gentleman from New York [Mr. FISH] knows that this is a bill that has been taken up by the committee. I believe the gentleman from New York voted for it. It covers claims that have been brought before the Department and of which they have approved. There is no reason why this bill should not go through at the present time.

The regular order was demanded.

The SPEAKER. The regular order is demanded. The regular order is, Is there objection to the request of the gentleman from Michigan that the bill be passed over without prejudice?

Mr. McCORMACK. Mr. Speaker, under reservation of objection, I may state that I have no objection to the bills going over this time, but the next time it comes up I will object to a similar request.

Mr. FISH. Mr. Speaker, under those conditions I object to the request. We might as well bring the matter to a head now.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FISH, Mr. COSTELLO, and Mr. CHURCH objected.

SAN FRANCISCO BAY EXPOSITION

The Clerk called the next business, House Joint Resolution 242, to authorize the appropriation of an additional sum of $606,650 for Federal participation in the world's fair to be held by the San Francisco Bay Exposition, Inc., in the city of San Francisco during the year 1939.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this joint resolution be stricken from the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MEXICAN CLAIMS

The Clerk called the next bill, S. 326, for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Michigan?

There was no objection.

ANNUAL AND SICK LEAVE OF CERTAIN POSTMASTERS

The Clerk called the next bill, H. R. 5784, to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That every classified civil-service employee in a first- or second-class post office who shall be appointed to the position of postmaster shall retain to his credit whatever amount of sick leave and vacation time is properly due him on the date of his appointment to the position of postmaster: *Provided*, That such accumulated sick leave and vacation time shall be transferred to the credit of the employee as of the date of his appointment as postmaster in the same manner as the time might have been utilized by him before appointment: *Provided further*, That this act shall be retroactive to the extent that every postmaster at a first- or second-class post office who shall have received appointment as postmaster while an employee of the classified civil-service and who shall hold the position of postmaster on the date this act becomes effective, shall be entitled to the benefits of the act and shall be credited with the amount of accumulated sick leave and vacation time which was due him on the date of his appointment as postmaster: *Provided further*, That all laws and parts of laws inconsistent with this act shall be repealed.

With the following committee amendments:

On page 1, lines 3 and 4, strike out the words "in a first- or second-class post office".

On page 2, line 13, strike out the words "shall be" and insert in lieu thereof the words "are hereby".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

MERITORIOUS SERVICE MEDAL FOR CIVIL SERVICE OFFICERS AND EMPLOYEES

The Clerk called the next bill, S. 1582, to authorize the President to bestow a meritorious service medal upon civil-service officers and employees of the United States, and for other purposes.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey [Mr. KEAN]?

Mr. FADDIS and Mr. RAMSPECK objected.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. COSTELLO, and Mr. FADDIS objected.

GOOD BEHAVIOR OF UNITED STATES DISTRICT JUDGES

The Clerk called the next bill, H. R. 5939, to provide for trials of and judgments upon the issue of good behavior in the case of certain Federal judges.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

ERECTION OF MONUMENT TO MEMORY OF FATHER PIERRE GIBAULT

The Clerk called the next business, House Joint Resolution 219, to provide for the erection of a monument to the memory of the patriot priest, Father Pierre Gibault.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the sum of $50,000 be, and the same is hereby, authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the erection of a monument to the memory of the patriot priest, Father Pierre Gibault, at Cahokia, in the State of Illinois, with the advice of the Commissioner of Fine Arts. The said sum shall be expended under the direction of the Secretary of the Interior: *Provided*, That the county of Saint Clair or the citizens thereof shall cede and convey to the United States such suitable site as may in the judgment of the Secretary of the Interior be required for said monument: *And provided further*, That the United States shall have no responsibility for the care and upkeep of the monument.

With the following committee amendment:

Page 1, line 8, strike out "Commissioner" and insert "Commission."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PASSAMAQUODDY TIDAL POWER

The Clerk called the next business, Senate Joint Resolution 57, authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this joint resolution may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

EXPEDITIOUS SETTLEMENT OF DISPUTES WITH THE UNITED STATES

The Clerk called the next bill, H. R. 6324, to provide for the more expeditious settlement of disputes with the United States, and for other purposes.

Mr. COSTELLO. Mr. Speaker, in view of the fact a rule has been requested for the consideraton of this bill, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. COSTELLO]?

There was no objection.

ADDITIONS TO SEQUOIA NATIONAL FOREST, CALIF.

The Clerk called the next bill, H. R. 1790, to authorize additions to the Sequoia National Forest, Calif., through exchanges under the act of March 20, 1922, or by proclamation or Executive order.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

CROP INSURANCE FOR COTTON

The Clerk called the next bill, H. R. 6972, to amend the Federal Crop Insurance Act.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

OSAGE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6314, authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

CHOCTAW AND CHICKASAW INDIANS LEASING OF UNDEVELOPED COAL AND ASPHALT DEPOSITS

The Clerk called the next bill, H. R. 7135, to authorize the leasing of undeveloped coal and asphalt deposits of the Choctaw and Chickasaw Nations in Oklahoma.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized to lease any of the unsold and undeveloped coal and asphalt deposits of the Choctaw and Chickasaw Nations in Oklahoma, in accordance with the terms of the act of April 21, 1932 (47 Stat. 88), except as otherwise provided herein, and under such rules and regulations as he may prescribe. Leases made under this act may be for any term not to exceed 15 years.

SEC. 2. That the rate of royalty in coal leases made under this act shall not be less than 10 cents per ton on all coal mined, including what is commonly known as slack: *Provided*, That such leases shall require the mining of a minimum of 1,000 tons each year the first and second years after approval of the lease, 3,000 tons the third year, 5,000 tons the fourth year, and 15,000 tons the fifth and each succeeding year thereafter, or the payment of royalty thereon the same as if the coal had actually been mined: *Provided further*, That the lessee shall pay as advance royalty on each lease the sum of $100 each year for the first and second years, $300 for the third year, and $500 for the fourth and each year thereafter. The advance royalty paid for any year may be credited on the royalty becoming due on coal mined during the year for which said advance royalty has been paid, but shall not be credited on royalty on coal mined in any previous or subsequent year.

SEC. 3. That the rate of royalty in asphalt leases made under this act shall not be less than 15 cents per ton on all crude asphalt mined: *Provided*, That such leases shall require the mining of a minimum of 10,000 tons the first year after approval of the lease and 15,000 tons each year thereafter, or the payment of royalty thereon the same as if the asphalt had been mined: *Provided further*, That the lessee shall pay as advance royalty on each lease the sum of $500 in advance for each year. The advance royalty paid for any year may be credited on the royalty becoming due on asphalt mined during the year for which said advance royalty had been paid but shall not be credited on royalty on asphalt mined in any previous or subsequent year.

SEC. 4. That the act of April 21, 1932 (47 Stat. 88), is hereby amended to provide that leases made thereunder may be for any term not to exceed 15 years.

With the following committee amendment:

Page 1, line 4, after the word "lease", insert "to the highest responsible competitive bidder."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL UNITED STATES JUDGES

The Clerk called the next bill, H. R. 7079, to provide for the appointment of additional district and circuit judges.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. VREELAND, and Mr. CHURCH objected.

PROCUREMENT OF AIRCRAFT FOR NATIONAL DEFENSE

The Clerk called the next bill, H. R. 7267, to facilitate the procurement of aircraft for the national defense.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 2868, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That, until June 30, 1941, whenever contracts are to be awarded as a result of competitive bids for furnishing the War Department or the Navy Department with aircraft, aircraft parts, and accessories therefor, the Secretary of War or the Secretary of the Navy is authorized to award a contract for the aircraft, aircraft parts, and accessories to be purchased as a result of any such competition to the bidder that the said Secretary shall find to be the lowest responsible bidder that can satisfactorily perform

the work or service required to the best advantage of the Government, or in his discretion and when such action is considered necessary by the said Secretary in the interest of the national defense, to award contracts for such aircraft, aircraft parts, and accessories to such bidders, not exceeding three in number, as said Secretary shall find to be the lowest responsible bidders that can satisfactorily perform the work or the service required to the best advantage of the Government. The determinations as to such multiple awards and the necessity for making the same shall be based upon quality, times and rate of delivery, price, and the prevention of the overloading of a plant or plants, and such division of awards shall be made only when found by the said Secretary to be in the interest of the national defense: *Provided*, That no awards shall be made at prices in excess of those offered by the bidders in any such competition, and that the decision of the Secretary of the Department concerned as to the award of any such contract, or contracts, the interpretation of the provisions thereof, and the application and administration of the same shall not be reviewable, otherwise than as may be therein provided for, by any officer or tribunal of the United States except the President and the Federal courts: *Provided further*, That a report shall be made to the Congress by the Secretary of the Department concerned in the the case of any competition as a result of which quantity contracts are entered into under authority of this act with more than one bidder immediately upon the execution of such contracts, setting forth the articles purchased, the prices paid therefor, the name or names of each bidder and of each contractor receiving a contract, and the particular reasons for awarding each of such contracts: *Provided further*, That any contract entered into under the authority hereby granted for the construction of any complete aircraft or any portion thereof shall be subject to the applicable profit-limitation provisions of the act of March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926), and as further amended by the act of April 3, 1939 (Public, No. 18, 76th Cong.): *Provided further*, That procurement of aircraft, aircraft parts, and accessories therefor shall be made under authority of this act only when in the opinion of the Secretary of the Department concerned such action is necessary in the public interest: *Provided further*, That the authority herein granted shall not be construed to abrogate, repeal, or suspend any of the provisions of Revised Statutes (3709, U. S. C. 41: 5), the act of March 2, 1901 (31 Stat. 905), the act of July 2, 1926 (44 Stat. 787), section 14 of the act of April 3, 1939 (Public, No. 18, 76th Cong.), or of the act of July 13, 1939 (Public, No. 168, 76th Cong.), or to prohibit the award of any contracts in any manner now authorized by law, but shall be construed as additional legislation to be utilized under the conditions herein set forth during the effective period of this act: *And provided further*, That this act shall be applicable under the conditions herein set forth to awards of contracts upon which competitive bids have been heretofore requested or received but as a result of which contracts have not been awarded.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 7267) was laid on the table.

NATIONAL MISSISSIPPI RIVER PARKWAY

The Clerk called the next bill, H. R. 3759, to authorize a National Mississippi River Parkway and matters relating thereto.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ESTABLISHING A NATIONAL LAND POLICY

The Clerk called the next bill, H. R. 1675, to establish a national land policy and to provide homesteads free of debt for actual farm families.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. BURDICK. I object to the request, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, this bill calls for a total cost of $120,000,000 annually. I believe it is too important a bill to be considered on the Consent Calendar. For that reason I object.

KIOWA, COMANCHE, AND APACHE TRIBES JURISDICTIONAL ACT

The Clerk called the joint resolution (H. J. Res. 290) referring the claims of the Kiowa, Comanche, and Apache Tribes of Indians in Oklahoma to the Court of Claims for finding of fact and report to Congress.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BRIDGE OR FERRY ACROSS THE RIO GRANDE AT BOCA CHICA, TEX.

The Clerk called the next bill, H. R. 3138, authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande River at Boca Chica, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate international commerce, improve the Postal Service, and for other purposes, J. E. Pate, his successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge or ferry and approaches thereto across the Rio Grande River, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near Boca Chica, Tex., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject also to the approval of the International Boundary Commission, United States and Mexico, El Paso, Tex., and of the proper authorities in the Republic of Mexico.

SEC. 2. There is hereby conferred upon J. E. Pate, his successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of Texas needed for the location, construction, operation, and maintenance of such bridge or ferry and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Texas upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said J. E. Pate, his successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge or ferry in accordance with any laws of Texas applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to J. E. Pate, his successors and assigns; and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 1, line 7, after "Rio Grande", strike out "River."

Page 3, after line 9, insert a new section, as follows:

"SEC. 5. J. E. Pate, his successors and assigns, shall promptly provide and maintain, without expense to the Government, such suitable and conveniently located facilities as may be reasonably necessary to enable the Federal agency or agencies, stationed at the bridge or ferry, to discharge properly its, or their, legal functions relating to the regulation and supervision of commerce with foreign nations. The suitability and convenience of location of the facilities shall be determined by the head of the Federal agency concerned. The word 'facilities' as used in this act means inspection quarters, together with heat, light, and sanitation facilities. In the event of the neglect, failure, or refusal to furnish facilities in pursuance of the provisions of this act, the head of any department affected by such neglect, failure, or refusal is hereby authorized to close the bridge or ferry to all traffic until such time as the said facilities shall have been furnished."

Page 4, line 1, strike out "5" and insert "6."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande at Boca Chica, Tex."

A motion to reconsider was laid on the table.

DEVIL'S DEN SPRINGS, GA.

The Clerk called the next bill, H. R. 4040, declaring Devil's Den Springs, in Decatur County, Ga., to be nonnavigable.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TOLL BRIDGE ACROSS THE MISSOURI RIVER AT OR NEAR FLORENCE STATION, CITY OF OMAHA, NEBR.

The Clerk called the next bill, H. R. 7069, authorizing Douglas County, Nebr., to construction, maintain, and operate a toll bridge across the Missouri River at or near Florence Station, in the city of Omaha, Nebr.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

CHANGING THE DESIGNATION OF ABRAHAM LINCOLN NATIONAL PARK, KY., AND THE FORT M'HENRY NATIONAL PARK, MD.

The Clerk called the next bill, H. R. 5573, to change the designation of Abraham Lincoln National Park, in the State of Kentucky, and the Fort McHenry National Park, in the State of Maryland.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Reserving the right to object, Mr. Speaker, it is my understanding that a Senate bill (S. 2046) has been passed and is now public law 383, which deals with the same item contained in this bill. As a result, I do not believe this legislation will be necessary. For that reason, I ask unanimous consent that the bill be stricken from the calendar and laid on the table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

RETIREMENT OF EMPLOYEES OF LAND-GRANT COLLEGES

The Clerk called the next bill, S. 1850, to aid the States and Territories in making provisions for the retirement of employees of the land-grant colleges.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, pursuant to the recognized obligations of governments to guarantee the social security of their employees and in order to provide for the retirement on an annuity, or otherwise, of all persons being paid salaries in whole or in part from grants of Federal funds to the several States and Territories pursuant to the terms of the Act approved July 2, 1862, for the endowment and support of colleges of agriculture and mechanic arts, and acts supplementary thereto providing for instruction in agriculture and mechanic arts, for the establishment of agricultural experiment stations, and for cooperative extension work in agriculture and home economics, all States and Territories are hereafter authorized, notwithstanding any contrary provisions in said acts, to withhold from expenditure, from Federal funds advanced under the terms of said acts, amounts designated as employer contributions to be made by the States or Territories to retirement systems established in accordance with the laws of such States or Territories, or established by the governing boards of colleges of agriculture and mechanic arts in accordance with the authority vested in them, and to deposit such amounts to the credit of such retirement systems for subsequent disbursement in accordance with the terms of the retirement systems in effect in the respective States and Territories: *Provided*, That there shall not be deducted from Federal funds and deposited to the credit of retirement accounts as employer contributions, amounts in excess of 5 percent of that portion of the salaries of employees paid from such Federal funds: *Provided further*, That, for the purpose of making deposits and contributions in retiremcnt systems in favor of any employee, in no event shall the deductions from any Federal fund advanced pursuant to the foregoing acts be in greater proportion to the total deductions for such employee than the salary received under such Federal funds bears to the total salary from Federal sources: *Provided further*, That the deposits and contributions from funds of Federal origin to any retirement system established by a State or a land-grant college must be at least equaled by the total contributions thereto on the part of the individuals concerned, the State, and the counties: *And provided further*, That no deductions for the foregoing purposes shall be made from Federal funds in support of employees appointed pursuant to the terms of the foregoing acts, whose salaries are paid wholly by the States or Territories: *Provided further*, That the provisions of this act shall not apply to any employee paid in whole or in part from Federal funds who may be subject to the United States Civil Service Retirement Act, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OSAGE TRIBE OF INDIANS

The Clerk called House Joint Resolution 288 authorizing the Osage Tribe of Indians to submit claims to the Court of Claims.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. BURDICK. Mr. Speaker, I object to that request.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. COCHRAN, and Mr. COSTELLO objected.

LIMITATION OF PRESENT LAWS WITH RESPECT TO COUNSEL IN CERTAIN CASES

The Clerk called the next bill, H. R. 7032, to limit the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RELIEF OF INDIANS WHO HAVE PAID TAXES ON ALLOTTED LANDS

The Clerk called the next bill, H. R. 952, for the relief of Indians who have paid taxes on allotted lands for which patents in fee were issued without application by or consent of the allottees and subsequently canceled, and for the reimbursement of public subdivisions by whom judgments for such claims have been paid.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. BURDICK. Mr. Speaker, I object to that request.

Mr. COCHRAN. I may say that I am doing this at the request of the author of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COCHRAN, Mr. COSTELLO, and Mr. CHURCH objected.

SISSETON AND WAHPETON BANDS OF SIOUX INDIANS

The Clerk called the next bill, H. R. 793, authorizing payment to the Sisseton and Wahpeton Bands of Sioux Indians for certain lands ceded by them to the United States by a treaty of July 23, 1851.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. BURDICK. Mr. Speaker, I object to that request.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. CHURCH, and Mr. COSTELLO objected.

ANNUAL AND SICK LEAVE FOR GOVERNMENT EMPLOYEES

The Clerk called the next bill, H. R. 1975, to amend the Annual and Sick Leave Acts of March 14, 1936.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2876) be substituted for the House bill.

There being no objection, the clerk read the Senate bill as follows:

Be it enacted, etc., That the days of annual leave with pay provided for in the act of March 14, 1936 (49 Stat. 1161), and the days of sick leave with pay provided for in the act of March 14, 1936 (49 Stat. 1162), shall mean days upon which employees would otherwise work and receive pay, and shall be exclusive of Sundays which do not occur within a regular tour of duty, holidays, and all nonwork days established by Federal statute or by Executive or administrative order.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 1975) was laid on the table.

ABLE SEAMEN ON SAILING VESSELS

The Clerk called the next bill, H. R. 7339, to exempt sail vessels from the provisions of section 13 of the act of March 4, 1915, as amended, requiring the manning of certain merchant vessels by able seamen, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That no provision of section 13 of the act of March 4, 1915, as amended (U. S. C., 1934 edition, Supp. IV, title 46, sec. 672), relating to the manning of certain vessels with respect to able seamen, shall apply to any sail vessel: *Provided, however*, That at least 65 percent of the deck crew of any sail vessel operating on the high seas shall be composed of persons who have served for a period of not less than 6 months in the deck crew of sail vessels to which this act applies: *Provided, however*, That the exemption of sail vessels from the provisions of section 13 of the Seamen's Act of March 4, 1915, as amended, shall not apply to sail vessels carrying passengers for hire.

With the following committee amendment:

Page 1, following line 14, insert a new section to be known as section 2, as follows:

"SEC. 2. Any violation of this act by the owner, master, or officer in charge of the vessel shall subject the owner of such vessel to a penalty of not less than $100 and not more than $500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLLISIONS OF VESSELS

The Clerk called the bill (H. R. 7420) to amend laws for preventing collisions of vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That article 11 of section 1 of the act of June 7, 1897 (U. S. C., 1934 ed., title 33, sec. 180), be, and is hereby, amended to read as follows:

"ART. 11. A vessel under 150 feet in length when at anchor shall carry forward, where it can best be seen, but at a height not exceeding 20 feet above the hull, a white light in a lantern so constructed as to show a clear, uniform, and unbroken light visible all around the horizon at a distance of at least 1 mile: *Provided*, That the Secretary of Commerce may, after investigation, designate such areas as he may deem proper as 'special anchorage areas'; such special anchorage areas may from time to time be changed, or abolished, if after investigation the Secretary of Commerce shall deem such change or abolition in the interest of navigation: *Provided further*, That vessels not more than 65 feet in length when at anchor in any such special anchorage area shall not be required to carry or exhibit the white light required by this article.

"A vessel of 150 feet or upward in length, when at anchor, shall carry in the forward part of the vessel, at a height of not less than 20 and not exceeding 40 feet above the hull, one such light, and at or near the stern of the vessel, and at such a height that it shall be not less than 15 feet lower than the forward light, another such light.

"The length of a vessel shall be deemed to be the length appearing in her certificate of registry.

"A vessel aground in or near a fairway shall carry the above light or lights and the two red lights prescribed by article 4 (a)."

SEC. 2. Rule 9 of section 1 of the act of February 8, 1895, as amended (U. S. C., 1934 ed., title 33, sec. 258), be, and is hereby, amended to read as follows:

"RULE 9. A vessel under 150 feet register length, when at anchor, shall carry forward, where it can best be seen, but at a height not exceeding 20 feet above the hull, a white light constructed so as to show a clear, uniform, and unbroken light visible all arcund the horizon at a distance of at least 1 mile: *Provided*, That the Secretary of Commerce may, after investigation, designate such areas as he may deem proper as 'special anchorage areas'; such special anchorage areas may from time to time be changed, or abolished, if after investigation the Secretary of Commerce shall deem such change or abolition in the interest of navigation: *Provided further*, That vessels not more than 65 feet in length, when at anchor, in any such special anchorage area shall not be required to carry or exhibit the white light required by this article.

"A vessel of 150 feet or upward in register length, when at anchor, shall carry in the forward part of the vessel two white lights at the same height of not less than 20 and not exceeding 40 feet above the hull and not less than 10 feet apart horizontally and athwartships, except that each need not be visible all around the horizon but so arranged that one or the other, or both, shall show a clear, uniform. and unbroken light and be visible from any angle of approach at a distance of at least 1 mile; and at or near the stern of the vessel two similar lights, similarly arranged and at such a height that they shall not be less than 15 feet lower than the forward lights. In addition the four anchor lights above specified, at least one white deck light shall be displayed in every interval of 100 feet along the deck, measuring from the forward lights, said deck lights to be not less than 2 feet above the deck and arranged, so far as intervening structures will permit, so as to be visible from any angle of approach."

SEC. 3. Rule 10 of section 4233 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 33, sec. 319), be, and is hereby, amended to read as follows:

"RULE 10. All vessels, whether steam vessels or sail vessels, when at anchor in roadsteads or fairways, shall, between sunset and sunrise, exhibit where it can best be seen, but at a height not exceeding 20 feet above the hull, a white light in a globular lantern of 8 inches in diameter, and so constructed as to show a clear, uniform, and unbroken light, visible all around the horizon, and at a distance of at least 1 mile: *Provided*, That the Secretary of Commerce may, after investigation, designate such areas as he may deem proper as 'special anchorage areas'; such special anchorage areas may from time to time be changed, or abolished, if after investigation the Secretary of Commerce shall deem such change or abolition in the interest of navigation: *Provided further*, That vessels not more than 65 feet in length when at anchor in any such special anchorage area shall not be required to carry or exhibit the white light required by this article."

With the following committee amendments:

Page 1, line 12, strike out the word "Commerce" and insert the word "War";

Page 2, line 1, following the comma after the word "investigation" insert the following: "by rule, regulation, or order,";

Page 2, line 4, strike out the word "Commerce" and insert the word "War";

Page 2, strike out lines 19 to 21, inclusive;

Page 3, line 7, strike out the word "Commerce" and insert the word "War";

Page 3, line 7, following the comma after the word "investigation" insert the following: "by rule, regulation, or order,";

Page 3, line 11, strike out the word "Commerce" and insert the word "War";

Page 4, line 21, strike out the word "Commerce" and insert the word "War";

Page 4, line 21, following the comma after the word "investigation" insert the following: "by rule, regulation, or order,";

Page 4, line 24, strike out the word "Commerce" beginning at the end of that line and continuing on page 5, line 1, and insert the word "War."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MARKERS FOR CERTAIN GRAVES

The Clerk called the bill (H. R. 8083) to authorize the Secretary of War to furnish certain markers for certain graves.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any provision of existing law the Secretary of War is authorized to furnish, upon application, for use on graves in cemeteries where stone markers are not acceptable, a headstone or marker of such standard design and material as may be approved by him, within the limit of prevailing costs of the standard World War type headstone, for the grave of any deceased person for which the Secretary of War is authorized to furnish a marker or headstone: *Provided*, That the Secretary of War shall furnish the upright stone marker, authorized by section 4877 of the Revised Statutes, for cemeteries under the jurisdiction of the Secretary of War.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRAVEL EXPENSES OF CERTAIN CIVILIAN OFFICERS, ETC.

The Clerk called the bill (H. R. 8151) to provide travel expenses of civilian officers and employees upon official change of station.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter any appropriations made available for expenses of travel of civilian officers and employees of the executive departments and establishments shall be available also for expenses of travel performed by them on transfer from one official station to another when authorized by the head of the department or establishment concerned: *Provided*, That such expenses shall not be allowed for any transfer effected for the convenience of the officer or employee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RADIO REQUIREMENTS FOR SHIPS ON GREAT LAKES

The Clerk called the bill (H. R. 7863) to amend section 602 (e) of the Communications Act of 1934, as amended,

relating to a study of radio requirements for ships navigating the Great Lakes and inland waters of the United States.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 602 (e) of the Communications Act of 1934, as amended (50 Stat. 197; U. S. C., 1934 ed. Supp. IV, title 47, sec. 602), is hereby amended by striking out the words "not later than December 31, 1939", and inserting in lieu thereof the words "as soon as practicable but not later than January 1, 1941".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AUTHORIZING MARITIME COMMISSION TO ACQUIRE CERTAIN LANDS, ST. PETERSBURG, FLA.

The Clerk called House Joint Resolution 424, to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla.

There being no objection, the Clerk read the joint resolution as follows:

Resolved, etc., That the United States Maritime Commission is hereby authorized, with funds in the construction fund of the Commission, to acquire on behalf of the United States by purchase, condemnation, or otherwise, and pay all costs incident to the examination, transfer, and perfecting of title to that certain tract of land aggregating 10.05 acres, more or less, situated and being in the county of Pinellas, State of Florida, together with the structures thereon, described as follows:

Beginning at the southeast corner of lot 4, block 22, Bayboro Addition, as recorded in plat book 3, pages 51 and 52, records of Pinellas County, Fla.; thence run south along the west line of Asbury Street South to a point 277.41 feet south; thence southeast on an angle of 45° to the left a distance of 969.16 feet; thence east on an angle of 44°57' to the left a distance of 395.4 feet; thence northwest on an angle of 124°42'34" to the left a distance of 970.38 feet to the farthest southwest corner of the wharf of the port of St. Petersburg, Fla.; thence west on an angle of 55°16'26" to the left a distance of 343.85 feet to the west line of First Street South; thence north on said west line of First Street South and on an angle of 89°56' to the right a distance of 164.3 feet to the southeast corner of lot 4, block 23, said Bayboro Addition; thence west on an angle of 89°46'42" to the left and on the south line of said lot 4, block 23, and continue west to the west line of Asbury Street South a distance of 185 feet to the point of beginning, all of said tract lying and being in the city of St. Petersburg, county of Pinellas, State of Florida.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BARRING CLAIMS AGAINST THE UNITED STATES

The Clerk called the bill (H. R. 8150) providing for the barring of claims against the United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

Mr. BURDICK. I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BURDICK, Mr. O'CONNOR, and Mr. CASE of South Dakota objected.

AMENDING CROP-LOAN LAW

The Clerk called the bill (H. R. 7878) to amend the crop-loan law relating to the lien imposed thereunder, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. DOXEY. Mr. Speaker, I ask the gentleman from Michigan to withdraw that request so that I may make an explanation under the reservation of an objection.

Mr. WOLCOTT. Mr. Speaker, I have read the bill and report very carefully and it seems to me that the bill is really a bill for the relief of the landlord. It secures the landlord's share and lessens the security of the Government. I think it so amends the policy with respect to these loans as to point to an entirely new policy with respect to crop loans. It is too important a bill to be taken up by unanimous consent.

Mr. DOXEY. Mr. Speaker, I appreciate the gentleman's statement and do not care to argue the matter other than to say that the first part of the bill just prevents the Farm Credit Administration from taking a lien on a farmer's particular crop as a whole. Just that crop that is financed with the proceeds of the loan is subject to the lien. As the law now stands his entire crop is subject to the lien. As I understand, it is the second portion of the bill to which the gentleman from Michigan objects—the elimination of the landlord's waiver of his lien. I do not ask the gentleman to withdraw his objection, but if he feels the bill should be objected to, I shall have to accede to his demand.

Mr. WOLCOTT. Possibly debate would clear up some of the objections that I have.

Mr. DOXEY. We did not have much objection in our committee. We gave this bill very thorough consideration. This bill was reported by our chairman, and I just wanted to know what was in the mind of the gentleman from Michigan so that we could clear it up, if possible, and pass this bill today.

Mr. WOLCOTT. Personally, I do not see why the landlord should not take a little chance along with the tenant on the loans which are made to capitalize his investment.

Mr. DOXEY. The principle and purpose is to enable the borrower to get the loan by putting up his interest in the crop, so that he does not have to be barred in case the landlord does not want to go along with him. It is all in the interest of the borrower. That is the simple explanation to this portion of the bill.

Mr. WOLCOTT. But I should think it would be very much to the interest of the landlord if he is relieved from having to put up his share as a part of the security for the loan.

Mr. DOXEY. It is a matter of negotiation between the borrower and the lender, of course. As the law now exists the landlord can block the sharecropper or tenant from getting any money at all from the Farm Credit Administration if he does not waive his lien. We are trying to eliminate that hardship on the tenant or sharecropper. That is the purpose of the bill.

Mr. WOLCOTT. I am sure if that is the case, as the gentleman says, that the Rules Committee will be pleased to grant a rule for the consideration of the bill.

Mr. DOXEY. I just rose for the purpose of trying to persuade the gentleman from Michigan to not object. It is time now to loan money on the crop, and time is quite an element in this bill. The Committee on Agriculture was anxious to have it passed on the Consent Calendar if possible. Of course, I appreciate the gentleman's position. I would like to have him withdraw his request that it be passed over, but if he does not, I yield to his judgment.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that the bill be passed over without prejudice?

There was no objection.

DISCRIMINATION AGAINST GRADUATES OF CERTAIN LAW SCHOOLS, ETC.

The Clerk called the next bill, S. 1610, to prevent discrimination against graduates of certain schools, and those acquiring their legal education in law offices, in the making of appointments to Government positions, the qualifications for which include legal training or legal experience.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. McLEAN. Mr. Speaker, reserving the right to object, if there is no explanation of this bill, I would ask that it go over without prejudice.

Mr. McCORMACK. Reserving the right to object, I may say that I have read the report with interest, because I was very much interested in this bill. There is a practice that has developed over the years in connection with civil-service

examinations for lawyers and doctors. While this bill does not cover doctors, I think it should cover the medical profession as well.

Mr. McLEAN. And economists?

Mr. McCORMACK. Well, anyone who is affected. I think the civil service should be open to everybody who meets the requirements and that the examination should be sufficiently difficult so that those only who are eminently qualified can pass. But there has been a system developed, unfortunately, where, as I understand it—and say this with some reservations, but I have had some exchange of letters with the Civil Service Commission in the past—where the Civil Service Commission permits considerable latitude to a department in writing the requirements of eligibility. True, the Civil Service Commission can disapprove the requirements, but it is very rare. As the result of the requirements written, the practical results are that only the graduates of certain schools, or men with certain experience, can qualify; the objective usually being—and I say this not in any harshly critical way, but from the angle of constructive criticism—to confine it to a small group. I think that all lawyers should be eligible to take civil-service examinations. I think all doctors should, and all others should.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. McLEAN. I yield.

Mr. LUTHER A. JOHNSON. This bill was introduced by the senior Senator from Texas [Mr. SHEPPARD], who is a very careful and conservative man in his views and never introduces legislation unless he knows the need of it. This bill passed the Senate. I am somewhat familiar with the need of the legislation. It grows out of the practice which I think has resulted in discrimination against graduates of smaller colleges and schools and in favor of selected groups of large colleges. It is not to give one group an advantage over another, but to treat all alike and let it rest upon educational qualifications, without favoritism. I think the principle enunciated is fair, and the bill ought to pass.

Mr. McLEAN. What is the use of encumbering the statutes with a lot of laws that we pay no attention to? We have a law on the statute books that provides that no lawyer who has been connected with the Government service shall be allowed to practice law against Government or in the departments for 2 years after he leaves the service. We have had about six or eight bills here to exempt certain individuals from the provisions of that law. Not only do we allow them to retire from the Government service and immediately engage in practice in matters where the Government is concerned and before the departments, but they have taken with them unfinished Government matters on which they had been engaged and they are continued in Government employ and are paid annual salaries while they are at the same time practicing law and taking business against the Government. I do not see why we should encumber our statutes with a lot of laws that mean nothing and to which we are going to pass exceptions not only for schools, but for particular individuals.

Mr. LUTHER A. JOHNSON. Permit me to say that I agree with the gentleman, that laws ought to be enforced. I am in favor of the enforcement of all laws. But I ask the gentleman from New Jersey, Are you going to invoke the doctrine that because some laws are not enforced you will force us later to correct an injustice or discrimination which is sought to be corrected here? It will do justice to those who come from the smaller as well as the larger colleges and the gentleman's sense of fairness should prevent him from objecting to this bill.

Mr. McLEAN. I would like to know more of the background of this bill, what is behind it, and the circumstances which brought it here.

Mr. McCORMACK. They have a list of certain law schools in this country from which certain individuals will be taken.

Mr. RAMSPECK. Mr. Speaker, will the gentleman from New Jersey yield?

Mr. McLEAN. I yield.

Mr. RAMSPECK. This bill arises out of a ruling made by an appointing officer in the Department of Agriculture. And right here I would like to correct an impression unintentionally made by the remarks of the gentleman from Massachusetts. It did not arise out of any civil-service procedure, but out of a rule made by an officer in the Department of Agriculture on non-civil-service jobs. He announced that he would not consider for any legal position any lawyer who had not graduated from a school approved by the American Association of Law Schools.

The Senate passed this bill to prevent the application of that rule, taking the position, which I think is sound, that it is not where a man gets his qualifications, but has he got them, that ought to be the test as to whether he can be employed by the Government.

The Civil Service Commission, while opposed to this bill, points out that it is in line in most cases with their practice. It is true that in a few cases for specialized legal work they have required certain educational qualifications.

The purpose of the bill is to prevent any appointing officer in the Government from setting up a rule that he will not take lawyers unless they come from a particular group of law schools.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I do not want anything I said to be construed as a criticism of the Civil Service Commission, because I have a profound respect for the Commission, its members, and the manner of administration.

Mr. RAMSPECK. I know the gentleman has.

Mr. McCORMACK. But I do say that within the past 2 years I had a situation where a young man, a doctor, who came up the hard way, unable to attend an outstanding medical school, but came up the hard way, studied nights, served his internship; yet as a result of requirements laid down in the department, and which the Civil Service Commission approved—I suppose they collaborate with the departments as to the requirements—this man and the group he represented—and there must be many throughout the country—were unable to take the examination.

I say we want the best men in the service, but no American should be barred from taking the examination. The examination should be hard enough, severe enough, and strict enough—and it can be made so—in order that only the best qualified and most learned of those aspiring can pass the examination. In other words, opportunity of application and examination should not, in my opinion, be denied to anyone.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Certainly.

Mr. RAMSPECK. I may say to the gentleman from Massachusetts that I agree with him 1,000 percent.

Mr. McCORMACK. Will the gentleman accept an amendment to include doctors also?

Mr. RAMSPECK. I have no objection to such an amendment. As a matter of fact, I have told the Commission time and time again that I did not believe they ought to announce an examination where they prohibited the substitution of experience for educational qualifications. I believe any man ought to be entitled to demonstrate his ability, regardless of whether he ever graduated from a school or college.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FADDIS. I understand that the necessity for this legislation is brought about because of the arbitrary decision of some bureaucrat here in this city that he will or will not appoint a man from such and such a school. Is that true?

Mr. McCORMACK. In effect, yes.

Mr. McLEAN. Mr. Speaker, further reserving the right to object, suggestions have been made that we include doctors, economists, social-service workers, dentists, and other groups. I think we ought to give this matter further study and have the bill passed over until we can perfect amendments to take care of these situations.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. McLEAN. I yield.

Mr. FADDIS. Does not the gentleman believe it is time the House took some definite action to prevent such peremptory action on the part of bureaucrats downtown?

Mr. McLEAN. Yes; and I think, also, it is time we stopped lawyers resigning from the Government service, taking Government business with them, continuing on the pay roll, and allowing them at the same time to take cases against the Government within the time limit of the law.

I press my request, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey [Mr. McLEAN]?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, and I will not object, I realize the gentleman's request is made from an angle that is favorable to legislation of this type and in order to enable more consideration of the bill by the Members. I personally favor the bill, but I believe it should be broadened.

Mr. McKEOUGH. Mr. Speaker, reserving the right to object, and I will not object, I am in sympathy with the idea of broadening the provisions of this act. In this connection I merely call attention to the fact that when this bill reached the House there was an amendment offered in the House Committee on the Civil Service striking out in lines 10, 11, and 12 a provision that no discrimination should apply to anyone taking an examination because of any racial or religious group or organization affiliations. I direct attention to that particular language of the Senate draft in the hope that when the bill is revised by the House Civil Service Committee the provision may be retained as passed in the Senate, because if we are going to provide for an inability on the part of these so-called bureaucrats to set up extralegal provisions which the Congress of the United States does not enact, I certainly claim that in keeping with the fundamental provisions of the Constitution of our country, no discrimination should apply to any citizen of this Nation seeking to enter the Government service because of racial or religious group or organization affiliations, and I hope that will be cared for when the committee revises this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey [Mr. McLEAN]?

Mr. MOSER. Mr. Speaker, I object. I may remark that this bill was reported unanimously by the House Committee on the Civil Service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. McLEAN. Mr. Speaker, I object.

AMENDMENT OF SERVICE PENSIONS ACTS

The Clerk called the next bill, H. R. 7147, to amend the service-pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in determining the period of active service for the purpose of the act of May 1, 1926 (Public Law No. 166, 69th Cong.), the act of June 2, 1930 (Public Law No. 299, 71st Cong.), and the act of May 24, 1938 (Public Law No. 541, 75th Cong.), granting service pensions to veterans and dependants of deceased veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition, continuous active service entered into during the War with Spain, the Philippine Insurrection, or the China Relief Expedition shall be included although part of such continuous service extended into either the Philippine Insurrection or the China Relief Expedition.

With the following committee amendment:

Page 1, line 10, after the word "Insurrection", strike out the word "and" and insert "or."

On page 2, after line 5, insert a new provision as follows: "Payments of benefits under the provisions of this act shall be effective the date of enactment thereof as to those persons on the rolls and as to claims pending on the date of enactment of this act. In all other cases awards of pension authorized hereunder shall be effective from date of application therefor after the date of enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILEAGE TABLES FOR UNITED STATES ARMY AND OTHER GOVERNMENT AGENCIES

The Clerk called the next bill, S. 506, relating to mileage tables for the United States Army and other Government agencies and to mileage allowances for persons employed in the offices of Members of House and Senate.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. CHURCH]?

There was no objection.

ESTABLISHMENT OF A GREENVILLE MEMORIAL COMMISSION

The Clerk called the next business, House Joint Resolution 385 establishing a Greenville Memorial Commission to formulate plans for the construction of a memorial building to commemorate the Treaty of Greene Ville at Greenville, Ohio.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas Greenville, Ohio, is the site of Fort Greene Ville, where was signed the famous Treaty of Greene Ville; and

Whereas the treaty thus negotiated in 1795, between General "Mad Anthony" Wayne and the Indians and signed by President George Washington and William Henry Harrison, aide de camp to General Wayne and later President of the United States, was one of the most important events in the life of our Nation; and

Whereas Greene Ville, named after General Wayne's Revolutionary compatriot, General Nathanael Greene, marked the headquarters from which General Wayne pressed on to victory over the Indians, caused the British to retire from Detroit and other lake points, and opened to peaceful invasion the entire territory north of the Ohio River and east of the Mississippi River, from which were formed the great States of Ohio, Indiana, Illinois, Michigan, Minnesota, and Wisconsin; and

Whereas the pledge of security given by the treaty stimulated emigration to a remarkable degree and made possible the founding of such outstanding cities as Chicago, Cincinnati, Cleveland, Detroit, Fort Wayne, Indianapolis, Milwaukee, Minneapolis, and many other great cities; and

Whereas the victory is considered the most complete and most important ever gained over the Northwestern Indians during the 40 years' warfare it put to an end, and actually terminated the Revolutionary War; and

Whereas the Treaty of Greene Ville made possible the onrush of Americans into the great Northwest Territory, laying the foundation of the United States as a world power; and

Whereas there are now housed in the Public Library of Greenville, Ohio, hundreds of mementos and trophies of this critical period of American history which should be placed in a suitable memorial building in order to be preserved for future generations: Therefore be it

Resolved, etc., That there is hereby established a Commission, to be known as the Greenville Memorial Commission, and to be composed of nine Commissioners, three to be appointed by the President of the United States, three Senators to be appointed by the President of the Senate, and three Members of the House of Representatives to be appointed by the Speaker of the House. Such Commission shall consider and formulate plans for designing and constructing a permanent memorial to and for designing and constructing a memorial building at Greenville, Ohio.

SEC. 2. Such Commission may, in its discretion, accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans for the construction of such memorial, or other expenses incurred, or to be incurred, in carrying out the provisions of this joint resolution.

SEC. 3. The Commission shall report its recommendations to Congress as soon as practicable.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, which shall be available to defray the necessary expenses of the Commission for the performance of their duties hereinafter prescribed. Disbursement of sums herein authorized to be appropriated shall be made upon vouchers approved by the Chairman of the Commission.

With the following committee amendment:

Page 3, line 4, after the word "memorial", strike out "to and for designing and constructing a memorial."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DELAWARE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6535, authorizing an appropriation for payment to the Delaware Tribe of Indians on account of permanent annuities under treaty provision.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

AMENDMENT TO SECTION 6, ORGANIC ACT OF ALASKA

The Clerk called the next bill, H. R. 4776, to amend section 6 of the Organic Act of Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the act entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative power thereon, and for other purposes," approved August 24, 1912 (37 Stat. 512), is hereby amended to read as follows:

"SEC. 6. Convening and sessions of legislature: The Legislature of Alaska shall convene at the capitol at the city of Juneau, Alaska, on the fourth Monday in January in the year 1940 and on the fourth Monday in January in each year thereafter; but the said legislature shall not continue in session longer than 30 days in the year 1940 and in each even-numbered year thereafter and shall not continue in session longer than 60 days in the year 1941 and in each odd-numbered year thereafter unless again convened in extraordinary session by a proclamation of the Governor, which shall set forth the object thereof and give at least 15 days' notice in writing or by telegram or radiogram to each member of said legislature, and in such case shall not continue in session longer than 15 days. The Governor of Alaska is hereby authorized to convene the legislature in extraordinary session for a period not exceeding 15 days when requested to do so by the President of the United States or when any public danger or necessity may require it."

SEC. 2. Section 2 of the act entitled "An act fixing the date for holding elections of a Delegate from Alaska to the House of Representatives and of members of the Legislature of Alaska; fixing the date on which the Legislature of Alaska shall hereafter meet; prescribing the personnel of the Territorial canvassing board, defining its duties, and for other purposes," approved March 26, 1934 (48 Stat. 465), is repealed.

With the following committee amendment:

Page 1, line 9, after the word "Legislature", strike out the balance of line 9 and all of lines 10 and 11, and lines 1 to 15 on page 2, and insert the following: "The Legislature of Alaska shall convene at the capitol at the city of Juneau, Alaska, on the fourth Monday in January in the year 1941 and on the fourth Monday in January every 2 years thereafter; but the said legislature shall not continue in session longer than 60 days in any 2 years unless again convened in extraordinary session by a proclamation of the Governor, which shall set forth the object thereof and give at least 15 days' notice in writing or by telegram or radiogram to each member of said legislature, and in such case shall not continue in session longer than 30 days. The Governor of Alaska is hereby authorized to convene the legislature in extraordinary session for a period not exceeding 30 days when requested to do so by the President of the United States, or when any public danger or necessity may require it."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF FUNDS TO WRANGELL, ALASKA

The Clerk called the next bill, H. R. 7612, for the transfer of funds to the town of Wrangell, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the judge of the district court for the first judicial division of Alaska is hereby authorized and directed to pay to the city treasurer of the incorporated town of Wrangell, Alaska, from a fund called fund "C" of said district court, the sum of $6,092.76, heretofore paid into said fund "C" by the Diamond K Packing Co., a corporation of Wrangell, Alaska, in satisfaction of a judgment imposed upon said corporation by said court for nonpayment of license tax due the United States, in approximately the same sum, and by law inuring to the benefit of said town of Wrangell.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADOPTING LAWS OF STATES FOR PUNISHING WRONGFUL ACTS

The Clerk called the next bill, H. R. 7018, to amend section 289 of the Criminal Code (U. S. C., title 18, sec. 468) in regard to adopting laws of States for punishing wrongful acts.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, is there some one present who can explain the effect of this bill?

Mr. CELLER. We have brought it down to February 1, to bring it up to date.

Mr. CASE of South Dakota. Will the gentleman state what part of the Federal law this applies to? Is this the section that adopts the State codes with regard to penalties for various crimes on Federal reservations, including Indian reservations?

Mr. McLAUGHLIN. The gentleman is correct.

Mr. CASE of South Dakota. This merely brings this up to date, accepting the State codes?

Mr. McLAUGHLIN. It simply brings the present law up to date; that is correct. It extends the time for the application of the law.

Mr. CELLER. We have passed these bills almost every session.

Mr. CASE of South Dakota. This bill is merely a changing of the date at which the State codes are accepted?

Mr. McLAUGHLIN. That is entirely correct.

Mr. CASE of South Dakota. I have no objection, Mr. Speaker.

Mr. LEWIS of Colorado. Reserving the right to object, Mr. Speaker, I believe some of the rest of us are interested in what these bills amending the criminal code do. Will the gentleman explain the nature of the bill?

Mr. McLAUGHLIN. This bill simply extends the effective date of the present law which makes applicable the provisions of the State act with respect to criminal offenses committed on a reservation which is surrounded by the State.

Mr. LEWIS of Colorado. I have no objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 289 of the Criminal Code (U. S. C., title 18, sec. 468) be, and it is hereby, amended to read as follows:

"SEC. 289. Whoever, within the territorial limits of any State, organized Territory, or district, but within or upon any of the places now existing or hereafter reserved or acquired, described in section 272 of the Criminal Code (U. S. C., title 18, sec. 451), shall do or omit the doing of any act or thing which is not made penal by any laws of Congress, but which if committed or omitted within the jurisdiction of the State, Territory, or district in which such place is situated, by the laws thereof in force on June 1, 1939, and remaining in force at the time of the doing or omitting the doing of such act or thing, would be penal, shall be deemed guilty of a like offense and be subject to a like punishment."

With the following committee amendment:

Page 2, lines 2 and 3, strike out "June 1, 1939," and insert "February 1, 1940."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUNISHMENT FOR THE KILLING OR ASSAULTING OF FEDERAL OFFICERS

The Clerk called the next bill, H. R. 7019, to amend section 1 of the act providing punishment for the killing or assaulting of Federal officers.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FADDIS. Reserving the right to object, Mr. Speaker, I should like to have this bill explained so we may know what it is.

Mr. McLAUGHLIN. The bill amends the existing law relating to the killing of certain Federal law-enforcement officers. The present act makes it a Federal offense to kill certain designated officers. Among these are United States marshals and deputy marshals and also special agents of the Federal Bureau of Investigation. The law is indefinite in that it is not quite certain whether it applies to the murder of a person who is employed to assist a United States marshal or deputy marshal or to a person who is an officer or an employee of the Federal Bureau of Investigation but who may not be officially designated as a special agent of that Bureau. This bill simply expands the definition to make it certain that the law will apply to a person who is appointed by a marshal for the purpose of assisting him while, for instance, taking a prisoner to a Federal penitentiary.

Mr. FADDIS. Then it does not narrow the field any?

Mr. McLAUGHLIN. It expands it.

Mr. FADDIS. It does not provide any loopholes through which criminals may escape?

Mr. McLAUGHLIN. No.

Mr. FADDIS. I withdraw my reservation of objection, Mr. Speaker.

Mr. COCHRAN. Reserving the right to object, Mr. Speaker, does the present law take in the post-office inspectors and the employees of the Intelligence Unit of the Bureau of Internal Revenue who are constantly investigating dangerous characters?

Mr. McLAUGHLIN. Yes. The bill does not affect those in any way.

Mr. COCHRAN. Does existing law protect them?

Mr. McLAUGHLIN. The gentleman will see in the report that the bill substitutes the phrase "any officer or employee of the Federal Bureau of Investigation" for the phrase "special agent of the Federal Bureau of Investigation" in the existing law.

Mr. COCHRAN. If you are going to take care of some Federal enforcement officers, why not take care of all of them? That is what I advocate.

Mr. McLAUGHLIN. I may say to the gentleman that the law now applies to post-office inspectors, Secret Service operatives, and similar officers. The bill simply provides that a person who is appointed to assist a United States marshal or deputy marshal is brought within the provisions of this act.

Mr. LEWIS of Colorado. Reserving the right to object, Mr. Speaker, does this measure also apply to every employee or appointee of the Federal Government?

Mr. SUMNERS of Texas. If the gentleman from Nebraska will permit me to answer, may I say to my friend from Colorado that the purpose of this proposed legislation is to bring within the protection of the Federal criminal provisions persons who are engaged by a marshal to help effectuate a particular arrest, or persons who are engaged, for instance, to help transport Federal prisoners from the place of conviction to the place of incarceration.

Mr. LEWIS of Colorado. It extends the act only to that extent?

Mr. SUMNERS of Texas. That is all that I know of.

Mr. KELLER. Reserving the right to object, Mr. Speaker, what does this bill do?

Mr. SUMNERS of Texas. It gives such persons Federal protection and makes it a Federal offense to kill persons who are engaged in aiding in the transportation, for instance, of prisoners.

Mr. KELLER. It does not put them under civil service?

Mr. SUMNERS of Texas. No; it does not apply to deputy marshals; just persons hired for the job. It also applies to persons who may be called in to help a Federal marshal effect an arrest in a particular situation.

Mr. KELLER. That is all right.

Mr. FADDIS. Further reserving the right to object, Mr. Speaker, would that include a chauffeur, a man driving a vehicle?

Mr. SUMNERS of Texas. I am not sure that that would be true.

Mr. McLAUGHLIN. It would be a question of construction. If that person were construed to be a person employed to assist a United States marshal or deputy United States marshal, it would. This bill is intended to cover into the provisions of the act individuals who are appointed or employed by a United States marshal or deputy marshal to assist in making an arrest or in dealing with prisoners.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act of May 18, 1934 (ch. 299, 48 Stat. 780), as amended (U. S. C., title 18, sec. 253), be, and it is hereby, amended to read as follows:

"That whoever shall kill, as defined in sections 273 and 274 of the Criminal Code, any United States marshal or deputy United States marshal or person employed to assist a United States marshal or deputy United States marshal, any officer or employee of the Federal Bureau of Investigation of the Department of Justice, post-office inspector, Secret Service operative, any officer or enlisted man of the Coast Guard, any employee of any United States penal or correctional institution, any officer, employee, agent, or other person in the service of the customs or of the internal revenue, any immigrant inspector or any immigration patrol inspector, any officer or employee of the Department of Agriculture designated by the Secretary of Agriculture to enforce any act of Congress for the protection, preservation, or restoration of game and other wild birds and animals, any officer or employee of the National Park Service, any officer or employee of, or assigned to duty in, the field service of the Division of Grazing of the Department of the Interior, or any officer or employee of the Indian field service of the United States, while engaged in the performance of his official duties, or on account of the performance of his official duties, shall be punished as provided under section 275 of the Criminal Code."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SERVICE OF PROCESS ON THE UNITED STATES IN FORECLOSURE ACTIONS

The Clerk called the next bill, H. R. 7020, to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of March 4, 1931 (46 Stat. 1528; U. S. C., title 28, sec. 902), be amended to read as follows:

"Service upon the United States shall be made by serving the process of the court with a copy of the bill of complaint upon the United States attorney for the district or division in which the suit has been or may be brought, or upon an assistant United States attorney or a clerical employee designated by the United States attorney in a writing filed with the clerk of the court in which suit is brought, and by sending copies of the process and bill, by registered mail, to the Attorney General of the United States at Washington, D. C. The United States shall have 60 days after service as above provided, or such further time as the court may allow, within which to appear and answer, plead, or demur."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSMISSION OF BUDGET IN YEARS IN WHICH A NEW PRESIDENT TAKES OFFICE

The Clerk called the next bill, H. R. 8307, to change the date of transmission to Congress of the Budget of the United States in years in which a new President takes office.

Mr. BURDICK. Mr. Speaker, I object.

Mr. COCHRAN. Mr. Speaker, will the gentleman reserve his objection a moment?

Mr. BURDICK. Yes, Mr. Speaker; I reserve it.

Mr. COCHRAN. Mr. Speaker, under existing law, the President is required to transmit the Budget to Congress on the first day of each regular session thereof—section 201 of the Budget and Accounting Act, 1921.

As a matter of actual practice it never is sent in until the second or third day, depending upon the delivery of the annual message. The Budget usually follows the day after the annual message is delivered.

As the law now stands, Congress meets on January 3 of each year for the regular session.

The beginning of a Presidential term is on January 20.

With the transmission of the Budget required on the first day of the regular session, January 3, and a new President taking office on January 20, the situation arises of an outgoing President preparing completely and transmitting to Congress in accordance with and as required by law, a Budget for the fiscal year which begins July 1 next following the taking of office by a new President.

Under existing law, the outgoing President would prepare and transmit the Budget which would not go into effect until the new President had been in office for approximately 6 months.

This bill would permit the outgoing President, through the Bureau of the Budget and Federal agencies to proceed with the normal preparation of the Budget and advance the work as much as possible. It would prevent the transmission of the Budget to Congress. It would permit the incoming

President to have until February 20, following his inauguration on January 20, to determine the kind of a Budget message he wished to incorporate in the Budget, and to determine the character of Budget he wished to present to Congress. A 30-day period should be sufficient to enable an incoming President to reach such conclusions and make such changes as he might desire in those items of the Budget which are not routine and which might be susceptible to changes based upon policy. The full 30 days might not be required and, in that event, the President could transmit his Budget earlier if he so desired.

A delay in the transmission of the Budget in any year until February would naturally delay the work of Congress in preparing the appropriation bills based upon that Budget; yet if the law is not changed, and the outgoing President sends in a Budget, and his successor taking office on January 20 differs with that Budget in policy or detail, and sends a modifying message to Congress remaking the Budget in essential particulars, there would be endless confusion and reconsideration with accompanying work of going over the ground again in the light of the new recommendations.

The bill would give a new President an opportunity to have something to say about the Budget for the first year of his new administration without the embarrassment of having to modify recommendations previously made by his predecessor for a period of Government during which the predecessor would not be President.

In years in which a President is inaugurated, the new Congress must be organized by the election of officers and the formation of committees. This often occupies considerable time, and the delay in the transmission of the Budget would not be entirely a loss of time under those circumstances.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. FISH. I want to say to my highly distinguished friend from North Dakota, in whom I have great confidence and respect, that the prime object of this bill is to give the new or incoming Republican President an opportunity to pass upon the Budget, and I hope my Republican friend will not object.

Mr. BURDICK. In view of that promise I withdraw my objection, Mr. Speaker. [Laughter.]

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 201 of the Budget and Accounting Act, 1921, is amended to read as follows:

"The President shall transmit the Budget to Congress at each regular session thereof. The date of such transmission shall be not later than 5 days after the date of the convening of such session, except that the date of such transmission shall be not earlier than January 21, nor later than February 20, in a year in which the term of office of President of the United States begins, if the person whose term as incumbent of such office begins in such year is not the same person as the one whose term ends in such year. Each such Budget shall set forth in summary and detail:".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF LAND AT VETERANS' ADMINISTRATION FACILITY, COATESVILLE, PA.

The Clerk called the next bill, S. 2867, to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the Pennsylvania Railroad Co., for right-of-way purposes, a small strip of land at Veterans' Administration facility, Coatesville, Pa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to transfer by quitclaim deed to the Pennsylvania Railroad Co. the following-described property located at Veterans' Administration facility, Coatesville, Chester County, Pa.:

Beginning at a point, said point being marked by an iron pin and set in the southwest corner of the Veterans' Administration Reservation as now constituted, said point also being in the northerly right-of-way line of the Pennsylvania Railroad right-of-way and fifty feet distant from the center thereof; said point also being directly opposite center line station 1972 plus 28.5 of the eastern region, Eastern Pennsylvania Division, Philadelphia Division of the Pennsylvania Railroad; thence north, no degrees fifty minutes no seconds west along the westerly boundary line of the Government Reservation, a distance of forty-two and forty one-hundredths feet to a point; thence along a curve to the left having a radius of five thousand six hundred and forty feet, a distance of six hundred and thirty-one and ninety-seven one-hundredths feet, the chord of which curve bears south seventy-four degrees thirty-four minutes six seconds east, a distance of six hundred and thirty-one and sixty-four one-hundredths feet; thence south thirty-four degrees fifty-one minutes and no seconds west along one of the boundary lines of the Government Reservation, a distance of forty-three and thirty-one one-hundredths feet to a point, said point being in the northerly right-of-way line of the Pennsylvania Railroad right-of-way and fifty feet distant from the center thereof, said point also being directly opposite center line station 1966 plus 17.55; thence along a curve to the right having a radius of five thousand six hundred and eighty feet, a distance of six hundred and five and sixty-five one-hundredths feet the chord of which curve bears north seventy-four degrees thirty-three minutes twenty seconds west, a distance of six hundred and five and thirty-six one-hundredths feet; said curve being the south boundary line of the Government Reservation and the north boundary line of the Pennsylvania Railroad right-of-way to the point of beginning, containing in all an area of five hundred and sixty-eight one-thousandths acres, more or less.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the consideration of all bills eligible for call on the calendar today.

RELIEF OF INDIANS WHO HAVE PAID TAXES ON ALLOTTED LANDS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the proceedings by which the bill (H. R. 952) for the relief of Indians who have paid taxes on allotted lands for which patents in fee were issued without application by or consent of the allottees and subsequently canceled, and for the reimbursement of public subdivisions by whom judgments for such claims have been paid, was stricken from the calendar this morning, be vacated.

Mr. FADDIS. Reserving the right to object, Mr. Speaker, what bill is this?

Mr. CHURCH. The bill is H. R. 952.

Mr. CASE of South Dakota. Mr. Speaker, I further reserve the right to object for the purpose of making an explanation. This is the bill which the gentleman from Missouri [Mr. COCHRAN] asked to have go over without prejudice. The gentleman from North Dakota [Mr. BURDICK] objected to that request, whereupon there were three objections to the consideration of the bill through some misunderstanding. I have spoken to the gentleman from Missouri and also to the gentleman from North Dakota and it is agreeable to them that the bill be restored to the calendar and then be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. CHURCH]?

There was no objection.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 952) be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SALE OF CERTAIN UNITED STATES LINES SHIPS TO A BELGIUM COMPANY

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, the sale and transfer of eight ships belonging to the United States Lines, including the *President Harding*, to a Belgium company on an exceedingly thin mortgage is a shocking violation of the letter and spirit of the American Neutrality Act.

The United States Lines chartered the ships, worth $4,000,000, on a bare-boat charter, without any American crew for a down payment of only $137,000. This means that the United States Lines has a first mortgage of 97 percent in these boats. What a farce and travesty of our neutrality, when an American company can continue to own 97-percent interest in the ships.

The approval of the United States Maritime Commission of this sale and transfer of American ships to a Belgium company for operation between New York, England, France, and Belgium is an outrageous subterfuge and breach of our neutrality. This transfer is far worse than the administration's previous attempt to turn these ships over to the Panamanian flag.

The fight in the Congress centered on keeping American ships out of belligerent areas, and now an arm of the Government proposes to send ships in which American companies have a major interest into the war zone.

The minute we turn our ships over to carry arms and ammunition to belligerent nations we must expect reprisals and direct attacks from submarines and raiders off our coast.

This transfer is a reckless disregard of the intent of Congress in the Neutrality Act, which had for its main purpose keeping American ships out of the war zones and ourselves out of war. The next step will be to fly American flags over these 97 percent American-owned ships.

EXTENSION OF REMARKS

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by the Commissioner of Reclamation as to the Grand Coulee Dam. Also, Mr. Speaker, I ask unanimous consent to extend my remarks and to include a statement by the Geological Survey showing the stream flow during the last year.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement in regard to the attitude of the American Federation of Labor on the poll tax.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include certain excerpts on vital material.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of labor conditions in New York, and to insert a brief statement by Lugi Antonini, of the American Labor Party.

The SPEAKER. Is there objection?

There was no objection.

PURCHASE OF LAND, TURTLE MOUNTAIN INDIAN AGENCY

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1036) to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. ROGERS of Oklahoma, Mr. HILL, Mr. BURDICK.

EXTENSION OF REMARKS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Sioux Falls Daily Argus Leader.

The SPEAKER. Is there objection?

There was no objection.

TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 407, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended. Pending that I ask unanimous consent that I may insert in my remarks certain newspaper articles to which I shall refer.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Chair understands that the time for general debate has already been fixed by unanimous consent. The question is on the motion of the gentleman from North Carolina that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 407.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 407, with Mr. WOODRUM of Virginia in the chair.

The CHAIRMAN. The Clerk will report the joint resolution.

The Clerk read as follows:

House Joint Resolution 407

Resolved, etc., That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended by the act (Public, No. 316, 73d Cong.) approved June 12, 1934, is hereby extended for a further period of 3 years from June 12, 1940.

The CHAIRMAN. Under consent order of February 14 the time for general debate is fixed at 12 hours, the time to be equally divided between the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from New York [Mr. CROWTHER].

Mr. DOUGHTON. Mr. Chairman, since January 11 the Committee on Ways and Means has been giving continuous and careful consideration to House Joint Resolution 407, a resolution to extend the Trade Agreements Act, which is now before the House for consideration. That measure was first enacted in June of 1934, to be effective for a period of 3 years. In 1937 it was extended for an additional 3-year period, which will expire on June 12, 1940. At the time of its original enactment, and even, to some extent, upon the occasion of its extension in 1937, we were proceeding principally upon the basis of a strong hope and conviction that the reciprocal-trade program was the best means of curing the multitude of evils which had arisen under the Hawley-Smoot Act. We then dealt with hopes and beliefs; we now deal with concrete realities and factual evidence.

The Trade Agreements Act has been in operation almost 6 years, and there need be no further conjecture regarding its merits. There are sufficient facts before us to convince anyone who will give them unbiased and nonpartisan consideration of the virtues and success of the program. Very few public statutes or issues in the entire history of our Nation have been subjected to such widespread and critical examination. Through every channel of publication, the facts concerning this program have been placed before the American people, and its merits have been discussed and argued by almost every commentator on public affairs.

NEEDS FOR THE RECIPROCAL-TRADE PROGRAM

At the time of its enactment the Trade Agreements Act was not only the choice of all of the possible courses of action with respect to the tariff, but it was the only one having the elements necessary to success. Its adoption was a dire necessity if we were to stem the tide of calamity which was sweeping in upon us.

The Hawley-Smoot Tariff was enacted in June of 1930. However, the Congress began its consideration at a special session in April of 1929, called, ostensibly, for the purpose of a limited revision of the tariff to aid agriculture. It immediately became apparent that it was not to be a limited revision but an old-fashioned, logrolling tariff in the traditional Republican manner. Even Mark Sullivan describes this procedure as the typical Republican way. Not only this Nation, but the whole world saw what was coming. There immediately flocked to Washington a multitude of emissaries from the organized special interests. The representatives of each industry or interest had their pet object which must be protected at all costs. Logrolling, horse trading, and back scratching flourished as the contending factions maneuvered for position.

The best possible government is one whose primary consideration is the best interest and general welfare of its

people as a whole. However, it is notorious that, in the consideration of the Hawley-Smoot Tariff Act, as in other Republican tariff legislation, an absolutely contrary course was followed. No group or interest, not ably represented at that grab fest, was given more than secondary or passing consideration, and, judged by their actions, nothing could have been further from the minds of its sponsors than the general welfare of all the American people. Some of the most favored of the benefit grabbers actually attended the executive session of the Committee on Ways and Means, so I am reliably informed, while the Democratic members of the committee were excluded (read Hull's testimony). The experts and clerks of other favored groups were given desks in the committee rooms and became a part of the committee staff.

The connection between tariff benefits and service to the Republican Party was never stronger. Those who had responded most liberally when the campaign hat was passed had the loudest and most effective voices in the distribution of the pie.

Mr. Chairman, Hon. Cordell Hull, now Secretary of State, at that time was the ranking minority member of the Committee on Ways and Means. He was not even permitted to sit in when the bill was under consideration in executive session. He was unable to find out what was in the bill until it had been already acted upon by the Republican members of the committee. That was the consideration given the minority members in the consideration of the Smoot-Hawley bill.

Mr. LUTHER A. JOHNSON. Mr. Chairman, in the consideration of the bill in the committee, as I recall, it was impossible except for Republican members of the committee to offer amendments.

Mr. DOUGHTON. They brought in a special rule to permit no amendments except those offered by the majority members of the committee. Still we hear our friends of the minority talk about star-chamber proceedings. That is mentioned in the minority report. Of all people who should never talk about secret or star-chamber proceedings, or steam-roller processes, our minority friends are the last that should ever utter a word in that regard.

Of the 10,681 lines in the Hawley-Smoot bill, only 82 were considered in the House. Of the 727 paragraphs included in the first and second sections of the bill, only 6 of them were read and considered. Of the 183 sections contained in the bill, only a small fraction of one of the sections was read and considered. There were only 4 pages of the 434 pages of the bill given any consideration. Of this procedure, Ragon, of Arkansas, a former member of the Ways and Means Committee, said:

> As a fitting climax to this legislative horseplay which characterized the conduct of this bill through its consideration by the House, the Clerk read, as a part of the meager consideration of this bill, paragraph 2 * * *.
>
> A paragraph dealing with the chemical schedule.

During the formulation and enactment of the Hawley-Smoot legislation storm warnings were flying from every direction. More than a thousand leading economists predicted with prophetic accuracy the results which followed. It was pointed out that the only possible fruit of such evilly conceived and ill-considered legislation would be a disastrous effect upon our trade relations with foreign nations and, consequently, upon our own economy. The spokesmen of the Democratic Party and many leaders among the Republicans protested with all of the vigor at their command.

Our Republican friends contended with all the fervor of their souls that the Smoot-Hawley Act had nothing whatever to do with the depression of 1930 and afterward.

For instance, Mr. William Allen White, of Emporia, Kans., and editor of the Emporia Gazette, states:

> One of the things that brought about the depression was the Smoot-Hawley bill. The Gazette said so at the top of its lungs before the Smoot-Hawley law was finally formulated, while it was passing, and after it had become a law. That tariff was an offense against economic stability not only in the United States but all over the world.

I have some testimony here by the minority leader, bearing on that same subject. Here is what the minority leader [Mr. MARTIN] said as reported in the CONGRESSIONAL RECORD.

> From 1930 on, world conditions continued to get progressively worse. No one recognized this fact more clearly than President Hoover and the Republican Members of the Congress. They saw that these world-trade barriers which restricted the intelligent flow of goods were causing the depression.

What produced those barriers but the Smoot-Hawley Act?

Messrs. Garver and Hansen, two of the leading economists of the country, spoke concerning this matter, as follows:

> The Tariff Act of 1930, agitated in 1928—

That is when the country began to get alarmed—

> introduced in Congress in 1929 at the height of prosperity, and passed before the depression had become serious, intensified international difficulties. It gave the signal for the collapse of the tariff truce which had been prepared in Europe, and led to tariff retaliations in many countries.

That is what these disinterested authorities and able economists said on this subject:

They further stated:

> Under the impact of the depression, the fall in prices, and the break-down of the international gold standard, tariffs almost everywhere were raised and other forms of trade restrictions were adopted, including rigid limitation of imports by means of fixed quotas and vigorous governmental control over foreign exchange.

I might read also for the edification of my brethren of the minority what the Washington Daily News of Monday, June 16, 1930, had to say editorially in this regard:

> No one can explain away the disastrous effects of this suicidal legislation on American prosperity.
>
> Here are the facts as recorded on just 1 day: On the day the bill passed Wall Street responded with a market drop which dragged several standard stocks even lower than in the November crash.
>
> On the day the bill passed there was a general fall in commodity prices, bringing some to new low levels for the year.
>
> On the day the bill passed all grain prices fell to new levels for the season—wheat went to the lowest price in a year, oats the lowest in 8 years, rye the lowest in 30 years.
>
> On the day the bill passed the price of cotton declined to the lowest level in more than 3 years.

Our friends disclaim and deny any responsibility whatsoever for the depression, so far as the Smoot-Hawley Act is concerned. It is characteristic of our friends to always claim credit when the country is prosperous and conditions are favorable, but when the reverse is the case, they deny responsibility.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes; I yield to my friend.

Mr. LUTHER A. JOHNSON. Reminiscent of the passage of the bill and the figures quoted by the gentleman with reference to the fall on the stock market and agricultural prices, I recall quite vividly that the last argument made in favor of the Hawley-Smoot tariff bill was by our friend the gentleman from New York [Mr. CROWTHER], and his last words were that the sunshine of prosperity is now about to burst upon our great country in the passage of this great bill. I recall that I made the remark next day that the sunshine burst the wrong way, and it kept on bursting the wrong way continuously thereafter.

Mr. DOUGHTON. That was about the time that Mr. Hoover said that Republican policies would abolish poverty and that two cars would be in every garage and every pot would be filled with good fat chickens. That was about the same time as the remarks of the gentleman from New York, Dr. CROWTHER.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Not now. I do not have time.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

Mr. DOUGHTON. Quoting further from the News:

> On the day the bill passed European dispatches reported that the copper interests of Great Britain, Belgium, and Germany had agreed to retaliate by withdrawing large orders in the United States for copper and nonferrous metals, whereupon the American Copper Exporters' Association frantically cut prices.

On the day the bill passed, the Mexican Government officially announced it would erect retaliatory duties, which follows similar retaliation against us by Canada and others.

Not only Mexico but also other nations announced retaliatory duties, which followed similar action by Canada and other nations.

On the day the bill passed, the United States Department of Commerce announced that American exports dropped in May to the lowest point in the last 6 years.

When the Smoot-Hawley Act was under consideration our Republican friends were so sure that it was a panacea for all our ills and would cure all of our economic difficulties that Senator Watson, of Indiana, in the Senate made this very definite statement:

It is quite true that we are in the midst of a financial depression produced by manifest causes that I shall not here discuss and which do not pertain to this subject, but I here and now predict, and I ask my fellow Senators to recall this prediction in the days to come, that if this bill is passed this Nation will be on the upgrade financially, economically, and commercially within 30 days, and that within a year from this time we shall have regained the peak of prosperity and the position we lost last October, and shall again resume our position as the first and foremost of all the people of history in all the essential elements of individual and national greatness.

EFFECTS OF THE HAWLEY-SMOOT ACT

The storm warnings were unheeded, the counsel of the economists ignored, and the protests were lightly turned aside. The effects of the legislation were even more calamitous than its critics had predicted.

Agriculture, the already desperate plight of which had served as the excuse for the Grundy orgy, sank to unbelievably lower depths. The farm cash income of the United States dropped down from 11.2 billions of dollars in 1929 to 4.7 billions in 1932. By 1932, farmers were getting 30 cents a bushel for their wheat, notwithstanding the wheat tariff of 42 cents a bushel. They were getting only 10 to 20 cents a bushel for corn, even though the corn tariff was 25 cents a bushel. In Kansas and other States corn was being used for fuel. They were getting only 15 or 16 cents a pound for their butterfat, although the tariff on butter was 14 cents a pound. They were getting only 9 cents a pound for their wool, even though the wool tariff was 24 cents a pound. Cotton was selling for about 5 cents a pound. Millions of farmers lost their homes.

In retaliation against the excessive rates provided, other countries set up barriers equal to or greater than our own. The result was a complete deadlock, resulting in a gradually increasing paralysis of international trade and commerce. Our sales to other nations fell from over 5 billion dollars in 1929 to a little more than 1½ billions in 1932. The ruinous effects of the closing of export outlets for the great surplus-producing divisions of both agriculture and industry rapidly permeated every branch of our economic life. The reduced purchasing power of their employees and owners was immediately reflected in the consumption of articles produced for domestic use. This vicious cycle grew in intensity until American business, industry, and agriculture found themselves in the midst of utter ruin.

It was a particularly ironic justice that caused those groups and interests, who had clamored for and secured special protection under the Hawley-Smoot Act, to suffer from its iniquitous effects just as did their fellow citizens who had not received favored treatment. They had pulled the house down on themselves.

DEMOCRATIC ACTION TO SAVE THE NATION FROM "GRUNDYISM"

The present administration met the problem squarely with bold and vigorous action. Many purely domestic measures were taken to restore employment, relieve suffering and distress, rebuild prices, increase wages and values, save our farms and homes from mortgage foreclosures, rescue our factories and business houses from bankruptcy, make our banks and financial institutions safe depositories of the people's money, and to restore transportation and to improve all phases of our national economic life.

It was evident, however, that such action alone could not insure a full and stable prosperity unless our foreign trade could be revived. The only way this could be achieved was to remove the strangling shackles which the Hawley-Smoot tariff had wound about our commerce with other nations. Intelligent observers pointed out that unless we could see our national economy as a whole and could view national prosperity as a unit, we could never hope to place this Nation upon a permanently secure economic basis.

The basic philosophy which activated the Congress in the adoption of the Trade Agreements Act was founded in a realization that exports and imports are interdependent, and that nations, like individuals, cannot sell unless they buy. We knew that it would prove impossible to persuade other nations to modify their trade restrictions toward us, imposed to counteract the restrictions which we had raised against them, unless we stood ready to adjust our own trade barriers and correct our own mistakes. With international economic relationships so filled with swiftly changing complexities in which other governments have the means of speedy action, we believed it necessary for the legislative and executive branches of our Government to cooperate in providing the proper means of meeting these emergencies with action equally swift.

By the Reciprocal Trade Act the Congress placed in the hands of the Executive the authority and responsibility of administering this program, after first defining the policy to be followed, the limitations and restraints beyond which the powers granted do not extend, and the methods by which the purposes of the act are to be carried out. We believed and still believe, and the facts fully support our contention, that the program adopted was the best way to deal with the vexatious problem; and that it supplies the safest, surest, simplest, and only practical method of rebuilding our foreign trade on a secure basis.

SAFEGUARDS IN THE ADMINISTRATION OF THE PROGRAM

The Congress exercised the utmost caution, consistent with the speed and efficacy necessary to the success of the program, by surrounding the administration of the Trade Agreements Act with every possible safeguard. Under the provisions of the statute no agreement can be entered into until after due public notice shall have been given and all interested persons have had an opportunity to be heard and to present their views.

Moreover, section 4 of the Trade Agreements Act provides that before concluding any agreement "the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate."

Pursuant to this provision an interdepartmental organization has been established on which five agencies are regularly represented, namely, the Departments of State, Agriculture, Commerce, and Treasury, and the United States Tariff Commission. Through this organization the agencies mentioned participate in the formulation of every detail of the trade agreements and no agreement has been entered into which has not been fully concurred in by them. In addition, a number of other departments and agencies are consulted with respect to special questions coming within their field and their information and views have been brought to bear upon the questions presented.

I am assured by the heads of the departments concerned that this organization and this procedure will be fully maintained with respect to any action taken under this authority in the future, not only as regards the question of concluding particular agreements but as regards the joint participation in the formulation of their terms down to the minutest detail.

This procedure and administration is in accordance with the intention of Congress when the existing statute was enacted. I desire to state that I urge the renewal of this act with that fact in mind.

In other words the State Department, the Department of Commerce, the Department of Agriculture, and the United States Tariff Commission all cooperated in working out and negotiating these trade agreements. I was informed today by the Department of Agriculture and the Department of Commerce as well as the Department of State that they have all cooperated 100 percent and that they have worked unitedly, that there has been no disagreement, that they have been in entire accord as to all of these agreements which have been negotiated. Is not this sufficient assurance that the purposes of the bill have been carried out, and likewise assurance that proper and necessary safeguards were thrown about the program?

There is also an Interdepartmental Trade Agreements Committee, made up of representatives of the departments and agencies of the Government, which directs all necessary studies, reviews the reports and recommendations of its subcommittees, and approves all details of the agreements subject to final approval by the Secretary of State and the President. Each agreement is further protected by an escape clause.

I am reliably informed that not only are the Department of State, the Department of Agriculture, the Department of Commerce, and the Tariff Commission cooperating, but that also they call in the heads of other Departments and Bureaus and get advice from them, and secure the best information possible before these agreements are concurred in. Oh, the minority report says that notwithstanding they give hearings to all interested parties, hearings should be granted after the agreements are negotiated, after they are prepared and perfected. Think how perfectly ridiculous such a proposition is. It is just like saying that they should give hearings on a tariff bill after the committee has brought in its recommendation. They know that such a thing was never done. They know that such a policy would vitiate any program adopted. They know that no one could ever do anything like that. That is so asinine and so absolutely ridiculous that I am surprised that the minority representatives should suggest it. There would never be any end to negotiations.

Each agreement is further protected by an escape clause. I have a letter here from Secretary Hull on that subject amplifying his position and will place that in the RECORD:

FEBRUARY 8, 1940.

The Honorable ROBERT L. DOUGHTON,
Chairman, Ways and Means Committee,
House of Representatives.

MY DEAR MR. DOUGHTON: Replying to your inquiry relative to the escape or safeguarding clauses included in trade agreements and the policy of the Executive branch of the Government in putting them into operation, with special reference to the trade agreement with Venezuela, I would say that, in accordance with the general policy of providing flexibility in order to safeguard the interests of our domestic producers, an escape or safeguarding clause in unusually broad terms was included in the trade agreement with Venezuela. This clause permits remedial action whenever—to use the language of the agreement—"special circumstances" render it necessary or advisable to do so. The clause would permit such action with respect to petroleum or any other product included in the agreement.

I scarcely need to assure you that the operation of the trade agreements is given constant and careful supervision in order that remedial action may be taken whenever it appears that the producer of any product might be materially injured. Nor is it necessary to add that this statement applies to the concessions granted on petroleum and other products included in the Venezuelan agreement.

Sincerely yours,

CORDELL HULL.

Secretary Hull definitely and plainly states that, through the escape clause, if any mistakes are made, the injured party may have a hearing to show wherein he is injured. Through this escape clause any injurious effect of the trade agreements is remedied.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I am glad to yield to my friend from Massachusetts.

Mr. McCORMACK. I call the attention of the gentleman from North Carolina to the fact that the late President McKinley, despite the efforts of our Republican friends to place a different construction upon what he said in the last speech he made before he was unfortunately assassinated, made the strongest appeal for reciprocal-trade agreements that I have ever heard expresed by anyone. In fact, his suggestions were nearly along the lines of the present law.

Mr. DOUGHTON. Absolutely. You could lay the statement of President McKinley alongside the words of Secretary Hull and hardly distinguish between them.

Here is what President McKinley said in his last speech:

We have a vast and intricate business, built up through years of toil and struggle, in which every part of the country has its stake, which will not permit of either neglect or of undue selfishness. No narrow, sordid policy will subserve it. The greatest skill and wisdom on the part of the manufacturers and producers will be required to hold and increase it. Our industrial enterprises, which have grown to such great proportions, affect the homes and occupations of the people and the welfare of the country. Our capacity to produce has developed so enormously and our products have so multiplied that the problem of our markets requires our urgent and immediate attention. Only a broad and enlightened policy will keep what we have. No other policy will get more. In these times of marvelous business energy and gain we ought to be looking to the future, strengthening the weak places in our industrial and commercial systems, that we may be ready for any storm or strain.

By sensible trade arrangements, which will not interrupt our home production, we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible, it would not be best for us or for those with whom we deal. We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our wonderful industrial development under the domestic policy now firmly established. What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can and buy wherever the buying will enlarge our sales and production, and thereby make a greater demand for home labor.

The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?

Had I not known by whom that statement was made I would have thought it came from Secretary Hull on the subject of reciprocity.

Mr. McCORMACK. May I make another inquiry? Has my friend, the chairman of the Committee on Ways and Means, any observations to make on the unfortunate situation that arose in the committee where the Republican members undertook to make this a political issue?

Mr. DOUGHTON. It was very unfortunate that a great economic question like this should be made a political issue; but from the very beginning of our hearings, at every turn, every day, every opportunity, it was perfectly manifest they were making political capital out of this question.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Will not the gentleman admit that the tariff has been a political issue in this country from the very foundation of our Government?

Mr. DOUGHTON. Yes; but I will not admit it should be. Of course, it is an issue upon which the Republican Party has depended for its life and vitality. If you were to take that issue from it, I do not know on what source they would rely for campaign funds, and without campaign funds I do not know where it would be. It gives them a source of revenue to conduct their campaigns, and that is the cause of the desperate opposition to this legislation.

Mr. JENKINS of Ohio. Does not the gentleman know his own party endorsed the Republican Party policy with reference to the protective tariff, and does not the gentleman know every man on the Democratic side of the Committee on Ways and Means——

Mr. DOUGHTON. I do not yield for a speech from the gentleman. I do not know that the Democratic Party has ever taken that position, and I hope it will never endorse

everything that the Republican Party stands for in the way of a tariff. I would feel like quitting the Democratic Party if it committed a sin of that kind.

Mr. GEARHART. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman.

Mr. GEARHART. I hope the Democratic Party never does fall as low as the gentleman pointed out, but likewise the gentleman rose to great heights when he referred to President McKinley. But whether the question of the tariff is a political one or not, I want the gentleman to know exactly what President McKinley did stand for, and with his permission may I read at this moment about three lines from what the former President had to say on this subject?

Mr. DOUGHTON. I cannot yield for a stump speech. The gentleman can use his own time.

Mr. GEARHART. I want to read a line or two.

Mr. DOUGHTON. I cannot yield. The gentleman can do that in his own time.

Mr. GEARHART. The gentleman quoted what President McKinley said.

Mr. DOUGHTON. I do not yield to the gentleman. The gentleman took more time to make stump speeches in committee than any other member. I decline to yield at this time for a political stump speech.

Mr. COOPER. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Tennessee.

Mr. COOPER. The statement to which the gentleman from California refers is in the minority report, which is available to all Members.

Mr. DOUGHTON. Of course it is there, and it will be distorted in every possible way in order to make capital out of it.

RESULTS OF THE PROGRAM

By inaugurating the trade-agreements program, under our great Secretary of State, Cordell Hull, we took a position of leadership in a movement to reverse the destructive trends of trade-destroying impediments and to open the way for a healthy expansion of mutually beneficial trade between our country and the rest of the world. Trade agreements have been concluded with 21 nations, including such important commercial countries as the United Kingdom and Canada, our 2 best customers. These agreements include 8 with European countries: namely Belgium, Sweden, the Netherlands, Switzerland, France, Finland, the United Kingdom, and Czechoslovakia, which has been terminated. One agreement has been concluded with Turkey, a near-eastern country, and, in the Western Hemisphere, the original agreement with Canada, effective on January 1, 1936, has been superseded by a new agreement, effective on January 1, 1939. Eleven agreements have been concluded with the following American republics: Cuba, Haiti, Brazil, Honduras, Colombia, Guatemala, Nicaragua, Costa Rica, El Salvador, Ecuador, and Venezuela. One agreement, that with Cuba, became effective in 1934, 3 in 1935, 10 in 1936, 2 in 1937, 2 in 1938, and 3 in 1939.

Let us take notice of the effect of the reciprocal-trade agreements. The way to judge anything is by its effect, not what its opponents or proponents may say about it.

In 1929, our exports to those countries with which we now have trade agreements aggregated about $3,000,000,000. By 1933, sales to these countries had sunk to less than $1,000,000,000. In 1938, they had risen again to more than $2,000,000,000. Trade with these countries constitutes about 60 percent of our total foreign trade.

In the trade agreements thus far concluded with 21 countries, the foreign governments concerned have lowered their trade barriers on a wide range of American farm and factory products. The concessions obtained by the United States include duty reductions, enlarged quotas, and other mitigations of restrictive measures, as well as the binding of existing duties or free entry, on literally hundreds of items which enter into our export trade. Opponents of a liberal trade policy try to tell us that the concessions which we have obtained are of no benefit while those which we have granted are injurious.

They produced no evidence in support of the contention. That is the only statement that was made, but it is not supported by the facts. When you compare our trade with the countries with which we have negotiated trade agreements, with those countries with which we have no trade agreements, it will be shown conclusively the benefits that have flown from the enactment of these agreements.

Taking the years 1934 and 1935 as substantially a pre-agreement period, since only one agreement was in effect for the entire year of 1935, exports from the United States averaged two and two-tenths billion dollars. During the 2-year period 1937 and 1938, with 17 agreements in effect for most of the time, exports had increased to an average of three and two-tenths billion dollars.

That is an increase of $1,000,000,000 over the period before the agreements were entered into. We do not make exaggerated claims, or claims that cannot be supported by the facts.

While no claim is made that this entire trade increase was due to the advantages for American exports obtained by the United States in trade agreements, it is significant that during the period 1937–38, exports from the United States to countries with which reciprocal-trade agreements were in operation averaged 61.2 percent greater than during the 1934–35 period. Over the same periods, our exports to non-trade-agreement countries averaged only 37.9 percent greater.

INCREASED IMPORTS AND EXPORTS

A comparison of the average imports and exports with respect to both the trade-agreement and nonagreement countries for the years 1934 and 1935, as against those for the years 1937 and 1938, show the following results: For 1934–35, the yearly average of exports to the trade-agreement countries was $760,000,000. For 1937–38, this figure had risen to one billion two hundred and twenty-five millions, an increase of four hundred and sixty-five millions, or 61 percent. At the same time, our average imports from these same countries increased from $794,000,000 to 1934–35 to one billion seventy-four millions in 1937–38, an increase of two hundred and eighty millions or only 35 percent, as compared with the 61-percent increase in exports. This shows we were not outtraded in these agreements.

Using a like comparison regarding our trade with nonagreement countries, exports increased from one billion four hundred and forty-eight millions to one billion nine hundred and ninety-seven millions, an increase of five hundred and forty-nine millions, or 38 percent as compared to the 61-percent increase in the case of the trade-agreement countries. On the same basis, imports from the nonagreement countries increased from one billion fifty-seven millions to one billion four hundred and forty-eight millions, an increase of three hundred and ninety-one millions, or 37 percent.

Thus, in the case of the trade-agreement countries, exports have increased 61 percent while imports have increased 35 percent; while in the case of the nonagreement countries, imports and exports have increased in almost exactly the same proportion.

In this respect, Roger Babson, noted statistician, in an article appearing last Monday in the Washington Post, states:

> This, in a nutshell tells the effectiveness of the program, its aid to jobs and industry.

And, in closing his article, he further states:

> As statistician, I believe that the Hull trade pacts should be backed to the limit by every straight-thinking, unselfish, and honest American.

It is important to note not only that exports from the United States to the trade-agreements countries have gained relatively more than exports to non-trade-agreement countries, but also that the trade-agreement countries have generally increased their purchases of American products more than they have increased their purchases of the products of other countries. For example, in 1937 and 1938, Belgian imports for consumption from the United States were 81 percent

and 100 percent, respectively, above imports during the pre-agreement year, 1934, while Belgian imports from all other countries were only 44 percent and 14 percent greater. In the 3 years 1936–38 of the first agreement with Canada, that country's imports from the United States averaged 42 percent greater than in 1934–35 as compared with an average gain of 22 percent in Canadian imports from countries other than the United States between the same periods.

BENEFITS TO AGRICULTURE

The benefits which American agriculture has derived from the operation of the trade-agreements program are substantial. The volume of agricultural commodities imported from trade-agreement countries has not increased to any greater degree than the volume of such imports from nonagreement countries. On the other hand, farm exports to the trade-agreements countries have increased 15 percent from 1935–36 to 1938–39, while exports to nonagreement countries have actually decreased 19 percent.

Valuable and substantial concessions have been secured from many foreign countries regarding our basic farm products such as corn, hogs, wheat, fruits, tobacco, lard, and many other items. Under this treatment, farm income rose from four and seven-tenths billions of dollars in 1932 to seven and six-tenths billions in 1938.

The increased consuming power of the industrial worker and city dweller, due to the beneficial effects of this program, has aided substantially in the improvement of the farmer's domestic market. In addition, allowing for the changes in the cost of living to the farmer, the farm income of 1938 represented at least 40 percent more purchasing power than such income for 1932.

These are substantial, concrete facts and not opinions, about which there can be no controversy. They stand as an insurmountable wall to those critics of the program who would have us abandon it and revert once more to particular protection of the special interest.

There was no evidence of any direct or serious injury. Those opposed to the program based their opposition on fear of what might occur. We vigorously contend that even if some slight direct injury has been sustained, it is more than compensated for by generally improved business throughout the country.

Even if some slight temporary hardship does result to some particular industry or minor group or interest, it is apparent that, in the long run, benefits will flow to every citizen through the improved national economy and general welfare of the country. We are not here dealing with local legislation which is aimed solely to the benefit of any section or group. Here we have national legislation in its broadest sense, with the welfare of the whole United States as its supreme goal.

MOST-FAVORED-NATION CLAUSE

I want to comment briefly upon the policy of equal treatment. Now, we have paid our Republican friends a great compliment by adopting the most-favored-nation policy from them. In some ways they do not seem to appreciate this compliment.

The increases in our exports to trade-agreement countries occurred not only because we obtained from such countries valuable tariff reductions and important mitigations of other restrictive measures but also because, through trade agreements, they have given us a guaranty of equal treatment. These assurances of nondiscrimination against our goods were secured through the application of the unconditional most-favored-nation principle.

For example, in the agreement with Canada, reductions due to a most-favored-nation treatment were obtained on some 600 items, covering $112,000,000, including a long list of grains and their products, iron and steel manufactures, and heavy machinery.

There has been a good deal said to the effect that countries with which we have trade agreements continue to discriminate against us. No evidence was presented to prove the statements. A list of countries was presented by one witness, but I was interested to note that the countries had not concluded trade agreements under the present act. Through trade agreements we have an effective instrument for maintaining a nondiscriminatory principle. We have not had an effective instrument outside of trade agreements.

Obviously, when we demand and receive nondiscriminatory treatment from other countries, we must be willing to extend similar treatment to them. It is necessary insurance against one of the most injurious obstructions to trade to which our exports are exposed. Hence the Congress, in passing the Trade Agreements Act, wisely decided to continue nondiscriminatory treatment as the basis of our commercial policy. Accordingly the unconditional most-favored-nation principle—the only effective means of insuring nondiscriminatory treatment for exports—which has been employed in this country since 1923, has been embodied in our trade agreements.

We have generalized the tariff adjustments made in individual trade agreements to all countries which have been found to accord us substantially nondiscriminatory treatment. We have refused such generalization to countries which in turn refuse us such treatment. In this manner our most-favored-nation policy has been a means not only of improving our trade with the trade-agreement countries, but also a valuable instrument for safeguarding our trade position in other countries. The records of our recent hearings show that the advantages to us under this principle have been 8 or 9 to 1. That certainly, by no stretch of the imagination, can be considered a Santa Claus policy. This policy is followed because it is good business.

Mr. BUCK. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from California.

Mr. BUCK. The gentleman has noted in the minority report the statement that the exports were already on the increase at the time the trade-treaty program began. Is it not a fact that as a result of the Republican high-tariff, depression-creating policy our exports had reached such a low level in 1932 that any increase would have been a large gain?

Mr. DOUGHTON. Why, of course. There is no question about that. It had reached a death level.

Mr. BUCK. Is it not a fact that actually exports increased by $64,000,000 in 1933 over 1932 and by $522,000,000 in 1934 over 1933; so that there was a tremendous increase after the trade-agreement program went into effect?

Mr. DOUGHTON. Yes. If you do not manipulate the figures and state the facts just as they are, there is no question about that.

Mr. BUCK. In 1935 the exports were $150,000,000 greater than in 1934; in 1936, $323,000,000 above 1934; in 1937, $1,216,000,000 above 1934, an average of $739,000,000 every year from 1934 through to the year 1939.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I regret I do not have the time to yield now. I might yield for a brief question. I want to be fair.

Mr. MOTT. Suppose I ask a question, then. What was the value of our exports last year?

Mr. DOUGHTON. Does the gentleman mean our exports for 1939 to non-trade-agreement countries?

Mr. MOTT. No; the total amount, our total exports.

Mr. DOUGHTON. I do not know whether I have that figure right here. I can get it and put it in the RECORD; my recollection is our exports were $3,177,000,000.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. Has any expert opinion been vouchsafed as to what percentage of these increases is attributable to our reciprocal-trade agreements?

Mr. DOUGHTON. There might be a difference of opinion about that, but when we show that the increase to countries with which we have the agreements is much larger than the increase to the countries with which we do not have trade agreements, it is a logical and reasonable conclusion that the

greater increase to the countries with which we do have agreements is attributable to the agreements.

Mr. CASEY of Massachusetts. Particularly in view of the fact that there is no other chief reason for the increase?

Mr. DOUGHTON. I do not know of any other. I do not believe you can study the facts and reach any other reasonable conclusion.

Mr. COOPER. If the gentleman will yield, I believe I have the figures here.

Mr. MOTT. If the gentleman does not have the figures, I may say that I have the figures for the first 11 months of 1939.

Mr. COOPER. The total exports of the United States for 1939 were $3,136,000,000, or an increase of 42 percent over the pre-trade-agreement years 1934 and 1935.

Mr. MOTT. They increased only a fraction of a percent over 1929?

Mr. DOUGHTON. I did not yield to the gentleman to make a stump speech. I do not have the time. The gentleman will get time from his side to make his speech.

Mr. MOTT. The gentleman misunderstands; I was asking a question. I say that is an increase of only a fraction of 1 percent over the exports for 1929.

Mr. DOUGHTON. The gentleman can make his own calculation.

Mr. MOTT. I am asking the gentleman.

Mr. DOUGHTON. The gentleman will not dispute the fact that there has been an increase over——

Mr. MOTT. Over 1929? I do dispute it.

Mr. DOUGHTON. Since the trade agreements over the prior years.

Mr. MOTT. Over the depression years of 1931 and 1932, certainly, but not over the year 1929, when there was no depression. The figures show that our exports now are no greater than they were then.

Mr. DOUGHTON. The gentleman does not deny the fact that there has been a decided improvement over the years when the Hawley-Smoot Act was in effect. There is no denial. The facts will not support a denial.

Mr. Chairman, I should like to read a telegram that should have gone in the hearings but was not received until after the hearings were closed. This is from Clarence Poe, editor of the Progressive Farmer and Southern Ruralist, an agricultural paper that has as wide a circulation as any farm paper in the United States. He is not a politican, and he is not trying to make any political capital of this or to deceive anyone. He has made as thorough and careful a study of this subject from the standpoint of the interest of agriculture as any man, perhaps, in the entire country.

The telegram reads as follows:

RALEIGH, N. C., *February 15, 1940.*

Hon. R. L. DOUGHTON,
Chairman, House Committee on Ways and Means:

I earnestly hope you and your committee will do everything in your power to secure an extension of the Reciprocal Trade Agreements Act. I believe present world conditions make it imperative that America follow this procedure in order to restore international trade and that the labors of a man so able, patriotic, and well informed as Cordell Hull will result in gains to American agriculture far offsetting some incidental losses. As a past master of the North Carolina State Grange I especially regret what I believe the mistaken attitude of Mr. TABER on this issue. Since I find it impossible to reach Washington at this time I shall be glad if you will read to your committee this statement, which am confident is for the best interests of the 950,000 southern farmers who read our magazine.

CLARENCE POE,
President and Editor, Progressive Farmer and Southern Ruralist.

Also a telegram from Mr. O'Neal, president of the American Farm Bureau Federation:

WASHINGTON, D. C., *February 18, 1940.*

Hon. ROBERT L. DOUGHTON,
Washington, D. C.:

The last American Farm Bureau Federation convention, representing farmers in 39 States, endorsed without a dissenting vote continuance of reciprocal-trade agreements. All agreements to be approved by Secretaries of State, Commerce, and Agriculture. We respectfully urge your support of House Joint Resolution 407.

EDW. A. O'NEAL,
President, American Farm Bureau Federation.

The benefits which American agriculture have derived from the operation of the American trade-agreement program are substantial. I am trying to give the gentleman some information about the effect on agriculture now. The volume of agricultural commodities imported from countries with which we have negotiated trade agreements has not increased to any greater degree than the volume of such imports from nonagreement countries, which are affected only by the Smoot-Hawley Tariff Act. On the other hand, farm exports to trade-agreement countries have increased 15 percent from 1935–36 to 1938–39, while exports to non-trade-agreement countries have actually decreased 19 percent. In other words, we have increased our exports of farm commodities to countries with which we have had trade agreements and have lost in exports to countries with which we have not had trade agreements. I am sure this cannot be challenged.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Wisconsin.

Mr. MURRAY. Does that include the Canadian treaty or is that the general figure?

Mr. DOUGHTON. This has reference to all the treaties with respect to farm commodities.

Valuable and substantial concessions have been secured from many foreign countries regarding our basic farm products, such as corn. We have an exportable surplus of corn. We have secured concessions on corn, hogs, wheat, fruit, tobacco, lard, and many other items for which we must have an export market if we are to secure anything like living prices for these farm commodities. Cattle is about the only farm commodity that is above parity. How much further below parity would these farm commodities be were it not for our export trade which has been vitally and effectively stimulated by these trade agreements? Under this treatment farm income rose from $4,700,000,000 in 1932 to $7,600,000,000 in 1938.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I will yield for a question to my colleague and friend on the committee. I do not yield for any statistics, because you can prove or disprove anything by statistics if they are manipulated.

When our exports of industrial commodities are increased or stimulated, that gives better prices for farm commodities at home, because the more people who work in industries, whether for domestic consumption or for exports, that provides a better market for the consumption of farm commodities.

There was no evidence of any direct or any serious injury to any agricultural interests.

Those who oppose the program base their opposition on fear of what might happen. Of course, you could have fears about any subject and never move in any direction. If we are always looking for a ghost we would never make any progress, because in any kind of legislation there is more or less risk or uncertainty and the success of any program can only be determined by its administration and its effects or results.

We seriously contend that even if any slight or indirect injury has been sustained, this is more than compensated by the general improved conditions throughout the country brought about by the Trade Agreements Act. More than that, let me repeat that in the administration of this law, the Secretary of State, whose judgment, ability, experience, and patriotism cannot be questioned, has assured us that every possible safeguard is thrown around the domestic producer in order to protect him from any serious injury under the escape clause provided in these agreements, and in case injury is shown, prompt and effective action will be taken as stated in Secretary Hull's letter which I have already placed in the RECORD, in order to remove the danger of any injury that might come to any domestic industry. I do not know what more could be expected.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman.

Mr. CARLSON. The gentleman has on at least two occasions mentioned the escape clause with which we are all familiar.

Mr. DOUGHTON. Yes.

Mr. CARLSON. It is a fact, is it not, that it has not been used at any time?

Mr. DOUGHTON. I do not know that there has been any special necessity for it being used, because no case of injury has been shown, but we are assured it will be used if necessary or if there is any occasion for it. I cannot yield for a speech to my friend, who is an able member of our committee, because I want to conclude my remarks, but I will yield for a question.

Mr. CARLSON. Does not the gentleman think that the zinc producers of the United States produced a pretty good case of injury?

Mr. DOUGHTON. I do not think so, because of the fact it was shown, I think, by conclusive evidence they were in a very, very prosperous condition. So I do not see how any great injury can occur to an industry when it is very prosperous. Perhaps they expect too much.

Here is something that ought to be of interest to the American people. They are intelligent and they are following these questions carefully. No question has been more thoroughly debated nor is better understood by the people than the question of trade agreements. Dr. George Gallup recently conducted a poll, shown in the Washington Post, and that poll shows that 71 percent of the people of the United States favor the reciprocal-tariff program. The poll further shows that the ratio or percentage of Republicans and Democrats that favor this program are about the same.

Mr. SANDAGER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. SANDAGER. What percentage of the people had no knowledge of the trade agreements?

Mr. DOUGHTON. Oh, if the gentleman wants to question the knowledge of the people of the United States, he can do it. I would not want to do that. I do not think the gentleman can afford to do that, and I think the gentleman would want to take that out of the RECORD—any statement to the effect that our people are not intelligent. Seventy-one percent are for the reciprocal-trade program, the poll shows. Then there was a nonpartisan poll taken by the Economic Policy Committee, composed of outstanding economists from various universities. They polled the leading economists of the Nation regarding their reaction to the reciprocal-trade program, and out of 552 leading economists, replies favoring the program were received from 550. Every poll taken shows the same trend. A survey of the national press of the country, irrespective of party, was taken, and that shows that 82 percent of our newspapers—Republican and Democrat—favor reciprocal-trade agreements and only 9 oppose it. The others are noncommital. That is 82 to 9—a little more than 9 to 1. I think that that would be occasion for thought on the part of some of my friends before they go before the country and make this a political issue.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I am sorry I cannot yield, as I have not time.

Mr. MOTT. The gentleman is mistaken so far as one newspaper that I know of is concerned, anyway.

Mr. DOUGHTON. Oh, one out of a thousand. What does that mean? If I could not name more than one, I would say nothing.

I shall read now a brief editorial which I think is very pertinent, and which appeared yesterday, February 18, 1940, in the Baltimore Sun. That editorial reads as follows:

DEBATING POINTS AGAINST THE HULL PROGRAM

We have not had access to the complete text of the report of the Republican minority of the Ways and Means Committee on the trade agreements bill, but to judge by the rather full accounts of this document in the Washington dispatches, it is in the best tradition of the high school debating societies. The Republican critics of the Hull program show no grasp of fundamentals. On the contrary, they seem to have been content to make "points" against the reciprocal-trade agreements wherever points could be found, without reference to any coherent and consistent theory of their own.

A prime example of the debating-society technique is the argument that the trade agreements have not prevented the outbreak of the European war. Minority members of the committee made much of this argument during the hearings. It was and is their only answer to the insistence of the proponents of the trade agreements that no solid organization of world peace would be possible except under a system providing for mutually profitable exchanges of goods and services between nations in a free market and that the trade-agreements program affords the best American approach to such a system. To undertake to belittle this fundamental truth by harping on the fact that the European war has broken out since the trade-agreements program was initiated is to pit juvenility against statesmanship.

All the other debating points against the Hull program find a place in the minority report. That document includes even a proposal for a substitute program, which suggests that perhaps those who attack and belittle the trade agreements have a glimmer of perception that something along the lines of the present policy is needed in the modern world. But the Republicans do not undertake to outline their substitute. That would not be in accord with debating-society technique. Instead, they propose to leave the matter for further study and for decision at some future date—which date, it is sadly to be feared, would be long postponed if the minority party had its way. For the truth is that, while the Republicans originated the idea of reciprocal-tariff bargaining, they have never been able to stop giving special favors to tariff-protected industries long enough to put the idea to effective use. The McKinley tariff of 1890 and the Dingley tariff of 1897 provided for reciprocity agreements with other countries, but, as Dr. F. W. Taussig points out in his Tariff History of the United States, actual results under those provisions were of small value and short duration.

It has remained for the present Secretary of State, Mr. Cordell Hull, to work out a practical application of the system and to give it breadth and scope and promise for the future. His achievements are no doubt bitter pills for the supporters of Fordney and McCumber and Hawley and Smoot to swallow, but they make good medicine for the country, and the renewal of the Hull prescription is well justified.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. If I have made a misstatement, I would be very glad to yield.

The CHAIRMAN. The gentleman from North Carolina has consumed 1 hour.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed until he concludes his statement.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. SMITH of Ohio. Will the gentleman please supply the House with the names and addresses of the thousand economists who are in favor of this program?

Mr. DOUGHTON. The gentleman knows that this occurred. It never has been denied.

Their names were given at the time the Smoot-Hawley tariff law was enacted.

Mr. SMITH of Ohio. I am sincere about it. I would like to know.

Mr. DOUGHTON. I do not know that I can get the names of all of them, but it never has been questioned, as far as I know. If it is important to the gentleman I can verify it. I do not know that I could give the names of all of them. I do not know of any economist of any reputation whatever that took issue with them. More than a thousand of them came out in favor of it.

WOMEN'S ORGANIZATIONS

It will be interesting, I am sure, to know what the women's organizations of the country think with regard to the trade-agreements program.

The principal women's organizations of the country were represented at the hearings just completed, and each and every one of these groups unanimously endorsed the trade-agreements program.

Mrs. Frederic Beggs, appearing for the General Federation of Women's Clubs, stated, among other things, as follows:

The Federation of Women's Clubs has in its membership more than 2,000,000 women. We have fifteen-thousand-some-odd clubs, and that means that there are 2,000,000 potential voters.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield for a question?

Mr. DOUGHTON. Yes; I yield to the lady.

Miss SUMNER of Illinois. Were those statements from those women's clubs given before or after the hearings?

Mr. DOUGHTON. They were given during the hearings.

Miss SUMNER of Illinois. I asked because, after spending about a week going through these hearings, I did not see anything like that.

Mr. DOUGHTON. They were given during the hearings, and I can refer the lady to the page, chapter, and verse.

Miss SUMNER of Illinois. Since these hearings were concluded have you had any statements?

Mr. DOUGHTON. No; not since the hearings were concluded. You would not expect them to reverse themselves in 2 weeks, would you? [Laughter.]

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER. The statement to which the gentleman has referred will be found on page 2201 of the printed hearings, as well as all the other statements.

Mr. DOUGHTON. Yes; and I would commend that to the prayerful consideration of the gentle lady from Illinois. [Laughter.]

Mrs. Beggs says further:

So I am really representing a very special interest as a large group of purchasers. And I am also representing a large body of public opinion in this country.

We are glad, as I have said before, that these hearings are being held, and I want to add a personal word, if I may, in the form of a good, solid, Republican conviction that leaders of the opposition party, to which I have the honor to belong, will not be showing particularly good judgment if they introduce the reciprocal trade-agreements program in the campaign of 1940 as a partisan issue because there are far too many Republicans who understand the issues involved and who are ready to rise spontaneously to the support of the program.

Mrs. Harris T. Baldwin, representing the National League of Women Voters, said:

The National League of Women Voters wishes to express its support of reenactment of the Reciprocal Trade Agreements Act * * * (p. 2205).

Finally, it has opened the way to overcome foreign-trade obstacles and to gain foreign-trade advantages through the reciprocal-trade agreements (p. 2207).

* * * We are equally convinced that the best interests of the United States will be served by keeping the program as a means of promoting sane international trade relations when wars abroad end (p. 2208).

Mrs. J. Austin Stone, representing the National Women's Trade Union League of America, said:

I represent the National Women's Trade Union League of America, which has a direct and affiliated membership of over a million (p. 2210).

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Before concluding, I should like to say a word about the change in world conditions since the program was adopted. It is, of course, a peacetime measure; and some persons argue that because there is now war in other parts of the world, it is of no value and might as well be allowed to lapse. The Women's Trade Union League is convinced that this would be a tragic mistake both from the standpoint of labor and from that of the Nation as a whole. * * * It is of the utmost importance to keep machinery alive by which, when peace does come, the flow of world trade may be quickly resumed; and, in spite of many difficulties, the trade-agreements program has already demonstrated its great usefulness in this respect (p. 2212).

Let me say to the gentle lady from Illinois that not a single woman appeared before the committee in opposition to this. All four of the women who did appear were among the most intelligent I have ever known. They appeared before our committee representing large organizations and spoke in support of the program. Not a single woman appeared there to utter one word in opposition to it. That must be very, very singular.

Dr. Caroline F. Ware, representing the American Association of University Women, stated:

I am here to speak from the point of view of the American consumer in support of the extension of the Reciprocal Trade Agreements Act. * * *

The American Association of University Women, which I represent, is an association of more than 65,000 members who are graduates of colleges and universities of high standing. * * *

My association has joined with the American Home Economics Association, numbering 15,000 professional members, and another 70,000 in student groups, and with the General Federation of Women's Clubs of over 2,000,000 members, in forming, with representatives of retail organizations, the National Consumer-Retailer Council.

The reciprocal trade-agreements program constitutes the first sustained effort on the part of the Government to consider the needs of the consumers as well as the desire of producers in the formulation of national tariff policies. Although consumers are the largest economic interest in the population, for we are all consumers, they have not been heard in the process of tariff making in the past (pp. 2213, 2214).

Dr. Ware, on page 2217, also has the following to say:

By means of the Reciprocal Trade Agreements Act, American consumers have begun to secure consideration in the development of tariff policies. We do not want to go back. We urge the extension of the act in order that we may retain this small gain, at least until such time as the paramount interest of Americans as consumers receives wider recognition in all aspects of our national life, and production and trade are seen as means to an end, not as ends in themselves. We urge the Representatives of all districts to think not only of factories but of homes.

I cannot conclude my remarks in support of this farsighted and extremely beneficial program without rendering tribute to the one man, above all others, whose statesmanship, broad experience, wisdom, foresight, tact, and perseverance have made the administration of the reciprocal-trade program so successful. In my opinion, the Honorable Cordell Hull is one of the greatest Secretaries of State this Nation has ever produced. His outstanding public service and untiring, intelligent efforts to improve our relations with other countries specially entitle him to the unanimous acclaim of every citizen, not only of our own country but of all the nations of the world.

He has earned and has been given a place in the minds and hearts of his countrymen that will remain so long as our Nation endures. Statesman, scholar, thinker, and man of action, his record will stand as a monument which neither the passage of time nor the achievements of others can ever dim or destroy.

I thank you. [Applause.]

EXCERPTS FROM EDITORIALS

The American manufacturer and the American farmer are just about the most efficient in the world. The much vaunted cheap foreign labor, generally much more poorly equipped and managed, cannot displace them in the world markets in a fair fight.

This is illustrated in Venezuela which last year purchased $52,000,000 worth of goods from the United States. That was 56 percent of all its outside purchases.

Why didn't the cheap foreign labor of other countries get this business? It was because it couldn't deliver such articles as wheat, prepared milk, radios, lard, steel products, refrigerators, paints, and other items. * * *

Trade across international borders, as well as within a nation, provides more business, more wealth to consume, more jobs, more prosperity. (Knickerbocker News (Independent Republican), Albany, N. Y., November 11, 1939.)

Prior to the adoption of the original Trade Agreements Act in 1934, tariff legislation had been going from bad to worse. Advocates of prohibitive duties on sugar got together with advocates of high duties on wool, and the two groups collaborated with those who wanted high duties on cheese and butter and beef, and the result was an orgy of logrolling in which the interests of the Nation as a whole were forgotten. * * * (Baltimore Sun (Independent Democrat), January 12, 1940.)

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* * * Most of those who are today attempting to destroy our trade program by making insupportable charges that it is injuring agriculture are the same false prophets who solemnly assured the farmers that the Hawley-Smoot embargoes would guarantee to them full and permanent prosperity; whereas, in actual fact, within 2 years from the enactment of the 1930 tariff, millions of farmers found themselves in or on the verge of bankruptcy. * * * Analysis of the results obtained under the trade-agreements program reveals that between 1935 and 1938 our exports of farm products to trade-agreement countries increased by nearly 50 percent, whereas to other countries they actually declined slightly. (The Times (Independent Democrat), Bayonne, N. J., December 5, 1939.)

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* * * Does the United States want to trade or not? That is the larger issue. If it wishes to develop the great opportunity for exports to Latin America it must learn to take imports. And if it wishes to build Pan Americanism on sound economic foundations the United States must put trade which would benefit the Nation as a whole ahead of local fears of competition. (Christian Science Monitor, January 9, 1940.)

The object of the reciprocal-trade treaties has consisted in promoting commerce among nations through a reduction of tariffs. Like all economic problems broadly affecting the Nation, it should be approached dispassionately. It is unfortunate, therefore, that Secretary of State Hull, who has labored long, arduously, and sincerely in behalf of the trade pacts, is now obliged to confront palpably partisan and unsubstantiated claims tending to disparage his accomplishments. * * * (Boston Transcript (Independent Republican), December 9, 1939.)

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* * * Whether the name "reciprocal-trade program" endures is not important, but the principles will have to be retained. Either we market these surpluses abroad or we must be content with want and plenty. (The News (Republican), Cleveland, Ohio, December 4, 1939.)

For the first time tariff problems are being handled honestly and scientifically. * * * It would be a political and economic crime to go back to the scandalous methods of Smoot-Hawley days. (The Times, Chicago, Ill., November 28, 1939.)

It is unfortunate that the tariff is being drawn once more into party politics, after a period of 5 years of relatively scientific tariff making. The trade agreements have been imperfect, of course. But they represent an immense step forward from the logrolling tactics Congress used for decades previously in the framing of tariffs. They also represent the most important contribution the United States can make toward a more tolerable world order. (Cincinnati Enquirer, November 29, 1939.)

Shall individual interests fix tariff rates to their own liking, let the volume of foreign trade fall where it may, or does volume of trade have a prior right as an item of national public welfare? * * * We believe that stimulating foreign trade is an essential part of stimulating private enterprise. * * * (The News (Republican), Cleveland, Ohio, January 8, 1940.)

The Hull reciprocal-trade agreements are under fire in Washington, and the fire will get hotter and hotter as we get nearer into 1940 with its conventions and election. * * * The voter, therefore, will do well to remember several things when the proposed barrage is laid down against the Hull agreements. He should remember that politics has much to do with it. He should remember, when his selfish interests are appealed to, that what may touch him lightly, if at all adversely, may be for the good of the Nation and the world as a whole. (The Democrat (Democrat), Davenport, Iowa, November 29, 1939.)

Conceivably there have been some minor inequities, involving particular farm products; these are matters of detail and are righted as rapidly as possible. But if the farmer has any recollection of the early 1930's he will take a long look before deserting the trade-agreement program. (The Register (Independent), Des Moines, Iowa, November 28, 1939.)

Think it over, farmers: * * * Again, now, as in the 1936 campaign, the air is full of assertions that American agriculture is being victimized for the benefit of American manufacturing industries by the trade-agreements program, which aims at cautious lowering of international-trade barriers.

In 1936 the phrase was "sold down the river."

Since all the preposterous charges in that period about our farmers having been victimized proved false alarms, this phrase is less used now. But it will probably bob up again. * * *

Every powerful industrial influence that in the past, during all of our times, has been fighting to benefit itself through sky-high tariff protection, at enormous cost to agriculture and to all other consumers of "protected" industrial products, is energetically behind the drive to destroy the trade-agreements program. Why?

Think it over, Mr. Farmer. (Des Moines Register (Independent), January 7, 1940.)

One of the major objectives of the reciprocal policy has been the opening of international channels of trade. It does not abandon protection, but it makes concessions in order that these channels may be developed, providing a greater two-way traffic between this country and other nations. In this broad policy it is the intent to gain benefits for a broad field of American products instead of following the narrow policy of giving absolute protection to a few at the expense of the many * * *. (The Press (Independent), Grand Rapids, Mich., December 9, 1939.)

The trade agreements represent the best way to open foreign markets, which the farmer must have for the sake of his own surpluses and which the industrial worker must have if he is to keep at work and be in a position to buy agricultural goods. To an extent that can hardly be measured, the farmer depends upon the trade agreements to maintain his markets, both foreign and domestic. * * *

The Republicans may as well realize that they cannot win the next Presidential election merely by an inchoate, contradictory appeal to the prejudices of varied blocs of voters. Such a program was attempted in 1936, and it failed miserably. If the Republicans are to win, they must convince the voters that they have a program of action that in both its domestic and its foreign aspects makes consistent sense. Reciprocal-trade agreements are an integral part of such a program, for they offer the only feasible device by which surpluses, both agricultural and industrial, can find their way into foreign markets, thereby making for prosperity at home and for peace abroad. For further particulars, read the last speech of that great Republican protectionist, William McKinley. (The Courant (Republican), Hartford, Conn., November 25, 1939.)

Much has been written about the moral obligation of the United States to use her vast economic power to create a better world, in which advantages will be more equitably distributed. In such a world, it is admitted, the threat of war would be diminished greatly.

We hope some Republican orator or the spokesman for some protectionist industry will explain how that can be done by returning to the Smoot-Hawley tariff philosophy. (The Post, Houston, Tex., November 28, 1939.)

The last Republican tariff, enacted in 1930, was directly responsible for the establishment of foreign-trade barriers against American commerce. It aided in destroying the farmer's market. Hundreds of economists warned against its effects. Even Herbert Hoover signed it reluctantly. But the grabbing, selfish interests had their way. American industry and agriculture, instead of being protected, were dealt a crushing blow in those early depression years when they needed a stimulant rather than a club. * * *

The trade agreements rank with social security and bank-deposit insurance among the reforms made in the last 7 years. To abolish them would be a senseless step backward. (The Journal (Independent), Kansas City, Mo., January 8, 1940.)

The protective tariff is a game of boycott at which two can play, and every country in the world has played to its own hurt. When a European settlement is reached, we may find ourselves competing with a united world, including South and Central America, unless we do some adjusting beforehand. Industrialists and financiers have begun to realize this; but an old generalization is revived to fool the farmers. * * * The real organized and financed fight against the New Deal is waged by those who wish to regain financial control of the Nation. Farmers have only to look back over the last half century to see what that would do to agricultural policies. (The Courier Journal, Louisville, Ky., December 7, 1939.)

That dairy farmers of Wisconsin have probably been fed more misinformation and falsehood on the reciprocal-trade agreements than on any other single subject affecting the interests of agriculture. * * * (The Times (Independent), Madison, Wis., December 13, 1939.)

The response to the Hoover-Grundy law was reprisals by 29 nations, among them Canada, our most important customer. There was no unfriendliness in this; there was only recognition that a producer must buy from those who buy from him. It is the way he has of paying.

The only blow struck at the Hawley-Smoot tariff in the 9 years since its enactment has been the Hull trade agreements. * * *

Politicians love a tariff issue. It saves them from having to think. The Republican Party for years pointed out to the farmer that what he produced was on the free list. It gave him a higher duty and put a countervailing duty on manufactures the farmer had to buy. thus taking from agriculture any gains it possibly could have made.

The same old talk is being revived today by men looking for a befogging issue to reelect them next year. * * * The Republican Party's policy of tariff subsidies to manufacturers with deceiving lip service to agriculture, pursued from the Civil War on, nearly wrecked this country in the 1920's and early thirties. Is it the idea of Republican leaders that they should finish the job? (The Journal (Independent), Milwaukee, Wis., December 3, 1939.)

The best and surest way to scuttle the reciprocal-trade program would be to require Senate ratification of trade treaties negotiated by the executive branch of Government, a procedure which many Senators favor. * * *

It would be a major mistake if the reciprocal treaties, which already have proven their worth in boosting foreign trade and stimulating domestic production, were now to be cast to the mercies of lawmakers, who would seize upon them to make political capital and to help them in their "horse-trading" deals with their colleagues. * * * (The Star Journal (Independent), Minneapolis, Minn., December 28, 1939.)

A lot of us are inclined to approve of Secretary Hull's trade policy as applied to all lines except our own. * * * Some people are beginning to suspect that we can't increase sales abroad unless we increase purchases. It's about time for a serious study of this whole question by the public and by Congress. * * * (The News (Independent), Minot, N. Dak., December 4, 1939.)

This opposition to the reciprocal-trade program, which many consider a prescription for lasting peace if universally accepted,

must be resisted by the Nation. The country's national welfare must not be subjugated to selfish private interests. For how can the United States expect to sell abroad while refusing to buy in return? (The Register (Independent Democrat), Mobile, Ala., November 28, 1939.)

If the treaty opponents can't kill the program they would like to suspend it. Their argument is that the war has so disturbed trade conditions as to make the effect of the agreements uncertain. But that probably is a cloak hiding other reasons which won't stand open discussion. It certainly is not convincing. If the treaties have had the effect of creating order and confidence in the trade between nations, it stands to reason that steadying influence will be most needed now and after the war. It is conceivable that in the post-war confusion the treaty system might become the solid mooring post to which the world can tie its foreign-trade relations. On the other hand, there probably could be no better way to breed more chaos than by continued pursuit of the theories of high tariffs, self-sufficiency and isolation. (Times-Picayune, New Orleans, La., December 6, 1939.)

To strike at the trade-agreements policy will be to strike a blow at peace and international cooperation. To renew the policy will be to reassert our faith that nations are not mere competitors in a ruthless struggle for markets, but mutual customers, dependent on each other and able to supply one another's essential needs in a spirit of equality and good will. (New York Times, December 19, 1939.)

To return to the logrolling and political deals of the patchwork tariff days, and thereby invite repetition of inevitable reprisals, would be a definite step backward—in trade as well as in the promotion of world peace. (The Oregon Journal (Independent-Republican) Portland, Oreg., December 26, 1939.)

Facts, not emotional prejudices, the whole rather than the partial effect of the Hull agreements, should determine their fate. (The Oregon Journal (Independent-Republican) Portland, Oreg., January 8, 1940.)

The Smoot-Hawley tariff was in many parts simply a bill to highjack the American consumer. It is still on the books because it seemed better trading to get from other nations a lower tariff on our imports than just to lower our barriers hoping they would go big-hearted, too, and lower theirs out of Christian charity. That was what the trade agreements now under fire, tried to do. * * * They do not show great harm to any important group in agriculture, industry, or labor, but show a great good to all groups, to all consumers, to reemployment and the country as a whole.

So what's all the shooting for? Obviously it is either to protect the Smoot-Hawley schedules or it is an effort, in a new high-carnival of old-time logrolling lobbying, to soak the consumer with even higher rates. (One Man's Opinion, by Hugh S. Johnson, Washington News, January 10, 1940.)

If the volume of foreign imports is further restricted and their price raised, several effects on American business are inevitable: American consumers must pay more for some of the things they need; American manufacturers must pay more for some of their raw materials. The result will be to raise their expense of doing business and to restrict the market for their product because of higher prices if they attempt to pass this added price on to the consumers. And finally, since imports are ultimately the only means that the outside world has of paying for American goods—barring a certain amount of more unneeded and unwanted gold—we are bound to cut down our exports to the same extent we cut down our imports. The result can only be to injure our farmers and manufacturers and to create internal disequilibrium. * * * If the Republicans as a body vote for the defeat of the Hull trade policy, if they demand a policy of embargo tariffs, they will be guilty not merely of bad economics but of bad politics. * * * (New York Times, January 12, 1940.)

This program is not popular with lobbyists. Back in the days of Smoot-Hawley and Fordney-McCumber and Payne-Aldrich, tariff making was almost the exclusive province of lobbyists skilled in applying pressure on Congressmen, masters of back scratching and logrolling. The Hull idea of having the trade experts of our Government get together with the trade experts of some other government and arrive at an agreement for the mutual benefit of both countries, is directly opposite to the lobbyist's idea of the way to do business. * * * These are things to bear in mind as the tariff fight swings into crescendo in Washington. It will help the rest of us to remain more or less calm if we remember that most of the commotion is supplied by lobbyists singing for their supper. (Washington News, January 11, 1940.)

Too often in the past, discussion of the tariff program of this Nation has descended to the level of waving a tinned Polish ham under the nose of the voters and shouting: "This is what the Government is doing to our farmers—giving their markets to other nations."

The most elementary cerebration should lead one to the conclusion that foreign trade is a matter of give and take. We cannot expect to have good customers abroad if we are not good customers, too.

Attacks on the Hull program which are not well-founded in facts and figures may boomerang on their authors. * * * (McKeesport News, McKeesport, Pa., January 13, 1940.)

The chief "come on" slogan, to catch the farmer vote on behalf of sky-high tariff policies is going to be, as usual "the American Market for the American Farmer."

Of course the farmer is not expected to do any heavy thinking as to what this implies. He has been fooled by it before. He is expected to be a push-over for the siren song again. * * * Inevitably, such policies of exclusion for all foreign goods implies terriffic penalization of those huge parts of our agriculture that produce surpluses for export. * * * In short carried to its inevitable conclusion, a real policy of the absolute complete American market for the American farmer means the ending of our farm exports. * * * And it means rapidly throwing huge parts of our farm production over into competition, in the domestic markets, with farmers who are not now surplus producers.

In short, the seductive slogan "the American Market for the American Farmer" leads straight to economic disaster for farmers as a whole, more than any other class.

"Penny wise and pound foolish" is the wise old phrase that fits the policy—like a glove—that our farmers are now asked to follow. (Des Moines Register (Independent), Des Moines, Iowa, January 10, 1940.)

Of all the fake political nostrums ever peddled the American farmer, the protective tariff is doubtless the phoniest.

After that last big war, the farm-the-farmer lobbyists and politicians sold the Fordney-McCumber tariff as the sure cure for all rural aches and pains. The result was that foreign countries which had been buying our cotton, wheat, corn, hogs, cattle, etc., started growing their own and buying elsewhere. * * * An effort was made to remedy that by lending more dollars abroad, which was a good racket while it lasted. * * * So the lobbyists and politicians started their medicine show again. Their new concoction bore the label of Smoot-Hawley, and was guaranteed to cure the tuberculosis, cancer, lumbago, and gout of the farm belt, and give American farmers a monopoly on the American market. It almost made good on that latter claim, but in so doing it knocked in the head the farmer's foreign markets, far more important to him than a domestic monopoly. Though by 1932 there was scarcely a trickle of farm imports, that act did little good for our farmers who got 5 cents for their cotton, 10 cents for corn, and "two bits" for wheat. * * *

Once again the farmers of farmers, who pitched their medicine tents in the lobbies of Washington, are crying out the old quack cure. They want to abolish the Hull reciprocal-trade treatment and persuade the patient to take a suck out of the same old protective tariff bottle. Is there a farmer in the audience who, having taken that "cure" twice, still has enough strength to step forward and give a testimonial? (The News (Independent), San Francisco, Calif., January 13, 1940.)

Opponents of the trade-agreement policy fall into several groups. The high-tariff advocates naturally object to it. Men who wish to embarrass the Roosevelt administration may think this is a good way to do so. Sticklers for precedent in tariff making perhaps see in this a subversive practice.

We have no sympathy with any of these groups. The plan of adjustment by executive agreement has proved its value, and should not now be dropped. (Cleveland Plain Dealer (Independent Democrat), Cleveland, Ohio, January 13, 1940.)

Much ado has been made about the imports of foodstuffs without explaining how much of the total has been made up of non-competitive food articles like bananas, coconuts, and coconut oil, or such as cattle from Canada and Mexico, which the cattle feeders want. Skillfully planting their men in these farmers' organizations and beating the tom-tom about food imports, the manufacturers of the country have been able to scare these farmers' groups into passing resolutions denouncing the trade pacts.

This scheme of using the farmer as a mark is an old one. The farmers, as a whole, are too little informed of how protection will aid them, and do not realize that a tariff on most farm products does them no good. * * *

The ignorance of the farmer on this matter has been used by the Republicans, representing the industrialists, to support every tariff protection bill since the time of the Civil War. And so it is now with the trade treaties. Although the opposition cannot point to a single instance where industry or agriculture has been damaged, and although it carefully neglects telling about any of the benefits, it conjures up the bogeyman of foreign competition to frighten the farmer as a means of helping the industrialist. The poor farmer does not realize that he has been competing with the bogeyman of foreign competition even when he was assured the all-time high Smoot-Hawley tariff was in effect. * * * (The Star (I), Tucson, Ariz., January 16, 1940.)

The Hawley-Smoot tariff helped wreck American foreign trade, including the export market. The agreements are showing impressive results in reviving foreign trade, including the export

market. Yet the same crowd that hailed the destructive Hawley-Smoot tariff as a great achievement to bring America out of the depression is now fighting the trade agreements.

The question is whether the country shall turn back toward the Hawley-Smoot barriers, which were dictated by political considerations, or shall go forward on a competently worked out nonpolitical trade policy that has demonstrated its great value to American agriculture and industry. * * * (The Kansas City Times, Kansas City, Mo., January 12, 1940.)

When Governor Murphy of New Hampshire tells a House committee that the reciprocal trade agreement program "may imperil the very economic existence of our six (New England) States," he plainly is not dealing in known economic facts. Both New England and the Nation are more prosperous today than they were when the trade-agreements program was adopted. And one of the reasons for this better prosperity is the rise that has occurred in American exports since the program was put into effect. * * * (Providence Journal, January 24, 1940.)

It must have been something to listen to gentle slow-spoken Cordell Hull read his prepared statement on the reciprocal-trade agreements to the House Ways and Means Committee. * * *

Hull's worst enemies must admit it was an impressive performance. But while they are acknowledging this they had best look to their ammunition, for the facts that the mild-mannered Secretary of State marshaled in orderly review can't be laughed off; they can't be disregarded. If extension of the reciprocal-trade program were to be decided in a vacuum, on its merits alone without benefit of politics, it would not be too much to say that Hull all but won his case yesterday.

He did not stop with merely denouncing the "reckless claims" of "unscrupulous" critics. Any small-bore politician could have done that. Hull showed exactly why the claims are "reckless" and the critics "unscrupulous." With the accuracy of a hill-country squirrel shooter he ripped the dead center of the bull's-eye time after time. * * * (The Beacon-Journal (I. R.), Akron, Ohio, January 30, 1940.)

Unless the Congress can put forth some better means of promoting commerce it had best give careful attention to Secretary Hull's plea for continuance of the Reciprocal Trade Act.

Making of these treaties has seemed to a great many observers a work of far-reaching importance. The plan is not to be lightly discarded, unless there is something better to replace it. Thus far it would appear that no program more effective for encouraging international trade has been offered. * * * The separate treaties thus far consummated may not be ideals of perfection. But at least in some instances they are filling what otherwise might be virtually a vacuum. Whatever their faults or their lack, they are contributing to commerce. So doing, they are promoting friendships. Many wish that they might be extended to more nations, even to those now "blacklisted." They should fill a more valuable role when war is over, in helping bring world-wide economic stability. * * * (Baton Rouge Times, Baton Rouge, La.)

Where the adverse publicity to the reciprocal-trade treaties comes from originally, we do not know. It may be the work of antinew dealers who wish to discredit the administration on any point possible. It may come from industrialists and Congressmen of the type who more than 50 years ago kidded the western farmer into thinking that tariffs were his savior, his benefactor, his God Almighty.

Before the North Dakota farmer goes off the "deep end," he should be warned that cancelation of reciprocal-trade treaties will hurt the farmer, not help him; will make him and his country economically poorer, not richer, will tend to make them both politically insecure. * * * There is no reason, however, for the farmer to believe that every farm product shipped into the United States competes with him. He should not develop a persecution complex on the trade-treaty question. Before the farmer starts another farm-suicide trend he might find out what's to his benefit, compared with what appears to be for his own good. (Bismarck Capitol, Bismarck, N. Dak., December 28, 1939.)

Republican leaders in Congress look upon the reciprocal trade agreements program as the major issue in the next session, according to an Associated Press dispatch. Minority Leader MARTIN of Massachusetts and 22 other New England Republican Members have prepared exhaustive reports showing how the program has worked against New England industry, farming, and fishing.

For more reasons than one, this is a dangerous subject for the Republicans to take under their wing in the coming session. A year ago, when the world was more or less at peace, it would have been safer ground. But now the issue of peace for the United States has become of pressing importance, and the administration has been given the opportunity of emphasizing more strongly than ever the function of a free reciprocal trade policy in the preservation of friendly international relations. * * * We do not think there is much to be said for high protective tariffs as an economic expedient. At the moment, there seems to be even less to be said for them as a political expedient. A tariff plank might woo a few farmers away from the munificence of the New Deal, and it would probably gratify a good many industrialists who are, however, already prepared to vote Republican come what may. But given the sort of interpretation it is certain to receive from a democratic political organization that knows its business, the policy seems more likely to alienate large numbers of voters who will look at it as a sectional movement against the best interests of the Nation as a whole, and not calculated to promote the one thing we all hope for—peace. (The Herald (Independent), Rutland, Vt., December 28, 1939.)

There may be, and probably are, defects in the reciprocal-trade policy of the national administration, and certainly it is easy to find those who dislike it because it has resulted in some reduction of tariff barriers upon certain articles in which they are particularly interested. However, as it is a national policy intended to operate for the greatest good of the greatest number of our people, it seems fair to consider its effect on the Nation as a whole. * * * So on the face of the record the fact seems to be that, at least so far, the reciprocal-trade treaties certainly have not hurt us in the matter of favorable balance of foreign trade. We have sold abroad a surprisingly greater amount than we have bought from abroad, viewing the entire foreign-trade picture from the standpoint of the Nation as a whole, which is of course the proper view of a national policy. (The Press (Democratic), Sheridan, Wyo., January 5, 1939.)

Inasmuch as the trade-agreements controversy has taken on a dominantly partisan coloration, the President could hardly fail to defend this part of his program if only for political reasons. Insofar as attack is Republican in origin and partisan in motivation, it must be answered in like manner.

Beyond that, and far more important, is the fact that no administration—Republican or Democrat—could abandon such a promising contribution to the rebuilding of prosperity and peace without thereby confessing to a disregard for the national welfare.

The Hull program has been the target of many and varied shafts, but none has succeeded in finding a breach in the truth of these fundamental propositions: Artificial barriers to international trade destroy free markets and sources of supplies, hinder the exchange of surplus goods with its mutual benefits, and result in a universally lowered standard of living. Nations surrounded by such barriers tend to seek relief in forceful action. The negotiation of nondiscriminatory reductions in trade barriers is the most practicable and the most promising method yet devised to promote the economic well-being of the United States and the peaceableness of other less fortunate nations. (The Dispatch (Independent), Minneapolis, Minn., January 5, 1940.)

The lesson in the relationship between external trade and internal prosperity which America has had since the imposition of the Hawley-Smoot tariff should have been enough to persuade labor of the fallacy of trying to raise the standard of living by cutting off imports of foreign-made goods, and of the necessity of reducing barriers to trade if prosperity is to be restored. * * * No imports means no exports; a curtailment of foreign market means ruin for large parts of the country and consequently a curtailed domestic market. The resulting lack of business means unemployment and low wages. (The Pioneer Press (Independent), St. Paul, Minn., December 18, 1939.)

The big point of distinction between the New Deal and this old principle of the Republican Party is that the New Deal does not content itself with giving protection to those who seek to have the Government protect their investments. The New Deal extends Government protection to labor and other groups. And if capital and profits are entitled to governmental protection, why should not labor and other groups get protection? The apparent justice of such an idea accounts for the strength of the New Deal. (The Star (Independent), Tucson, Ariz., November 23, 1939.)

"To separate foreign trade from politics." Shades of Willis Hawley and Reed Smoot. If ever politics sired a vampire to suck the lifeblood out of our foreign trade the Hawley-Smoot tariff of 1930 was it. The Hull program, far from being bound up in politics, was designed to rid our foreign trade of the curse of politically logrolled tariff barriers behind which our commerce had languished. * * * Farmers will do well to regard skeptically the clever charges that the trade agreements have favored industry at their expense. * * * If he has a vivid recollection of the early 1930's—as what farmer has not?—surely he will hesitate before being sold that bill of shoddy goods again. (The Star Free Press (Independent), Ventura, Calif., November 27, 1939.)

The American people may well view with mingled emotions of regret and concern the political storm which is blowing up around the proposal to renew the reciprocal trade agreements program which will expire on June 12 unless legislation authorizing its continuance is enacted in the interim. In making a decision of this kind there is no place for partisan politics, no room for the manifestations of narrow sectionalism which have characterized some of our tariff policies in the past. It is a determination which calls for statesmanship of the highest order, and if the Congress fails to meet this requirement—if it does not look beyond the selfish arguments of special interest groups—it will have rendered a disservice to this country and to the world at large which will have evil consequences for many years to come. * * * The Hull program is not a panacea for all of the world's trade ills, and the obstacles confronting it are

increased manyfold in time of war, but the Star most earnestly hopes that the trade-agreement legislation will be renewed by this Congress. When peace comes it must be founded upon some such forward-looking program, and for the United States to abandon Secretary Hull's policies at this time would be an unthinkable backward step. (The Star (Independent), Washington, D. C., January 10, 1940.)

In the present critical period of international affairs no statesman has managed to combine a passionate devotion to principle and the calm moderation of logical thought with greater success than Secretary of State Cordell Hull. Mr. Hull detests as cordially as any man the use of "arbitrary force as the basis of international conduct." But, while nearly every other national spokesman, both in this country and abroad, has occasionally given way to prejudice or fear, Mr. Hull has remained magnificently aloof on his own high plane. (The Journal Every Evening, Wilmington, Del., May 23, 1939.)

Were we to return to the old principle that we can erect high tariff walls to keep foreign goods out of America while, at the same time, expecting other nations to admit freely our manufactured products, it would be a great mistake. If we expect other nations to admit our products, we must be willing, in return, to admit their products to this country. If the lessons of the past have taught anything, it is this, and a great many American manufacturers realize it fully. * * * America needs world markets. The prosperity of business, industry, and labor depends upon our ability to sell our goods abroad. We cannot hope to retain such world markets, however, if we are unwilling to permit the entrance of foreign goods into this country and any argument to the contrary cannot stand. The Republican Party should not as a pure matter of political expediency take a position which it will find later is neither logical nor wise. (The Times (I. R.) Watertown, N. Y., January 8, 1940.)

As for this drive in Congress, it is backed by interests which feel that they have been definitely injured by the lowering of certain tariff rates in the reciprocal treaties now in operation, and by other interests which fear that they will be damaged by future treaties. * * * Whatever faults may be disclosed in Secretary Hull's practical handiwork, he is right in principle when he holds that increased trade is essential to the advancement of peace. (The Gazette (I. R.), Worcester, Mass., January 8, 1940.)

The board of commerce has taken a well-advised action. If tariffs are not to be thrown back to the mercies of the dicker-and-trade system in Congress, it is essential that the defense of the reciprocal system have expression on a scale and with determination meeting the vigor and intensity characterizing the concerted drive being made to do away with the trade bargains. (The News (I.), Detroit, Mich., January 23, 1940.)

The authority on which Secretary of State Hull and his aides have been acting is about to end and Congress is making up its mind whether to renew it.

The trouble is that this very important economic policy is being attacked in an atmosphere of partisan politics which results in exaggerated statements. It would be more convincing if those who talk or write about this matter would get down—painful as it is—to a study of facts. (Times-Star (Independent), Bridgeport, Conn., January 25, 1940.)

Mr. Hull's commendable work has never been more essential than today amid clashing and narrow nationalisms which have already precipitated one war and may lead to others. There are many ways of bringing about a friendly and cooperative world, and to trade for mutual benefit is certainly one of them. This is no time to abandon it. (Boston Evening Transcript, December 9, 1939.)

Even high-tariff Republicans admit that Mr. Hull's trade treaties have removed from Congress some of the worst aspects of log-rolling. If you pinned them down they would admit that congressional vote swapping is expensive for the country and raises the devil with wise national policy. * * * (Berkshire Eagle (I.), Pittsfield, Mass., December 29, 1939.)

Let this be a warning: Destroy reciprocal-trade agreements and you cast this Nation out of the role that history seems to have ordained for us in fashioning a world where free men can trade with their neighbors and through this trade give sustenance to the roots of peace. (The Evening Bulletin (Independent), Providence, R. I., January 11, 1940.)

Today agriculture, to live, must sell its surplus abroad. To do that it must exchange raw products for finished goods and other raw products. American industry, for the most part, is strong enough to compete with that of other nations. In those few instances where it is not, it should be protected.

But if we are to achieve a balanced economy, we must have a freer exchange of goods. Tariff dams will have to be destroyed. The water of commerce will have to flow in a steady stream for all to enjoy. You are going to hear a great deal shortly about "protection for our American industries," and most of it will be sheer, unadulterated bunk, put out by selfish persons for their own profit. * * * (The Star-Tribune, Providence, R. I.)

The belief that the domestic farmer is being driven out of the domestic market by imported foreign products, therefore, appears to be without substantial foundation. The problem of the farmer, indeed, has quite different roots. As Mr. Hull points out, the United States normally produces not merely enough to satisfy domestic needs but a great surplus besides, which, if it is not sold abroad, means disastrously low domestic prices, with consequent agricultural distress. And the only way in which the agricultural surpluses can be sold abroad is to make arrangements with other nations whereby they can sell more of their products in the United States in exchange for wheat, cotton, and lard. Indeed, the administration has endeavored so diligently to find outlets for surplus agricultural products that the workers of the East have sometimes been led to complain that they, not the farmer, are being "sold down the river."

The fact is that neither the farmers nor the workers of the United States are being sold out by a policy whose chief purpose is to facilitate the production and exchange of goods. For every item sold by a foreign producer in the United States, the United States sells another item abroad. * * * The realization that closed markets and restricted production, whether on a national scale or an international, means not increased prosperity but only shared poverty for everyone, whether he be a domestic producer or a foreign, whether he be a farmer or a worker, may be hard to learn; but it must be learned if the world, and the United States included, is to resume its progress toward economic democracy. * * * (The Courant (Republican), Hartford, Conn., August 2, 1939.)

The proposed attack on the Reciprocal Tariff Act brings dismaying evidence that some in the Republican Party are still living in the past century. * * * (The Courant (Republican), Hartford, Conn., August 27, 1937.)

The CHAIRMAN. The gentleman from North Carolina has consumed 1 hour and 12 minutes.

Mr. CROWTHER. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, at the close of the tariff debate in 1930 a member of the majority of the committee at that time made the following statement concerning the Hawley-Smoot bill, and I inject it at this part of the discussion because reference has been made to it on several occasions and I want it to appear in the RECORD as a correct quotation. The paragraph reads as follows:

Mr. Speaker and gentlemen of the House, once this bill becomes a law confidence will be immediately restored, we shall gradually work out of the temporary slump we have been in for the last few months and once more prosperity will reign supreme, foreign reprisals will vanish into thin air, and we shall continue to raise the standard of American labor and American wages. We shall dissipate the dark clouds of your gloomy prophecy with the sunshine of a continuing prosperity.

The prophet stands before you, discredited to some extent by the sequence of unfortunate world events that followed the passage of that bill. I might rightfully trespass on your time and your patience in order to establish a long list of alibis, but I shall not do that. I shall refrain, and comfort myself with the knowledge that at least I thought I was right. Being right, of course, does not always bring its own reward. I am reminded of an epitaph on a man's tombstone who had been killed in an automobile accident. The epitaph ran something like this:

Here lies the body of Jonathan Hay
Who died disputing the right of way.
He said he was right, that's the same old song,
But he's just as dead as if he'd been wrong.

[Laughter.]

Mr. Chairman, I have heard a good deal of discussion here today about tariff bills and tariff policies and I hope a little later on to have something to say about the way my friends on this side of the House handled tariff bills some few years ago. Do you know that only 6 Members of this Seventy-sixth Congress were Members of the House when the Underwood-Simmons bill was written and became the law? There are only 28 Members of the present Congress who were here when the Fordney-McCumber bill was enacted into law. There are less than 100, or considerably less than 25 percent of the present membership of the House, who were here when the Hawley-Smoot bill became law. Such are the ravages of time, political hysteria, and of death. Thus the matter of tariff discussion, pro and con, to the

other 332 Members of the House is largely a matter of tradition.

During the debates on the 1913 bill the free-trade policy had many stanch supporters in this Congress, but as good judgment displaced prejudice during the lapse of years, by the time the Fordney-McCumber bill was presented our friends on the Democratic side had thrown up a breastwork defense which they labeled "tariff for revenue only." There were scarcely a half dozen who still clung to the outmoded fetish of free trade. That showed a remarkable advance in constructive thinking. The tariff has been a burning issue over a long period of years, and not very much that is new has been uttered in defense of or against its merits. The two closing speeches on the Wilson bill in 1893, one by the Honorable Thomas Brackett Reed and the other by the then Speaker of the House, Mr. Crisp, have always seemed to me to be the most complete in their analysis and conclusions.

It is interesting at this time to note that when the Wilson bill was found to be incapable of producing the revenue necessary even at that time, an amendment was added providing for our first income tax, calculated to provide $75,000,000 in revenue, which the tariff did not provide. That amendment was adopted and became part of the law, but was held unconstitutional by the Supreme Court. It is interesting to remember that at that time the returns from the customhouse practically paid the expenses of running the Federal Government. To the new dealer who thinks only in billions, customhouse revenues are mere "chicken feed."

It appears from the speeches and the remarks that were made during the hearings that my friends, the Democrats, have at last found a tariff policy that apparently meets with their approval. They have been a long time arriving at this conclusion. In 1912 the Democratic Party reiterated a previous charge they had made that the laying of tariff duties except for the purpose of revenue was unconstitutional. In 1916 they advocated a tariff for revenue only; in 1920 a tariff for revenue. They omitted the "only." In 1924 they advocated a competitive tariff, and in 1928, according to the famous Raskob telegram, Democratic congressional candidates were all "in the bag" for a protective tariff, and business had nothing to fear if Al Smith was elected. In 1932 they demanded the repeal of the Hawley-Smoot Act, and they romped and ranted up and down the hustings vociferously berating this law and promising to deal it a death blow when they were placed in power.

Seven years, seven long years, have taken wing and the Hawley-Smoot Act is still on the statute books, somewhat battered and bruised, but still in the ring. In view of subsequent developments along trade-treaty lines, what a material advantage they had in having the Hawley-Smoot rates to use for trading purposes. The rates in the Underwood-Simmons bill would have provided no opportunity to trade.

Now, reckless statements are constantly made about how much the ultimate consumer has to pay when we have a protective tariff. I remember one witness appearing before us this year who appeared in 1929. He appeared for an industry that has been harder pressed to hold 50 percent of its business in this country than any other industry in the United States. I refer to the pottery industry. In answer to the reckless statements as to what additional burden some of the rates would place upon consumers, I am going to quote from the evidence of Mr. Wells. This is a short paragraph appearing on page 1276 of the hearings in 1929. He made the following statement:

> Our prices today are much lower than they were in 1922. When the Fordney-McCumber bill was passed prophecies were made by the friends of importers on the floor of the Senate that the addition of a small ad valorem duty would increase the price to the housewives of this country by $12,000,000 in their annual purchases. The actual fact is that they are buying American and foreign dishes today, in 1929, for 25 percent less than they bought them in 1922.

No substantial evidence has been offered at any time that the Hawley-Smoot Act caused a rise in prices. In those days and even now I sometimes feel that placing the tariff policy in the hands of the Democratic Party is a good deal like placing an osteopath in charge of an allopathic hospital because he gave his own children castor oil. It is just about as appropriate.

I notice my very dear friend, the chairman of the Committee on Ways and Means, made some reference to the terrifically bad treatment the Democrats received when the Hawley-Smoot bill was being considered. He said they were not allowed to offer amendments and were not allowed to consider the measure. All tariff bills have been written in executive session by the majority members of the Ways and Means Committee, irrespective of which party was writing the tariff bill, and they have all been considered very largely under what might be considered by some as a gag rule because you never could get through with it any other way. I want particularly to call your attention to a report I have here, taken from the New York Times in 1913, when the Underwood-Simmons bill was under consideration in the House, just to indicate their liberality and also the method used by my Democratic friends at that time. I desire to do this because in 1930 Mr. GARNER, the distinguished Vice President of the United States, then a Member of the House, said to the Republicans, when the Hawley-Smoot bill was about to be considered:

> I solicit of you at least honesty in the consideration of it. You should consider it according to the rules of the House and not put it on its passage without full and free discussion.

Let us see what happened when the Underwood-Simmons bill was being considered.

> APRIL 9, 1913.
>
> The Democrats this day began consideration of the tariff bill behind closed doors in a party caucus, proceeding under the 5-minute rule. Schedules A and B, chemicals, etc., were taken up. All proposed amendments to the committee bill were defeated.

The press report states that President Wilson revisited the Capitol—evidently he had been there before—for the purpose of conferring with Members on the proposed bill. The following is an excerpt from the article as it appeared in the New York Times:

> Some of the amendments under consideration by the President and his Cabinet, as well as in the House and Senate, involved correction of obvious oversights on the part of the majority of the Ways and Means Committee. One of these was the leaving of mohair with a duty of 20 percent while raw wool was put on the free list.

Mohair is the coat of the Angora goat, raised extensively in Texas. The 20 percent on mohair remained in the bill in spite of the President's visit to the Capitol, but a duty on wool was denied although offered in the committee. Representative Dies, the father of our distinguished Representative DIES, sought a duty of 15 percent ad valorem, but the sheep's wool was not to be considered, nothing but the mohair of the goat, and the wool duty was not allowed.

So every schedule was considered in Democratic caucus. The votes are here given. It was one of those caucuses that must have leaked. The vote is given on all these propositions. The cotton schedule was completed, it being adopted without change. A proposal to increase the rate on collars was defeated 96 to 27.

Then on April 18 other standing committee amendments were adopted and in accordance with an understanding of the previous day and in response to pressure from various sources, the committee agreed to rescind their action in the matter of placing a duty of 50 cents a pound on vanilla beans.

That sounds a little bit like logrolling, does it not? "Pressure from outside sources." Discussion on the wool schedule was continued. Representative Bathwick, of Ohio, offered an amendment to put ready-made clothing on the free list. The vote was 99 against and 68 in favor of the motion.

That is sufficient to show you that very little attention should be paid to the criticism leveled at us by our distinguished chairman of the Ways and Means Committee and others with regard to the unfair treatment accorded them.

Mr. BOEHNE. Will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Indiana.

Mr. BOEHNE. When the Underwood bill was written in 1913 in 1914 did we not have a pattern to go by; namely, the Payne-Aldrich bill of 1908 or 1909?

Mr. CROWTHER. I am not discussing the pattern of your bill.

Mr. BOEHNE. I was speaking of the pattern of drawing up the bill.

Mr. CROWTHER. You can go farther back than that. You can go back to the old Wilson-Gorman bill and the Dingley bill, where you would find similar patterns.

Mr. BOEHNE. The Payne-Aldrich bill was fresh in the minds of both parties in 1913.

Mr. CROWTHER. I do not think the query is particularly relevant. I simply desire to show the uniformity of procedure by both political parties. To sum up, the Underwood-Simmons bill was written by the Democratic members of the Ways and Means Committee and was considered for amendment first in a Democratic caucus under the 5-minute rule. I do not remember that we ever followed that procedure on our side of the House.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman might not remember that the Republicans ever considered any such matters in caucus, but the gentleman certainly will remember that when his party was in power they adopted the tactics, as did the Democrats, of writing their own revenue bills and tariff bills at all times.

Mr. CROWTHER. I so stated a moment ago.

Mr. COCHRAN. This occurred not only on this side of the Capitol but on the other side, because at one time I happened to be secretary to a Senator who was on the Senate Finance Committee, and that was the policy over there as it was here.

Mr. CROWTHER. May I again state to the gentleman from Missouri that I have already testified to that effect?

Of course, the word was passed around that the Republicans had about as much chance of getting an amendment of any kind adopted as the proverbial snowball had of maintaining its integrity in the torrid temperature of hades. But enough of that. I believe the criticism will probably cease in the future with regard to the method of handling tariff bills. Let us get a little closer to the subject at hand, because, as I say, a good deal of water has gone over the dam since the Democrats declared the policy of tariff-raising for anything except revenue unconstitutional. Woodrow Wilson held that view in one of his books, but he afterward withdrew his former statement on that subject.

There has been some criticism about my inconsistency in even prophesying that there would be a period of prosperity following the Hawley-Smoot Act. I just want to call attention to one or two more inconsistencies that developed on the other side of the House. When we had the flexible clause in the 1930 bill, and it was also in the 1922 bill, it was singled out by several Members of the House as their particular grievance against the bill. The gentleman from Texas [Mr. GARNER], now the Vice President, and several others used that for their text. They did not say much about rates at that time but they did inveigh against the policy of the flexible tariff.

Comparing the flexible-tariff provision of 1922 and of 1930 with the reciprocal-trade-treaty program is about like comparing chickenpox with smallpox. It is certainly a tremendously milder proposition than the trade-treaty program.

Many even on the Democratic side feel that the State Department went clear beyond the intent of Congress in changing the excise taxes, particularly on oil. But mild as the flexible clause was, it was the subject of most vociferous and vitrolic criticism both here and in the body at the other end of this building. A round robin was signed by the members of the Finance Committee at the other end of the Capitol inveighing against the adoption of this policy. My distinguished chairman, the gentleman from North Carolina [Mr. DOUGHTON], in a speech at that time, when the 1930 act was under consideration, had this to say about tariff making by the Executive, and remember that is what we have now—tariff making by the Executive. Let me read what the gentleman from North Carolina had to say at that time:

> The administrative features are subversive of our system, idea, and ideals of government; and if enacted into law will be a violation of the fundamental principles upon which it rests.
>
> The fathers who framed the Constitution, wisely, in my opinion, left to Congress the initiating and enacting of laws raising revenue. The flexible provision giving the President the power to raise or lower tariff rates to the amount of 50 percent renders nugatory in spirit and practical effect this provision of the Constitution.
>
> In my opinion—

This is Chairman Doughton speaking—

> we have gone a long way too far already, in the centralization of power in the Executive head of the Government.

Mr. Chairman, what a distance we have come since then! Centralization of power, once anathema to the Democratic Party, has now been adopted as their slogan.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. That statement was made before we had suffered the effects of the death sentence of the Smoot-Hawley bill. We were dealing then with natural and normal conditions, but we are dealing now with desperate emergency conditions brought about by the Smoot-Hawley tariff.

Mr. CROWTHER. We have heard that word "emergency" for 7 long years. I may say to my good chairman that for 2 years under the Hawley-Smoot bill we had an improvement of 16 percent per year in our foreign trade.

Mr. DOUGHTON. Will the gentleman please put in the RECORD what President Hoover said about prosperity being just around the corner?

Mr. CROWTHER. I do not believe the gentleman will insist on my putting anything of that kind in my remarks. May I suggest to him that there is a lurking suspicion that real prosperity is still around the corner and 10,000,000 unemployed will so testify.

I again read from my distinguished chairman's speech.

> If this bill is enacted into law he will have the power of life and death over industry, all manufacturing enterprises, a complete autocratic power affecting agriculture.

Mr. Chairman, there is a word picture of warning as to what might happen. My chairman has vision. He has almost qualified as a clairvoyant. [Laughter.]

Again I quote:

> My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States he becomes a colossus. It is too much power and authority to lodge in any man who ever has been, is now, or ever will be President of the United States. In fact, with all this unrestricted and unlimited power he would be in a better position to overthrow our form of government and proclaim himself king than was the first consul of France, the great Napoleon, when he overthrew the French Government and proclaimed himself emperor.
>
> It seems that the more power men are given the more they are obsessed with a morbid gluttony for increased power. My friends, it is time to pause and call a halt; to stop, think, look, and listen before we go over the yawning precipice just ahead of us.

Then our very distinguished Secretary of State, the Honorable Cordell Hull, with whom it was my pleasure to serve for many years on the Ways and Means Committee, and whose views regarding a protective tariff I was familiar with at all times, because when he was on the committee you could get a very decisive yes or no from him on almost any question of importance, but when he appeared before our committee in behalf of the trade treaties I noticed he had adopted the language and the manner of the diplomat, and you could never get him to say yes or no. It was always a continual reiteration of a previous statement and saying, "I think I answered that before." This reminded me of a chap who once said to me that everybody in the Diplomatic Service ought to learn to speak Spanish, because you could talk more in Spanish without saying anything than any other language in the world. [Laughter.]

Now, Secretary Hull at the time the Hawley-Smoot bill was passed was a Member of the Senate of the United States, and he was likewise terrifically disturbed about this flexible clause and this power that was going to be given to the President, and he said in the Senate:

It is clearly unsound, unwise, impracticable, subversive of the plain functions of Congress, and should be speedily repealed.

He also said this:

The proposed enlargement and broad expansion of the provisions and functions of the flexible tariff clause is astounding. It is undoubtedly unconstitutional and is violative of the functions of the American Congress. Not since the countries wrenched from an English king the power and authority to control taxation has there been a transfer of the taxing power back to the head of the Government on a basis so broad and so unlimited as is proposed in this pending bill. As has been said on former occasions, this is too much power for a bad man to have or for a good man to want.

I have often wondered just where this new policy of reciprocal-trade treaties came from. Of course, to my mind, it has always been a plain, straightforward—well, I would not say straightforward hardly; I would like to modify that—it has been a cleverly designed method of gradually reducing the rates of the Hawley-Smoot bill, coupled with a suggestion as to the maintenance of peace and courting the friendliness of the world. Of course, that is about all they could do, as they did not have the intestinal stamina to repeal the Hawley-Smoot bill. They would not have dared to go to the country with the policy that is developing under this plan.

They would not have dared to go to the country in 1936 with a declaration that they were going to reduce 42 percent of the items in the tariff bill 39.2 percent flat average right along the line. They would not have dared to do that, but they concluded they could do it by this inside, gnawing, method under the trade-treaty program, and do you know where they got that idea from? I will tell you. I found it in an old volume, dated 1911, 29 years ago.

They were considering the Canadian reciprocity treaty at that time and John Dalzell, of Pennsylvania, made the minority report, and he had found in a magazine an article from which he quoted at that time, just a few lines, "In a magazine article published a few years ago, Mr. Williams, of Mississippi, now a Senator-elect from that State"—you see, in 1911, when the minority report was written on the Canadian treaty, he was Senator-elect from Mississippi, and he had written this article criticizing the tariff, and he issued this advice, and this is significant, happening so many years ago:

There is also a tariff revision by piecemeal. This is the tariff revision by reciprocal-trade agreements with other nations. Much can be done along this piecemeal line of tariff revision under a Democratic or an approximately Democratic law.

Evidently that is where it all commenced because never during any discussion that I ever heard of the tariff in the 22 years of my service, did I ever hear anybody offer any suggestion that we adopt a reciprocal-trade program as a substitute for a tariff bill, neither when the Democrats were discussing a bill or when the Republicans were discussing a bill.

Mr. Chairman, any nation is justified in establishing import duties high enough to protect its standard of living against low-wage-paying countries. Under present conditions our protection is totally inadequate. Because of this unique position of our country we cannot expect any increase in percentage of imports without untold harm to our employment situation. We can look forward, however, to an increase in dollar value of our foreign trade, but this increase will depend wholly upon our increase in domestic prosperity. Every economist and everybody who is not an economist knows, as well as everyone who is well versed in the mechanics of foreign trade, that expansion of our exports can only be obtained by a great increase in production of our goods and services for domestic purposes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CROWTHER. Mr. Chairman, I yield myself 10 minutes. Our present foreign-trade policy, which brings about an increasing flow of competitive foreign products, both manufactured and farm products, does not create a proportionate increase of production of domestic goods but results in the curtailment of domestic production, and in industrial and farm-labor unemployment. No international drumbeating, conferring, and trading can start our industries in full motion and raise the country from the depths of depression.

Trade-treaty proponents have contended all along that any abandonment of the present trade-treaty program would mean going back to "isolationism" and "embargo tariffs." The answer is that it would mean nothing of the kind. We never had a policy of embargo tariffs before the program was inaugurated, and I know of no one who seriously suggests such a policy.

The Republican tariff policy does not seek and does not result in, the exclusion of foreign goods. The most that it does is simply to equalize competitive conditions in the home market as between domestic producers and low-cost foreign producers so that the foreign producer will not come into our market with any undue advantage over our own producers.

Years ago we had in our platform a provision that in addition to that, there should be a fair profit for the American producer, but we yielded that, and all that we asked during the consideration of the Smoot-Hawley Tariff Act was given to us by the same authorities and the same experts that supplied the evidence at the present time, and the only evidence that was given us by them and by the manufacturers was their submitted list of production costs here and in a foreign country. In case a particular duty is too high, provision is made under the so-called flexible tariff for its reduction. But they say that the flexible tariff was not used. The fact that it was not used was a tribute to its efficacy. The opportunity was there for domestic manufacturers and importers to question the appraisement and the rates. All they had to do was to apply for a Tariff Commission investigation. A House Member could offer a resolution, a Senate Member could offer a resolution for that purpose, and because it was not used they said it was not effective.

That is not so. To my mind the fact that it was not used very often, or that there were not many cases litigated under that clause, is in a sense a tribute to the fairly good judgment of the committee that wrote the bill. You remember that in the tax bill we had section 220. It was calculated to put a heavy penalty on those who did not make proper distribution of their profits, and it was argued that because section 220 had brought in so little money it was not efficacious, it was weak. In my estimation the very fact that it brought in so little money was that that 220 was a warning to big business and corporations, and resulted in very few cases developing that had to be litigated in the tax courts of the Government.

Even if the present trade treaties were entirely wiped out and the rates of the Hawley-Smoot Act were restored, this would by no means result in any embargoes.

In both the Hawley-Smoot Act and the previous Republican tariff measure, two-thirds of our imports came in free of duty. If any evidence is needed of the fact that the rates imposed under the 1930 tariff have not shut out imports, it is found in the official statistics of the Department of Commerce showing large increases of imports of items on the dutiable list, even excluding those on which concessions have been made under trade treaties.

The Hull trade agreements have made radical and sweeping tariff reductions which donate to 64 countries special advantages in the American market.

Duties have been reduced on more than one-third of all commodities produced by American farmers and industrial workers.

When the producers of other countries are transferred from war and war industry to peacetime production, this open door to the American market will spell disaster to this country.

Eighty million men are engaged in war and war industry in foreign countries, according to Secretary Hull. They are not producing great surpluses of peacetime goods, although

American farmers and workers are already feeling the injury of competition by foreigners in this market. Imports are rapidly increasing.

The 80,000,000 men now engaged in war and war work will find it easy to compete with Americans. Foreign wages are lower. Few countries protect their workers by wage-hour laws, social security, workmen's compensation, unemployment compensation and other requirements that add to American production costs.

I do not know whether it is a new deal or not. As I look back at that tariff recommendation of the Honorable John Sharp Williams, and realizing that our distinguished Secretary of State belonged also to that same school of thought, it looks to me like an old deal with New Deal Santa Claus whiskers, and a full pack of gifts for our so-called good neighbors.

If the present system of trade agreements is continued it means good-bye to American control of the American market, upon which 95 percent of the country's business depends.

By transferring its tariff-making power to New Deal bureaucrats, Congress has made itself powerless to avert the disaster that is threatened. The tariff reductions under trade agreements tie the hands of Congress so long as these agreements remain in effect.

Not only are duties reduced on 1,063 competitive commodities, but pledges have been given that many articles on the free list shall not be made dutiable.

Experience warns us that the threat to American farmers and industrial workers is not an idle one. We can judge of what is to come by our experience after the World War.

Not less than 30,000,000 soldiers and war workers were turned back to peacetime production. At that time the United States had a low tariff. The war had acted as a barrier to the influx of goods into this country, just as the present war is holding back the ruinous competition that is in sight.

When the World War ended there was furious activity in foreign countries. Workers toiled 12 and 14 hours a day at poverty wages to restore the goods and wealth that had been consumed.

The surplus began to pour into the United States. Democratic low-tariff policy had opened the door.

In 1922 the Republican Party enacted the Fordney-McCumber Tariff Act and again set up a Maginot line of economic defense for American farmers and American workers.

This country's market was saved for Americans. There followed 8 years of the greatest prosperity our country has ever known.

This was only 18 years ago. Yet the plain lesson of that experience means nothing to New Deal tariff theorists. Through bureaucratic trade agreements negotiated in secret they have traded away the substance of our American market for the shadow of foreign concessions.

We were unable to find out just who did sit in in the making of these trade agreements. We had a list published of Britishers that came here, but I have never been able to find out who they were; whether they were members of a British trade association, whether any of them were manufacturers, or to what organization they did belong; but it is significant that no American representatives of trade were permitted to sit in during the making of the agreements.

The concessions granted by foreign countries open only 22 markets on better terms to Americans. Other markets are mostly in minor unimportant trading countries. But the concessions in our markets are given away not only to the 22 trade-agreement countries but to all favored nations, numbering 64.

So the Hull agreements throw open our market to the whole world.

We are asked to extend this insane program for 3 years more, so that additional agreements may be made to tear away still more of our protection to American farmers and industrial workers.

This program is, in effect, a plan to merge all the world's markets into one pool. High-standard, high-wage countries are to come down to a lower level of living and wages, on the theory that half-starved millions of peasants and toilers in backward countries will get more. Then, according to this theory, the world will be happy and remain at peace.

It is a plan to create a vast pool of world poverty, into which the welfare of Americans will be thrown. Their market is to be shared by the low-wage workers of all lands.

This plan is a blow at the wage-hour law, the social-security program, and all other laws that have been enacted to benefit American workers and farmers. American wages must sink down to the world level.

I am not willing to subject our national welfare to the vagaries of theorists who think that world peace can be maintained by pooling the world's markets and the world's wages. I want the American market saved for Americans. I want Americans to receive high wages. I want farmers to receive their full share of income.

By holding our own market for ourselves we can face the world in safety. With that immense resource at our command we can go out and get our share of world trade. Without it, our foreign trade would be nothing. When we give away our market we give away the wages of our workers and the living of our farmers.

Congress should resume its power to control tariffs. It must act before the deluge comes. Will Rogers was eternally right when he said that "We never lost a war and never won a conference." [Applause.]

[Here the gavel fell.]

Mr. KNUTSON. Mr. Chairman, I yield myself 30 minutes.

During the course of this debate the membership of the House is going to hear much about the iniquities of the Hawley-Smoot law. Our political and economic ills will be laid at its door. So will the wars being fought in Europe and Asia be charged to it, and we need not be surprised if the droughts of 1934–35 were due to that measure. However, we will not be told why the new dealers have been afraid to repeal it after 7 long years.

PRESSURE AND LOGROLLING

I cannot recall in the nearly quarter of a century of my service here when there has been so much pressure and logrolling as there has been in connection with this legislation. They even brought our Ambassador to Belgium back to act as liaison officer between the White House, the State Department, and the Congress. Evidently he was not on the job the other day. I hold in my hand a clipping from West Palm Beach, Fla., dated February 17. It reads:

PERHAPS SECRETARY HULL WISHES MR. DAVIES REALLY WAS MAGICIAN

PALM BEACH, FLA., February 17.—This swanky winter resort was chuckling today over an episode in which the fancy clothes of Joseph E. Davies, special adviser in the Department of State and former American Ambassador to Russia and Belgium, almost cost him his seat at the speakers' table at a Democratic rally.

So you have started to rally? Well, it is high time. [Laughter.] Reading on—

Davies arrived at the dinner last night in a top hat and silk-lined opera cape.

Attendants at the door, after one peek at the silk skimmer and cape, mistook Davies for a magician slated to appear later, and were trying to shunt him off to the stage door when someone recognized Secretary of State Hull's new man Friday.

Undoubtedly, the gathering was looking for a magician who could pull another white rabbit out of the hat.

At the outset be it understood that those who oppose the joint resolution to extend the so-called Reciprocal Trade Act for another 3 years do so because it is not reciprocity.

In their zeal to cultivate international goodwill the new dealers have given away the cream of the American market, especially as it affects agriculture. We protest against the manner in which the law has been and is being administered. It savors of bureaucracy in its most vicious form. Those actually charged with writing the trade treaties work behind closed doors; their identity is unknown to those whose fortunes and future rest in their hands. From their handiwork there is no appeal. They are judge and jury. Incidentally,

they are free-traders who believe that the more we buy from other nations the more friendly will those countries feel toward us, thus correspondingly lessening the chances for war.

We object to the policy now in effect which gives to all countries, save Germany and Australia, all the benefits that we give to the country with which we enter into an agreement, even though such countries give us no concessions in return. This is done under the so-called favored-nation clause. Russia and Japan have benefited greatly under this strange and indefensible arrangement. Our colleague from Michigan [Mr. WOODRUFF] has explained the way it works in an understandable manner. I shall at this point use his illustration: "If two neighbors trade horses, the one who is in the same fix as is Uncle Sam will have to give a horse gratis to each of his other neighbors." Such an arrangement is unsound and dangerous. Likewise, it is indefensible.

All trade agreements should be upon a barter basis. We have an agreement with Brazil. Last year the Brazilians bought from us commodities valued at $80,000,000, while in turn we bought $107,000,000 from her. Why should not Brazil be required to buy as much from us as we buy from her? No, they tell us that would not be neighborly. Maybe not, but it would be smart business. It will be recalled that George N. Peek, as good a friend as the American farmer has ever had, broke with the New Deal because of their refusal to view foreign trade in a practical manner. Mr. Peek contends that nearly all the treaties made to date have been made at the expense of the American farmer. The testimony of Louis J. Taber, master of the National Grange; F. E. Mollin, secretary, American National Live Stock Association; Charles W. Holman, National Cooperative Milk Producers Federation; J. H. Connaughton, National Association of Hot House Vegetable Growers; Dr. John Lee Coulter, a recognized economist against whom the new dealers brought their heaviest artillery without avail—one and all were of one mind. The reciprocal-trade policy of this administration had injured American agriculture. On the other hand, we had before us a number of witnesses, representing the automotive, office equipment, and other industries, in support of the program. I might at this point also call attention to the several representatives of women's organizations who spoke in support of the pending measure. Naturally so, for they represent the consuming elements of our people and probably can see no injustice in making the American farmer furnish their tables with food at below cost of production. Some apparently overlook the fact there can be no recovery in the towns and cities until agriculture has been rehabilitated.

Mr. Chairman, this is a practical matter, and each side views the subject in a practical manner. For instance, some 12 or 15 Members of the Houses appeared before us in the closing days of the hearings. One Member from Oklahoma, who came before us in support of the resolution, assured the committee that so far as agriculture and the livestock industry is concerned his people have no complaint. I was not in the least surprised to learn a few days later that this particular Member had but a few weeks previously bought nearly 1,500 head of large steers in Mexico for his ranch in Oklahoma. It is easy to understand why this gentleman is strongly in favor of keeping the bars down on cattle coming in from Canada and Mexico. Indeed, it would be strange if he took any other position, but we know that those who actually raise cattle for the market do not share his views nor approve the position he takes. Incidentally, this gentleman did protest the reduction of 50 percent in the excise tax on imported oil, so we may assume there are a few oil wells and few cattle in the gentleman's district.

Then there were several Members of Congress from Texas who came to plead that the excise tax on oil be restored. Like their colleague from Oklahoma, they were strong for the New Deal trade program, providing it did not do anything to their districts. Regardless of whether the oil tax is restored, these gentlemen and a hundred or more similarly situated will vote to extend the law for another 3 years because they know that the President yet has about 5,000 fat Government jobs to give out and friends must be taken care of no matter at whose cost. To them the tariff is a local issue and "pork" is money spent for public improvements in some other Member's district.

The hearings disclosed some very interesting incidents. For instance, it was brought out that during the hearings on the Argentina agreement, in which it was proposed to make a substantial cut in the import duty on turkeys, one member of the Ways and the Means Committee, and a strong and lusty supporter of the Roosevelt-Hull free-trade policy, hot-footed it down to the State Department to protest that turkeys must not be touched. In checking up on the imports of turkeys, I find that they are less than one one-hundredth of 1 percent, yet that member throughout the hearings sought to console witnesses appearing in opposition that where imports are less than 10 percent they have nothing to fear.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. BUCK. The Mexican cattle, however, paid full duty, did they not?

Mr. KNUTSON. I think not.

Mr. BUCK. Are you sure they came in without payment of duty?

Mr. KNUTSON. They paid the lowered rate. I cannot conceive of the gentleman going to Mexico to buy cattle when he can buy them here unless he could buy them cheaper. Of course, he gets more horns down there. [Laughter.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my friend.

Mr. AUGUST H. ANDRESEN. Mexican currency has depreciated 41 percent. Consequently the American dollar will buy 41 percent more than theirs, even though we do not have a lower duty.

Mr. KNUTSON. I thank my colleague from Minnesota, who is an outstanding authority on finance. I had overlooked that point.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. GORE. Is there a trade agreement with Mexico?

Mr. KNUTSON. Mexico does not need to enter into a trade agreement with us. She gets the cream without giving us anything in return. [Laughter.]

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CRAWFORD. I think the gentleman is well aware of the fact that there is not a single man in this House, or a married man either, for that matter, who speaks for the southwestern cattle and mohair industries who will stand here and defend this program in the name of those growers of cattle and mohair.

Mr. KNUTSON. I think the gentleman is right. Certainly no one in possession of his senses will do so.

Mr. CRAWFORD. I make this statement now to give the Texas delegation, or any Member who represents that part of the State, a chance to defend the program.

Mr. KNUTSON. I am coming to the Texas delegation a little later.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. SOUTH. It is a fact, however, that cattle are bringing a substantially higher price today than they did in 1932 or 1933 and for several years before?

Mr. KNUTSON. Yes; I will agree to that, but that is because world conditions have changed since that time.

Mr. SOUTH. It is further a fact, is it not——

Mr. KNUTSON. I want to go back to my friend from Oklahoma now. I will get to Texas in a few minutes.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield right there for a moment?

Mr. KNUTSON. Yes; I yield.

Mr. COFFEE of Nebraska. Is it not a fact also that we have 8,000,000 less cattle than we had in 1934?

Mr. KNUTSON. It was so testified to before the committee.

How different the attitude of the Florida delegation. The agreement with Cuba has greatly injured the early vegetable grower in that and other Southern States. He is being put out of business by peon labor in Cuba whose only wearing apparel is a breechclout and a tattered straw hat. I take off my hat to the Florida delegation. They opposed and voted against the original Reciprocal Trade Act and have consistently opposed it ever since. They know what it has done and is doing to their people. Let me suggest that the Members read the able statement of Representative PAT CANNON on the subject of early vegetables, to be found on page 2619 of the printed hearings. It is entirely free from that narrow local view so often found.

In passing let me say that service on the Ways and Means Committee is a course in human psychology such as can be had in no college or school. It brings out in burning letters human provincialism and selfishness, ambition, and avarice. What I say does not apply to those who fight for the right to enjoy American standards of living nor those who insist that all tariff duties levied shall be sufficiently high to equalize the cost of production here and abroad. Did they not raise their voice in protest against being put out of business by a trade policy conceived and nourished by a group of impractical visionaries who are in fact internationalists, they would be craven cowards unworthy of American citizenship.

It is not alone the farmer who opposes the surrender of the American market to the foreigner. The hearings disclose that organized labor, who are being displaced by the foreign workingman, often from the pauper oriental field, also bitterly oppose the policy now in force. I cite Matthew Woll, vice president, American Federation of Labor, and president of America's Wage Earners' Conference; James M. Duffy, National Brotherhood of Operative Potters.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Very briefly.

Mr. DINGELL. The gentleman will concede that Matthew Woll, under cross-examination, admitted that he was not speaking for the American labor movement.

Mr. KNUTSON. Matthew Woll stated that he was speaking for——

Mr. DINGELL. Matthew Woll.

Mr. KNUTSON. Wait a minute; for the American Wage Earners League.

Mr. DINGELL. That is not the American labor movement, I state to my friend.

Mr. KNUTSON. He voiced the feeling of a majority of the members of the American Federation of Labor.

Mr. DINGELL. He was repudiated by the president of the American Federation of Labor as not speaking for the labor movement.

Mr. KNUTSON. As far as the president of the American Federation of Labor is concerned, he has been on both sides of this question.

Mr. DINGELL. If there is anyone who is spokesman for American labor, it is the president of the A. F. of L. and not Matthew Woll.

Mr. KNUTSON. I carry a card in the A. F. of L.

Mr. DINGELL. Is it in good standing?

Mr. KNUTSON. Yes; it is. I pay my dues.

Mr. DINGELL. All right; put it up.

Mr. KNUTSON. I try to set an example for the gentleman.

Mr. DINGELL. I challenge the statement.

Mr. KNUTSON. Read their straightforward statements telling how the workingmen of America have been robbed of their jobs by foreign competitors. Mr. Woll's statement is to be found on pages 1366 to 1395. Incidentally, I commend a study of this able and patriotic document to those college professors who believe there should be no trade barriers between nations. Theirs is a fine theory, but it cannot be made workable until all people are on the same living level. As we cannot draw the peasant, coolie, and peon up to our level, it follows that these intellectual oddities would have us descend to the lowest level now in force. Mr. Duffy's statement is to be found on pages 2136 to 2158. How any workingman, after reading statements such as these, can longer be a free trader is beyond me.

Mr. SOUTH. It is a fact, is it not, that the laboring man is receiving substantially more per hour and day now than he was in 1935 when the trade agreements were adopted?

Mr. KNUTSON. I have not gone into that phase of it.

Mr. SOUTH. I will say to the gentleman that it is a fact.

Mr. KNUTSON. The gentleman is usually correct. I have very high regard for the gentleman's intellectual honesty.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield at that point?

Mr. KNUTSON. I yield.

Mr. AUGUST H. ANDRESEN. The pottery workers in Japan get 4 cents an hour. The pottery workers in the United States get 75 cents an hour. As a result Japan supplies our market with 60 percent of its pottery.

Mr. KNUTSON. That is true; and it is equally true in many other lines.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield briefly.

Mr. O'CONNOR. I want the gentleman's views on a question which has troubled me somewhat, the favored-nation clause in many of our treaties. Assuming that this Government makes a reciprocal-trade agreement with Canada, we give Canada certain concessions and in return she gives us concessions, but I understand that under the favored-nation clause Mexico has as much right to claim those benefits as Canada.

Mr. KNUTSON. That is right.

Mr. O'CONNOR. What does the United States get for extending all those benefits to Mexico under the treaty with Canada?

Mr. KNUTSON. We got a thumbing of the nose and the confiscation of American property in return, may I say.

The hearings are replete with tables. In a study of such figures it is well to bear in mind that the comparisons in imports and exports are made on a valuation basis rather than quantitative. Let us take one typical case. In 1938 we exported 500,000 barrels of hydraulic cement valued at $2.32 a barrel. During the same period we imported 1,750,000 barrels of hydraulic cement, upon which a valuation of 83 cents per barrel was placed.

So our imports seem small in comparison with our exports measured in dollars, but measured in the amount of product used the story is entirely different. Measured in dollars, 500 barrels at $2.32 look as big, if not bigger than, 1,750,000 barrels at 83 cents.

Here is another glaring example: The first 11 months in 1939 we exported 7,576,391 metal filament light bulbs at an average value of 12 cents per bulb, and during the same period we imported 84,296,063 light bulbs on which an import value of only 8 mills each was placed.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; briefly.

Mr. JENSEN. Can the gentleman explain to the House or enlighten us on the amount of free imports into this country?

Mr. KNUTSON. On a dollar valuation basis 64 percent of our imports come in free of all duty.

Mr. DINGELL. Will the gentleman tell us whether there is a trade agreement with Japan?

Mr. KNUTSON. I think not.

Mr. DINGELL. We are discussing trade agreements, are we not?

Mr. KNUTSON. I understand that we are also discussing countries that are getting all the benefits of the trade agreements, but give us nothing in return.

Mr. DINGELL. I am afraid the gentleman did not understand.

Mr. KNUTSON. The value of imported products is fixed at point of origin, hence any dollar comparison made is absolutely worthless as an index.

When the trade-treaty program was first proposed back in 1934 we were assured that the American farmer would be the chief beneficiary under its operation. Perhaps some of the advocates will explain to us how it comes that agricultural exports have declined over $104,000,000 while imports of competitive farm products have increased by $68,000,000 during the time that the trade-treaty program has been in effect. It should not be necessary for me to call to their attention the fact that before the trade program went into effect our export trade had increased 32 percent, or at the rate of 16 percent per year, from the 1932 low, while under the operation of the trade act the average increase in export trade has been only 13 percent per year.

Let us see what some of these trade agreements have done to American agriculture and industries partially dependent thereon:

Exports and imports for 11 months, 1939, by groups

[Compiled by Syndicate Trade Press from monthly summary of Department of Commerce for November 1939]

	Exports	Imports
Group 00. Animal and animal products, edible	$68,718,749	$90,067,938
Group 0. Animal and animal products, inedible	40,093,141	135,240,266
Group 1. Vegetable food products and beverages	219,369,644	458,657,120
Group 2. Vegetable products, inedible, except fiber and wood	159,039,981	307,630,293
Group 3. Textile manufactures and fibers	301,336,273	322,204,519
Subtotal	788,557,788	1,313,800,136
Group 4. Wood and paper	90,404,268	236,023,031
Group 5. Nonmetallic minerals	459,576,149	124,697,910
Group 6. Metals and manufactures except machinery and vehicles	395,609,284	197,686,316
Group 7. Machinery and vehicles	790,278,512	14,017,813
Group 8. Chemicals and related products	145,155,632	72,716,346
Group 9. Miscellaneous	96,886,743	84,489,787
Total	2,706,468,376	2,043,431,339

NOTE.—Export values are based on actual selling price, including cost of packing cases and containers, with transportation costs to seaboard included. Import values are the declared values at ports of orizin, including packing and incidentals preparatory to shipment to the United States.

WE IMPORT 500,000,000 POUNDS STARCH ANNUALLY

We have several large corn-processing concerns in the Middle West. In 1939 they turned 78,000,000 bushels of corn into starch. Seven thousand employees were required to handle this corn, each paid a minimum wage of $5 per day. The mills burn a pound of coal for every pound of starch made, and trains and trains are needed to haul the corn to the mills, and the coal from the mines to the mills. In 1935 we negotiated a trade agreement with the Netherlands. That country owns the Dutch East Indies. From those islands there now pours in on us nearly 500,000,000 pounds of starch annually, all of it produced by workers who get 25 cents for a long day. As each 34-pound lot imported displaces a bushel of corn one can readily figure the heavy indemnity levied on the American farmer, railroader, and miner.

The case of sugar is equally tragic. In Minnesota we have two beet-sugar factories which have been greatly restricted in their production of sugar, notwithstanding that we consume three times as much sugar as we are allowed to produce. The result is that the sugar acreage we could produce and consume at home is now given over to the production of wheat, corn, potatoes, and other farm crops of which we have a surplus. That situation also holds good in many other States. In 1938 the consumption of sugar was six and one-quarter million tons. Of this amount 1,800,000 tons came from Cuba. For every 100,000-ton increase in American production of sugar 25,000 Americans will be given jobs.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. The gentleman is condeming the New Deal for taking care of their multimillionaire Wall Street satellites who are financially interested in the Cuban-sugar monopoly, such as Charles F. Taussig, at 111 Wall Street; Vincent Astor; and a host of others.

Mr. KNUTSON. Of course, the Cuban-sugar activities are largely controlled by the big international bankers of New York.

Mr. SCHAFER of Wisconsin. And they are also big cogs in the New Deal political machine.

Mr. KNUTSON. They are the ones who get the benefit of everything we have done for Cuba, so far as sugar is concerned.

Continuing, that means 450,000 idle Americans could be put to work if the beet and cane growers were given a fair chance at the home market. We are told that we must buy at least one-third of our sugar requirements from Cuba, because she is such a good customer of ours. Let us examine the record. In the period 1935 to 1938 Cuban exports to the United States were $200,000,000 more than her imports. What kind of business is that?

This is another case of where we should go on a barter basis. That would be real reciprocity such as President McKinley advocated when he said:

> The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people but tend rather to increase their employment.

To that sort of reciprocity the Republican Party has been committed for 50 or more years. Our party has also contended for tariff rates that will give reasonable protection to the American farmer, workingman, miner, and manufacturer. It is a policy under which we have enjoyed our greatest periods of prosperity and development.

When appearing before our committee Secretary Wallace said that the foundation for the present war in Europe could be ascribed to the passage of the Fordney-McCumber Act, way back in 1922.

Secretary Hull thought that it was the Hawley-Smoot Act. Historians know that the Treaty of Versailles made this war inevitable. I do not agree with Secretaries Hull and Wallace that trade treaties make for peace. Assistant Secretary Grady told our committee that England, France, Germany, Italy, Russia, and other European countries have had such treaties for many years and yet Europe has been a cockpit ever since I can recall. Mr. Hull assured our committee that his trade policy is necessary to the promotion of peace. The act was passed in 1934 and extended for 3 years in 1937. When the original act was passed the world was at peace. Since it has been in effect, Bolivia and Paraguay have had a bloody war; Italy went into Ethiopia and Albania; Japan has ravished China; England, France, and Germany are again at each other's throats. Germany has absorbed Austria, Czechoslovakia, and Poland; and Russia's bloody hands are slowly strangling brave and honorable Finland. So much for that.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, at the close of the World War, when the Democratic Underwood tariff law was in effect, our markets were swamped with importations, especially of agricultural products. They were offered at any price in order to establish dollar credits in this country. To avert disaster it was necessary for Congress to pass the emergency tariff act which materially increased import duties. That law put a stop to the dumping.

Mr. SANDAGER. Will the gentleman yield?

Mr. KNUTSON. Briefly, to my good friend.

Mr. SANDAGER. The gentleman is broad-minded enough not to blame the trade agreement for that?

Mr. KNUTSON. I am simply citing this to show the absurdity of the New Deal contention that trade treaties make for peace.

Mr. BUCK. Will the gentleman yield?

Mr. KNUTSON. Briefly.

Mr. BUCK. Does the gentleman feel that the extension of the Trade Agreement Act will precipitate further wars?

Mr. KNUTSON. I do not think trade agreements have anything to do with it one way or the other.

Mr. BUCK. Why does the gentleman bring it up, then?

Mr. KNUTSON. I want to show how absurd the position of the two Secretaries is.

Mr. PATRICK. Will the gentleman yield?

Mr. KNUTSON. Briefly.

Mr. PATRICK. The gentleman does not interpret that to mean that it makes for peace all over the world, but rather between ourselves and other nations?

Mr. KNUTSON. I am merely stating what the Secretaries said—that it would promote better feeling and peace.

The same situation is going to present itself when the present wars terminate, but then we will find that our hands are tied with all these trade agreements in effect. What will then happen?

Let me read to you some very significant statements on that phase made in this House on Friday, February 2, by the gentleman from Missouri, Chairman CANNON, a Democrat, during the debate on the agricultural appropriation bill. These remarks are to be found on page 1022 of the RECORD.

The gentleman from Missouri [Mr. CANNON] stated as follows:

> The most serious condition that exists is the fact we are drifting straight toward the danger that followed the close of the last war. This war in Europe is going to end. That is not a matter of speculation. It is not a matter of doubt. This war is going to end. Every man on this floor remembers when the war ended in 1918. You saw wheat drop from $2.40 to 35 cents. You saw cotton drop from 20 cents to 8 cents. You saw corn drop from $1.50 to 10 cents. You saw hogs drop from $18 to $2. What precautions have you taken to avoid that situation at the end of this war? Have you done anything at all?
>
> Are you depending on the present system? Do you not know that since September hogs have dropped from $10 to $5? You talk about this committee cutting the agricultural appropriation bill in half. Why, the bill has cut hogs in half. When hogs dropped from $10 to $5 did wages drop? Oh, no. Wages today are higher than they were in September. Did the price of farm machinery and fertilizer drop? Oh, no. Do you know that since the 1st day of January wheat has fallen 11 cents a bushel? What do you suppose fertilizer has done, the fertilizer that grows the wheat? Wheat has dropped, as I said, 11 cents, and the fertilizer that grows this wheat has gone up $8.50.
>
> What is the system doing for us? If this system is failing to maintain the farmer's prices, when we have subsidies running into the millions of dollars, when we have a war over on the other side, when we have a drought in a large part of the country, when hogs are falling 50 percent and wheat is falling off 11 cents a bushel, what do you suppose is going to happen when this war closes?
>
> Mr. Chairman, if the Committee on Agriculture does not bring in a bill here and this do-nothing Congress adjourns and goes home, and the war closes, and farm prices go to perdition again, the farmers of this country will have a pitchfork under the coattails of a number of distinguished men who sat idly by and let it happen.
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> * * * * * * *
>
> I will ask my good friend the Speaker what he expects to happen to the price of cotton and corn and hogs when the war ends. What does he suggest in that contingency? Let me say, Mr. Chairman, that when this war ends the situation will be worse than before, because in 1920 we lent the people in Europe $10,000,000,000.
>
> The prosperity we enjoyed following the war and the temporary stabilized price of farm products was due to the fact that we were consuming our own money. We lent that money to be spent in the United States.
>
> Mr. Chairman, you can be very certain we are not going to lend them money this time. They will get no money from the United States. As a result there will be an immediate collapse of prices that will bring a terrific reaction on this country such as we have never seen before, not even in 1932. I plead with the Committee on Agriculture to at least meet and express some willingness to consider a bill. There are half a dozen measures offered—I do not know which is good and which is bad—but they ought at least to meet and consider a bill.

The new dealers take the position that Congress is not qualified to exercise its constitutional function of levying excise and tariff taxes. As Congress is now constituted that may be true, but it will not be true of future Congresses where Republicans predominate.

Mr. PATRICK. Will the gentleman yield?

Mr. KNUTSON. Briefly.

Mr. PATRICK. I would like to know if the gentleman is taking the position that the trade agreements can be so arranged that the end of the war can be foreseen and any drop in prices forestalled.

Mr. KNUTSON. Does not the gentleman believe, with all these trade agreements in effect, when the war is over and the collapse comes, as the gentleman from Missouri [Mr. CANNON] foresees, and as we all foresee, that our hands will be tied, we will not be free to pass an emergency tariff to keep this stuff from coming in and depressing domestic prices, because these 22 trade agreements have been extended to 64 other countries.

Mr. BUCK. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California.

Mr. BUCK. Was there any item mentioned in the remarks by the gentleman from Missouri [Mr. CANNON] which has been affected by a trade agreement?

Mr. KNUTSON. I am merely bringing out the fact that when this war closes we will not be in a position to pass emergency tariff legislation to keep our market from being flooded by countries that are bankrupt and impoverished and who will want to establish dollar credit in this country.

Mr. BUCK. I understood what the gentleman stated, but if these items have not been affected by any trade agreement, what is there to prevent the Congress from legislating in the event that this dire catastrophe occurs?

Mr. KNUTSON. How can we possibly hope to legislate to keep our markets from being flooded with competitive products when our hands are tied by 22 trade treaties that have all the effect of law? Our only salvation lies in defeating the proposal to extend the Reciprocal Trade Act for another 3 years. It we do that, we will be free to act in any emergency that may arise.

Mr. BUCK. Are those items affected by trade agreements?

Mr. KNUTSON. What items?

Mr. BUCK. The ones referred to by the gentleman from Missouri [Mr. CANNON].

Mr. KNUTSON. I am using them as illustrations.

Mr. BUCK. Why not use items affected by the trade agreements?

Mr. KNUTSON. Because everything will be affected. You can go right down the line from A to Z and everything will be affected adversely when this war is over.

Mr. BUCK. The use of the speech by the gentleman from Missouri [Mr. CANNON] is just another red herring drawn across the trail.

Mr. KNUTSON. Of course, anyone who refuses to be a rubber stamp is a red herring, in the gentleman's eyes.

We were told times without number in the 1932 campaign that one of the first tasks that the Democrats would set themselves to in the event they were entrusted with the conduct of the Government, would be the repeal of the Hawley-Smoot Act. Up to date that promise has not been kept. Why? Did not Majority Leader Henry Rainey, late Speaker of the House, "let the cat out of the bag" when, during the course of the debate on the Collier bill in 1932, he said:

> Lower this tariff drastically? You (Republicans) will not do it, and we (Democrats) dare not do it with conditions as they are. We do not want this market flooded with the products of cheap labor in other countries.

For years we were told that the United States was the highest protected country in the world. That statement was false and without the least foundation. In 1928, when the Fordney-McCumber law was in effect, the United States was No. 9 among nations in the ratio of duties to imports with 13.3 percent. The United Kingdom was No. 11 with 10.9 percent.

In 1934, when the Hawley-Smoot law was in effect and before it had been tampered with, we had dropped to eleventh place with the ratio standing at 18.4 percent, whereas the United Kingdom had advanced to sixth place with a ratio of 27 percent. In 1937, the United States was thirteenth

with a ratio of 15.6 percent, and the United Kingdom had advanced to fifth place with a ratio of 23 percent.

Now let us see what the picture is as it pertains to imports in relation to population. The customs duties collected per capita in United States dollars in 1937 gives $22.84 to Great Britain as against $3.56 for the United States. These figures knock into a cocked hat all contentions that the Hawley-Smoot Act was excessively high.

Why have not you new dealers kept your 1932 promises to repeal the Hawley-Smoot law? Simply because you did not dare do so. Had you kept your word, Roosevelt would have been a one-term-ite. So you proceed, through these trade agreements, to do piecemeal what you did not dare do openly and courageously. In the 22 treaties already made, you have lowered the rate on 1,012 items, of which 162 were strictly agricultural, many of the reductions by as much as 50 percent. How does that square with Mr. Roosevelt's promise made to the American farmer at Baltimore during the 1932 campaign when he said:

I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered.

In spite of that promise to the American farmer, Mr. Roosevelt has permitted the duty on 162 agricultural products to be lowered. Do you wonder that the farmers have lost confidence in him, if not their admiration for his melodious voice?

Let us see how that promise has been kept: In the Canadian trade treaty the rate on cattle weighing 700 pounds or more each was reduced from 3 cents per pound to 2 cents per pound; other cattle, from 2 cents per pound to 1½ cents per pound; swine, from 2 cents per pound to 1 cent per pound; pork, fresh or chilled, but not frozen, 2½ cents per pound to 1¼ cents per pound; bacon, hams, and shoulders, and other pork, 3¼ cents per pound to 2 cents per pound; whole milk, fresh or sour, 6½ cents per gallon to 3¼ cents per gallon; dried buttermilk, 3 cents per pound to 1½ cents per pound; eggs in the shell, from 10 cents per dozen to 5 cents per dozen; rye, 15 cents per bushel to 12 cents per bushel; potato starch, from 2½ cents per pound to 1¾ cents per pound; palm-kernel oil, from 1 cent to ½ cent per pound; Cheddar cheese, from 7 cents per pound to 5 cents per pound. The rates on other cheeses are correspondingly reduced. Do you wonder that the American farmer no longer has confidence in the promises of this administration?

The Roosevelt-Hull idea of reciprocity reminds me of the chef who prepared a big stew for some gathering—half rabbit and half horse, one of each.

If this law is going to be extended, we shall insist that it be amended to permit parties aggrieved to go into court for redress. This inalienable right is now denied them. We insist that hereafter no concessions be made on products we ourselves produce in abundance; that in future negotiations due consideration be given to domestic cost of production. We demand that henceforth all agreements be openly arrived at by responsible and known agents of the Federal Government who have practical knowledge of production costs and other essential qualifications. Finally, we demand that the Congress take back into its own hands the power to act upon trade treaties made in the future before they shall become operative, and that upon their expiration treaties now in effect be rewritten along these lines. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Chairman, when a subject such as reciprocal-trade agreements has been before the Congress for 5 continuous years, it is futile to assume that votes can be changed by debate on the floor. But those who, like myself, have given much study to the program and have supported it because they sincerely believe it to be a method of promoting the national welfare welcome these periodic opportunities of publicly expressing the reasons for our support. In all frankness, I admit the majority report, filed with the resolution, covers the whole field and more ably than I could individually do, but I find satisfaction in publicly expressing my approval of the program and in urging my colleagues in the House to support it.

On February 3, 1939, I addressed the House on this subject, entitling my remarks "Foreign Trade—the Road to Peace and Prosperity." At that time I pointed out that we were dealing with an economic and not a political issue and I urged the Congress to treat it as such. I still urge that viewpoint, although recent developments give me no encouragement to believe that my Republican colleagues in the House will treat this other than as a political issue. Only last Wednesday night my distinguished colleague, the gentleman from New York [Mr. TABER], addressing an enthusiastic Republican rally in my district, outlined the five major plans of the Republican Party "to bring about the saving of America," number four of which was "Repeal the Reciprocal Trade Agreements Act, so that the influx of foreign imports of a competitive character may be stopped and our agriculture may have an opportunity to get back on its feet." But not all Republicans share that view, because the Republican nominee for the Vice Presidency in 1936, Col. Frank Knox,

I am going to talk very frankly about the tariff, because I believe it is one of the major subjects upon which the Republican Party must drastically change its traditional policy. * * *

Next, let us explode the theory that one of the ways to help the farmer is to raise the tariff on farm products. The major products of American agriculture are wheat, corn, cotton, tobacco, and lard. Practically all of these products are produced by American farmers in excess of our domestic needs. Whenever this is true, the price of that commodity is fixed by world market conditions and cannot be controlled, except artificially, in this country. To attempt to help the farmer by promising him higher and higher tariffs on his products is naught but a red herring drawn across the trail to divert him from attack on the excessively high tariff rates on domestic manufactures. It is time that the farmer recognizes this for what it is. It is nothing less than an effort to keep him satisfied to pay tariff-created monopoly prices for everything he buys, and to continue to sell what he does produce at world prices. * * *

And the record of our committee hearings is filled with the comments of other distinguished Republicans to the same effect.

The tariff is undoubtedly an economic issue but lends itself to the uses of politicians because of the difficulty of the average man to understand the intricate principles of the production, distribution, and consumption of goods and services.

The economist's voice is too often a lone one on the prairie of modern mercantilism. When he tries to reason beyond the "seen" into the "unseen" he is usually condemned by the so-called practical man as a theorist. But he continues to hope that some day his point of view will be accepted and that the country will cast aside its fallacies and adopt a consistent and reasonable commercial policy.

Most important among these fallacies in the field of international economics are: First, the undue emphasis upon money as a measure of national wealth; second, the attempts of the nations of the world to attain economic self-sufficiency; and third. the undue emphasis upon exports alone.

Economic activity has a purpose. That purpose is to produce goods and services and to put them into the hands of the people. Under our arrangements, this is accomplished by the profit system, in which money is, or should be, nothing said at Pierre, S. Dak., on January 12, 1939:
more than the means to an end.

One of our twentieth century fallacies is that we place too much emphasis upon money, the means, and not enough upon the goods and services, the end. Money is a measure of wealth and is only of value as a medium by which goods and services can be obtained. We find ourselves applying to the national interest the same criteria that we erroneously apply to the individual. The more money an individual succeeds in accumulating, relative to his fellow men, the richer he is considered to be. But money is of value to the individual only because he can exchange it for things that he needs or wants. Gold cannot be eaten, as King Midas discovered to his sorrow. A man with all of the world's gold would be poor indeed unless he could exchange it for

the goods and services of others. And so it is with nations. National wealth consists of food for the people to eat, clothing for them to wear, shelter to protect them from the cold, medical services, and those luxuries that make for an abundant life. The wealth of a nation is not measured by the amount of gold that is amassed. All students of economics since Adam Smith published his masterpiece, The Wealth of Nations, in the same year that our forefathers signed the Declaration of Independence, are in agreement on this.

Still we persist in the old fallacies. We continue to think in terms of money measurement instead of in terms of goods. We prefer, through export subsidies, to give our goods away instead of using them. We stress money-making rather than economic welfare. We continue to encourage exports at the expense of imports, notwithstanding the fact that we emerged from the World War in 1918 as the largest creditor nation in the world.

THE SHACKLES OF ECONOMIC SELF-SUFFICIENCY

No one would maintain that this Nation, with all of its abundant resources, its skilled engineers, and capable workers, would be better off if each of the 48 States set up prohibitive tariff walls against each other. This country is the largest free-trade area of the world. The regional specialization thereby made possible yields to us a per capita abundance of economic goods unequaled in the world's history. In fact, the cry today is that we must restrict production in order to make business profitable. How poverty-stricken our imaginations are when we maintain, with straight faces, that we have too much food, too many automobiles, and too many respectable houses.

Yet that is precisely what the nations of the world are doing. They are insulating themselves, economically, against each other and depriving themselves of the advantages of geographical specialization for the sake of making work for themselves. Nobody has yet suggested that in our public-works program we do away with shovels and provide the workers with teaspoons. But, would not that be logical if the policies that the nations of the world are following, and which our opponents seem to want us to adopt, are true; namely, that we live to work rather than work to live? Of what profit is it to France, for example, that imports of wheat are restricted when its people are forced to pay over $2 a bushel for the wheat that they consume? Are the German people made wealthy by an embargo on imports which forces them to purchase costly and inefficient substitutes? Have the Italians added to their wealth by imposing prohibitive duties on goods which they are ill-equipped to produce? There can be no virtue in an economy of scarcity. We should, if we claim to be rational men, pursue policies that make for an economy of abundance.

NEED FOR LARGER, RATHER THAN SMALLER, FOREIGN TRADE

It is axiomatic that if a nation is to sell, it must buy. If we are to export we must import. This is an age of specialization and some of our most efficient and most important industries—including agriculture—are vitally dependent upon export outlets. As Secretary Wallace has pointed out, our exports of cotton alone have normally represented the product of over 50,000,000 acres of cropland. Our exports of lard, which in 1923 accounted for 54 percent of our domestic production, declined to 17 percent in 1937. Producers of fruits, grain, tobacco, automobiles, office appliances, and industrial and agricultural machinery are also vitally interested in exports. Cut off their foreign markets and you plunge them into depression.

Our economic life is completely intermeshed. When we introduce into any important segment of it, forces that operate to reduce markets, we start the vicious spiral of unemployment. Although it is true that the United States market is the largest and best market in the world, our economic life is keyed into that of the world and reacts directly to changes in world economic conditions. When the shoe manufacturers of New England, out of fear of a flood of imports, do all they can to induce Congress to keep out the negligible imports of foreign-made shoes, they are encouraging those very forces that help to create their own economic difficulties. For, by encouraging the restriction of imports, they are helping to dry up the markets for those of our industries that are dependent upon exports. To put it briefly, it is vital to the shoe manufacturers of New England that the automobile workers of Michigan and the farmers of our great Mid-Western areas have the purchasing power with which to buy the output of their shoe factories. As pointed out in the majority report of the Ways and Means Committee, it is far better to enjoy a somewhat smaller percentage of a very large market than a larger percentage of a small market. Is it better to have 95 percent of something or 100 percent of nothing?

The arguments of the high protectionists, unfortunately, have a popular appeal because of the very use of the term "protective." That term appeals because it is not generally realized that the tariff is too frequently beneficial only to a particular producing group. But we in Congress who have the national welfare at heart, should confine ourselves to measures designed to promote the national welfare and not that of special interests. From the national point of view high tariffs are really restrictive tariffs and should be so called. For, in order to be protective to any particular group, a tariff must be restrictive of imports.

Advocates of restrictive tariffs frequently point to imports as the cause of business depressions. The truth of the matter is that imports provide a convenient scapegoat for our economic ills. Even the most casual comparison of domestic business activity and imports shows that there is a close correspondence between prosperity at home and the magnitude of our foreign trade. When times are good, both imports and exports are relatively large; when times are bad, both imports and exports are relatively small. I do not say that a large foreign trade is the cause, nor that it is the result, of enlarged domestic production. But, I do most emphatically say that healthy conditions at home and a substantial foreign trade go hand in hand.

The Republican opposition, in their attempt to minimize the repressive effects of the Smoot-Hawley Act, have given the impression that our foreign trade declined to no greater degree than did the foreign trade of other countries. But such a contention is not substantiated by the official statistics. The facts are that imports into the United States in 1932 were only 30 percent of what they had been in 1929; in all other countries—average of imports into 108 countries, excluding the United States—they were 40 percent. And, exports from the United States in 1932 were only 31 percent as large as in 1929, whereas exports from the other 108 countries were 40 percent as large.

There has also been an attempt to show that most of the decline in our imports in the depression period was occasioned by falling prices rather than by a decrease in physical volume. Again the facts are at variance with the argument of the opposition, for according to the index of physical volume of imports published regularly by the Department of Commerce, imports declined almost 40 percent between 1929 and 1932.

Restricting our foreign trade as a remedy for economic depression is analogous to resorting to exposure to a blizzard as a cure for pneumonia. The need in such times is not to restrict and reduce trade but to encourage it. Markets abroad mean markets at home. Together they mean jobs and improved national income.

TO ACCOMPLISH A LARGER FOREIGN TRADE, RECIPROCAL TARIFF REDUCTIONS ARE NECESSARY

Now I know the opposition will call all of this free-trade doctrine, and in a utopian world it would be an argument for just such a policy. But, in the world as it is, a world in which all countries are following mercantilistic gods, it is an argument for continuing a policy designed to remove excessive trade barriers. We do not advocate abolition of reasonable trade restrictions. The trade-agreements program,

in the hands of this, the most powerful country economically in the world, is the one rational program in a universe of destructive ideologies. The program is not a panacea for all the world's economic ills, but it is a force operating in the right direction. If we abandon our policy of trying to break the log-jam of unreasonably restrictive international trade barriers, what is there to prevent a return to brute force? Economic self-sufficiency is the signpost leading to just that! Restricting certain imports for the sake of stimulating infant industries is one thing; prohibiting all imports is another.

We all agree that foreign countries should lower their trade barriers for the benefit of our exports. Even our Republican opponents stress that! But, just how do they expect that to be accomplished if we are unwilling to scale down some of our own prohibitive trade barriers?

Until we emerged from the World War as the world's largest creditor nation it was logical for us to have a so-called favorable balance of trade. For in those days we were heavy borrowers abroad. In order to secure the necessary foreign exchange with which to pay our debts and debt charges it was necessary that we sell more than we bought. All of that, however, was changed by the World War. It then became necessary for us to develop an import balance if we were to collect not only the war debts but other debts as well. But, we chose—deliberately and foolishly—to restrict imports, while trying with might and main to develop our export markets. Instead of lowering our tariffs we raised them, first by the Emergency Tariff Act of 1921, later by the Fordney-McCumber Act of 1922, and finally by the Smoot-Hawley Act of 1930. Like the dope addict who finds that one dose of the life-numbing drug leads to another, we betrayed ourselves into believing that the way out of depression was to kill off our foreign trade by jacking trade barriers higher and higher.

Let us not be blind to the fact that the Smoot-Hawley Act did not initiate us into prohibitive tariffs. We were initiated in 1921, and took our higher degrees in 1922 and 1930. The minority members of our committee seem to delight in maintaining that the Smoot-Hawley Act did not stimulate retaliation against our trade by foreign countries. They apparently want to imply that the Smoot-Hawley Act was moderate, and in doing so they let the cat out of the bag. If foreign nations heightened their tariff walls against us prior to 1930, it was because many of our rates were already prohibitive as a result of the all-too-successful efforts of Messrs. Fordney and McCumber. The Smoot-Hawley rates, coming, as they did, after the depression began, operated to freeze still further the channels of trade. Ever since the war foreigners found it difficult to penetrate this market with their wares. The act of 1930 accelerated a movement that had already begun. In that respect we agree with our Republican opponents, but they refuse to admit the extent of the acceleration.

In his book entitled "Tariff Retaliation, Repercussions of the Hawley-Smoot Bill" Joseph M. Jones, Jr., states that—

> National agitation in regard to a general tariff revision is a natural phenomenon in American history, but never has the United States in peacetime experienced such an extended and violent foreign reaction to any piece of local legislation as that attending the Tariff Act of 1930. The often-quoted formal and official protests of 33 foreign nations to the United States Government sink into insignificance beside the general protest and indignation of the populations of the principal trading nations of the world as expressed through an outraged press, mass meetings, and resolutions of trade, industrial, and labor organizations in the various countries.

His investigation, he writes, disclosed the effects of the Hawley-Smoot Act "as wide and profound, repercussions which impose urgent reflections upon our entire commercial policy." These repercussions he divides into three classes, from the immediate to the more remote, as follows:

> Firstly, widespread retaliation and discrimination against American exports; secondly, very definite effects upon the commercial policies of the principal trading nations of the world and upon the general development of the principles of commercial policy throughout the world; and, thirdly, as a result of the developments included in the first two classes, the fatal undermining of the principles upon which American tariff and commercial treaty making are based.

In its World Economic Survey, 1931–32, the Economic Intelligence Service of the League of Nations stated that—

> The whole movement (toward higher tariffs) was undoubtedly accentuated both by the alarm and resentment felt in many countries as the discussions of the new Hawley-Smoot tariff dragged on in the United States Congress from May 1929 to June 1930, and by the real effects of that tariff when it went into operation. It was followed quickly by new tariffs in many other countries, among others Canada, Cuba, Mexico, France, Italy, Spain, Australia, New Zealand. In the case of the British Dominions, higher general tariffs were accompanied by an increased measure of imperial preference, and the general idea of a more extensive system of preferential duties with the British Empire was appreciably advanced.

The League of Nations World Economic Survey for 1932–33 referred to the Tariff Act of 1930 in the following terms:

> The Hawley-Smoot tariff in the United States was the signal for an outburst of tariff-making activity in other countries, partly, at least, by way of reprisals. Extensive increases in duties were made almost immediately by Canada, Cuba, Mexico, France, Italy, Spain. During 1931 general tariff increases were announced by India, Peru, Argentina, Brazil, China, Italy, Lithuania.

Whether as reprisals against the Tariff Act of 1930 or as defensive measures for the purpose of safeguarding endangered currencies—threatened by the sudden curtailment of exports to the United States and continuing imports from, and debt payments to, the United States—the wave of foreign trade barriers which followed the enactment of the Tariff Act of 1930 clearly was caused in large part by the far-reaching effects of that law.

The new and higher rates of duty imposed under the Tariff Act of 1930 effectively cut down the volume and value of our imports of commodities from foreign countries and ipso facto reduced the purchasing power of foreigners for our export products. For this reason the Tariff Act of 1930 may be regarded as a wall which prevented the exportable products of our farms, mines, and factories from leaving the country for markets where they were desired, as well as a barrier against imports of foreign products. The foreign demand for many of our export products required more purchasing power than our dwindling imports of foreign commodities and gold imports could yield to foreigners.

Writing in 1933, Dr. Harold G. Moulton, of the Brookings Institution, summed up the effects of the Tariff Act of 1930 on United States export trade and on the commercial policies of foreign countries as follows:

> This European movement (toward higher protection) was stimulated by the alarm and resentment felt in many countries over the Hawley-Smoot Tariff Act in the United States, which, after a year of discussion, was finally passed in June 1930. This act was passed at a time when the balance of economic argument was overwhelmingly against higher tariffs, particularly in the United States; it was passed over the protest of many leaders of public opinion, businessmen and professional economists alike; it was passed despite the plain threat of retaliation by many other countries—passed on the assumption that we could simultaneously still further curtail our imports, collect our debts in dollars (earned by foreigners from sales in the United States), and expand our exports to foreign countries.
>
> The results have been all that were anticipated by those who condemned the measure in advance.

Since 1930 foreign countries have done more than increase their tariffs. They have invented new devices to keep out imports. The very instruments of which the Republicans complain—exchange controls, quotas, and clearing and payments agreements—were inaugurated in part, at least, in retaliation against our own embargo policy. These types of import control began in 1931 or 1932, and now have spread throughout most of the civilized world.

There are at present only 5 European countries which do not have exchange restrictions; 12 Latin American countries have them, and so do a number of other important countries. All European countries, at least 5 countries of Latin America,

and Canada have clearing or payments agreements, or combinations of the two. Five European countries employ import quotas as an integral part of their protectionist policy. In most cases quotas were first introduced unilaterally, and later became the subject of bilateral negotiation in trade and clearing agreements. Frequently they are plainly retaliatory.

Yet, our opponents would have us abandon our efforts to break down these barriers by abandoning the trade-agreements program—the only effective method by which we may accomplish this essential objective. They talk as though we have been lowering our tariffs unilaterally since 1934, and they minimize the reciprocal nature of the agreements now in force. The concessions that we have obtained from foreign countries have been real and numerous, as shown clearly in the record of the hearings before the Ways and Means Committee.

MOST-FAVORED-NATION POLICY ESSENTIAL

Chief Justice Hughes, when he was Republican Secretary of State back in 1923, enunciated the unconditional most-favored-nation policy for the United States. It has not been, and in truth should not be, a partisan issue. The United States steadfastly has held throughout its history to a policy of nondiscrimination in its foreign trade. What our opponents fail to realize is that there is no difference between discriminations and preferential arrangements. A preferential agreement with a foreign country is a discrimination against other countries to the extent that they are interested in the commodities on which the preferences are granted. The only exception to our policy of nonpreferential agreements has been in our arrangement with Cuba, which is explained without difficulty by the geographic and historic position of that country.

If we should embark upon a program of preferential bilateral agreements, we would be waving discrimination in the faces of all other countries. It would be a clear invitation to immediate retaliation—a step which foreign countries are only too ready and too willing to take. Under the trade-agreements program we have but recently acquired most-favored-nation treatment from Canada, France, and other countries. All these advantages the opposition would throw away in exchange for a policy that has been tried and found wanting.

Our opponents claim that under the most-favored-nation policy we give something in exchange for nothing. That is not correct. By a careful selection of commodities, concessions are granted, in each trade agreement, only on those imported products of which the country in question is the principal supplier. The foreign country, in its turn, guarantees that our products shall receive most-favored-nation treatment in its market, and that if in a subsequent agreement with some third country, it grants further tariff concessions, we shall have automatically extended to our exports the same favorable treatment. Such a policy, even from the most selfish point of view, is just good common horse sense.

Some contend that because of our most-favored-nation policy, Japan—with whom we have no trade agreement—has shared unduly in the concessions that we have granted to other countries; this is not borne out by facts. Actually, less than 3 percent of the imports from Japan enter at rates of duty that have been lowered by trade agreements. Such arguments apparently are intended to scare and to confuse the uninformed; they appeal to fear rather than to reason and fact.

STATISTICAL RESULTS OF THE PROGRAM

We in this House could go on for hours trying to prove, or disprove, by bare statistics, that the trade-agreements program has been a success or a failure. All sorts of statistics appear in the record of the hearings on this resolution to extend the Trade Agreements Act. Some of the figures presented by those opposed to the program have been juggled in such a way as to belittle the importance of the export concessions that have been obtained, and to exaggerate the importance of those that have been granted. I like to think of myself as a reasonably intelligent citizen, and I must confess that a simple, common-sense analysis of the official statistics leads me unhesitatingly to the conclusion that the agreements have been beneficial to the country.

But, before getting lost in a labyrinth of statistics, let us not lose sight of an important logical fact. Our technical experts and negotiators have worked hard—all of them—to try to scale down excessively high trade barriers. Now, would it not be strange if, in a period of economic recovery, imports and exports of those commodities that are still subject to substantial restrictions of one kind or another showed a markedly more rapid increase than those that are relatively free of restrictions? Let us not forget that under the terms of the Trade Agreements Act itself our tariff duties cannot be reduced by more than 50 percent. Moreover, in most cases reductions have been confined to those rates that have been relatively high. Why, then, should we expect that in a period of business expansion, imports of such commodities would increase much more rapidly than imports that are either free of duty or subject to only very low rates of duty? The fact that such raw materials as rubber and tin enter free of duty is a clear sign that we need them. Only necessities could ever have survived on the free list throughout the last three tariff-raising orgies of Congress. Therefore, it is only logical to expect that expanding industry at home will cause imports of these products to expand more rapidly than imports of products that are either more competitive with domestic production, or subject to high rates of duty.

Yet, in spite of this logic, which applies to exports as well as to imports, the statistical picture is extremely favorable to the program. If this is not a glowing tribute to the Yankee horse-trading sense of our negotiators, I do not know what is. It is a clear demonstration that the United States has not been "sold down the river."

I do not intend to present an elaborate statistical picture. But a recent release—January 13, 1940—by the United States Tariff Commission presents as unbiased and as clear a statistical picture as I have seen, and it shows that, speaking generally, our trade with countries with which we have negotiated trade agreements has increased substantially more rapidly than has our trade with all countries. The tabulation appears in the majority report, but I am submitting it for the RECORD because it impresses me as being about the clearest statistical summary that was presented to the committee. It shows the preagreement and postagreement trade of the United States with the principal countries with which trade agrements were made before 1937.

Agreements negotiated since then are still too recent to afford a statistical basis for comparison, and so are not included. For each of the trade-agreement countries a comparison is made between the trade of a period of at least 2 years preceding the date when the agreement went into effect and the trade during the entire period from that date through October 1939. The 10 countries covered by the tabulation accounted, in 1938, for 92 percent of the total exports from the United States to all countries with which trade agreements had been made before 1937, and for 90 percent of total imports from all such countries.

With the exception only of France and our imports from Brazil, the Netherlands, and Colombia, trade with all of the countries listed, both imports and exports, has increased more rapidly than has our trade with all countries. Furthermore, with the sole exception of Belgium, the figures show that our exports to trade-agreement countries have increased more rapidly than have our imports from those countries. Perhaps I should, in the light of this and for the sake of consistency, be critical of our negotiators for having bargained too well.

Preagreement and postagreement trade of United States with principal trade-agreement countries

[In millions of dollars]

Country	Periods compared		Annual average value of trade				Percent increase in United States trade with all countries
	Preagreement	Postagreement	Pre-agreement	Post-agreement	Increase		
					Amount	Percent	
Cuba:							
Exports to	January 1932 to August 1934	September 1934 to October 1939	30.6	73.5	42.9	140	60
Imports from			59.7	119.2	59.5	100	58
Belgium:							
Exports to	January 1933 to April 1935	May 1935 to October 1939	47.3	72.4	25.1	53	50
Imports from			26.1	67.0	40.9	157	47
Sweden:							
Exports to	January 1933 to July 1935	August 1935 to October 1939	27.8	62.7	34.9	125	52
Imports from			32.7	48.4	15.7	48	45
Canada:							
Exports to	1934 and 1935	January 1936 to October 1939	312.8	459.0	146.2	47	35
Imports from			259.0	341.1	82.1	32	31
Brazil:							
Exports to	do	do	42.0	62.3	20.3	48	35
Imports from			95.6	105.7	10.1	11	31
Netherlands:							
Exports to	do	do	50.0	82.8	32.8	66	35
Imports from			34.5	41.6	7.1	21	31
Netherlands East Indies:							
Exports to	do	do	10.5	24.6	14.1	134	35
Imports from			46.3	83.8	37.5	81	31
France:							
Exports to	January 1934 to June 1936	July 1936 to October 1939	115.2	151.4	36.2	31	38
Imports from			59.2	65.0	5.8	10	25
Colombia:							
Exports to	January 1934 to May 1936	June 1936 to October 1939	22.2	40.5	18.3	82	37
Imports from			47.3	48.7	1.4	3	26
Finland:							
Exports to	1934 to 1936	January 1937 to October 1939	6.5	12.7	6.2	95	38
Imports from			12.2	18.8	6.6	54	19

NOTE.—Includes all the principal trade-agreement countries except Switzerland and Netherlands West Indies. Export statistics of the United States show but a small fraction of the goods which actually go ultimately to Switzerland, the bulk of the export trade being conducted through third countries. Although the general provisions of the trade agreement with the Netherlands covered the Netherlands West Indies, it included no concessions on either side with respect to specific articles entering into the trade between those islands and the United States.

AGRICULTURE BENEFITED

But, this is not all. Official statistics also show that agriculture has benefited considerably from the program. Between 1935 and 1938 exports of agricultural products to trade-agreement countries increased 51 percent, whereas to all other countries they declined by about 2 percent. If cotton is eliminated from the picture, agricultural exports to trade-agreement countries increased 118 percent, and to non-trade agreement countries 47 percent. And, the decline in our exports of cotton cannot, by any stretch of the imagination, be blamed on the trade-agreements program.

There is little reason for alarm because of agricultural imports when it is considered that only a small part of the imports of agricultural commodities are competitive with farm products grown in the United States. Six agricultural products not grown at all in this country; namely, rubber, coffee, cocoa beans, tea, and bananas, accounted for 45 percent of total agricultural imports in 1938. Noncompetitive agricultural imports that enter free of duty account for two-thirds of our total agricultural imports, and the remaining agricultural imports—those that are dutiable—amount to less than half of our agricultural exports. Even these imports of dutiable agricultural products have been occasioned, to a considerable extent in recent years, by droughts and crop shortages in the United States.

NUMEER OF AGRICULTURAL CONCESSIONS IN COMPARISON WITH INDUSTRIAL CONCESSIONS

In an attempt to aline agriculture against trade agreements, the opposition has stressed the number of concessions which have been made on agricultural products. They attempt to show that agriculture has been discriminated against in trade agreements by stating that the rates on from 150 to 200—Tariff Commission count, 161—agricultural products had been reduced. Anyone who has examined the record must know that many of the reductions, in effect, relate to border trade with Canada. The United States reduced the tariff on a number of Canadian imports and Canada in turn reduced the rates on our exports of similar products to that country.

Those same critics make no mention of the 800 or 900 reductions on other schedules of the Tariff Act, many of which were a positive benefit to farmers. More rates of duty were reduced in the metals and manufactures schedule—schedule 3 of the Tariff Act of 1930—alone than was the case in the agricultural products and provisions—schedule 7 of the Tariff Act of 1930. There have been 226 reductions in the duty in the metals and manufactures schedule. I have not heard those claiming to represent agriculture mention anything about these reductions and the many other reductions in the other schedules of manufactured products, which reductions have been an aid to agriculture.

FRESH APPLES

In the valley of Virginia our chief export crop is fresh apples, amounting to about 15 percent of total production. For the Eastern States, including the big apple-producing States of New York and Pennsylvania, the average is about 12 percent. Without an export market every commercial orchardist in the East faces ruin.

The most important foreign apple markets are in Europe, where a large number of concessions have been obtained in recent trade agreements. The only concession on apples granted by the United States was in the Canadian agreement. Practically all of the negligible imports of the United States originate in Canada. The following Tariff Commission tables present the picture of exports and imports and the valuable concessions obtained in 17 trade agreements.

Apples, fresh

[1,000 bushels]

Year	United States commercial production	United States imports [1]	United States exports [1]
1923	109,922	131	12,295
1924	88,776	106	9,604
1925	101,080	74	11,015
1926	123,550	85	21,292
1927	79,254	155	9,430
1928	109,938	117	21,042
1929	89,270	312	10,279
1930	105,432	103	20,340
1931	113,207	82	18,030
1932	90,023	6	13,754
1933	81,925	13	12,261
1934	79,870	28	8,062
1935	103,749	5	12,239
1936	75,539	36	6,755
1937	115,733	5	10,958
1938	78,675	[2] 26	[2] 11,761

[1] Fiscal or crop years. [2] Calendar year.

United States tariff history

	Cents
Canadian trade agreements, effective Jan. 1, 1936, and Jan. 1, 1939, apples, green or ripe (per bushel of 50 pounds)	15
Act of 1930, par. 734 (per bushel of 50 pounds)	25
Act of 1922, par. 734 (per bushel of 50 pounds)	25
Act of 1921, par. 26 (per bushel)	30
Act of 1913, par. 217 (per bushel of 50 pounds)	10

Concessions obtained by the United States

Country	Kind of concession	Unit	Duty before agreement	Duty after agreement
Cuba	Duty bound (preference bound).	100 kilos, g. w.	1.20 pesos, 20 percent.	1.20 pesos, 20 percent.
Belgium: [1]				
Apr. 1–Aug. 31	Duty bound	100 kilos	25.00 francs	25.00 francs.
Sept. 1–Mar. 31	do	do	28.75 francs	28.75 francs.
Haiti	Duty reduced.	Net kilos	0.10 gourde or 20 percent.	0.06 gourde or 20 percent.
Sweden:				
Feb. 1–Apr. 30		100 kilos	10 crowns	
Jan. 1–Apr. 30		do		10 crowns.
Mar. 1–Jan. 31		do	20 crowns	
May 1–Dec. 31		do		20 crowns.
Brazil	Bound free		Free	Free.
Netherlands [2]	Duty bound	Ad valorem	12 percent	12 percent.
Netherlands Indies	do	do	30 percent	30 percent.
Switzerland [1]	Quota bound	Quintals	24,146	24,146.
Honduras	Duty bound	Gross kilo	0.05 lempira	0.05 lempira.
Guatemala	do	do	0.15 quetzel	0.15 quetzel.
France	Supplemental quota.	Quintals	None	134,355.
Finland: Dec. 15–June 15	Duty reduced.	Kilo	6 marks or 3 marks.	1½ marks.
El Salvador	do	100 gross kilos	$5	$2.50.
Venezuela	do	Gross kilo	1 bolivar	0.075 bolivar.
Canada	do	Ad valorem	20 percent	15 percent.
United Kingdom	do		25 percent	3 shillings, 6 pence per hundredweight.
Newfoundland	Bound		Free	Free.

[1] Concession made on narrower classification.
[2] Other concessions also obtained such as reduction of monopoly fees.

In addition to the concessions listed above a large number of concessions were obtained on apples in other forms (dried, preserved, canned, or otherwise processed); a number of concessions were obtained on fruits in general which includes apples; and a number of concessions were obtained from the various British colonies which are not here listed.

FARMERS AS CONSUMERS

In addition to the gains to farmers as producers in expanding both the domestic and foreign markets for his products, they gain as consumers. The main purpose of a program of lowering tariffs is to encourage trade to follow broad lines of economic advantage so that there will be more goods and services available to all. Trade concessions are important in bringing industrial prices more nearly in line with farm prices. It is difficult to say how much the concessions we have granted on industrial products in trade agreements have influenced the breaking up of rigid prices of industrial products. Surely the 800 or 900 rates on industrial products which have been reduced have, at least, prevented some prices from getting further out of line.

According to the Tariff Commission the average reduction in agricultural products was 11 percent in total dutiable imports of this whole schedule, which includes fish. This compares with the reduction of 25 percent in the metals and manufactures schedule, 27 percent in the wood and manufactures schedule, and 29 percent in the papers and books schedule.

Furthermore, the proportion subject to reduced rates in the agricultural schedule, including fish, was 28 percent. This compares to 61 percent for metals and manufactures, 74 percent for wood and manufactures, 92 percent for spirits, wines, and other beverages, and 61 percent for papers and books, clearly refuting the contention that agriculture has been singled out for discriminatory treatment. The farmer as a consumer of industrial products has definitely gained in the reduction of some of the prohibitory rates of the Hawley-Smoot tariff.

In the light of all of the facts, it is difficult for me to see how any Member of this Congress who has the economic welfare of the Nation at heart, can be opposed to the proposal that the Trade Agreements Act be extended for 3 more years. Partisanship has no place in the consideration of any measure which is so vital to the welfare of our country. I urge the passage of this resolution. I do not see how it is possible for anyone who has made an unbiased and intelligent study of the question to do otherwise. [Applause.]

Mr. CARLSON. Mr. Chairman, I yield myself 10 minutes. I hope to continue this discussion for at least a few minutes without mentioning either the Democratic Party or the Republican Party. I have prepared what I believe to be a statement of the effect of the reciprocal-trade treaties on agriculture.

Mr. Chairman, the farmers of the United States are greatly concerned about their share of the foreign market. It is their contention that they are being outtraded by the industrial sections of this country in the making of reciprocal-trade treaties. There is substantial evidence that this is the case, despite protestations from the Secretary of State and others engaged in negotiating trade treaties. The best evidence in this regard is the gradual reduction of agricultural exports and the increasing of industrial exports. In 1934, the first year of the reciprocal-trade treaties, agricultural exports totaled 32.1 percent of our entire export business. This has been gradually reduced until in 1939 agriculture's share of the export trade was only 21 percent. The purchasing power of the national farm income today is three-fourths of what it was in 1910 to 1914, when the farmer was able to exchange his commodity dollar for manufactured articles on a fairly even basis.

It is interesting to study the general trend of exports from the United States. In 1938 the total value of all exports was $3,057,169,000. Of this amount, $827,546,000, or 27.1 percent, was agricultural products, leaving the balance of $2,229,623,000, or 72.9 percent, for nonagricultural or industrial exports. In the year 1939, ending December 31, we find that the total value of all exports equaled $3,123,869,000. Of this amount, $655,583,000, or 21 percent of the total, were agricultural exports, leaving the balance of $2,468,286,000, or 79 percent, for nonagricultural or industrial exports. The industrial exports in 1939 increased $238,663,000 over 1938, while the agricultural exports declined $171,963,000 during the same period. The total agricultural exports would have been reduced another 10 percent had it not been for the subsidy or indemnity payment used to sell such commodities as wheat, wheat flour, cotton, tobacco, butter, nuts, and fruits in foreign countries. The value of these commodities exported by subsidy payments total well over $65,000,000.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. Not now.

It was interesting to note that during the hearings on the extension of the reciprocal-trade agreements that the State Department opposed the export of farm commodities by subsidy payment. This is no doubt another reason why agriculture feels it is not receiving its proper consideration at the hands of those who are now negotiating the reciprocal-trade treaties. One hundred and eighteen million bushels of wheat of the 1938 crop were sold for export, largely through subsidy payments averaging 30 cents per bushel. Statistics furnished by the Department of Agriculture prove that the farmer benefited to the extent of about $65,000,000 from this export, or, in other words, it meant an increase in price of about 20 cents per bushel. This increase in price was secured by a subsidy payment of $26,000,000. I ask in all sincerity, What would have been the situation of the wheat farmer in the United States had it not been for this export subsidy? In view of this great benefit to the farmer, how can the Secretary of State and others engaged in negotiating reciprocal-trade treaties oppose the subsidizing of farm exports?

Agriculture in our war export trade—United States exports during the first 4 months of war in Europe, Sept. 1 to Dec. 31, 1939, compared with same 4 months of 1938

Export items	Pre-war September–December 1938	War period September–December 1939	Increase (+) decrease (−)
Total exports, all products	$1,033,856,000	$1,251,701,000	+$217,845,000
Agricultural products (total)	300,066,000	311,785,000	+11,719,000
Cotton, raw	87,358,000	155,475,000	+68,117,000
Tobacco, bright flue-cured	80,406,000	21,394,000	−59,012,000
Foodstuffs (total)	122,303,000	113,157,000	−9,146,000
Wheat and wheat flour	17,076,000	12,916,000	−4,160,000
Corn	12,395,000	8,670,000	−3,725,000
Fruits, fresh	18,662,000	9,495,000	−9,167,000
Fruits, dried and canned	24,940,000	23,006,000	−1,934,000
Vegetables, canned	1,387,000	1,894,000	+507,000
Meats and lard	15,979,000	16,456,000	+477,000
Nonagricultural products (total)	733,790,000	939,916,000	+206,126,000
Iron and steel—mill products	59,483,000	103,435,000	+43,952,000
Ferro-alloys	6,508,000	11,479,000	+4,971,000
Aluminum (except manufactures)	2,414,000	10,987,000	+8,573,000
Copper, refined	28,165,000	35,073,000	+6,908,000
Machinery (total)	151,962,000	172,245,000	+20,283,000
Electrical apparatus	34,302,000	38,213,000	+3,911,000
Metal working machinery	34,796,000	41,885,000	+7,089,000
Tractors and parts	14,110,000	15,348,000	+1,238,000
Aircraft, engines and parts	19,462,000	46,776,000	+27,314,000
Auto parts and accessories (total)	86,090,000	76,116,000	−9,974,000
Motortrucks and busses	21,580,000	18,219,000	−3,361,000
Passenger cars	33,351,000	22,378,000	−10,973,000
Parts for assembly	14,471,000	16,329,000	+1,858,000
Petroleum and products	125,249,000	138,630,000	+13,381,000
Coal	19,556,000	30,852,000	+11,296,000
Industrial chemicals and specialties	19,697,000	34,590,000	+14,893,000
Sawmill products (lumber, etc.)	12,735,000	13,145,000	+410,000
Leather and leather goods	6,955,000	9,228,000	+2,273,000
Automobile casings	4,248,000	7,200,000	+2,952,000

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. Not now. A comparison of the 4-month pre-war period, September to December 1938, in comparison with the war period of the same months during 1939 is most startling when it comes to the export of farm commodities. The farmers of the United States are going to pay a lot for the European war that is not our war. After the declaration of war England set aside all the concessions made in the reciprocal-trade agreements through quotas and the purchase of foodstuffs in other countries. This has resulted in an increase in the purchase of war supplies in the United States but a great decrease in the purchase of agricultural commodities. As a result of this there is great activity in certain industrial sections of the United States, but it is in reality only a temporary prosperity, and everyone knows there will be a serious deflation in these commodities when the war is over. The unfortunate part is that this industrial prosperity has created the impression that there is an increasing agricultural prosperity as a result of it. For the 4-month period, September 1 to December 31, 1939, there is a total gain of $217,845,000 in total exports, or a gain of 21 percent, over the same period last year. Of this amount the agricultural products gained $11,719,000, but a further analysis of the figures indicates that had it not been for greatly increased exports of cotton for war purposes, agricultural products would have shown a decline of $56,398,000. Cotton exports for the 4-month period, September 1 to December 31, 1939, were valued at $155,475,000 as compared to $87,358,000 for the same period in 1938. Tobacco, fresh and dried fruits all suffered greatly reduced volume. During this 4-month war period we exported only $21,394,000 worth of tobacco as compared to $80,406,000 during the same period in 1938. This was a loss in export of $59,012,000. Fresh fruit exports were reduced approximately 50 percent.

In the 4-month period in 1939 we exported fresh fruits valued at $9,167,000 as compared to $18,662,000 in 1938.

Agricultural exports, 4 months of war period, showing share of cotton and other products in total agricultural exports during pre-war and war period

Agricultural exports	Pre-war, September–December 1938	War period, September–December 1939	Change, 1939 from 1938	
			Amount	Percent
Cotton	$87,358,000	$155,475,000	+$68,117,000	+78.0
Other agricultural products	212,708,000	156,310,000	−56,398,000	−26.5
Total	300,066,000	311,785,000	+11,719,000	+3.9

Source: U. S. Department of Commerce figures.

Summary of exports, 4 months

	Pre-war period, September–December 1938	Percent of total	War period, September–December 1939	Percent of total	Increase, 1939 over 1938	
					Amount	Percent
Total exports:						
Agricultural products	$300,066,000	29.0	$311,785,000	24.9	$11,719,000	3.9
Nonagricultural products	733,790,000	71.0	939,916,000	75.1	206,126,000	28.1
All products	1,033,856,000	100.0	1,251,701,000	100.0	217,845,000	21.1

Summary of exports, 12 months

	12 months ending Dec. 31—				Change, 1939 from 1938
	1938		1939		
Total exports:					
Agricultural products	$827,546,000	*Percent* 27.1	$655,583,000	*Percent* 21.0	−$171,963,000
Nonagricultural products	2,229,623,000	72.9	2,468,286,000	79.0	+238,663,000
All products	3,057,169,000	100.0	3,123,869,000	100.0	+66,700,000

The reciprocal trade agreement program is inconsistent with the farm program now being administered by the Department of Agriculture. Congress has enacted legislation which provides for parity payments for agricultural products and it is my firm opinion that we will not have national prosperity in this country until agriculture receives parity prices for its products, or a fair and just share of the national income. I do not see how it will be possible for agriculture to receive either of these under the reciprocal trade agreement program. The Department of Agriculture, through the Federal Surplus Commodity Corporation, is engaged in the removal of surplus farm commodities while on the other hand the State Department, through the reciprocal-trade agreements, is reducing the import duties on the very commodities that the Department of Agriculture is distributing. During the fiscal years of 1938 and 1939 the Surplus Commodities Corporation purchased 20 different commodities and distributed them through the relief agencies of the United States. The total value of these commodities was $30,479,112. During this same period there was imported into the United States $92,298,000 worth of the same commodities. It is interesting to note that import duties were reduced on these very items through reciprocal-trade treaties. How can the farmer ever expect to secure parity under those conditions? I ask, How long should the Federal Treasury purchase these commodities by direct appropriation and then encourage their imports by trade treaties? Following is a table showing the amount of Federal surplus commodities and imports of the same for the fiscal years 1938 and 1939.

Purchase of selected agricultural commodities by the Federal Surplus Commodities Corporation, and imports of those commodities, fiscal years 1938 and 1939

Commodity	Quantity purchased	Amount spent	Imports	
			Quantity	Value
Apples, fresh ..... bushels	6,180,847	$4,978,816	52,000	$90,000
Beets ..... pounds	17,858,256	149,383	1,000	(1)
Cabbage ..... do	152,706,155	1,562,503	339,000	8,000
Carrots ..... do	7,612,950	72,379	270,000	3,000
Cauliflower ..... do	793,576	17,968	39,000	[2] 1,000
Celery ..... do	20,391,300	381,384	96,000	3,000
Cheese ..... do	3,445,500	478,211	110,167,000	23,584,000
Eggs ..... dozens	11,319,300	2,255,659	551,000	106,000
Fish ..... pounds	3,677,398	262,966	658,345,000	60,259,000
Grapefruit ..... do	188,441,360	2,524,313	12,753,000	155,000
Grapes ..... do	15,830,826	319,489	[3] 771,000	1,050,000
Milk, fluid ..... gallons	18,440,847	4,229,949	22,000	5,000
Peas:				
Canned ..... cases	864,192	1,427,780	[4] 1,610,000	165,000
Dried ..... pounds	6,000,000	122,813	4,616,000	183,000
Fresh ..... do	77,940	2,808	4,582,000	223,000
Potatoes, white ..... bushels	6,579,548	4,286,457	[5] 1,697,100	1,444,000
Raisins ..... pounds	50,199,000	2,137,251	825,000	92,000
Rice, milled ..... do	85,948,000	2,861,207	[6] 137,024,000	2,294,000
Tomatoes, fresh ..... do	20,741,815	465,259	120,692,000	2,633,000
Wheat cereal ..... do	106,550,500	1,942,517	(1)	(1)
Total		30,479,112		92,298,000

[1] Not available.
[2] Jan. 1–June 30, 1939; not separately classified previously.
[3] Cubic feet.
[4] Pounds.
[5] Includes seed potatoes.
[6] Broken rice.

Source: Annual Reports of the Federal Surplus Commodities Corporation. Fiscal years 1938 and 1939; Foreign Crops and Markets, Nov. 17, 1939.

The primary purpose of the original Trade Treaty Act was to seek and regain the markets for agricultural products and for industrial products as well. It is my contention that it has failed in the first and that the longer we continue it as it is being presently administered the more agriculture will suffer. At present our Nation has reciprocal-trade treaties with all of the leading industrial nations with which it has been possible to negotiate them, and this means that further negotiations must be held and further treaties must be made with nations which are in direct competition with the American farmer. This means that future treaties will further displace the American farmer's market. I think it is generally agreed that had it not been for the strenuous objections of the agricultural sections that we would today have a treaty with Argentina, Chile, and Uruguay. The State Department says that the negotiations with Argentina are terminated. Most of us believe they would not have been terminated except for extreme pressure from the farm sections. Therefore, is it not reasonable to presume that negotiations will be entered into if the trade-treaty extension is granted? Reports from Argentina indicated that they are expecting a revival of the negotiations at a near future date.

During the past 5 years 166 strictly farm tariffs have been reduced by as much as 50 percent. The farmers of this Nation should not be forced to meet the competition of cheap land and cheap labor by the importation of competitive farm products.

It is interesting to note that the President, during his 1932 campaign, made a statement to the farmers of the Nation, which they accepted as his attitude on tariff reductions for agriculture. His statement was:

> I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered.

How can anyone justify the 166 reductions that have already been made when practically every agricultural commodity is below parity price and many of them only 50 to 60 percent of parity? The national farm organizations of the United States have made a thorough study of the trade-treaty program and are greatly concerned about its effect.

The National Grange, in its recent annual convention in Peoria, Ill., opposed extension of the Trade Treaty Act with the following resolution:

> The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. Not now.

The American Farm Bureau Federation, which has been reported as being in favor of continuance of the program, qualified their resolution in such a way that no trade agreements would be entered into with competitive farm commodities unless they were assured a parity price level. They further urged that the act be so amended as to provide that no agreement should be consummated unless it is unanimously approved by the Secretaries of State, Commerce, and Agriculture. Evidently they believe, as most individual farmers believe, that agriculture has no friends in the State Department. How can they believe otherwise when the State Department opposes the payment of subsidy for the export of farm commodities? In my opinion this surplus crop removal program has given the farmer a greater direct benefit than any or all of the reciprocal-trade agreements. Following is the resolution adopted by the American Farm Bureau Federation at its annual convention in Chicago:

> In giving our support to the continuance of reciprocal-trade agreements, we renew, with increased emphasis, our demand that no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of and opposition to such agreement by all agricultural groups.
>
> We further insist that in the negotiation of trade agreements economic factors be given consideration equivalent to the weight accorded to the factors of diplomacy and statecraft. To this end we urge that the Reciprocal Trade Act be amended to provide that no agreement be consummated unless unanimously approved by the Secretaries of State, Commerce, and Agriculture.

Before concluding I want to briefly discuss the peace aspects of the trade-treaty program and the farmer. There is no group of citizens in the United States that is more concerned about maintaining our peace and our neutrality than the farmer. His close touch with nature itself makes it natural for him to favor not only domestic harmony but also peace for the entire world. He is willing to sacrifice, if necessary, for this cause. On the other hand, I do not believe that he should be expected to pay the price that the trade-treaty program is exacting for an illusory peace. The trade treaty may have for its altruistic purpose the establishment of world peace through the reduction in trade tariffs. It may be a worthy purpose, but when we adopt it we must keep in mind that in so doing we must also accept the living conditions, wage standards, and competition of the peasants who produce competitive farm products. I for one do not believe it would justify the cost. Practically the entire world is embroiled in war, and most all of the late wars have been declared since the trade-treaty program was enacted in 1934. This is positive proof to me that we should not base our peace hopes on the trade-treaty program. We are dealing with the other nations of the world which are forced to adopt hard, realistic principles of trade, and I do not believe we can expect them to be swayed by gratuities in the form of tariff reductions. We are dealing with shrewd international traders and if we are not to lose our best market—namely, the American market—we must approach this subject from the same basis.

Mr. Chairman, I want to urge that no reduction be permitted on foreign farm products when the price of the competitive American product is below parity. Let us give the American farmer the benefit of the American market.

Mr. COOPER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. BUCK. Mr. Chairman, will the gentleman from Michigan yield to me for a moment or two?

Mr. DINGELL. Certainly.

Mr. BUCK. To correct the Record. I failed to obtain consent of the gentleman from Kansas [Mr. CARLSON] to make an interrogatory on the question of the purchase of Federal surplus commodity goods. He read a portion of the minority report in which he referred to a list of 20 commodities on which the tariffs had been reduced, amounting to $30,000,000, while in the same period there were imported into the United States $92,000,000 of those same commodities.

The question of purchases by the Federal Surplus Commodities Corporation is certainly one which demands more attention than the minority spent upon it, although they say that, "Perhaps the most preposterous conflict between the trade-treaty program and the farm program." The reason for the minority not continuing with the analysis of this question is undoubtedly due to the fact that their argument loses all its validity when the details are examined. Let us look at some of these details.

The minority states that—

> During the fiscal years 1938 and 1939 there was spent on surplus removal operations in these commodities (20 commodities on which tariffs have been reduced under trade treaties) $30,479,112, while during the same period there were imported into the United States $92,298,000 worth of these same commodities from abroad. Presumably if the import duties on these commodities had not been reduced, a large part of the money spent out of the Treasury for surplus removal operations could have been saved.

Now, let us see what makes up these totals. Nearly eighty-four million, or over 90 percent of the ninety-two millions worth of imports, were of two items: Cheese, $23,584,000, and fish, $60,259,000. The Federal Surplus Commodities Corporation spent only $741,177 on purchases of these two items. If there had been a complete embargo on fish and cheese, 90 percent of the imports of 20 commodities mentioned would have been kept out. Only 2.5 percent of the Federal Surplus Commodities Corporation purchases presumably would have been averted, although purchases of both products were due to temporary emergency conditions during the fiscal year 1937–38 and were not repeated in the fiscal year 1938–39.

Now, let us see what makes up the total of $30,479,112 of the Federal Surplus Commodities Corporation purchases. The largest purchases were of apples $4,978,816, white or Irish potatoes $4,286,457, and fluid milk $4,229,949, a total of $13,495,222. Imports of these three products totaled only $1,539,000, or a little over 10 percent of Federal Surplus Commodities Corporation purchases of them. But now for the joker: $1,342,000 worth of the potato imports were of certified seed potatoes, and the Federal Surplus Commodities Corporation bought no certified seed potatoes. Therefore, the Federal Surplus Commodities Corporation expenditure of $13,495,222 on apples, potatoes, and milk could not, by any stretch of the imagination, be reduced by more than $197,000, or less than 1 percent, if imports of these three products had been kept out. Now, at the same time we were importing $197,000 worth of these products we were exporting $32,995,000 of them, or more than Federal Surplus Commodities Corporation's combined purchases of all 20 products. Surely the minority would grant that the trade-agreements program which seeks to safeguard in benefiting more than $32,995,000 worth of our export trade in these three commodities was not greatly increasing the new surplus by allowing $197,000 worth of imports to trickle in.

The only other commodities of which Federal Surplus Commodities Corporation purchases amounted to more than a million dollars are rice, wheat cereal, raisins, canned peas, grapefruit, cabbage, and eggs. Federal Surplus Commodities Corporation purchases of these seven commodities totaled $14,147,465 in the 2 fiscal years. Imports amounted to only $2,820,000, but exports, which were greater than imports for every one of these products, were more than twice as great as imports and Federal Surplus Commodities Corporation purchases combined, being valued at $38,802,000. Of the total of $2,820,000 worth of these imports, broken rice accounted for $2,294,000, or more than 80 percent. The only duty reduction on rice was that granted in the agreement with the Netherlands on finely screened broken rice, known as brewer's rice. It is but little used for human food. The rice purchased by the Federal Surplus Commodities Corporation could not have been substituted for the imported product on which a reduction in duty was granted except at a prohibitive price. The only concession on grapes was a binding of the duty on hothouse grapes, a luxury product. Canned peas also fall into the luxury category. The duty reduction on fresh grapefruit is limited to 2 months of the year before our marketing season begins, and the Federal Surplus Commodities Corporation made no purchases during these months. Federal Surplus Commodities Corporation likewise made no purchases of wheat cereal of a type on which the duty reduction was made. The raisins on which a duty reduction was granted of a special type imported for the bakery industry. United States imports are insignificant when compared with exports or domestic production of raisins. In the 2 fiscal years 1938 and 1939 our exports were valued at more than $15,000,000 while imports were valued at only $92,000. Exports of eggs also greatly exceeded imports. No reductions were made on wool, corn, cotton, fresh beef, or wheat for human consumption.

Mr. DINGELL. Mr. Chairman, inasmuch as I have a 40-minute speech to deliver in 30 minutes, I will not be able to yield until I shall have concluded my remarks.

Mr. Chairman, inasmuch as I come from the great industrial and automobile-producing State of Michigan, and particularly because I reside in and represent a substantial district within the capital of the Nation's automobile industry, there will be very little surprise among the Members of the House when it is known that I am enthusiastically and wholeheartedly for the bill before the Committee, which provides for the extension of the Reciprocal Trade Agreements Act.

I am not, however, provincial or chauvinistic enough to support the bill just because the administration proposes it or because the benefits affect alone the auto industry. If the benefits accruing to the auto industry were centered within and confined solely to manufacturers and workers engaged in the production of automobiles and to the exclusion from benefit of all others, or if such benefits were gained at the expense or sacrifice of the other industries and farmers, I could well find myself on the side of the opposition. The automobile industry is America's No. 1 industry. It is centered in the greatest and most intensely industrialized area in the world. At all times the production of automobiles is a gage of the prosperity of our Nation. In depression we all look to its early revival of activity leading to prosperity. In prosperous times we all look to it as a stimulant and stabilizer of our economy. This great industrial giant touches and affects everything and everybody. The products of the farm, the mine, mill, smelter, and manufacturer in every city, county, and State of the Union are dependent upon it for a very substantial outlet; nor are the producers of commodities alone the beneficiaries of automobile production. Finance, sales, and service business rises or falls with this industrial marvel.

I have repeatedly been reminded that the American farmer is the biggest proportionate buyer of the automobile output, and that is to be conceded without any argument from me; but I want to remind those who advance this line of reasoning in opposition to the extension of the trade agreements that the best customer of the American farmer is the worker in the great industrial producing centers of the Nation. And, taking the ratio of farm and urban population as a basis for the comparison as to who is the best customer for the other, we will find that the argument and comparison favors the urban customer in the ratio of about 3 to 1.

We are all of one mind in saying that the American market for the farmer and the industrial worker is the most important and the one to protect and enlarge upon, and that is what the administration is trying to do through trade agree-

ments. The farmer cares not if he sells his grain, hogs, cattle, beans, or furs as an export. What he wants to do is to sell his products to somebody. If an agreement can be made that will stimulate the automobile manufacturer and our industries to rise to great heights of production, the surplus of farm products will go into the stomachs of our factory workers, who will pay in hard, cold-rolled American dollars for what they buy. Our American workers are the best eaters—yes; by comparison they are the epicures among the workers of the world.

A splendid and well-qualified witness in the person of R. W. Gifford, chairman of the foreign trade committee of the Detroit Board of Commerce, appeared before the Committee on Ways and Means and made a most powerful and lucid statement in behalf of the trade agreements. His testimony is not only forceful, but unimpeachable because of its thoroughness and fairness to all concerned. He treats and gives full consideration to the farmer equity in the proposed legislation. I refer you to his testimony on page 1534 of the printed hearings. It is well worth reading.

It is not my purpose to repeat again the overwhelming evidence presented at those hearings which reaffirm my belief in the desirability of continuing this legislation. Other members of this Committee already have reviewed the major features of the testimony and I will touch upon them only insofar as they bear upon the questions to which I address myself.

As pointed out by the spokesman for the Detroit Board of Commerce in the statement before the committee, probably no area in the country has more real interest in the success of the trade-agreements program than Detroit and Michigan. That foreign trade is important to us is indicated by the fact that the Detroit industrial area is the largest producer of manufactured goods for exportation in the United States. According to testimony, about 800 plants in Michigan are engaged in exports. Six hundred of these plants are listed in the hearings. I will not bore you with the reading of this list, but I desire, nevertheless, to insert the names of these companies and their locations in the RECORD. I will also put into the RECORD three brief, though important, tables.

Foreign sales of American automobiles

[Number in thousands]

Year	United States exports [1]	Canadian production	Total
1926	393	205	598
1927	466	179	645
1928	583	242	825
1929	734	263	996
1930	406	153	559
1931	242	83	324
1932	120	61	181
1933	177	66	242
1934	311	117	427
1935	335	173	508
1936	346	162	508
1937	476	207	683
1938	326	166	492
1939 (January-October)	258	120	378

[1] Includes foreign assemblies from parts produced in the United States.

Production and wholesale value of passenger cars and trucks (United States and Canada)

Year	Passenger cars				Trucks				Total passenger cars and trucks	
	Number (thousands)	Percent in United States	Total value (millions)	Average unit value	Number (thousands)	Percent in United States	Total value (millions)	Average unit value	Number (thousands)	Total value (millions)
1926	3,949	95.8	$2,746	$696	557	93.2	$469	$842	4,506	$3,215
1927	3,083	95.3	2,266	735	497	93.4	435	875	3,580	2,701
1928	4,012	95.1	2,704	675	589	92.5	459	780	4,601	3,163
1929	4,795	95.8	2,981	622	827	92.8	596	721	5,622	3,577
1930	2,910	95.8	1,721	592	600	94.7	406	677	3,510	2,127
1931	2,038	96.8	1,154	567	434	96.0	273	629	2,472	1,427
1932	1,186	95.7	651	549	245	95.9	142	569	1,431	793
1933	1,627	96.7	795	488	359	96.6	192	536	1,986	987
1934	2,271	95.9	1,204	530	599	96.0	333	555	2,870	1,537
1935	3,388	96.0	1,789	528	732	94.9	399	545	4,120	2,188
1936	3,798	96.6	2,092	550	818	95.9	482	590	4,616	2,574
1937	4,069	96.2	2,398	589	948	94.3	573	605	5,016	2,971
1938	2,125	94.2	1,332	627	530	92.0	359	676	2,655	1,691

Chart showing that Michigan foreign trade goes hand in hand with farm income and industrial production

Year	Farm income [1]	Industrial production [2]	Exports [3]	Imports [3]
1928	$363,146,000	[4] $4,500,000,000	$328,436,000	$92,099,000
1929	245,963,000	4,656,718,046	342,646,000	105,449,000
1930	199,656,000	[4] 3,400,000,000	239,358,000	75,959,000
1931	150,885,000	2,551,257,763	144,869,000	56,832,000
1932	118,567,000	[4] 2,200,000,000	84,755,000	38,094,000
1933	134,612,000	2,104,104,542	82,058,000	40,537,000
1934	158,452,000	[4] 3,400,000,000	124,356,000	48,412,000
1935	185,620,000	3,986,178,348	129,243,000	54,054,000
1936	215,807,000	[4] 4,600,000,000	145,191,000	70,038,000
1937	238,252,000	5,296,100,960	190,223,000	86,238,000
1938	206,441,000	[4] 3,500,000,000	162,812,000	55,933,000

[1] Source: U. S. Department of Agriculture in cooperation with Michigan Department of Agriculture.
[2] Source: U. S. Census.
[3] Source: Our World Trade, foreign commerce department, United States Chamber of Commerce.
[4] Estimate.

Mr. GIFFORD. In addition to that chart, I have a list for the record, in case it may be questioned, of the 600 Michigan plants who are actively engaged in the export business, and incidentally I think that that can be increased another couple of hundred because they did not even have us on the list, and we have about five factories in the State of Michigan. So, judging from that fact, I think that there are probably many others.

Mr. COOPER. You can submit that also.

(The list is as follows:)

MICHIGAN EXPORTERS (EXCLUSIVE OF DETROIT)

Belding: Belding Hall Co., C. J. Graham, president.
Clio: Shetler-Calkins Co.
Adrian: Andrix Lock Nut Co., Inc.; Kewaunee Manufacturing Co.; Oliver Instrument Co.; Peerless Wire Fence Co., Sam A. King, superintendent; Schwarze Electric Co.; Simplex Paper Corporation; the Suntorback Co.
Albion: Union Steel Products Co.
Algonac: Chris Smith & Sons Boat Co.
Allegan: Blood Bros. Machine Co.
Alma: La France Republic Corporation; Republic Truck Co.
Almont: Hurd Lock & Manufacturing Co.
Ann Arbor: Economy Baler Manufacturing Co.; Hoover Steel Ball Co.; International Radio Corporation.
Battle Creek: Clark Truck Tractor Co.; A. B. Stone Co.; Advance-Rumely; American Steam Pump Co.; Battle Creek Biscuit Co.; Battle Creek Drugs, Inc.; Battle Creek Food Co.; Bennett Oven Co.; Duplex Press Co.; Globe Manufacturing Co.; Kellogg Co.; Nichols & Shepherd; Oliver Farm Equipment Co.; Sanitary Equipment Co.; H. B. Sherman Manufacturing Co.; V. C. Squire & Co.; Union Steam Pump Co.; United Steel & Wire Co.
Bay City: Aladdin Co.; Chas. M. Baumgarten; Bay City Boats; Bay City Foundry & Machine Co.; Bay City Shovels, Inc.; Columbia Sugar Co.; Dafoe Boat & Motor Works; Evenknit Hosiery Co.; H. J. Hunt Showcase Co.; Industrial Brown Hoist Co.; Kneeland Bigelow & Co.; Kuhlman Electric Co.; Lewis Manufacturing Co.; Mohr Hardware & Furniture Co.; National Electric Welding Machine Co.
Benton Harbor: Michigan Power Shovel Co., Pier Equipment Manufacturing Co., F. P. Rosbach.
Big Rapids: Covel-Hanchett Co.
Boyne City: General Radio Therapy Laboratories, Inc.
Bridgman: Gast Manufacturing Co.
Bronson: L. A. Darling.
Cadillac: Acme Six Wheeler Co., Cadillac Malleable Iron Co.
Charlotte: Wilcox-Gay Corporation.
Coldwater: Regal Marine Engine Co.
Dearborn: Goldentone Radio Co.
Delray: Michigan Sprocket Chain Co., Solvay Process Co.

Dowagiac: Beckwith Co., James Heddons Sons, Round Oak Furnace Co.
Eastlake: Rademacher Chemical Corporation.
Eaton Rapids: Horner Bros. Woolen Mills.
Escanaba: Kirstin Co.
Evart: American Logging Tool Co.
Ferndale: Excelda Manufacturing Co., Flint Automatic Heater Co., Palace Travel Coach Corporation.
Fremont: Fremont Canning Co.
Gladstone: Marble Arms & Manufacturing Co., Marble-Card Electric Co.
Grand Haven: Challenge Refrigerator Co., Eagle Ottawa Leather Co., William H. Keller, Oldberg Manufacturing Co.
Grand Rapids: Adjustable Table Co.; Alexander Sodds Co.; American Brass Goods Co.; American Seating Co.; Bissell Carpet Sweeper Co.; Blackmer Pump Co.; E. O. Bulman Manufacturing Co., Inc.; Carter Products Co.; Clipper Belt Lacer; Gandy Belting Co.; Grand Rapids Band Instrument Co.; Grand Rapids Loose Leaf Binder Co.; H. L. Hubbell; Irwin Seating Co.; Karl Manufacturing Co.; Kline Manufacturing Co.; Lightening Calculator Co.; Metygar Co., Inc.; Michigan Bumper Corporation; F. Ramville Co.; Rice Veneer Lumber Co.; Rose Patch & Label Co.; Simplex Brooder Stove Co.; Stichley Bros. Co.; The Tanglefoot Co.; Tannewitz Works, Voight Milling Co.; Weldon Manufacturing Co.; A. G. Woodman Co.; York Band Instrument Co.
Grayling: Kerry & Hanson Flooring Co.
Greenville: Gordon Hutton Blast Grate Co.; Ranney Refrigerator Co.
Hastings: Hasting Manufacturing Co.; International Seal & Lock Co.
Highland: Liberty Fire Extinguisher Co.
Hillsdale: F. W. Stock & Sons.
Holland: Colorcrete Industries; W. E. Dunn Manufacturing Co.; Ottawa Hitch & Equipment Co.
Hudson: Hardie Manufacturing Co.
Ionia: Ypsilanti Reed Furniture Co.
Jackson: S. H. Camp & Co.; Foote & Jenks; Hinchley-Myers Co.; Isbell Seed Co.; Kelsey Hayes Wheel; Knickerbocker Co.; F. A. Luthy Co.; Niles Manufacturing Co.; Modern Machine Tool Co.; National Machine & Tool Co.; Sparks Withington Co.; Walcotte Lathe Co.
Jonesville: Kiddie Brush & Toy Co.
Kalamazoo: Allen Electric Co.; American Machine Co.; Atlas Press Co.; Bartlett Label Co.; Brundage Co.; Clarage Fan Co.; C. H. Sutton; Fuller & Sons Manufacturing Co.; General Gas Light Co.; Gibson, Inc.; Grace Corset Co.; Hammond Machinery Builders; Henderson Ames Co.; Humphrey Gas Heater Co.; Illinois Envelope Co.; Kalamazoo Loose Binder Co.; Kalamazoo Stove Co.; K. V. P. Co.; Paper Makers Chemical Corporation; Rex Paper Co.; Root & Spring Scraper; Saniwax Paper Co.; Shakespeare Co.; Star Brass Works; Sutherland Paper Co.; A. M. Todd Co.; United States Pressed Steel Co.; Upjohn Co.
Lansing: Atlas Drop Forge Co., John Bean Manufacturing Co., Duplex Truck Co., Gifford Engine Co., Hill Diesel Engine Co., Ideal Power Lawn Mower Co., Lansing Co., Novo Engine Co., Reo Motor Car Co.
Ludington: Electric Tamper & Equipment Co., Handy Things Manufacturing Co., Stearns Motor Manufacturing Co., Thompson Cabinet Co.
Manistee: Century Boat Co., A. D. Joslin Manufacturing Co.
Marquette: Cliffs Dow Chemical Co., E. J. Longyear Co.
Marshall: Shear-Gillett Co.
Mayville: Hardwood Products Co.
Menominee: Henes & Keller, Prescott Co., Signal Electric Manufacturing Co.
Midland: Dow Chemical Co.
Monroe: Detroit Stoker Co., Greening Nursery Co., Monroe Auto Equipment Manufacturing Co.
Mount Pleasant: American Enameled Products Co., Covered Wagon Co.
Muskegon: Alaska Refrigerator Co., Austin Machinery Co., Bennett Pump Corporation, Browne Morse Co., Chase-Hackley Piano Co., L. O. Gordon Manufacturing Co., Piston Ring Co., Sealed Power Corporation, Shaw-Walker Co., E. H. Sheldon & Co.
New Hudson: Vagabond Coach Manufacturing Co.
Niles: Dry Kold Refrigerator Co., Michigan Wire Goods Co.
Owosso: Owosso Manufacturing Co.
Paw Paw: Paw Paw Bait Co.
Plymouth: Daisy Manufacturing Co., King Manufacturing Co.
Port Austin: Maye Bros. Tool Mfg. Co.
Port Huron: Acheson Oildag Co., Auker Holth Co., Geo. C. Day Fish Bait Co., E. B. Mueller & Co., Port Huron Exylite Co., Robeson Preserve Co., Sterling Cable Corporation, Wolverine Shoe & Tanning Corporation.
Saginaw: American Cash Register Co., Baker Perking Mfg. Corporation, Brooks Boat Co., A. T. Ferrell & Co., Germain Mfg. Co., C. H. Hildebrand, Lufkin Rule Co., Wm. B. Mershon Co., Miles Machinery Co., Mitts & Merrill, Modart Corset Co., Nelson Bros. Co., Ruggles Motor Truck Co., U. S. Graphite Co., Wiches Bros., Geo. B. Willcox.
South Haven: Everett Piano Co.
Sparta: Sparta Foundry Co.
St. Clair: Diamond Crystal Salt Co.
St. Joseph: Auto Specialties Manufacturing Co., Cooper Wells & Co.
Sturgis: Harter Rolled Metals Co., Harvey Paper Products Co., Kirsch Manufacturing Co.
Tecumseh: Republic Iron Works.
Three Rivers: Armstrong Machine Works, Wells Manufacturing Co.
Traverse City: Acmeline Manufacturing Co., Cherry Growers Packing Co., Potato Implement Co.
Wells: Delta Chemical & Iron Co.
Wheeler: Breckenridge Farmers Elevator Co.
Wyandotte: Beals & Selkirk Trunk Co.
Ypsilanti: A. J. Burbank & Sons, C. E. Thompson & Sons.
Zelland: Herman Miller Furniture Co.

DETROIT EXPORTERS

A

Abrasive Engineering Co., 15947 Turner.
A. C. Novelty Co., 6210 Second Avenue.
Acme Manufacturing Co., 1645 Howard Street.
Acme Mills Co., 5151 Loraine.
Ainsworth Manufacturing Co., 256 Dubois Avenue.
All Metal Products Co., Labadie and Second, Wyandotte, Mich.
Allen Corporation, 9751 Erwin.
Allen Industries, Inc., Leland & Grand Trunk Railroad.
Allen, Mark W., & Co., 2119 Second Avenue.
Aluminum Co. of America, 3311 Dunn Road.
American Brake Materials Corporation, 4600 Merritt.
American Brass Co., 174 South Clark.
American Agricultural Chemical Co., post-office box 2458.
American Carpet Co., 610 East Jefferson Avenue.
American Electrical Heater Co., 6100 Cass Avenue.
American Injector Co., 1481 Fourteenth Street.
American Lady Corset Co., 1060 West Fort Street.
American Oak Leather Co., 643 New Center Building.
American Radiator Co., 1558 Trombley.
American Store Equipment & Construction Corporation, 5235 Grand River Avenue.
American Twist Drill Co., 14301 West Chicago Boulevard.
Amplex Manufacturing Co., 6501 Harper.
Anchor Steel & Conveyor Co., 2563 Bellevue.
Anderson, O. L., Co., Inc., 1347 East Fort Street.
Arrow Roofing & Sheet Metal Works, 5100 St. Jean.
Artistic Furniture Co., 2000 East Atwater.
Arvey Corporation, 6400 East Nevada.
Associated Spring Co., 6400 Miller.
Atlantic Sanitary Wiping Cloth Co., 1028 East Vernor Highway.
Aulsbrook Co., 6400 Orleans.
Automatic Products Co., 1145 West Grand Boulevard.

B

Barnes Scale Co., 6521 John R. Street.
Barnum Bros. Fibre Co., Inc., 676 West Brand Boulevard.
Beck, Koller & Co., Inc., 601 Woodward Heights Boulevard, Ferndale Station.
Berry Bros., Inc., 211 Leib Street.
Bowen Products Corporation, 2760 West Warren Avenue.
Bower Roller Bearing, 3040 Hart.
Buhl Stamping Co., 2730 Scotten Avenue.
Bull Dog Electric Products Co., 7610 Joseph Campau.
Bundy Tubing Co., 10951 Hern.
Burroughs Adding Machine Co., 6071 Second Avenue.

C

Cadillac Motor Car Co., 2860 Clark Avenue.
Caille Perfection Motor Co., 6240 Second Avenue.
Capitol Brass Works, 2306 Franklin.
Caramago, C., & Co., 1472 Adelaide Street.
Carhartt Hamilton Overall Co., 1040 West Fort Street.
Chamberlin Metal Weather Strip Co., 1254 LaBrosse.
Champion Spark Plug Co., 8525 Butler Avenue, Hamtramck, Mich.
Cherry-Burrell Corporation, 2016 Lafayette Boulevard.
Chicago Rawhide Manufacturing Co., 9000 Alpine.
Chrysler Export Corporation, 341 Massachusetts Avenue, Highland Park.
Clayton & Lambert Manufacturing Co., 11111 French Road.
Colton, Arthur, Co., 2600 East Jefferson Avenue.
Columbia Mills, Inc., 3297 Hubbard.
Commercial Engineering Laboratory, 4612 Woodward Avenue.
Commercial Milling Co., 323 East Atwater Street.
Commonwealth Brass Corporation, 5835 Commonwealth.
Consolidated Brass Co., 139 South Summit Street.
Consumers Steel Products Corporation, 6450 East McNichols Road.
Continental Motors Corporation, 1710 Ford Building.
Continental Screen Co., 1323 Book Building.
Continental Tool Works, 1220 Oakman Boulevard.
Covered Wagon Co., 332 Cass, Mount Clemens, Mich.
Copper & Brass Sales, Inc., 3246 East Woodbridge Street.
Craine-Schrage Steel Co., 8701 Epworth Boulevard.
Crawford Door Co., 5300 St. Jean.
Crescent Brass & Pin Co., 5760 Trumbull Avenue.
Cross Gear & Engine Co., 3250 Bellevue.
Cummins-Moor Graphite Co., 1646 Green Avenue.

D

Daigle Iron Works, 1967 West Lafayette.
Denton & Anderson Co., 2857 East Grand Boulevard.
Detroit Aluminum & Brass Corporation, 3975 Christopher, Hamtramck, Mich.
Detroit Brass & Malleable Works, 100 South Campbell.
Detroit Belt Lacer Co., 3951 A Street.

Detroit Casket Co., 1401 Ash Street.
Detroit Coil Co., 439 Fort Street.
Detroit Container Corporation, 9119 Thaddeus.
Detroit Electric Furnace Co., 825 West Elizabeth.
Detroit Engineering & Machine Co., 4425 Cadillac.
Detroit Gasket & Manufacturing Co., 12640 Burt Road.
Detroit Gear & Machine Co., 670 East Woodbridge.
Detroit Harvester Co., 5450 West Jefferson Avenue.
Detroit Hoist & Machine Co., 8201 Morrow Avenue.
Detroit Ice Machine Co., 2615 Twelfth Street.
Detroit Knitting Mills, 1410 Gratoit Avenue.
Detroit Lead Pipe Works, 14471 Livernois Avenue.
Detroit Leather Works, 683 East Lafayette.
Detroit Machine Tool Co., 5057 Woodward Avenue.
Detroit Macoid Corporation, 12340 Cloverdale.
Detroit Michigan Stove Co., 6900 East Jefferson Avenue.
Detroit Oak Belting Co., 3450 Wight Street.
Detroit Packing Co., 1120 Springwells Avenue.
Detroit Paper Products Co., 5800 Domine, Hamtramck, Mich.
Detroit Refrigerator Co., 2030 Howard Street.
Detroit Rex Products Co., 13005 Hillview Avenue.
Detroit Rock Salt Co., 12841 Sanders.
Detroit Saw & Tool Works, 528 East Fort Street.
Detroit Screw Works, 1477 East Atwater Street.
Detroit Sheet Metal Works, 1300 Oakman Boulevard.
Detroit Showcase Co., 1670 West Fort Street.
Detroit Seamless Steel Tubes Co., West Warren and Wyoming, Dearborn, Mich.
Detroit Soda Products Co., 35 George Street, Wyandotte, Mich.
Detroit Stamping Co., 3445 West Fort Street.
Detroit Star Grinding Wheel Co., 111 North Cavalry.
Detroit Steel Casting Co., 4069 Michigan Avenue.
Detroit Steel Corporation, 1025 South Oakwood.
Detroit Steel Products Co., 2250 East Grand Boulevard.
Detroit Suspender & Belt Co., 401 West Jefferson Avenue.
Detroit Tool & Manufacturing Co., 1660 Beard.
Detroit Trailer Co., 487 Beaufait.
Detroit Torch & Manufacturing Co., 12057 Bardoni, Highland Park, Mich.
Detroit Vapor Stove Co., 670 East Woodbridge.
Detroit Waste Works, 7355 Bryden.
Detroit Wax Paper Co., 1721 Pleasant, River Rouge, Mich.
Detrola Corporation, 1501 Beard Avenue.
Dibble Color Co., 1497 East Grand Boulevard.
Ditzler Color Co., 8000 West Chicago Boulevard.
Dockson, C. H., Co., 2885 East Grand Boulevard.
Dodge, Horace E., Boat Works, Inc., 554 Lycaste Avenue.
Donahue, F. J., Varnish Co., 10586 Knodell.
Dongan Electric Manufacturing Co., 2987 Franklin.
Dorr-Patterson Engineering, 3362 Wight.

E

Eaton Manufacturing Co., 9771 French Road.
Edgar, W. H., & Son, Inc., 1924 West Lafayette.
Electrical Refrigeration Co.
Enness Co., 1521 St. Jean Avenue.
Enterprise Foundry Co., 6463 East Warren Avenue.
Essex Brass Corporation, 2000 Franklin.
Essex Wire Corporation, 14310 Woodward Avenue.
Everhot Heater Co., 5241 Wesson.
Ex-Cell-O Corporation, 1200 Oakman Boulevard.

F

Falls Spring & Wire, 8635 Conant.
Federal-Mogul Corporation, 11031 Shoemaker.
Federated Metals Corporation, 11630 Russell Street.
Ferro Stamping & Manufacturing Co., 1367 Franklin.
Ferry-Morse Seed Co., post-office box 648.
Finck, W. M., Co., 3708 Gratiot Avenue.
Flex-O-Tube Co., 750 Fourteenth.
Flint, Howard, Ink Co., 2546 Clark.
Fitzsimons Manufacturing Co., 3104 East Woodbridge.
Flintkote Co., 14201 Schaefer Highway.
Ford Motor Co., Schaefer Road, Dearborn, Mich.
Frankel Bros., 1627 West Fort Street.
Frazer Paint Co., 2475 Hubbard Street.
Frigid Food Products, Inc., 1951 East Ferry Avenue.
Fruehauf Trailer Co., 10940 Harper Avenue.

G

Gelatin Products Co., 620 East Hancock.
Gemmer Manufacturing Co., 6400 Mount Elliott Avenue.
General Cable Corporation, 1111 East Milwaukee.
General Conveyors Corporation, 1938 East Franklin.
General Hardwood Co., 7201 East McNichols Road.
General Motors Overseas Operations, 4–235 General Motors Building.
General Utilities Manufacturing Co., 2587 East Grand Boulevard.
Gies Gear Co., 439 East Fort Street.
Glenzer, J. C., Co., 6463 Epworth.
Goldman, Harvey & Co., 9040 West Jefferson Avenue.
Graham-Paige Motors Corporation, 8505 West Warren Avenue.
Gray Marine Motor Co., 6910 East Lafayette.
Great Lakes Bottle Cap Co., 2950 West Davison Avenue.
Great Lakes Engineering Works, River Rouge, Mich.
Great Lakes Foundry Sand Co., United Artists Building.
Great Lakes Steel Corporation, Tecumseh Road, Ecorse, Mich.
Great Lakes Thread Co., Wesson and Vigo Streets.
Guardian Glass Co., Inc., 1734 West Lafayette.

H

Hall, C. M., Lamp Co., 1035 East Hancock.
Hamburger, H. B., & Co., 4000 Beaufait.
Hammond Standish Co., 2101 Twentieth Street.
Handy Governor Corporation, 3925 West Fort Street.
Hardie Manufacturing Co., 2009 Book Tower.
Herron Zimmers Moulding Co., 3650 Beaufait.
H. & H. Tube Manufacturing Co., 261 Scotten Avenue.
Holley Carburetor Co., Vancouver Avenue and P. M. R. R.
Hoskins Manufacturing Co., 4445 Lawton.
Hostess Dairy Co., 14401 Dexter Boulevard.
Hygeia Filter Co., 3422 Denton Avenue.
Hygrade Food Products Corporation, 2801 Michigan Avenue.
Hudson Motor Car Co., 12601 East Jefferson Avenue.
Huron Portland Cement Co., 1325 Ford Building.

I

Industrial Chemical Products Co., 3777 Bellevue.
Industrial Sheet Metal Works, Inc., 628 East Forest.
Industrial Wire Cloth Products Corporation, Fourth and Brush, Wayne, Mich.
International Machinery Co., 3131 East Jefferson Avenue.
Iodent Chemical Co., Inc., 1535 Sixth.
Ironrite Ironer Co., 38 Piquette.

J

Jackson Electrode Holder Co., 15122 Mack Avenue.
James Motor Valve Co., 5450 West Jefferson Avenue.
Jamieson, C. E., & Co., 1962 Trombly.
Jenks & Muir, 6441 Hastings.

K

Kaple Steel Corporation, 6782 Goldsmith Avenue.
Kelsey-Hayes Wheel Co., 3600 Military Avenue.
Kendrick Manufacturing Co., 2724 Franklin.
Kermath Manufacturing Co., 5890 Commonwealth.
Kerr Dental Manufacturing Co., 6081 Twelfth Stret.
Kerr, Frank W., Co., 422 West Congress.
Kerr Machinery Co., 608 Kerr Building.
Knott & Garlus, 3945 A Street.
Koebel Diamond Tool Co., 1200 Oakman Boulevard.
Keen Manufacturing Co., Flat Rock, Mich.

L

La Choy Food Products, Inc., 8100 Schoolcraft.
Lafer Bros., Inc., 1323 Broadway.
Larrowe Milling Co., post-office box 68, North End Station.
Lederer Manufacturing Co., 3420 West Fort Street.
Leibing Automotive Devices, Inc., 5725 Mount Elliott Avenue.
LeRoy Broehm Foundry Co., Inc., 3126 East Jefferson Avenue.
Lowenstein, S., & Son, 1945 Adelaide.
Lynn Paper Products Manufacturing Co., 2000 Howard.
Locktite Patch Co., 4196 Bellevue Avenue.
Long Manufacturing Co., 12501 Dequindre.

M

McAleer Manufacturing Co., 2431 Scotten.
McCord Radiator & Manufacturing Co., 2537 East Grand Boulevard.
McLouth Steel Corporation, 300 South Livernois.
McNamara, Michael, Varnish Works, 3195 Bellevue.
Machining & Grinding Co., of Detroit, 18102 Ryan Road.
Magic Leather Treatment Co., 14118 Twelfth Street.
Maid-Rite Garment Manufacturing Co., 511 Cass Avenue.
Mallard, A. E., 3021 Wabash.
Marshall Blow Pipe Co., 7431 Dubois.
Master Woodworker Co., 138 Cadillac Square.
Mechanical Handling Systems, Inc., 4600 Nancy.
Michigan Bleach & Chemical Co., 1944 East Woodbridge.
Michigan Brush Manufacturing Co., 7411 Central.
Michigan Die Casting Co., 11831 Charlevoix.
Michigan Smelting & Refining Co., 7885 Jos. Campau, Hamtramck, Mich.
Michigan Steel Casting Co., 1986 Guoin.
Michigan Steel Tube Products Co., 9450 Buffalo Boulevard, Hamtramck, Mich.
Michigan Tank & Furnace Corporation, 14101 Prairie.
Michigan Tool Co., 7171 East McNichols Road.
Michigan Wire Cloth Co., 2100 Howard Street.
Micromatic Home Corporation, 7401 Dubois.
Midland Glue Products, 1478 Madison.
Midland Steel Products Co., 6660 Mount Elliott.
Mid-West Abrasive Co., 2189 Beaufait.
Millers Peanut Products, Inc., 1990 Gratiot Avenue.
Mitchell & Smith, Inc., 9469 Copland.
Monarch Governor Co., 1832 West Bethune.
Morse Chain Co., 7601 Central.
Moto-Mower Co., 4600 Woodward Avenue.
Modern Collet & Machine Co., 401 Salliotte.
Morris, E., Manufacturing Co., 1406 Gratiot Avenue.
Motor Products Corporation, 11801 Mack Avenue.
Motors Metal Manufacturing Co., 5936 Milford Avenue.
Mulkey Salt Co., 1220 United Artists Building.
Murchey Machine & Tool Co., 951 Porter.
Murray Corporation of America, 7700 Russell Street.
Murray, Edgar A., Co., 2703 Guoin.

N

Nash-Kelvinator Corporation, 14250 Plymouth Road.
National Broach & Machine, 11455 Shoemaker.
Nelson, Baker & Co., 1301 West Lafayette.

Newcomb-David Co., 5741 Russell.
New York Bed Spring Manufacturing Co., 638 Brady.
Norge Division, Borg-Warner Corporation, 670 East Woodbridge Street.
Northern Engineering Works, 2615 Atwater Street East.
North Wayne Tool Co., 6331 Tireman.
Norton Co., 5805 Lincoln Avenue.

O

O. & S. Bearing Co., 303 South Livernois.

P

Packard Motor Car Co., 1580 East Grand Boulevard.
Park Chemical Co., 8074 Military.
Parke-Davis & Co., box 119, Roosevelt Park Annex.
Parker Rust-Proof Co., 2177 East Milwaukee.
Parker-Wolverine Co., 5203 Martin.
Partlan, James W., 14290 Goddard.
Parts Manufacturing Co., 6901 East Lafayette.
Penberthy Injector Co., 1242 Holden.
Peninsular Metal Products Corporation, 6635 East Forest.
Phail, H. A., 10754 West Jefferson, River Rouge.
Preserve Surface Co., Inc., 6315 East Seven Mile Road.
Plymouth Tube Co., 1435 Franklin.
Preston, Horace G., 2581 Beecher Street.
Progress Bedding Co., 659 Winder.
Progressive Welder Co., 737 Piquette.

R

Ray Day Piston Corporation, 6656 Walton.
Republic Knitting Mills, 1907 Michigan Avenue.
Revere Copper & Brass Co., Inc., 5851 West Jefferson Avenue.
Rinshed-Mason Co., 5935 Milford.
Robbins Engineering Co., 635 Mount Elliott.
Roberts Brass Manufacturing Co., 5435 West Fort Street.
Ross Operating Valve Co., 6488 Epworth Boulevard.
Roman Cleanser Co., 2700 East McNichols Road.
Rotary Electric Steel, Eight Mile Road at Mound.
Royal Textile & Manufacturing Co., Inc., 690 East Congress.
Russell Wheel & Foundry Co., 8130 Joseph Campau.
Rycenga Manufacturing Co., 4091 Beaufait.

S

Schieber Manufacturing Co., Inc., 11762 Cloverdale.
Schmidt, Carl E., 118 Leib Street.
Schmieg Sheet Metal Works, 320 Piquette.
Scripps Motor Co., 5817 Lincoln.
Sealed Power Corporation, 3–266 General Motors Building.
Seaman-Patrick Paper, 1225 Vermont.
Seely Manufacturing Co., 1900 East Jefferson Avenue.
Service Conveyor Co., 7764 Bryden.
Sevaerg Metals Corporation, 915 Harper Avenue.
Sharples Solvent Corporation, Wyandotte, Mich.
Shaw & Co., 1577 Ash.
Sherman Laboratories, 14600 East Jefferson Avenue.
Sherwood Brass Works, 6331 East Jefferson Avenue.
Shwayder Bros., Inc., 4270 High, Ecorse, Mich.
Solventol Chemical Products, Inc., 12001 East Jefferson Avenue.
Somers, H. J., 6063 Wabash.
Specialty Cabinet Co., 1103 Beaufait.
Sperber Manufacturing Co., 1815 Trombly.
Square D Co., 6060 Rivard.
Standard Computing Scale Co., 2461 East Grand Boulevard.
Standard Fuel Engineering Co., 667 South Post.
Standard Tube Co., 14520 Oakland, Highland Park, Mich.
Star-Service Hanger Co., 1605 Holbrook.
Stearns, Frederick & Co., 6533 East Jefferson Avenue.
Stecker Paper Box Co., 1420 West Fort Street.
Steel Materials Co., 17260 Gable.
Ster-L-Way Products Co., 2914 East Grand Boulevard.
Sterling Products Co., 2457 Woodward Avenue.
Stevens, F. B., Co., 510 Third Street.
Stinson Aircraft Corporation, Wayne, Mich.
Stott, David, Flour Mills, 4985 Grand River Avenue.
Stout Motor Car Co., 2124 South Telegraph Road, Dearborn.
Stroh Brewing Co., 909 East Elizabeth.
Sullivan Packing Co., 2801 Michigan Avenue.
Superior Machine & Engineering Co., 6425 Epworth.
Superior Safety Furnace Pipe Co., 5820 Forsythe.
Superior Seal & Stamp Co., 1401 Vermont.
Surplus Material & Machinery Co., 8735 Kercheval.
Swedish Crucible Co., Butler and G. T. R. R.
Swift Electric Welder Co., 6560 Epworth.
Swift Manufacturing Co., 247 McDougall.

T

Travel Car, 19400 West Eight Mile Road.
Taylor & Gashin, 3105 Beaufait.
Ternstedt Manufacturing Co., 6307 West Fort Street.
Tessmer Machine & Tool Co., 3337 St. Joseph.
Thorton Tandem Co., 5124 Braden Avenue.
Thompson Products, Inc., 7881 Conant.
Tisken Products, 8521 Livernois.
Tool Sales Co., 130 East Larned.
Traub Manufacturing Co., 1934 McGraw.
Triangle Manufacturing Co., 4045 Beaufait.

U

United States Radiator Corporation, post-office box 686.
United States Rubber Co., 6600 East Jefferson Avenue.
Udylite Co., 1651 East Grand Boulevard.
Universal Brewery Equipment Corporation, 3625 Superior.
Universal Cooler Corporation, Melville and Green.
Universal Fastener & Button Co., 2250 West Fort Street.

V

Valade Refrigerator Corporation, 6560 Mack.
Verner, James, Co., 239 Woodward Avenue.
Viking Sprinkler Co., 1125 East Milwaukee.

W

Walway Co., 19270 West Eight Mile Road.
Warner Aircraft Corporation, 20263 Hoover.
Warner-Wells.
Waterhouse Laundry Machine Co., 3322 West Fort Street.
Wayne Chemical Products Co., Copland and M. C. R. R.
Webb, Jervis B., Co., 9001 Alpine.
Wessels, D. C., & Sons, 1625 East Euclid.
Westcott Paper Products Co., 2526 Fifth.
Western Manufacturing Co., 3428 Union Guardian Building.
Western Paper Box Co., 1111 Bellevue.
Whitehead & Kales Co., 58 Haltiner, River Rouge, Mich.
Whitehead Stamping Co., 1661 West Lafayette.
Whitman & Barnes, Inc., 2108 West Fort Street.
Wiley Manufacturing Co., 4091 Beaufait.
Wing, J. T., & Co., 300 Bates.
Wittstock Bros. Co., 3117 East Warren.
Wolf Sanitary Wiping Cloth Co., 973 Madison Avenue.
Wolverine Aluminum, 1411 Central.
Wolverine Bedding Corporation, 3755 Beaubien.
Wolverine Porcelain Enameling Co., 3350 Scotten Avenue.
Wolverine Shingle & Lumber Co., 14930 Linwood.
Wolverine Tube Co., 1411 Central.
Wood, Gar, Industries, Inc., 7924 Riopelle.
Woodison, E. J., Co., 7415 St. Aubin.
Work-Organizer Specialties Co., 4042 West Jefferson Avenue.
Wright-Austin Co., 315 West Woodbridge.
Wright, Kay, & Co., 1500 Woodward Avenue.
Wulf, William, Co., 10042 West Chicago Boulevard.

Y

Yankee Fibre File Manufacturing Co., 51 Selden.
Yawman & Erbe Manufacturing Co., 453 West Fort Street.
Young Bros. Co., 6500 Mack Avenue.

Z

Zack, M. W., Metal Co., 2130 Howard.
Zenith Carburetor Co., foot of Hart.

One out of every $7 spent in this industrialized area is derived from foreign trade.

Although Michigan derives the major portion of its wealth from its highly industrialized production, agriculture also is important in the State's total economy. Canned fruits and vegetables produced by Michigan farmers find important outlets abroad. The Michigan farmer has a stake in the international trade, not only to the extent that his own production moves directly into foreign trade, but also to the extent that the goods made for export by industry provide its workers with the purchasing power which is so essential to the farmers' market.

Michigan's agricultural industry is a large contributing factor in Michigan's total economy. Our agricultural production is greatly diversified, consisting chiefly of grain, livestock, fruits, dried beans, vegetables, and dairy products. To be sure, only the canned fruits and vegetables move into the export trade, but Detroit, a city which is so largely dependent upon exports, alone absorbs nearly half of the Michigan farmers' produce. In this connection, I should like to refer to several of the statements made by Mr. Gifford, who said to the committee:

As near as I can tell, I am the only person who has appeared before this committee as yet who has been actively on the firing line in the export business. In the last 30 years, since I started on my first trip abroad, I have spent 18 of those years living in foreign countries. I have covered all parts of the world many times except the Far East, and the war stopped that. There have been many questions and many statements made that I think could have been answered and answered quickly and easily by someone who is in the export business. * * *

I have listened here for several days to the discussions, and frankly most of it seems to me to be entirely theoretical. It is being approached from an academic angle as to the theory of the export business. Actually, I think, if these same men, had to get out and try and sell merchandise in the foreign market they would take a different slant. I have heard the argument made yesterday, I think by an eminent writer, Mr. Peek, that there seemed to be any number of ways in which this could be handled. At one time apparently in his book he felt that it ought to be put in the hands of a committee of responsible citizens.

Mr. WOODRUFF. He still believes that.

Mr. GIFFORD. I would like to know what a group of responsible citizens would be, unless he picked them himself. If I pick them

I would believe that they would be responsible. At the present time he says that the present bunch are not responsible. Maybe they are not, but my experience with them has sold me and has sold a good many manufacturers on the fact that they are serious and conscientious in handling it.

I can think of no testimony which we heard which so adequately answers all the criticism of the opposition as does the statement by this witness. Mr. Gifford went on to give us page, sentence, paragraph, and verse of his experience and that of innumerable other manufacturers with the operation of this program not only as it applies to exports but also as it affects imports into the United States.

I am convinced that the trade-agreements program has been a great benefit to the automotive industry and, since the manufacture of automobiles affects the economy of every State, every county, every city, and every hamlet in our Nation, I am sure that the benefit which the trade-agreements program has brought to that great industry has spread its blessing throughout all phases of our economic life.

I am also equally convinced that the operations of this program have not injured any segment of our farm or industrial life. To be sure, the operation of this program may have resulted in occasional hardships or temporary dislocation for isolated groups here and there; but I feel certain that once the momentary difficulty of the adjustment necessitated by tariff change is passed that these people will reap and have had benefits far greater than that which they could have enjoyed had the status quo been maintained.

Let us examine for a moment the importance of the foreign market to the American auto industry. In normal times 10 percent to 15 percent of the automobiles produced in the United States are sold abroad. In proportion to the total production, foreign outlets are much more important to the manufacturers of trucks, who sell upward of 25 percent of their output outside the United States, as compared with the 10 percent to 15 percent sold by the makers of passenger vehicles.

In 1929, the peak year of automotive exports, $539,300,000 of American automobiles were sold abroad. By 1933 this had dropped to the disastrously low figure of $90,600,000. In the years in which we have seen the trade-agreements program in operation automobile exports have steadily climbed and in 1937 reached the high level of $346,900,000. Although 1939 was not as good a year as 1937, it none the less accounted for exports valued at $253,700,000.

I have already inserted in the committee hearings a list of the concessions which have been obtained for the automobile manufacturer and the exports under these concessions in 1937. I will not bore you with a repetition of this list, but I do want to point out to you that 19 of the 20 trade agreements now in effect cover automotive products and that in 1937 these concessions applied to some 90 percent of all of the exports in that year. The indirect effect of this upon our national economy can be best visualized if we examine the proportion of the national consumption of our leading raw materials which go into the making of automobiles.

The automotive industry in 1938 consumed the following proportion of total United States consumption:

Raw materials used in automobile industry in 1938

[Quantities in thousands]

Commodity	United States total consumption	Automotive consumption	Percent automotive
Steel (gross tons)	18,693	3,156	16.9
Iron, malleable (tons)	334	176	53.0
Rubber, crude (long tons)	411	329	80.0
Plate glass (square feet)	91,000	63,000	69.0
Leather, upholstery (square feet)	32,670	21,156	65.0
Aluminum (tons)	124	13	10.6
Copper (tons)	605	73	12.1
Tin (long tons)	65	6	9.2
Lead (tons)	546	192	35.1
Zinc (tons)	421	43	10.3
Nickel (pounds)	43,547	12,600	29.0
Cotton (bales)	5,903	619	10.5
Mohair (pounds)	17,200	6,300	36.6
Lumber, hardwood (board-feet)	3,005,000	100,000	3.2
Glycerine (pounds)	134,614	17,500	13.0

Source: Automobile Manufacturers Association.

In addition, the automobile industry was the principal consumer of the following materials which, although not directly produced in the United States, nonetheless provide a substantial amount of industry and employment here:

	Percent
Rubber	80
Tin	9
Nickel	29

The relative importance of the automotive industry as a factor in our broad national economy can best be demonstrated by reference to the industry's employment and pay roll. In the year which most of us think of as the peak—1929—the automotive industry employed 448,000 workers and paid them $14,682,000 per week. In the peak year of the industry—which was 1937, incidentally—employment averaged 517,000 workers, and their weekly pay roll was $15,659,000. Figures for 1939 are not yet available, but the indications are that they will closely approach the 1937 level.

Again I repeat that I would not support the trade-agreements program if it had been a benefit only to the automotive industry, because I realize that, even though the automobile industry is important to this country, it is still but one part of the economy affecting the well-being of these United States. In this respect it is interesting to note the position taken by the Automobile Manufacturers' Association. In their statement before the committee they said:

We are not only concerned, however, with the effect of this act on our foreign business. Between 85 and 90 percent of the cars and trucks made in this country are sold here, and between 10 and 15 percent are exported.

We would not endorse trade agreements if it were thought they jeopardized or adversely affected the home market, where such a preponderance of our production is sold. During recent weeks fear has been expressed by some opposed to this act that increased imports will be harmful to the welfare of the American farmer. We do not share this belief. As a group, the farmers of this country are our best customers, and we are certainly mindful of those who buy such a large share of our products. To the contrary, we believe that the duty reductions that have been made have had no serious effect on the agricultural industry, while increased exports have widened the market for farm products.

Nothing has strengthened me in my support of this program so much as the failure of the opposition to demonstrate any adequate basis for their complaint. Let me touch briefly upon three subjects which have been the cause of much of the vocal criticism of the program and to point out a few of the most obvious weaknesses of these arguments. The subjects to which I refer are cattle, silver fox furs, and beans.

There has been much wailing and complaining about the injuries sustained by the cattle producers and to hear some of the testimony you would think the situation is hopeless. I am not an expert but I know an expert when I see and hear one. This House has among its Members several cattlemen, none more able or qualified to speak for these producers than our colleague from Oklahoma, PHIL FERGUSON. I am willing to rest my case on his testimony. Let us see what he has to say about the matter:

Any informed cattleman knows that the industry has not suffered due to the reciprocal-trade treaties. The figures reported by Mr. GEARHART are a sample of the misinformation that has gone out to the country; 57,000 cattle imported in 1934, and he compares that with some six or seven hundred thousand imported in 1939.

I can say to the committee that if the domestic price of cattle had been the same in 1939 that it was in 1934 there would have been no increase in imports. They simply could not have paid the existing tariff under the reciprocal-trade treaties and come into this country. We still have a very effective protective tariff on cattle.

I might add that the cattle industry has been so much harmed by the imports of cattle under trade agreements that it is the only item among our agriculture products which is now enjoying parity prices, while other segments of our farm production on which rates have not been reduced by trade agreements are only able to yield some 75 percent or less of their parity price.

Because it is a matter of primary importance to the farmers of my State and because Michigan is the largest producer in the country, I would like to devote a moment or two to the question of dried beans. Let me say first, that dried beans have not been included in any trade agreements but the

commodity was one of those listed for consideration in the proposal for a trade agreement with Chile.

Let me say first that from what I have seen of the operation of the trade-agreements procedure and from the information submitted by witnesses at our hearings, I am convinced that if there was any likelihood that a reduction in the rate of duty on dried beans would harm our farmers, that no such reduction would be made. I will nonetheless cite a few pertinent factors affecting any consideration bearing upon the commodity.

Production of beans in the United States has increased steadily in recent years. Production which ranged from nine to eleven million bags a year in the early twenties, increased to ten to twelve million bags per annum in the latter part of the decade, and since 1930 has ranged from eleven to fifteen and one-half million bags a year. Production which amounted to 11.4 million in 1936 jumped to 14.6 million in 1937 and was followed by the second largest crop on record in 1938, of 15.3 million bags. The estimated production for 1939 was 14,000,000 bags. Imports have ranged from less than 1 to 3 percent of domestic production. Although exports have usually been much less than 1 percent of domestic production, in 1938 exports actually exceeded imports. The present drag on the bean market is centered in the 3,500,000-bag surplus. The testimony relating to beans as advanced by the gentleman from New York [Mr. TABER] does not stand up, it is not worth the printing space in the RECORD. He was equally as forceful and trustworthy when he argued about imports of cabbage even after he added sauerkraut.

We have heard frequent references to the existence of a large surplus of beans, with an attempt to establish by implication that this results from excess importations. I need not discuss the fallacy of such statements. The figures themselves adequately demonstrate that if there is any surplus, it cannot be due to imports, but is directly the result of the increased production and successive bumper crops produced by our own farmers.

The present duty on beans is 3 cents per pound, or $3 per bag. Insurance, commissions, and other expenses add about $1 a bag to the cost of foreign beans landed in the United States. Thus, even if beans were obtained gratuitously abroad, the price in the United States would have to be more than $4 per hundredweight before it would pay anyone to bring them into this country. In the brief against any reduction in the rate of duty on beans which was submitted by the Michigan Bean Growers and introduced into the RECORD by my colleague from Michigan, Mr. WOODRUFF, the farm prices shown have been $4 and more in only two of the last 10 years. In 1937, 1938, and 1939, the prices have averaged $2.50 per hundred and less. Even with the impetus given commodity prices by the outbreak of the present hostilities in Europe, the highest price for beans reached on September 15, 1939, was but $3.50 per hundred.

I am wondering how at these prices beans, which must bear shipping and other handling expenses of $1 per hundred plus a duty of $3 per hundred, or even if the duty were reduced by the full 50 percent allowed by the law, $1.50 per hundred, how anyone thinks that foreign beans could be brought into this country and sold at prices which would be competitive to our farmers.

The implication advanced by those who would abrogate trade agreements that bean prices were affected by the mere fact that they were listed for consideration with another nation or that the relatively unimportant concession made to Cuba on fresh lima beans and imported in December through May is entirely groundless. Anyone who can do a little simple arithmetic can see how absurd it would be to anticipate imports of dried beans unless the prices were so high in this market that they not only attracted imports, but also brought great satisfaction to the bean producers of the United States.

The overwhelming weight of the evidence offered before the committee is in favor of the continuance of the policy of trade agreements and the extension of the act. The opposition failed to make out a case, not because of the lack of ability on the part of those who appeared, but because there was an insufficiency of substance to sustain their position. The sentiment of the people throughout the Nation, and they are well informed, make you no mistake about that, is in line with the preponderance of the evidence and for the extension of the act.

Some of the testimony in opposition was painfully strained, twisted, and stretched. In one instance as regards furs, in spite of the endorsement given by the accredited and well-informed spokesman for the fox and fur producers, adverse testimony predicated upon bias and misrepresentation was given the committee, which, when analyzed, proved to be stretched to the sixth dimension of baselessness.

Let me quote briefly from the statement of Maurice Fitzsimmons, the spokesman for 90 percent of the fur producers of America, let us see what he has to say about the trade-agreement policy:

> We feel rather keenly in the fur industry about this reciprocal trade agreement program because the industry, starting with the outbreak of the European war, was threatened with a very serious crisis.
>
> * * * * * * *
>
> Our breeders were going to go broke if they continued producing silver fox and if all of the European pelts were dumped into this country.
>
> A tariff would not help us one iota. * * * In a case like that silver-fox furs might be worth $2 or $3 in the European market * * * a 50-percent or 100-percent tariff would mean nothing on that when we have a cost of production in America, as I said before, of about $26 to $28 per pelt.
>
> Finally, we turned to the reciprocal-trade agreements, and there we found a cooperative group of men * * * we sat around the table and discussed with them as to what would be the logical way out; and that through the power of the elasticity of the trade agreements were able to enact a quota.
>
> Now to me that is important and it seems to me imperative that you continue on the statute books of these United States an elastic trade law that can meet emergencies. * * *
>
> I hope that you are going to continue to have that type of law on the statute books of these United States so that we can continue to go ahead with confidence.
>
> We had another sale in January, at which time the price was up 43 percent over December levels, and we had a 95-percent sale. I think that in itself shows what happened to the fur trade, to the fur buyers, and to the producers, as a result of this quota that was set up through the reciprocal trade agreement program.

When the country was for the greater part agricultural, to that extent we were dependent upon the farmer for prosperity. Now that the United States is three-fourths or more industrial, the reverse is true. The farm producer at no time in recent years lost the major part of his export market and always retained unimpaired the home market with perhaps a slight fluctuation. Certainly that is true as it applies to the major commodities, such as cattle, hogs, sheep, corn, wheat, rye, and other grains, as well as fruits, vegetables, and dairy products. In these and many other instances, the American market has been invulnerable to foreign penetration and has been held to our farmers to the extent of 95 to 99½ percent.

Manufacturing industries fared perhaps as well in the home market, but the export markets have in many instances fallen off as high as 90 percent of previous exports. That is what hurt the American farmer and his business. When you cripple industry with its vast buying power, the suffering affects not alone the industries, but also the farmer and the whole Nation.

Remember, always, America today is three-fourths or more industrial, urban, and one-fourth or less rural and agricultural. If the farm producer retains 90 percent or more of his valuable home market and industry loses a great percentage of its foreign market, is it not reasonable to assume that a prop for industry will be a prop for the farmer? I sincerely believe that is the case.

What I tried to show here, Mr. Chairman, is that the trade agreements are of much benefit to all the people and to all lines of business in every State in the Union, including the manufacturer, the farmer, the merchant, the banker, and the rail- and steamship-transportation operators; and that not only were the industries and farm producers for whom concessions were obtained under the act directly benefited but through them, as for example through the auto industry,

many other producers in the city and the farm reaped indirect benefits.

The evidence proves conclusively that prosperity in the auto industry resulting from trade agreements contributes to the prosperity of the farmer whether he produces hogs, cattle, grain, or even silver-fox furs. Our auto workers when employed eat well, dress well, and even buy silver-fox furs for their wives and daughters.

I believe I made it clear, too, that the stimulating effect of the concessions obtained for farmers and fruit growers has been felt by the manufacturers and particularly the automobile manufacturers.

I hope I may have contributed in a small measure something of value toward convincing some of the Members regarding the soundness of the trade agreements as an economical instrumentality which is really workable and ought to be continued. [Applause.]

Mr. BUCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. HOUSTON].

Mr. HOUSTON. Mr. Chairman, the noted economist Mr. Roger W. Babson recently declared:

The reciprocal-trade program has been a truly bright spot of the New Deal. In his quiet but firm way Secretary Hull has fought harder for peace in this decade than any other man alive. He is a tower of strength, vision, and unselfishness. His program has increased our exports to countries with whom we have completed agreements by 60 percent, while our exports to those countries with which we have not bargained have expanded less than 40 percent. Moreover, our imports from treaty nations have not increased any faster than with nontreaty nations. This, in a nutshell, tells the effectiveness of the program, its aid to jobs and industry.

Mr. Babson wrote other words of wisdom, as follows:

The G. O. P. needs campaign ammunition and they will make the most of decrying these trade pacts. They claim, for instance, that the program permits an excessive influx of farm products—$800,000,000 worth in 1939. But Secretary Hull points out that $530,000,000 of this was coffee, rubber, silk, cocoa, bananas, which have always been admitted duty-free.

And again in the statement:

The importance of world trade has never been fully realized by most people. Foreign commerce is the keystone of world prosperity and peace. Our overseas markets in good times absorbed only 10 percent of our total output, but that 10 percent was a vital 10 percent. Half of our cotton crop, for instance, was sold abroad. Think of the importance of cotton to United States prosperity.

And in defense of Secretary Hull, he wrote:

Secretary Hull (a former Senator) knew that the only way to lower tariffs and increase employment as a whole would be a reduction program which excused constituent-conscious Congressmen from voting to ratify it. Hence, the State Department's trade program came into being.

To separate foreign trade from politics—

Ran an editorial in the Star Free Press (independent), Ventura, Calif.—

Shades of Willis Hawley and Reed Smoot. If ever politics sired a vampire to suck the lifeblood out of our foreign trade, the Hawley-Smoot tariff of 1930 was it. The Hull program, far from being bound up in politics, was designed to rid our foreign trade of the curse of politically logrolled tariff barriers behind which our commerce had languished. Many of the roots of the present war are traceable to the tariff walls which crisscrossed post-Versailles Europe. If we retreat to Hawley-Smootism, as Senators MCNARY, CAPPER, and others seem to desire, we may very well be putting down the roots of our participation in this or another war. It would mean crawling into the shell of economic nationalism, with everything that phrase implies in lowered living standards, regimentation of agriculture and industry, and international animosity. * * * Conceivably there have been inequities involving particular farm products, and if so the farmer is justified in seeking redress. But if he has a vivid recollection of the early 1930's—as what farmer has not—surely he will hesitate before being sold that bill of shoddy goods again.

Senator CAPPER is reported to have once said in the Senate:

Our experience in writing tariff legislation has been discouraging. Trading between groups and sections is inevitable. Logrolling is inevitable, and in most pernicious form. We do not write a national tariff law. We join together through various unholy alliances and combinations a potpourri of hodgepodge, sectional and local tariff rates which often add to our troubles and increase world misery.

Now he wants to go back to it.

But reciprocal-trade agreements negotiated under the Trade Agreements Act of 1934 have, beyond doubt, been of advantage to the State of Kansas and to agriculture, the principal industry of the State. Renewal of the authority of the President to negotiate these agreements offers further valuable benefits. Failure to renew this authorization, on the other hand, means definite and serious loss and danger to the interests of Kansas, both farmers and others.

While important reductions in foreign barriers against exports of commodities grown on Kansas farms have been obtained through the agreements, these reductions are not the only, or perhaps even the most important, advantages of the program to Kansas. Nevertheless it is a fact that through trade agreements, 11 countries have reduced their barriers against American wheat and wheat flour. Great Britain removed, entirely, her preferential tariff of 6 cents a bushel on American wheat, and Canada reduced her duty. Nine other countries made concessions of various sorts on these products.

Kansas corn-hog farmers have had their export markets for pork products and lard improved by agreements with 17 countries, including our most important foreign customers for these products. These concessions cover all forms of hog products—lard, hams, bacon, and fresh and frozen pork—and beef and veal. They have helped to sustain and enlarge foreign markets for American meat products and have provided jobs for men in Kansas packing plants and on Kansas railroads.

Many factors other than trade agreements have influenced our international trade since the Trade Agreements Act was passed, and no statistical analysis can show exactly and conclusively, commodity by commodity and agreement by agreement, just what part each trade agreement has played. There have been wars and preparations for war, droughts and bumper crops, fluctuations in industrial and business activity, both in this country and abroad. They have all had their effects. But plain common sense shows that when foreign restrictions on exports of American products are reduced or removed, the foreign market for these products is better than it would have been if the trade-agreements program had not removed the obstacles.

Notwithstanding the powerful adverse factors that have been operating, and the difficulty of determining exactly the direct effect of trade agreements, there is plenty of statistical evidence to show that the agreements have been enlarging and supporting United States foreign trade. Between the fiscal year ended June 30, 1936, and that ended June 30, 1939, United States exports of all commodities to trade-agreement countries increased more than two and one-half times as much as did exports to nonagreement countries.

In that period, United States exports of farm products to trade-agreement countries increased 15 percent, while exports of farm products to nonagreement countries declined 19 percent. United States imports of all commodities from trade-agreement countries declined, in the years under comparison, by 2 percent; imports from nonagreement countries declined four times as much.

Nor have the advantages of foreign concessions on American exports been limited, as far as Kansas is concerned, to those on exports of farm products. Kansas grows crops and produces livestock to feed Americans as well as to feed foreigners. Increased exports of American industrial goods—automobiles, machinery, iron and steel products, typewriters, and dozens of other nonagricultural products on which concessions have been obtained through the trade agreements—mean more American industrial workers with money to buy beef, pork, dairy products, and many other things which come from the soil of Kansas. Not the least important customers of the Kansas farmer are railroad workers, of whom there are thousands in Kansas. It is sufficiently obvious that goods moving in either interstate or international trade mean more freight traffic and more men on railroad pay rolls able to buy the products of Kansas farms.

In return for the concessions that have been obtained for American exports, including those produced in Kansas, the United States has made adjustments in its own tariffs on certain products imported from other countries. It is an all-too-prevalent delusion that every such an adjustment is harmful to Americans and deprives American producers of

some share of their domestic market. Tariff reductions under the trade-agreements program are made only after the most careful study by men from the Tariff Commission and from the Departments of Agriculture, Commerce, and State to determine that they will not be harmful to American producers. When necessary these reductions are hedged about with safeguards and restrictions to prevent their resulting in depressed prices to American producers.

The trade-agreements program has not deprived the American farmer of any of his share of the domestic market for farm goods which he can produce, nor has it lowered his prices and income from products on which tariffs have been reduced. In 1929, when farm cash income in the United States was up to eleven and one-fourth billion dollars, the American farmer supplied 90 percent of the domestic market for farm products. In 1933, the last full year before the inauguration of the trade-agreements program, he supplied 93 percent of that market, but received a cash income of only five and one-fourth billion dollars. In 1938 he still supplied 93 percent of the domestic market and received a cash income of nearly seven and three-fourths billion dollars.

His share of the domestic market is not so important to the American farmer as how big and how profitable to him that market is, and how much income he gets from supplying it. Because the trade-agreements program stimulates industrial, transportation, and business activity in the United States, it helps to make the American home market bigger and better for the American farmer.

Secretary of Agriculture Henry A. Wallace stated to the Ways and Means Committee of the House of Representatives on January 12:

> I do not know of a single case in which such duty reductions have seriously inconvenienced any American agricultural industry. As a matter of fact, in cases where a damaging influx of agricultural products might take place as a result of duty reductions, meticulous care has been taken to see that safeguards were introduced to prevent such an influx.

The Secretary of Agriculture cited as an example the imports of beef cattle under concessions granted by the United States in the trade agreement with Canada. This concession has been frequently and untruthfully described as a threat to the American cattle industry.

The facts are that the concession applies to only two classes of beef cattle, those weighing 700 pounds or more each, and those weighing 200 pounds or less each. Furthermore, the tariff reduction under the agreement is limited by quotas. Not more than 225,000 head of beef cattle weighing over 700 pounds each—slightly over 1 percent of the average annual slaughter of cattle and calves in the United States—can be admitted to this country under reduced duty in any one calendar year, and not more than 60,000 in any one 3-month period. The reduced duty on calves applies to not more than 100,000 head per year. On beef cattle weighing more than 200 but less than 700 pounds each there has been no reduction of the 1930 tariff rate of 3 cents a pound. And this class of cattle made up 54 percent of all the beef cattle imported into the United States in 1939.

Imports of beef cattle into the United States in 1939 were 328,388 head greater than imports in 1938, but nearly half of the total increase was in cattle of a class on which the duty had not been reduced; and, in addition, 22,674 head of cattle falling in the classes on which duties have been reduced, paid the full 1930 tariff because of the tariff-quota restrictions in the Canadian agreement.

Kansas cattlemen, and producers of other things as well, who have been told that their industries would be threatened by huge influxes of imported meat products as a result of tariff reductions through trade agreements, should recall that very recently negotiations for agreements with Argentina and with Uruguay were terminated because the negotiators for this country were unwilling to grant the provisions which might have made possible such an influx. They insisted upon qualifications, quotas, and restrictions for the protection of American meat producers. Both those proposed agreements were of extreme importance from the viewpoint of international politics in the present crisis. But the United States Government refused to "sell American cattlemen and farmers down the river" in order to put them into effect.

The real clinching evidence on whether the concessions on cattle in the Canadian trade agreement have damaged the interests of American cattle producers is the fact that the average farm price received by American farmers for beef cattle in 1939 averaged $6.87 a hundred pounds against $6.28 in 1938. The farm price of beef cattle in the United States has been above parity every month in 1939, and in part because the trade-agreements program has stimulated industrial activity in the United States and enabled American workmen to buy more beef.

There have been equally misleading statements about increased imports of wheat into the United States in 1939 as compared with 1938. The fact is that no United States tariff on wheat fit for human consumption has been lowered under any trade agreement. The only wheat tariff that has been lowered is that on wheat unfit for human consumption, wheat that American farmers import to feed to their livestock. Imports of wheat into the United States for milling in bond and reexport—making jobs for Americans in mills and on railroads—increased in 1939 over 1938 by some 6,000,000 bushels, and made up almost the entire importation in both 1938 and 1939. No flour from that wheat entered the United States market.

Wheat imported into the United States for human consumption here—about 215,000 bushels in 1939—all pays the full 1930 tariff rate of 42 cents a bushel. These imports in 1939 amounted to about three one-hundredths of 1 percent of the United States wheat production and about three-tenths of 1 percent of United States wheat exports in the same year. Efforts to make these figures show a flood of competitive imported wheat would be ridiculous even if the imports had received any duty reduction, which they have not.

Kansas farmers, like those of other States, are keenly aware of the disparity between the prices they receive for the things they sell, and the prices they must pay for the things they buy on a tariff-protected market. The trade-agreements program is one of the most effective of the measures which this Government is taking to correct that disparity. Through the trade agreements, this country has reduced its tariffs on scores of articles that farmers buy, offsetting at least in part the monopolistic advantage which the tariff has long given to industry in the United States.

According to a recent estimate by the Department of Agriculture, based upon 1935 statistics, tariff duties on products the farmer consumes, if fully effective in raising prices on those articles, would have cost American farmers in that year $681,000,000, or $108 for each farm family.

In 1933 the ratio of prices received by farmers in the United States to the prices they paid, was 64 to 100 against the farmer. In 1939 this ratio was only 77 to 100. In 1933 farm cash income in Kansas was $152,000,000 and in 1939 it was $241,000,000, a gain of 58 percent. Kansas farmers contrast these trends upward in income and prices with the steep downward trends in the 4 years 1930–33 under the Hawley-Smoot tariff policy.

Under the trade-agreements program, the United States has reduced tariffs on more industrial imports than agricultural imports, contrary to a frequent misstatement. On the other hand, the trade agreements have yielded to the United States concessions on a greater proportion of our agricultural than of our industrial exports. The statistics stand for themselves as an answer to the charge that under this program the American farmer has been "sold down the river for the benefit of the manufacturer."

It is true that world economic conditions have changed—and for the worse—since the adoption of the trade-agreements program in 1934, a program in which 21 of the principal trading nations of the world have joined with the United States. There is war in Europe and war in the Orient. Nations, for their own defense, are adopting rigorous controls over their internal economies and their foreign commerce—measures widely at variance with the principles of the trade-agreements program. But these facts offer no reason for

abandoning now the program which is, in fact, the only available mechanism for meeting realistically the wartime conditions of international trade.

The policy and the framework of procedure laid down by Congress in the Trade Agreements Act of 1934 are broad enough to enable the President and his advisers from the Tariff Commission and the other Government departments to make the necessary technical changes and adjustments in our commercial relations with foreign countries, and to make them speedily, scientifically, and efficiently. If wartime trade must be carried on under restrictions and difficulties, the Trade Agreements Act and the trade-agreements organization are equal to the job. To abandon them now would leave the United States with no flexible and effective mechanism for protecting the interests of American agriculture and American industry either during the perilous time of war or in the post-war period of reconstruction.

In all ways, the Trade Agreements Act and the trade-agreements program conform to the requirements of a resolution adopted by the Kansas State Board of Agriculture at its sixty-ninth annual meeting, January 10–12, 1940. That resolution reads:

TARIFFS AND TREATIES

Reciprocal-trade treaties, when negotiated, should have the unanimous support and approval of the Secretary of State, Secretary of Agriculture, and the Secretary of Commerce. They should be primarily for the purpose of restoring the export outlets for surplus commodities. We insist that this principle be adhered to in framing future trade treaties and that there be no reduction, either by legislative enactment or through treaties, in present agricultural tariffs on any farm product that would have the effect of holding or reducing domestic price levels below a proper balance with industrial prices.

The Trade Agreement Act, by its own terms, requires the approval of the Secretaries of State, Agriculture, and Commerce, for every agreement before the agreement is concluded. Congress, in passing the act, wrote into it as its purpose the enlargement of foreign markets for American products. The figures I have already given provide statiscal proof that under this program the domestic price levels of farm goods have been helped to rise toward the proper balance with industrial prices, and have not been held down or reduced.

In the past 5 years the reciprocal trade-agreements program has proved its benefits in peacetime to industry and agriculture in Kansas and in the United States as a whole. Now, with wars raging in foreign countries, it is needed more urgently than ever to protect our interests and maintain our living standards. When the wars shall have ended, regardless of who are the victors or what alinements of nations shall emerge, the principles of the trade-agreements program offer a sound and tested foundation upon which the United States can take the leadership in setting up a new and better world economy. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, 14 Democrats and 7 Republicans listened to the speech made by the gentleman from Michigan [Mr. DINGELL], who spoke very feelingly of the industrialists who are manufacturing motor vehicles in Michigan. He also called attention to the men and women who are working in the factories producing motor vehicles.

He forgot to tell you that the average wage for those working in the motor industry, including those who are sweeping floors and doing like tasks, is 90 cents per hour and that the average daily wage in the Ford factory for 8 hours' work is $7.25; that, in contrast with that, the wages of the farmers, those who grow the food that keeps the factory worker alive, are less than $1 per day for from an 8- to a 10-hour day.

Some day, and I hope it will be soon, the farmer is going to demand, and insist upon receiving, a fair return for his labor. No one begrudges the city worker a living wage. On the other hand those who live in the cities and who enjoy many advantages, which it is physically impossible for the farmer and his family to have, should show a little sympathy, a little willingness—while they are upholding unions which want an ever-increasing wage and an ever-lessening hour—to aid the farmer in securing parity payments for the things he grows and sells.

EVENTUALLY, WHY NOT NOW?

The House might well adopt that well-known slogan. Eventually, if the A. F. of L. is not to be swallowed alive, independent unions and the freedom of the independent worker destroyed, and American labor turned over to the mercies of the C. I. O. revenue collectors, the National Labor Relations Act must be amended.

For 2 years or more the demand for the drastic amendment of this act has been steadily growing until today there is no longer any doubt but that the American people are insisting upon a change.

The House Labor Committee for more than a year successfully prevented any amendments coming to the floor of the House. The House, in unprecedented action, appointed a special committee to, among other things, determine whether the National Labor Relations Board had been fair and impartial in its interpretation and administration of the law; whether the act needed amendment, and, if it did, what amendments were deemed advisable. That action on the part of the House was taken—and this proposition admits of no successful contradiction—because the House deemed its regular labor committee either incompetent or indolent.

The House Labor Committee took this rebuke sitting, if not lying, down. It has been going through the motions now and then of hearing witnesses. But it seems, from surface indications, no nearer to reporting out a bill than it was 2 years ago.

In the meantime, the House special committee, doing an excellent job, has demonstrated from the files of the Board itself that it has, in part at least, the answers to questions 1, 3, and 4 contained in the resolution creating it.

Its hearings have shown, in answer to question 1, that the Board has not been fair and impartial.

Whatever may be said of the intelligence and the abstract legal learning of the reviewing attorneys appointed by the Board, it must be conceded that not a few have no judicial or industrial experience which would qualify them to pass upon the questions which are submitted.

As an illustration, permit me to cite the appointment, as a reviewing attorney at a salary of $2,700 a year, of Ann Landy Wolf, a Hungarian woman, 27 years of age, who came to the United States in 1929, was naturalized in 1935; who has a husband drawing a salary of $4,600 a year in another Government department; who was appointed by the Board to review thousands of pages of testimony and then to state orally to the Board her conclusions, based upon her examination of that testimony. She is but one of several of like type.

Young men, possessing no greater qualifications than did she and in some instances perhaps not as great ability as she, have performed like functions.

The Board has employed trial examiners, one of whom, Pratt, made the statement to the effect that, when a hearing began, the employer "had two strikes on him." Another examiner, Seagle, called the statement of an attorney presenting a client's issue, a "lie" and referred to his argument as "idiotic discussions."

Another attorney, Solomon G. Lippman, 27 years of age, found to be incompetent for the work assigned to him, was transferred to another position with the Board and had his salary increased.

The hearings before the Smith committee have shown that the trial examiners and reviewing attorneys traveled outside the record, obtained and considered evidence which the party charged with an unfair labor practice had no opportunity to meet.

The Board, notwithstanding the fact that the N. L. R. A. itself provides that—section 4, subdivision (a)—

Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor—

Employed David G. Saposs, a Russian, whose writings clearly show that he is saturated with communistic doctrines, to make independent investigations and to report to investigators, trial and reviewing attorneys, and to the Board his,

Saposs', interpretation of testimony about to be given or testimony introduced in the hearings.

Now, get that proposition. Think of the viciousness, the downright wickedness, of the practice here in America of employing the methods of the Russia from which Saposs came. Can you conceive of anything more unfair, more destructive of confidence in administrative or judicial procedure, than the employing of an agent to go out and make an ex parte investigation and then report to an administrative officer or board his conclusions as to what certain testimony meant?

Such a procedure deprives the man accused of an unfair labor practice of his day in court. It deprives him of his right to be confronted with the witnesses against him. It deprives him of the right of cross-examination. It deprives him of an opportunity to meet and refute the charge which has been made against him. It deprives him of a fair, open trial.

Our Supreme Court on two occasions—in the Scottsboro case and in the case decided within the past week—has set aside the conviction of a number of Negroes on the sole ground that they did not have a fair and an impartial trial, this although there was much evidence to show that these men were guilty of a most revolting criminal offense.

Is the American employer to be denied a lesser opportunity—in fact, all opportunity—to meet his accusers face to face?

The hearings before the Smith committee have disclosed from the files of the Board itself that Lee Pressman, general counsel of the C. I. O., on the 2d day of June 1937 went to Pittsburgh, after consultation with the secretary of the Board, and instigated a strike; and that the Board thereafter aided in prolonging the strike by instituting charges against the Inland Steel Co. because it refused to perform an act not required by the National Labor Relations Act; an act which the Supreme Court had said it need not perform; an act which the purported author of the act had declared it could not be required to do.

The investigations show that the Board has, by its conduct, aided in the organizing campaigns of one labor organization.

The hearings before the Smith committee disclose that Chairman Madden has employed the methods of the blackmailer, of the extortionist, in his effort to coerce companies into the making of collective-bargaining contracts. This has been demonstrated by his own letters, which show that he asked another agency of the Government, the R. F. C., to withhold loans, not only from those who had been found guilty of unfair labor practices but from those who were about to be charged or were charged with the violation of the National Labor Relations Act. Such conduct is indefensible and no one who was not utterly obsessed with the idea that he was above the law would undertake such a course.

Enough has been said to show the utter unfairness of the present Board to fairly perform its duties. In passing, it might be added that the Chairman of the Board has, on more than one occasion, seen fit to use his official position and Federal funds appropriated for the administration of the act in an effort to create discord between members of the A. F. of L. and officials of that organization, with reference to the amendment of the act—this in violation of a Federal statute.

It is one thing for members of a Government department to appear before committees of Congress, having charge of legislation affecting their department, and express their views fairly and accurately. It is an entirely different thing for members of a Federal department to, unsolicited, use public funds in an effort to secretly induce third persons to lobby for measures the passage of which, directly or indirectly, inure to the benefit of that particular department. The function of department officials is to administer the laws enacted by Congress and give Congress the benefit of their experience.

There is no longer, on the record made by the Smith committee, on the record made in the public press, any doubt but that the Board is biased, partisan, and wholly unfitted for the interpretation and administration of the act.

The Evening Star of last Saturday carried what purported to be a statement of the gentleman from Virginia [Mr. SMITH], chairman of the House investigating committee, that he hoped whatever amendments the committee might endorse would be reported to the House Labor Committee within 2 weeks, and that he stressed the need for quick action if any change is to be made in the National Labor Relations Act at the present session.

It is encouraging to know that the chairman of the special committee has reached that conclusion. For more than a year I have been suggesting to the House that, if it really wanted the N. L. R. A. amended, there was no reason why it should not do so.

About a year ago I suggested to the House that, so far as legislation was concerned, the House Labor Committee appeared to be trying to incubate a setting of china eggs or doorknobs. The same procedure apparently continues.

A further comment in the newspaper article referred to was to the effect that outstanding amendments now being considered by the special committee included: First, abolition of the present three-man Labor Board and its replacement by a new five-man Board. That provision can be incorporated in H. R. 4990, introduced by me in March of 1939.

Another provision being considered by the Smith committee is: Second, complete separation of the prosecuting and judicial functions of the Board. If you have the time and the patience to read it, you will find that H. R. 4990 contains a provision accomplishing that very thing.

Provision 3, now being considered by the committee, is as follows:

(3) Removal of the Board's authority to settle disputes among rival unions, such as the feuds between the American Federation of Labor and the Congress of Industrial Organizations, which have caused so much bitterness in the last few years.

H. R. 4990 does not contain that provision, but I have an amendment to that effect drafted, and as soon as Lee Pressman, general counsel for the C. I. O., commits himself, if he can be induced to commit himself either for or against such a provision when he testifies this week before the House Labor Committee, I will offer a bill containing that amendment.

H. R. 4990 contains many other amendments which, if we ever get a fair and just labor law, will be included in such an act.

It is a strange spectacle to see a House of Representatives, with a membership of over 400, acknowledge, as it does acknowledge, that the National Labor Relations Act should be amended and to watch that House, so paralyzed by what?—you answer—that it either cannot or will not bring out on the floor of the House a bill introduced to amend an act which we know should be amended, and there in open debate show its competency to perform the task entrusted to it by the people by writing a just and equitable labor law.

If you want action, walk up to the Clerk's desk and sign petition No. 23. Bring out the bill I introduced; then throw it in the wastebasket, if you wish, but write something in answer to the demand which our constituents have been making upon us. [Applause.]

Mr. COOPER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. MCCORMACK having assumed the chair as Speaker pro tempore, Mr. WOODRUM of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Joint Resolution 407, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include some tables therein.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks by including a speech made by Col. Robert R. McCormack at the Lincoln Club banquet, Jackson, Mich., on the 15th of this month.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address delivered by the Secretary of Agriculture before the Agriculture Committee.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BUCK. Mr. Speaker, earlier in the afternoon a member of the minority requested the majority to place in the RECORD the names of a thousand or so economists who protested the enactment of the Hawley-Smoot Tariff Act. I ask unanimous consent to insert in the RECORD at this point an excerpt from the CONGRESSIONAL RECORD of May 5, 1930, which supplies this information.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

TARIFF PROTEST BY ECONOMISTS AND TEACHERS OF ECONOMICS

The undersigned American economists and teachers of economics strongly urge that any measure which provides for a general upward revision of tariff rates be denied passage by Congress, or if passed be vetoed by the President.

We are convinced that increased protective duties would be a mistake. They would operate, in general, to increase the prices which domestic consumers would have to pay. By raising prices they would encourage concerns with higher costs to undertake production, thus compelling the consumer to subsidize waste and inefficiency in industry. At the same time they would force him to pay higher rates of profit to established firms which enjoyed lower production costs. A higher level of protection, such as is contemplated by both the House and Senate bills, would therefore raise the cost of living and injure the great majority of our citizens.

Few people could hope to gain from such a change. Miners, construction, transportation and public-utility workers, professional people, and those employed in banks, hotels, newspaper offices, in the wholesale and retail trades, and scores of other occupations would clearly lose, since they produce no products which could be protected by tariff barriers.

The vast majority of farmers, also, would lose. Their cotton, corn, lard, and wheat are export crops and are sold in the world market. They have no important competition in the home market. They cannot benefit, therefore, from any tariff which is imposed upon the basic commodities which they produce. They would lose through the increased duties on manufactured goods, however, and in a double fashion. First, as consumers they would have to pay still higher prices for the products, made of textiles, chemicals, iron, and steel, which they buy. Second, as producers, their ability to sell their products would be further restricted by the barriers placed in the way of foreigners who wished to sell manufactured goods to us.

Our export trade, in general, would suffer. Countries cannot permanently buy from us unless they are permitted to sell to us, and the more we restrict the importation of goods from them by means of ever higher tariffs the more we reduce the possibility of our exporting to them. This applies to such exporting industries as copper, automobiles, agricultural machinery, typewriters, and the like as fully as much as it does to farming. The difficulties of these industries are likely to be increased still further if we pass a higher tariff. There are already many evidences that such action would inevitably provoke other countries to pay us back in kind by levying retaliatory duties against our goods. There are few more ironical spectacles than that of the American Government, as it seeks, on the one hand, to promote exports through the activity of the Bureau of Foreign and Domestic Commerce, while, on the other hand, by increasing tariffs it makes exportation ever more difficult. President Hoover has well said, in his message to Congress on April 16, 1929, "It is obviously unwise protection which sacrifices a greater amount of employment in exports to gain a less amount of employment from imports."

We do not believe that American manufacturers, in general, need higher tariffs. The report of the President's committee on recent economic changes has shown that industrial efficiency has increased, that costs have fallen, that profits have grown with amazing rapidity since the end of the war. Already our factories supply our people with over 96 percent of the manufactured goods which they consume, and our producers look to foreign markets to absorb the increasing output of their machines. Further barriers to trade will serve them not well, but ill.

Many of our citizens have invested their money in foreign enterprises. The Department of Commerce has estimated that such investments, entirely aside from the war debts, amounted to between $12,555,000,000 and $14,555,000,000 on January 1, 1929. These investors, too, would suffer if protective duties were to be increased, since such action would make it still more difficult for their foreign creditors to pay them the interest due them.

America is now facing the problem of unemployment. Her labor can find work only if her factories can sell their products. Higher tariffs would not promote such sales. We cannot increase employment by restricting trade. American industry, in the present crisis, might well be spared the burden of adjusting itself to new schedules of protective duties.

Finally we would urge our Government to consider the bitterness which a policy of higher tariffs would inevitably inject into our international relations. The United States was ably represented at the World Economic Conference which was held under the auspices of the League of Nations in 1927. This conference adopted a resolution announcing that "the time has come to put an end to the increase in tariffs and to move in the opposite direction." The higher duties proposed in our pending legislation violate the spirit of this agreement and plainly invite other nations to compete with us in raising further barriers to trade. A tariff war does not furnish good soil for the growth of world peace.

ORIGINATORS AND FIRST SIGNERS

Paul H. Douglas, professor of economics, University of Chicago.
Irving Fisher, professor of economics, Yale University.
Frank D. Graham, professor of economics, Princeton University.
Ernest M. Patterson, professor of economics, University of Pennsylvania.
Henry R. Seager, professor of economics, Columbia University.
Frank W. Taussig, professor of economics, Harvard University.
Clair Wilcox, associate professor of economics, Swarthmore College.

ADDITIONAL SIGNATURES

Alabama

University of Alabama: James Halloday.

Arizona

University of Arizona: Robert B. Pettingill.

Arkansas

University of Arkansas: Truman C. Bingham, Walter B. Cole, Kenneth Sharkey, C. C. Fichtner, A. W. Jamison, C. O. Branner, B. M. Gi'e.
Hendrix Henderson College: Ivan H. Grove, O. T. Gooden.

California

University of California: Ira B. Cross, Gordon S. Watkins, Stuart Daggett, M. M. Knight, Robert A. Brody, E. T. Grether, E. J. Brown, Lonn T. Morgan, Henry F. Grady, E. W. Braum, N. L. Silverstein.
Claremont College: Horace Secrist.
University of Southern California: Reid L. McClung.
University of Redlands: H. C. Tilton, Arthur D. Jacobson.
California Institute of Technology: Horace N. Gilbert.
Mills College: Glenn E. Hoover.
Stanford University: Dean W. E. Hotchkiss, Eliot Jones, Holbrook Working, Helen Cherington Farnsworth, Ada Fay Wyman, L. Elden Smith, Murray S. Wildman.
Pomona College: Kenneth Duncan, George I. Burgess, Norman Ness.
Armstrong College of Business Administration: Frank A. Haring, W. W. Diehl, J. Evan Armstrong, John H. Goff, George A. Letherman, J. Frank Day.
College of the Pacific: Robert C. Root, Luther Sharp, Laura M. Kingsbury.
Pasadena Junior College: Roscoe Lewis Ashley, Earl D. Davis, Leland M. Pryor, Fred G. Young, Louise H. Murdock, Henry P. Melnikow, Louis J. Hopkins, K. F. Berkeley, Walter W. Cooper, Howard S. Noble, L. S. Samra, Philip J. Webster, Claire Soderblom.

Colorado

University of Colorado: Dean Elmore Peterson, Frederick J. Bushee.
Colorado College: A. P. R. Drucker, J. G. Johnson, Edna Rose Groth.
University of Denver: H. W. Hudson.
State Agricultural College: D. N. Donaldson.
Colorado Wesleyan University: Clyde Olin Fisher, K. M. Williamson, Norman J. Ware.

Connecticut

Yale University: Ray B. Wosterfield, Fred R. Fairchild, Withrop M. Daniels, Jerome Davis, C. H. Whelden, Jr., Hudson B. Hastings, Ralph A. Jones, A. Barr, Jr., William W. Werntz, Triston R. Barnes, H. Berolzheimer, Geoffrey Crowther, Francis W. Hopkins.
Connecticut Agricultural College: Albert E. Waugh, Edward H. Gumbart, Cecil G. Tilton.
Trinity College: G. A. Kleene, George A. Suter, Henry W. Farnam, Curtis M. Geer, Charles A. Tuttle.

Delaware

University of Delaware: Claude L. Bonner, Harry S. Gabriel, J. Sidney Gould.

District of Columbia

Horace B. Drury, Frank J. Warne, Herbert O. Rogers, Arthur Sturgis, Boris Stern, Lester D. Johnson, Edith S. Gray, Arthur S. Field, W. H. Rowe, Glen L. Swiggett, John H. Gray, Jesse E. Pope, Harold Van V. Fay, Kurt Schneider, Charles E. Purans, Agnes L. Peterson, C. E. Clement, George B. L. Arner, William G. Elliot 3d, George B. Galloway, R. M. Boeckel.

Brookings Institution: C. C. Hardy, Leverett S. Lyon, Philip G. Wright, Lynn R. Edminster, W. M. Blaisdell, Gustavus A. Weber, Frank Tannenbaum, Freda Baird.
George Washington University: Harold G. Sutton, Richard N. Owens, Belva M. Owens.
American University: Charles F. Marsh, D. A. Kinsman.
Catholic University: The Reverend John A. Ryan.

Florida

Francis M. Williams, H. Clay Armstrong, Isaac W. Bernheim.
Rollins College: Glen E. Carlson, Leland H. Jenks.
University of Florida: Harwood B. Dolbeare, Howard M. Dykman, Rollin S. Atwood, W. T. Hicks, J. G. Eldridge, J. P. Wilson, P. C. Scaglione, Huber C. Hurst.

Georgia

University of Georgia: Dean R. P. Brooks, Glenn W. Sutton, James B. Summers, Malcolm H. Bryan, John W. Jenkins.
Agnes Scott College: James M. Wright.
Emory University: Edgar H. Johnson, Clark Warburton, Mercer G. Evans.

Idaho

University of Idaho: Irwin Crane.
College of Idaho: Robert Rockwood McCormick.

Illinois

University of Illinois: Merlin H. Hunter, D. H. Hoover, M. A. Weston, D. Philip Locklin, Simon Litman, George U. Sanford, Paul E. Alyer, Paul M. Vanarsdell, Edward Berman, Donald R. Taft, Horace M. Gray, Daniel Barth, Jr., D. M. Dailey, R. F. Smith.
Northwestern University: Earl Dean Howard, Spencer W. Myers, Arthur J. Todd, Charles A. R. Wardwell, A. D. Theobald, Harold A. Frey, Coleman Woodbury, Robert J. Ray, E. W. Morehouse, Helen C. Manchau.
James Milliken University: Jay L. O'Hara.
Monmouth College: J. S. Cleland.
University of Chicago: H. A. Millis, J. Laurence Laughlin, Henry Schultz, Garfield V. Cox, Chester W. Wright, Stuart P. Meech, H. G. Shields, Hazel Kyrk, James L. Palmer, Paul W. Stone, Martin Taitel, Helen R. Jeter, S. H. Nerlove, F. W. Clower, John U. Nef, Howard A. Baker, Charles J. Coe, Sara Landau, Arthur M. Weimer, Hilding B. Jack, Mary V. Covey, Leo McCarthy, May I. Morgan, R. W. Baldwin, Esther Essenshade.
Knox College: R. S. Steiner.
Lewis Institute: Judson F. Lee, P. S. Mata, E. J. Fowler, Carl Vrooman, A. D. Arado, Eugene W. Burgess, Ruth M. Kellogg, S. Leon Levy, Dorothy W. Douglas, Edward Manley, Willard S. Hall, O. David Zimring, E. W. Marcellus, I. W. Mints, Roger T. Vaughan, Everett V. Stonequist, Henry C. Simons, Margaret Grobben, Howard B. Myers, Joseph E. Griffin, Gerard S. Brown, H. S. Irwin, George E. Hooker, John H. Sherman, John B. Woolsey, Harland H. Allen, Lester S. Kellogg.

Indiana

Indiana University: Thomas S. Luck, William C. Cleveland, Guy E. Morrison, James E. Moffat, Edwin J. Kunst.
Butler University: M. G. Bridenstein, Earl R. Beckner, Chester B. Camp, M. F. Gaudian.
Evansville College: Dean Long, Heber P. Walker, Paul G. Cressey.
Goshen College: Roland Yoder.
DePauw University: William R. Sherman, A. H. Woodworth.

Iowa

University of Iowa: E. B. Reuter, Richard W. Nelson, George W. Mitchell, J. L. Miller, J. E. Partington.
Drake University: David F. Owens, L. E. Hoffman, W. N. Rowlands, Herbert W. Bohlman, Herbert R. Mundhenke.
Iowa State College: Elizabeth Hoyt, John E. Brindley.
Penn College: President H. L. McCracken.
Grinnell College: Laetia M. Conard.

Kansas

University of Kansas: John Ise, Jens P. Jensen, Eugene Maynard, Domenico Gagliardo.
Kansas State Agricultural: Leo Spurrier, J. E. Karnmeyer, T. J. Anderson, Jr.
Kansas Wesleyan: David Dykstro.
Southwestern College: E. R. McCartney.
Bethel College: Robert G. O. Grovewald, J. E. Moyer, H. W. Guest, W. M. Blach.

Kentucky

University of Kentucky: Edward Weist, James W. Martin, J. Catron Jones, C. A. Pearce, J. Phillip Glenn, Harry Best, Esther Cole, Chester W. Shull, G. W. Patton, John Kimper, Dana G. Card, Saul K. Walz, H. Bruce Price, Walter W. Jennings.

Louisiana

Tulane University: Robert W. Elsasser; J. H. Stallings, National Fertilizer Co.

Maine

John W. Bowers.
Bowdoin College: Walter B. Catlin, Phillips Mason, Morgan B. Cushing, William W. Lockwood, Jr., Wilfred H. Crook.

Maryland

Theodore Marburg, Dexter M. Keezer.
Goucher College: Mollie Ray Carroll, Elinor Pancoast.
St. John's College: V. J. Wyckoff.
Johns Hopkins University: Broadus Mitchell.
Western Maryland College: W. B. Sanders, W. Scott Hall.

Massachusetts

Harvard University: G. B. Roorbach, John D. Black, Carl F. Taeusch, N. S. B. Gras, Albert P. Usher, M. L. McElroy, Lawrence C. Lockley, T. H. Sanders, S. E. Harris, J. E. Dalton, Arthur W. Hanson, Donald H. Davenport, Scott Warren, Malcolm P. McNair, Murray R. Benedict, Albert O. Greef, P. T. Ellsworth, James A. Ross, Jr., George P. Baker, S. S. Stratton, Robert L. Masson, Edmund P. Learned, Joseph L. Snider, Karl W. Bigelow.
Amherst College: Willard L. Thorp, George R. Taylor, A. K. Eaton.
Williams College: President H. A. Garfield, W. W. McLaren, Albert Sydney Bolles, Walter B. Smith, David Clark, Rosnell H. Whitman.
Wellesley College: Elizabeth Donnan, Lucy W. Killough, Emily Clark Brown, Mary B. Treudley.
Massachusetts Institute of Technology: James C. MacKinnon, B. A. Thresher, Carroll W. Doten.
Tufts College: President John A. Couzens.
Smith College: Frank H. Hankins, Harold U. Faulkner.
Simmons College: Sara S. Stites.
Mount Holyoke College: Alzada Comstock.
Babson Institute: James M. Matthews.
Boston University: Charles T. Andrews.
Northeastern University: Milton J. Schlagenhauf, Julian E. Jackson, B. Gabine.
Clark University: Arthur F. Lucas, S. J. Brandenburg.
Wheaton College: Edith M. White.
Herman F. Arentz, John W. Boldyreff, Dickinson W. Leavens, Francis G. Goodale, L. H. Hauter, George M. Peterson, Samuel Sigilman, E. M. Winslow, A. S. Kingsmill, Prentice W. Townsley, Gilbert A. Tapley, L. H. L. Smith, John D. Willard, Lauchlin Currye, A. E. Monroe, C. L. McAleer, Arthur M. Moore, Harry Wood, Edward S. Mason, Lucile Eaves.

Michigan

Lawrence H. Seltzer, Arthur E. Erickson, Clifford E. King.
Battle Creek College: W. E. Payne.
Western State Teachers' College: Floyd W. Moore.
University of Michigan: Dean C. E. Griffin, G. S. Peterson, Roy G. Burroughs, Carroll H. May, Robert J. Henry, Ruth M. Engle, Nathaniel H. Engle, C. F. Remer.
Michigan State College: Herman Wyngarden.

Minnesota

Carleton College: J. S. Robinson, O. C. Helwig, Paul R. Fossum, Gordon H. Ward.
University of Minnesota: Roy G. Blakey, Alvin H. Hansen, B. D. Mudgett, O. B. Jesness, R. A. Stevenson, Carl C. Zimmerman, Roland S. Vaile, Peter L. Stagswold, Glen R. Treanor, A. C. Haskin, Arthur W. Marget, O. W. Behrens, Richard L. Kozelka, J. Ross McFayden, John J. Reighard.

Mississippi

Agricultural and Mechanical College: Lewis E. Long.

Missouri

Chester W. Bigelow, S. F. Rigg.
Washington University: G. W. Stephens, J. Ray Cable, Orval Bennett, Ralph Carr Fletcher, Joseph M. Klamow, Joseph J. Senturia.
Westminster College: W. S. Krebs, Frank L. McCluer.
University of Missouri: Harry Gunnison Brown, James Harvey Rogers, Charles A. Elwood, F. L. Thomsen, B. H. Frame, C. H. Hammar, Preston Richard, D. C. Wood, H. C. Hensley, Morris D. Orten, Howard S. Jensen, Arthur S. Ennis, R. E. Curtis, George W. Baughman, O. R. Johnson.

Montana

University of Montana: Mattheas Kast.

Nebraska

Edward L. Taylor, W. G. L. Taylor, D. M. Halley.
Doane College: J. Harold Ennis, J. E. Taylor.
University of Nebraska: J. E. Lerossignol, G. O. Virtue, J. E. Kirshman, Vernon G. Morrison, Oscar R. Martin, J. C. Rankin.

Nevada

University of Nevada: Edward G. Sutherland, M. J. Webster, W. R. Blackhed, Ernest S. Brown.

New Hampshire

George W. Raynes.
University of New Hampshire: Claire W. Swonger, Carroll M. Degler, John D. Hauslein, H. J. Duncan, H. W. Smith.
Dartmouth College: Malcolm Kier, Ray V. Leffler, Robert E. Riegel, Russell D. Kilborne, W. A. Carter, Bruce W. Knight, Everett W. Goodhue, H. V. Olsen, Robert P. Lane, Louis W. Ingram, Archie M. Peisch, Stephen J. Navin, Herman Feldman, H. S. Raushenbush, Stacy May, H. F. R. Shaw, Earl R. Sikes, Lloyd P. Rice, Harry Purdy, J. L. McDonald, Nelson Lee Smith, Arthur Howe, G. Reginald Crosby, W. H. McPherson.

New Jersey

Walter H. Steinhauser, Edmund W. Foote, Augustus Smith, Franklin W. Ryan, Charles W. Lum, A. J. Duncan, Robert L. Smitley, Peter Fireman, Robert F. Foerster.
Princeton University: Frank A. Fetter, Frank Dixon, James J. Smith, Richard A. Lester, Vernon A. Mund, Denzol C. Cline, James M. Garrett, Stanley E. Howard, Donald L. Kemmerer, Frank W. Fetter, J. Douglas Brown, George F. Luthringer, Howard S. Piquet, George W. Modlin, J. W. Blum.
Rutgers University: E. E. Agger, Harry D. Gideons, Thomas W. Holland, E. L. Fisher.

New York

Columbia University: Wesley C. Mitchell, J. M. Clark, J. Russell Smith, James C. Bonbright, R. G. Tugwell, R. M. Maciver, Frederick M. Mills, Paul F. Brissenden, Robert E. Chaddock, Edward L. Thorndyke, Robert L. Hale, K. N. Llewellyn, A. H. Stockder, Edith Elmer Wood, William E. Dunkman, George Fillipetti, Edward J. Allen, Harold F. Clark, E. J. Hutchinson, B. H. Brechart, Addison T. Cutler, George Mitchell, Robert L. Carey, Elizabeth F. Baker, C. C. Williamson, Margaret Eagelson, Ralph H. Blanchard.

New York University: Wilford I. King, Myron W. Watkins, J. D. Magee, Walter E. Spahr, Maruc Nedler, Corwin D. Edwards, William E. Atkins, D. W. McConnell, A. A. Frederick, Richard A. Girard, Louis S. Reed, John J. Quigley, Carl Raushenbush, Irving Glass, Lois Maeslenold, Edith Ayres, Arthur Weeburg, Willard Friedman, Loyle A. Morrison, Randolf M. Binder, John H. Prime, John W. Wingatex, Arthur Wubniez.

Cornell University: Sumner Slighter, Walter F. Willcox, Morris A. Copeland, Paul T. Homan, S. S. Garrett, M. Slade Kendrick, James E. Boyle, Paul M. O'Leary, Lewis A. Froman, Harold L. Read, Donald English, Julian L. Woodward, W. Ross Junkin, William R. Leonard, Leonard P. Adams, John H. Patterson.

Syracuse University: Harvey W. Peck, H. E. Bice.

Colgate University: Freeman H. Allen, Albert L. Myers, E. Wilson Lyon, Sherman M. Smith, T. H. Robinson, N. J. Padelford, Everett Clair Bancroft, J. Millbourne Shortliffe.

Vassar College: Mabel Newcomer, Ruth G. Hutchinson, Kathleen C. Jackson, Herbert E. Mills.

University of Buffalo: Niles Carpenter, T. L. Norton, Newlin R. Smith, Raymond Chambers.

Union College: W. M. Bennett, Donald C. Riley, Daniel T. Selks.

Wells College: Mabel A. Magee, Jean S. Davis.

Hobart College: W. A. Hosmer.

Hunter College: Eleanor H. Grady.

University of Rochester: Roth Clausing.

Brookwood Labor College: Daniel J. Saposs.

Taylor Society: H. S. Person, managing director.

The Business Week: Virgil Jordan, editor.

The Annalist: Bernard Ostrolenk, editor.

International Telephone Securities Co.: M. C. Porty.

Second International Securities Corporation: Leland R. Robinson.

Social Science Research Council: Meredith B. Givens.

American Electric Railways Association: Leslie Vickers.

Russell Sage Foundation: Mary Van Kleeck.

Tariff Board: N. I. Stone, formerly chief statistician.

Federal Council of Churches of Christ in America: Arthur E. Suffern, Benson Y. Landis.

New York School of Social Work: John A. Fitch.

Clarkson College: Charles Leese.

Industrial Relations Counselors, Inc.: Mary B. Gilson, Murray Latimer, W. Bert, S. Regalo, James W. Zonsen, Jeanne C. Barber.

Skidmore College: Coleman B. Cheney.

College of the City of New York: Ernest S. Bradford.

St. Lawrence University: Whitney Coombs.

Alfred University: Paul Rusby.

American Management Association: Mary Rogers Lyndsay, Leona Powell.

American Association for Labor Legislation: George H. Trafton, John B. Andrews.

Carl Snyder, Leo Wolman, George Soule, Stuart Chase, Herbert Feis, Edward T. Devine, George P. Auld, Fabian Franklin, Lawson Purdy, Gorton James, Paul W. Paustian, Warren W. Persons, Paul Tuckerman, Charles B. Austin, Donald R. Belcher, H. T. Newcomb, Lester Kirtzleb, A. W. Kattenhous, W. W. Cumberland, M. L. Jacobson, R. D. Fleming, Dudley M. Irwin, George B. Hill, William Church Osborne, Robert F. Binkled, E. B. Patten, Wendell M. Strong, Ida Craven, Elizabeth Todd, A. D. Noyes, Robert E. Corradini, Samuel M. Dix, W. C. Wishart, Edward E. Hardy, Ernest G. Draper, M. Leo Gitelson, Harold Fields, Henry Israel, Asher Achenstein, F. L. Patton, Stanley B. Hunt, R. L. Wiseman, Shelby M. Harrison, Rufus S. Tucker, John J. Wille, R. D. Patton, William E. Johnson, Albert W. Russell, Robert T. Hill, D. J. Cowden, W. D. Gann, Melbourne S. Moyer, Herbert Fordham, Owen Ely, Roger H. Williams, Robert M. Woodbury, May Lerner, Elsie Gluck, Paul Bonwit, Robert D. Kohn, V. Kelley, J. C. Meeder, Cyrus L. Sulzberger, Charles S. Bernheimer, Ephraim A. Karelsen, Henry C. Hasbrouck, Robert Whitten, P. M. Tuttle, F. Lewis Corser, Jeanett Kimball, Francis H. McLean, John M. Glenn, C. P. Fuller, Emily Barrofs Weber, Richard Kramer, Monteflore G. Kahn, Mary A. Prentiss, L. R. Gottlieb, Charles R. Fay, Martin Clark, John P. Munn, Otto S. Whitelock, Victor Morawetz, Clinton Collver, Helen Sumner Woodbury, William Seagle, Helen Sullivan, Bettina Sinclair.

North Carolina

Selma Rogas, C. K. Brown, A. Currie, Maxwell G. Pangle, Carl J. Whelan.

North Carolina State College: Joseph G. Knapp.

University of North Carolina: Dean D. D. Carroll, J. Gilbert Evans, W. F. Ferger, C. T. Murchison, G. T. Schwenning, E. D. Strong.

North Carolina College for Women: Albert S. Keister.

Duke University: R. A. Harvill, J. P. Breedlove, J. H. Shields, William J. H. Colton, Christopher Roberts, E. R. Gray, B. U. Ratchford, Robert S. Smith.

Elon College: Ralph B. Tower.

North Dakota

Dana G. Tinnes, James Forgerson.

University of North Dakota: Dean E. T. Towne, J. Donald Pymm, A. G. Rowlands, Daniel J. Schwieger, J. Perlman, Spencer A. Larsen, J. J. Rellahan, Roy E. Brown, Carmen G. Blough, E. C. Koch, V. A. Newcomb, Daniel James.

Ohio

Ohio State University: Matthew B. Hammond, Milo Kimball, J. J. Spengler, Clifford L. James, E. L. Bowers, Henry J. Butterman, W. M. Duffas, Louise Stitt, Wilford J. Eiteman, Paul N. Lehocyky, N. Gilbert Riddle.

Antioch College: William M. Leiserson, Rudolf Broda, Algo D. Henderson.

Lake Erie College: Olive D. Reddick.

Wooster College: Alvin S. Testlebe, E. E. Cummins.

University of Cincinnati: Harry Henig.

Miami University: Warren S. Thompson, P. K. Whelpton, Edwin S. Todd, H. H. Beneke, Henry P. Shearman, C. H. Sandage, Howard White, Howard R. Whinson, John F. Schreiner, Wilfrid G. Richards, Carroll B. Malone, James H. St. John, F. B. Joyner, W. J. M. Neff, J. R. Dennison, J. M. Gersting, Read Bain.

Heidelburg College: Ossian Gruber.

Hiram College: J. E. Smith.

Denison University: Hiram L. Jome, Harold H. Titus, Leo A. Thaake, Charles West, Frederick E. Detweiler.

Western Reserve University: Claude Stimson, O. J. Marsh, Louis O. Foster, C. C. Arbuthnot.

Oberlin University: C. C. Bayard, Paul S. Peirce.

Case School of Applied Science: Frank T. Carleton.

Kenyon College: George M. James.

Municipal University of Akron: W. W. Leigh.

University of the City of Toledo: Clair K. Searles, Dr. I. M. Rubino, Edward D. Jones, John A. Zangerle, I. W. Appleby, Amy G. Maher, Homer H. Johnson, E. L. Oliver, Thomas M. Wolfe, Grover P. Osborne, Eugene H. Foster.

Goodyear Tire & Rubber Co.: H. L. Flanick, Royal E. Davis.

Oklahoma

Oklahoma Agricultural and Mechanical College: Orman W. Hermann, P. H. Stephens, J. T. Sanders.

University of Tulsa: A. M. Paxson, W. M. Maurer.

University of Oklahoma: Dean Paul L. Vogt, Leonard Logan, Jr., John P. Ewing, Ivar Axelson, N. Grady Sloan.

Northeastern State Teachers' College: Dean Sobin C. Percefull.

Oregon

Oregon State College: E. B. Mittelman, F. L. Robinson, Alfred C. Schmidt, Curtis Kelley, Bertha Whillock, Leila Hay, E. E. Farnsworth, J. H. Irvine, H. K. Roberts.

Reed College: Clement Akerman, Blair Stewart.

Pacific University: Harold N. Burt, Harold Harward.

University of Oregon: Vernon G. Sorrell.

Pennsylvania

University of Pennsylvania: Emory R. Johnson (dean), Raymond T Bye, Paul F. Gemmill, William C. Schluter, Stuart A. Rice, W. E. Fisher, William N. Loucks, Karl Scholz, Clyde M. Kahler, Raymond T. Bowman, Weldon Hoot, William J. Carson.

Temple University: Russell H. Mack, William J. Douglas, S. S. Hoffer.

Wilson College: Henrietta C. Jennings.

Lehigh University: E. A. Bradford, Elmer C. Bratt.

University of Pittsburgh: Francis T. Tyson, Marion K. McKay, Colston E. Warne, Donald D. Kennedy, Vincent W. Lanfear, Hugh M. Fletcher, P. N. Dean.

Washington and Jefferson: Carl W. Kaiser.

Bryn Mawr College: Harnell Hartz.

Franklin and Marshall: Horace R. Barnes, Edward L. Lancaster, Wesley Gadd, Noel P. Laird, Harold Fisher.

Haverford College: Don C. Barrett, John G. Herndon, Jr.

Pennsylvania State College: Earl V. Dye, W. E. Butt, H. W. Stover.

Drexel Institute: Edwin J. Kaschenbach, A. E. Blackstone, C. L. Nickels, Earl Spargee, W. N. McMullan.

Swarthmore College: Robert C. Brooks, Herbert F. Fraser, Troyer S. Anderson, J. Roland Pennock.

J. Henry Scattergood, Hugo Bilgram, Carl W. Fenninger, Louis N. Robinson, M. S. D'Essipri, Charles L. Serrill, John C. Lowry, Herbert S. Welsh, Raymond Symestvzdt, Alexander Fleischer.

Rhode Island

Brown University: C. C. Bosland, Willard C. Beatty.

Rhode Island State College: Andrew J. Newman.

South Carolina

Furman University: A. G. Griffin.

South Dakota

A. L. Osborne.

Tennessee

E. P. Aldredge.

University of Chattanooga: C. W. Phelps.

Southwestern University: M. H. Townsend, Horace B. Davis.

University of the South: Eugene M. Kayden, William S. Knickenbacker, W. H. MacKellar, J. J. Davis, I. Q. Ware, George W. Nicholson, J. P. Jersey, C. B. Wilmer.

Texas

University of Texas: R. H. Montgomery, A. S. Lang.
A. and M. College: F. B. Clark, G. C. Vaughn, Thomas A. Hamilton.
Southern Methodist University: William F. Hanbart, Donald Scott, Frank K. Rader, Laurence H. Fleck.
Texas Technological College: John C. Granbery, Ormond C. Corry, Harold R. Nissley, B. F. Coldray, Jr.

Utah

Latter Day Saints' College: Feramorz Y. Fox.

Vermont

University of Vermont: George C. Groat, Claude L. Stineford, L. Douglas Meredith.

Virginia

William H. Stauffer.
College of William and Mary: Shirley D. Southworth, A. G. Taylor.
Randolph-Macon: Langdon White.
Washington and Lee: Robert H. Tucker, E. E. Ferebee, M. C. Robaugh, M. Ogden Phillips, R. G. Lausgobel, Dean G. D. Hancock.
University of Virginia: Wilson Gee, Charles N. Hulvey, G. R. Snavely, Abraham Berglund, A. J. Barlow, E. A. Hiniard, G. S. Starnes, William H. Wendel.

Washington

Arthur B. Young.
University of Washington: Theresa S. McMahon.
State College of Washington: Lawrence Clark.

West Virginia

University of West Virginia: E. H. Vickers, A. J. Dadisman.
Marshall College: C. E. Carpenter.

Wisconsin

Charles E. Brooks, Eldred M. Keayes, Alice E. Belcher, Ethel Wynn, R. Beckwith, J. Roy Blough, A. R. Schnaitter, Mary S. Peterson, William D. Thompson.
Lawrence College: R. H. Lounsburg, W. A. McConacha, M. M. Bober, M. M. Evans
Beloit College: Lewis Severson, Lloyd U. Ballard, Dwight L. Palmer.
Marquette University: Lyle W. Cooper, William H. Ten Haken, Leo A. Schmidt, Oscar F. Brown, N. J. Hoffman, George W. Knick.
University of Wisconsin: Frederick A. Ogg, Edward A. Ross, William H. Kiekhofer, Selig Perlman, Alma Bridgman, Elizabeth Brandeis, Arthur Hallahan, Philip G. Fox, H. Rowland English, J. C. Gibson, Stanley Rector, George S. Wehrwein, William A. Scott, Paul A. Rauschenbush, M. G. Glaeser, I. A. Hensey, Arnold Zempel, J. L. Miller, Russell H. Baugh, J. Marvin Peterson, Harold M. Groves, Alfred W. Briggs, Margaret Pryor.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include two editorials from Philadelphia newspapers.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein brief tables and a list of manufacturers in the State of Michigan, together with a quotation from Mr. GIFFORD.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a newspaper clipping which is a tribute to the late Robert Fechner, Director of the C. C. C.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein excerpts from a statement of the archbishops and bishops of the Administrative Board of the National Catholic Welfare Conference.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

THE LATE HONORABLE CYRENUS COLE

Mr. JACOBSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. JACOBSEN. Mr. Speaker, the passing of the late Honorable Cyrenus Cole, one of Iowa's distinguished citizens, came as a distinct shock to me and, I know also, to those Members of the body who were privileged to know him. For 12 years, 1921 to 1933, Congressman Cole ably represented the interests of his constituency in the former Fifth Congressional District of Iowa and rendered marked service to his State in the National House of Representatives.

Retiring voluntarily from public office at the end of his sixth term in Congress, he devoted the remaining years of a busy and useful life to the compilation of a history of Iowa which is acknowledged to be a worthy contribution to the literature of the State and to serve as a fitting monument for a splendid citizen and public servant.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the business on the calendar for Wednesday next may be dispensed with.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. DREWRY (at the request of Mr. BLAND), on account of sickness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2617. An act to authorize the leasing of the undeveloped coal and asphalt deposits of the Choctaw and Chickasaw Nations in Oklahoma; to the Committee on Indian Affairs.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 20, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Tuesday, February 20, 1940, at 10 a. m., before the petroleum subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON FOREIGN AFFAIRS

On Tuesday, February 20, 1940, there will be a meeting of the Committee on Foreign Affairs at 10:30 a. m. to consider H. R. 8446, to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended, and H. R. 7809, authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, February 21, 1940, at 10:30 a. m. for the consideration of H. R. 2775, Arapahoe and Cheyenne Indians jurisdictional bill.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sun-

days and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs of the House in room 1310, New House Office Building, at 10:30 a. m., February 20, 1940, for the consideration of all bills pending before this committee relative to taxation of Tennessee Valley Authority properties.

COMMITTEE ON THE POST OFFICE AND POST ROADS

On Wednesday, February 21, 1940, at 10 a. m., there will be a meeting of the Committee on the Post Office and Post Roads to consider H. R. 8350, permitting official mail of the Pan-American Sanitary Bureau to be transmitted in penalty envelopes; also H. R. 8398, a bill amending acts extending the franking privilege to widows of ex-Presidents of the United States.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10: 30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1401. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 13, 1940, submitting a report, together with accompanying papers and illustrations, on beach-erosion study, Orange County, Calif., authorized by the River and Harbor Act approved July 3, 1930, and by act of Congress approved June 26, 1936 (H. Doc. No. 637); to the Committee on Rivers and Harbors and ordered to be printed, with 19 illustrations.

1402. A letter from the acting president, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill, designed to reorganize, in the interest of efficiency, the internal affairs of the government of the District of Columbia; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 2843. An act granting easements on Indian lands of the Wind River or Shoshone Indian Reservation, Wyo., for dam site and reservoir purposes in connection with the Riverton reclamation project; without amendment (Rept. No. 1617). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 8157. A bill to establish a national land policy, and to provide homesteads for actual farm families; with amendment (Rept. No. 1618). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 2008. A bill to increase the lump-sum payment made under the Workmen's Compensation Act in cases of permanent total disability suffered prior to February 12, 1927; without amendment (Rept. No. 1619). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 4828. A bill to amend the law limiting the operation of statutes of limitations in certain cases; without amendment (Rept. No. 1620). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 5292. A bill to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, the United States District Court for the District of the Canal Zone, and the United States Court for China; without amendment (Rept. No. 1621). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 7660. A bill to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities; with amendment (Rept. No. 1622). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 8119. A bill to amend the Criminal Code so as to confer concurrent jurisdiction on courts of the United States over crimes committed on certain Federal reservations; without amendment (Rept. No. 1623). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 448. Joint resolution authorizing the Joint Committee on the Library to procure an oil portrait of Charles Moore; without amendment (Rept. No. 1625). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PETERSON of Florida: Committee on the Public Lands. S. 538. An act for the relief of certain purchasers of lots in Harding town site, Florida; without amendment (Rept. No. 1624). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 8532. A bill authorizing appointments to the United States Military Academy and United States Naval Academy of sons of soldiers, sailors, and marines who were killed in action or have died of wounds or injuries received, or disease contracted in line of duty during the World War; to the Committee on Military Affairs.

By Mr. SANDAGER:

H. R. 8533. A bill to authorize the construction and installation of a naval air station at Quonset Point, R. I.; to the Committee on Naval Affairs.

By Mr. SHANLEY:

H. R. 8534. A bill to amend Public Law No. 844; to the Committee on World War Veterans' Legislation.

By Mr. H. CARL ANDERSEN:

H. R. 8535. A bill to cancel indebtedness and release liens arising under certain feed and seed and drought loans to

farmers made prior to January 1, 1936; to the Committee on Agriculture.

By Mr. BARRY:

H. R. 8536. A bill to amend section 13b of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

By Mr. BLAND:

H. R. 8537. A bill to provide for the enlargement of the Coast Guard depot at Seattle, Wash., and for the establishment of a Coast Guard servicing base at or near Chattanooga, Tenn.; to the Committee on Merchant Marine and Fisheries.

By Mr. BURDICK:

H. R. 8538. A bill to provide for the acquisition and preservation as a memorial to Theodore Roosevelt of the Maltese Cross Ranch, Billings County, N. Dak.; to the Committee on the Public Lands.

By Mr. KILDAY:

H. R. 8539. A bill to amend the Social Security Act, approved August 14, 1935, and the Internal Revenue Code with respect to the definition of "employee"; to the Committee on Ways and Means.

By Mr. LANHAM:

H. R. 8540. A bill to authorize an increase in the White House police force; to the Committee on Public Buildings and Grounds.

By Mr. MAY:

H. R. 8541 (by request). A bill to authorize the granting of a right-of-way for roadway purposes on the Fort Thomas Military Reservation, Ky., in exchange for the release of property rights in and to a certain road on said reservation; to the Committee on Military Affairs.

H. R. 8542 (by request). A bill to authorize the appointment of female dietitians and female physical-therapy aides in the Medical Department of the Army; to the Committee on Military Affairs.

By Mr. OLIVER:

H. R. 8543. A bill authorizing employees in the United States Public Health Service and other Government agencies to accept or reject quarters and subsistence furnished by the Government; to the Committee on Expenditures in the Executive Departments.

By Mr. PETERSON of Florida:

H. R. 8544. A bill providing for a preliminary examination and survey of part of Old Tampa Bay; to the Committee on Rivers and Harbors.

H. R. 8545. A bill providing for a preliminary examination and survey of a channel 22 feet deep from the bridge at Bradenton to the Gulf of Mexico; to the Committee on Rivers and Harbors.

By Mr. RANKIN:

H. R. 8546. A bill to assist public agencies in the conservation of the water, fuel, and other power resources of the United States, and for other purposes; to the Committee on Appropriations.

By Mr. STARNES of Alabama:

H. R. 8547. A bill to authorize loans to public bodies and nonprofit organizations for hospital, water, sewer, stream-pollution control, and related projects and facilities, and making an appropriation therefor; to the Committee on Banking and Currency.

By Mr. DISNEY:

H. R. 8548. A bill to authorize a preliminary examination and survey of Salt Creek River of the Arkansas River and its tributaries in the State of Oklahoma, Osage County, for flood control for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

H. R. 8549. A bill for the relief of the Cherokee Indian Nation or Tribe, and for other purposes; to the Committee on Indian Affairs.

By Mr. FULMER:

H. R. 8550. A bill to authorize the Secretary of Agriculture to enter into cooperative agreements or leases with farmers and the owners of forest lands in order to provide for their management in accordance with proper forestry practices, and for other purposes; to the Committee on Agriculture.

By Mr. CANNON of Missouri:

H. J. Res. 461. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREWSTER:

H. R. 8551. A bill for the relief of Xenophon George Panos; to the Committee on Immigration and Naturalization.

By Mr. CURTIS:

H. R. 8552. A bill for the relief of Paul E. Cook; to the Committee on Claims.

By Mr. EDWIN A. HALL:

H. R. 8553. A bill granting a pension to Bessie G. Radliff; to the Committee on Invalid Pensions.

By Mr. JENNINGS:

H. R. 8554. A bill for the relief of George H. Kerley; to the Committee on Claims.

H. R. 8555. A bill for the relief of Jessie L. Kerley; to the Committee on Claims.

By Mr. LANDIS:

H. R. 8556. A bill for the relief of Wanita Burris Bailey; to the Committee on Claims.

By Mr. McCORMACK:

H. R. 8557. A bill for the relief of Edward James McCarten; to the Committee on Naval Affairs.

By Mr. McGEHEE:

H. R. 8558. A bill for the relief of Elmer Summers; to the Committee on Claims.

By Mr. MACIEJEWSKI:

H. R. 8559. A bill for the relief of John De Ligter; to the Committee on Claims.

By Mr. RANDOLPH:

H. R. 8560. A bill for the relief of Otis Thompson; to the Committee on Claims.

By Mr. SCHUETZ:

H. R. 8561. A bill for the relief of Salman Bermann; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6583. By Mr. BEAM: Petition of the Polish American Council; to the Committee on Foreign Affairs.

6584. By Mr. BOLLES: Petition of members of the Rotary Club of Delavan, Wis., urging Congress to give its support to a program providing for adequate funds for proper forest-fire protection, either through the release of funds authorized under the Clarke-McNary Act or by new legislation; to the Committee on Agriculture.

6585. Also, petition of sundry citizens of Lyons, Wis., supporting the Patman chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6586. By Mr. BURDICK: Petition signed by citizens of Center, N. Dak., to enact the Ludlow war referendum resolution (H. Res. 408); to the Committee on the Judiciary.

6587. By Mr. ELSTON: Petition of the Cincinnati Bakers' Supply Co. and sundry citizens of Cincinnati, Ohio, protesting against the levying of excise or any other form of processing taxes on bread and other every-day indispensable necessities of life; to the Committee on Ways and Means.

6588. By Mr. ENGLEBRIGHT: Petition of the California Assembly Joint Resolution No. 9, relative to discrimination in steamship service and freight rates between New York and California ports to the Panama Canal Zone; to the Committee on Interstate and Foreign Commerce.

6589. By Mr. HARTER of New York: Petition of the New York State Assembly, requesting enactment of legislation to

end discrimination against older persons in the Federal civil service and that the work of public and private agencies in behalf of the middle-aged worker be enhanced by the good example set by the Federal Government; to the Committee on Ways and Means.

6590. By Mr. HEALEY: Petition of the City Council of Cambridge, Mass., petitioning the Congress of the United States to appropriate immediately necessary funds and enact legislation to repeal the mandatory provisions relating to the 30-day furlough after 18 months' employment on Work Projects Administration or amend same so as to restore to employment immediately on expiration of the 30-day furlough all persons who have been recertified and are eligible for reemployment; to the Committee on Appropriations.

6591. By Mr. MARTIN J. KENNEDY: Petition of 87 members of Czech Lodge, 4769, International Workers, New York City, vigorously protesting against any loans being made by the United States to White Guard Finland; to the Committee on Foreign Affairs.

6592. Also, petition of Local 162, United Federal Workers of America, Northport, Long Island, N. Y., urging support of the Sabath bill (H. R. 7708); to the Committee on World War Veterans' Legislation.

6593. By Mr. KEOGH: Petition of Local 162, United Federal Workers of America, Northport, Long Island, N. Y., favoring the passage of the Sabath bill (H. R. 7708); to the Committee on Expenditures in the Executive Departments.

6594. Also, petition of the Jamaica Estates Association, Inc., Jamaica Estates Long Island, N. Y., favoring the passage of the Barry bill for a uniform 2-cent postage for Queens County, N. Y.; to the Committee on the Post Office and Post Roads.

6595. Also, petition of the Automobile Manufacturers Association, Washington, D. C., concerning the reciprocal-trade agreements; to the Committee on Foreign Affairs.

6596. Also, petition of the American Farm Bureau Federation, Edward J. O'Neal, president, favoring the continuance of reciprocal-trade agreements contained in House Joint Resolution 407; to the Committee on Foreign Affairs.

6597. Also, petition of the National Association of Tobacco Distributors, Inc., New York City, concerning the modification of the Fair Standards Act to exempt employees of wholesale distributors from the hours limitations (but not the wage limitations) now prescribed by law; to the Committee on Labor.

6598. Also, petition of the International Brotherhood of Bookbinders, Washington, D. C., concerning the submission of the equal-rights amendment; to the Committee on the Judiciary.

6599. Also, petition of the Cigar Manufacturers' Association of America, Inc., New York City, favoring reciprocal trade agreements legislation; to the Committee on Foreign Affairs.

6600. By Mr. LECOMPTE: Petition of sundry citizens of Ottumwa, Centerville, Lorimor, Bloomfield, New Sharon, Oskaloosa, Sigourney, and Harper, Iowa, concerning the chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6601. By Mr. MACIEJEWSKI: Resolutions adopted at a mass meeting held in Chicago, Ill., recently under the jurisdiction of the Polish-American Council; to the Committee on Foreign Affairs.

6602. By Mr. RANKIN: Petition of the Legislature of Mississippi; to the Committee on Banking and Currency.

6603. By Mr. TALLE: Three petitions of 56 citizens of Mitchell County, Iowa, urging the Congress to enact House bill 1 into law; to the Committee on Ways and Means.

6604. By Mr. TENEROWICZ: Resolution of the delegates of the ninth circuit of the Polish-American Council, extending their full and grateful support to the bills and resolutions now pending in Congress for the appropriation of money for the relief of destitute Polish populations in German-occupied Poland and in neighboring countries; to the Committee on Foreign Affairs.

6605. By Mr. THOMASON: Petition of the Legislature of the State of Texas, urging the Congress to oppose the adoption of House bill 7372, the Cole bill; to the Committee on Interstate and Foreign Commerce.

6606. By Mr. WADSWORTH: Petition of Clifford Breton, of Depew, and Paul DeMuth, of Corfu, N. Y., and others; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 20, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

God be merciful unto us, and bless us, and cause His face to shine upon us. Heavenly Father, with our souls enrobed with this prayer, and with a chastening sense of our failures and needs, we pray for Thy guiding grace and wisdom. May Thy presence with us be like the sun that radiates light, like the stars that shed calmness, like the morning that sings freshness, and like the evening that whispers quietness. This day let us be at rest in the Father's love and in the gracious protection of His Son, Jesus Christ, the friend of man and the Saviour of the world. Do Thou ever enfold us in the blessed security of the everlasting arms. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 112. An act to facilitate control of soil erosion and flood damage on lands within the Ozark and Ouachita National Forests in Arkansas;

H. R. 1456. An act for the relief of Maj. Herbert A. Jacob;

H. R. 2860. An act for the relief of Ben Willie Jones, as legal representative of Thelma Jones, a deceased minor;

H. R. 3391. An act providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles;

H. R. 3794. An act to establish the Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes;

H. R. 4198. An act for the relief of M. L. Parish;

H. R. 6084. An act for the relief of Katheryn S. Anderson; and

H. R. 7050. An act for the relief of certain former disbursing officers for the Civil Works Administration.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 3481. An act for the relief of C. Z. Bush and W. D. Kennedy; and

H. R. 4126. An act for the relief of Warren Zimmerman.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 815. An act for the relief of Christine Lund;

S. 1373. An act for the relief of H. D. Bateman, Henry G. Conner, Jr., executor of the last will and testament of P. L. Woodard, and J. M. Creech;

S. 1450. An act to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children;

S. 1531. An act for the relief of Edmund S. Dennis;

S. 1671. An act to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah;

S. 2103. An act to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended;

S. 2132. An act for the relief of Katherine Scott, Mrs. J. H. Scott, Jettie Stewart, and Ruth Mincemeyer;

S. 2199. An act for the relief of Isadore J. Friedman;

S. 2268. An act for the relief of Roxie Richardson;

S. 2523. An act to provide for the construction, extension, equipment, and improvement of public-school facilities at McCurtain, Okla., Haskell County;

S. 2595. An act for the relief of Lloyd S. Harris;

S. 2667. An act for the relief of Mr. and Mrs. John W. Finley;

S. 2773. An act to authorize the payment of compensation to recess appointees in certain cases;

S. 2884. An act for the relief of Glen E. Robinson, doing business as the Robinson Marine Construction Co.;

S. 2977. An act authorizing the construction and maintenance of a dike or dam across Stansbury Creek in Baltimore County, Md.;

S. 2988. An act for the relief of Bessie Sharrah;

S. 2991. An act to authorize the Secretary of the Navy to accept on behalf of the United States certain lands in the city of National City, Calif.;

S. 2993. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States, and acceptance by gift of certain lands from the city of San Diego, Calif.;

S. 3038. An act to provide for the advancement of John L. Hines on the retired list of the Army;

S. 3044. An act for the relief of Nadine Sanders;

S. 3061. An act for the relief of Andrew Olson;

S. 3067. An act authorizing appropriations to be made for the disposition of the remains of personnel of the Navy and Marine Corps, and certain civilian employees of the Navy, and for other purposes;

S. 3196. An act to amend the act approved May 24, 1938, entitled "An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama," and for the relief of Jose Antonio Sossa D;

S. 3227. An act to enable the Secretary of Agriculture, in cooperation with official State agencies, to prevent the dissemination of pullorum and other diseases of poultry, and to improve poultry, poultry products, and hatcheries, and for other purposes;

S. J. Res. 206. Joint resolution creating a joint committee to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law; and

S. Con. Res. 18. Concurrent resolution providing for an investigation of the social, economic, and industrial conditions in Puerto Rico.

TREASURY-POST OFFICE APPROPRIATION BILL, 1941

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8068) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes, disagree to all Senate amendments, agree to the conference requested by the Senate, and the appointment of conferees on the part of the House.

I may say that I have consulted the gentleman from New York [Mr. TABER], the ranking member on the Republican side of the aisle, and I understand this procedure is agreeable to him.

Mr. TABER. Mr. Speaker, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. LUDLOW, O'NEAL, JOHNSON of West Virginia, MAHON, CASEY of Massachusetts, TABER, MCLEOD, and KEEFE.

BOARD OF VISITORS, UNITED STATES MILITARY ACADEMY

The SPEAKER. The Chair lays before the House the following communication from the chairman of the Committee on Appropriations:

FEBRUARY 14, 1940.

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of the act approved May 17, 1928 (10 U. S. C. 1052–A), I beg to advise you that I have appointed the following members of this committee as members of the Board of Visitors to the United States Military Academy for the calendar year 1940:

Hon. J. BUELL SNYDER, Hon. DAVID D. TERRY, Hon. JOE STARNES, Hon. D. LANE POWERS, Hon. ALBERT J. ENGEL.

Very cordially yours,

EDWARD T. TAYLOR,
Chairman, Committee on Appropriations.

KATHERINE L. MYERS

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 385

Resolved, That there shall be paid out of the contingent fund of the House to Katherine L. Myers, widow of W. H. Myers, late an employee of the House, an amount equal to 6 months' salary compensation, and an additional amount not to exceed $250, to defray funeral expenses of the said W. H. Myers.

The resolution was agreed to.

EXPORT OF PETROLEUM PRODUCTS TO RUSSIA

Mr. HOOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOOK. Mr. Speaker, I have a letter here from the Department of State, which I think is rather interesting and which I want to read to the House:

DEPARTMENT OF STATE,
Washington, February 19, 1940.

The Honorable FRANK E. HOOK,
House of Representatives.

MY DEAR MR. HOOK: I acknowledge the receipt of your letter of February 10, 1940, in regard to the export of petroleum products from the United States to the Union of Soviet Socialist Republics.

According to available records there were no exports of oil to the country in question during 1939 other than a nominal amount of lubricating oils valued at $94. There were no exports of aviation gasoline to the U. S. S. R. during 1939 or during January 1940, with the exception of two barrels for experimental purposes. Exports of regular gasoline during 1939 amounted to 883,530 barrels, all of which went to Siberia and were exported during the months of September, October, and November. Heavy shipments of gasoline to Siberia during the autumn are not unusual. There were no exports of gasoline to the Soviet Union during December 1939, although approximately 75,000 barrels were exported to eastern Siberia during January 1940.

There is no existing legislation which authorizes the prohibition of the export of petroleum products to the U. S. S. R., or to any other country. Before such exports could be prohibited, new legislation would be required. Furthermore, the mere severance of diplomatic relations with the Soviet Union would not prevent the sale and export of petroleum products to that country.

I may point out, however, that the Department has taken steps to discourage the further delivery of plans, plants, manufacturing rights, or technical information required for the production of high-quality aviation gasoline to countries the armed forces of which are engaged in the unprovoked bombing or machine-gunning of civilian populations from the air. This policy was announced by the Department in a statement issued to the press on December 20, 1939, a copy of which is enclosed.

I am enclosing, for your further information, a copy of the press release issued by the Department on December 15, 1939.

Sincerely yours,

CORDELL HULL.

[Here the gavel fell.]

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the letter I have read.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech I delivered at Philadelphia Saturday night.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two short excerpts from Collier's magazine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I expect to make during the day on the reciprocal trade-agreements resolution and to include therein certain quotations, excerpts, and data relative thereto.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BUCK. Mr. Speaker, I ask unanimous consent, in connection with the remarks I expect to make on the pending bill, that I may be permitted to insert certain tables illustrative thereof, and to revise and extend them.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the editor of the Farmer-Stockman, of Oklahoma City, to Dr. Alexander, of the Farm Security Administration.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE HOME OWNERS' LOAN CORPORATION

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I have here in my hand a copy of H. R. 8447, which I introduced, to give relief to the distressed home owners who are now holding H. O. L. C. mortgages. This bill, if enacted into law, will grant to home owners the right to extend the period for amortization of their loans to 25 years and will reduce the rate of interest on such loans to 4 percent.

I wish to state at this time that I believe the Home Owners' Loan Corporation has done a fine job insofar as saving hundreds of thousands of homes throughout the country. There is no doubt in my mind that the H. O. L. C. Act was one of the finest pieces of legislation passed during the Seventy-third Congress. The Home Owners' Loan Corporation has done everything possible under the act to be lenient to the home owners. I feel that we should amend the law to give the Corporation power to be more lenient, and by doing so we will save thousands of homes that are threatened with foreclosures. That is the object of my bill H. R. 8447, which I would like to see approved by Congress.

I would appreciate it if Members of the House will try and get the House Banking and Currency Committee to report favorably my bill or any other bill which is in the committee that will bring relief to the distressed property owners in this country. [Applause.]

Mr. Speaker, I ask unanimous consent to extend my remarks, and to include therein at this point in the RECORD a copy of my bill, H. R. 8447.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill is as follows:

Be it enacted, etc., That any obligation of a home owner to the Home Owners' Loan Corporation incurred pursuant to section 4 (d) of the Home Owners' Loan Act of 1933, and outstanding at the time of the enactment of this act—

(1) Shall, upon application of the home owner made to the Corporation within 1 year after the date of the enactment of this act, be revised and extended so as to provide for the amortization thereof by means of monthly payments sufficient to retire the interest and principal within a period, to be determined at the option of the home owner, of not to exceed 25 years from the date of its execution; and

(2) Shall be revised so as to provide, effective as to payments falling due on dates occurring after 30 days after the date of the enactment of this act, and thereafter, that interest on the unpaid balance of the obligation of the home owner to the Corporation shall be at the rate of 4 percent per annum.

SEC. 2. (a) The provisions of this act shall not be construed to provide for any modification of the provisions of the Home Owners' Loan Act of 1933 insofar as they apply to loans made, or obligations incurred, under any provision of such act other than section 4 (d), or for the revision or extension of any loan made, or obligation incurred, under such provisions other than section 4 (d).

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Bonneville project, and to include therein a brief tabulation of figures.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. SMITH]?

There was no objection.

RECIPROCAL-TRADE AGREEMENTS

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. TREADWAY], who is still confined to his home on account of illness, may have permission to insert the remarks at this point in the RECORD that he intended to make yesterday.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CROWTHER]?

There was no objection.

PRESENT TRADE-TREATY PROGRAM SHOULD NOT BE EXTENDED

Mr. TREADWAY. Mr. Speaker, the issue which is before us is of such vital concern to the Nation that it should not be considered as a partisan matter. Of course, I realize that the tariff issue is one which has long divided the two great political parties, but during recent years they have grown closer and closer together on the question. Many Democratic members are just as stanch protectionists as some of their Republican colleagues. Some of the best tariff speeches I have ever read were written by Democrats, not only of the present era but going far back to the early days of our history as a Nation.

OPPOSITION TO PRESENT PROGRAM BIPARTSIAN

The immediate question before us is whether the present trade-treaty program should be continued for another 3-year period. On this question, as on the tariff question generally, many Democrats take the same position which we of the Republican minority take. Opposition to the present trade-treaty program is by no means confined to the Republican side of the isle. I make mention of this particularly because of a reference on page 5 of the majority report to the fact that support of the program is not confined to the Democratic Party, but includes certain Republicans, whose names are there mentioned.

I am glad to join in the thought that this should be a nonpartisan matter, but I cannot help but call attention to this list of so-called Republican supporters of the program. Two of those named are international bankers. Most of the rest of them think almost exclusively along international lines. That is the only comment I care to make or need to make, for when you find an internationalist you find a free trader. There is no question about that.

REPUBLICANS NOT OPPOSED TO GENUINE RECIPROCITY

At the outset of these remarks, and before going into any discussion of the present trade-treaty program, I want to emphasize as strongly as I can the fact that we of the Republican minority are not opposed to tariff reciprocity as such. It has generally been assumed that because we oppose the form of the present act and the manner of its administration by the State Department, we must necessarily be opposed to all reciprocity with foreign nations. That is not so, and in our minority views we have taken the trouble to explain exactly our position on this matter.

Apparently there are at least two kinds of reciprocity—real reciprocity and the so-called reciprocity advocated by Secretary Hull. The fact that we favor real reciprocity does not commit us to support the present trade-treaty program, which is inconsistent with the true purpose of real reciprocity. Moreover, it is not even reciprocal, in that the concessions which we make to a given treaty country in return for supposed concessions from it are extended gratuitously to all other countries in the world, except Germany. The word "reciprocity" presupposes equal and mutually advantageous exchange, but that is not what we have under the present program. As was brought out during the hearings, no

Yankee trader would swap horses with his neighbor and then proceed to give a horse to everyone else in the community.

THE REAL PURPOSE OF RECIPROCITY

The real purpose of reciprocity was never more clearly stated than by its outstanding exponent, President William McKinley, who said:

The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people but tend rather to increase their employment.

PRESENT PROGRAM INCONSISTENT WITH PURPOSE OF RECIPROCITY

The present program is inconsistent with the real purpose of reciprocity because it is not confined to exchanging our surpluses for the products we need but do not produce ourselves. Rather, it has been devoted largely to encouraging the importations of foreign products of farm, factory, mine, and forest, which we already produce for ourselves in great abundance.

The only purpose we carry on foreign trade at all is to sell what we can and to buy what we need. To be of any net benefit to the country, a reciprocity program must be consistent with the purpose of foreign trade, and if it is consistent with that purpose it will be consistent with the purpose of reciprocity itself.

NO PRESENT REASON FOR EXTENDING ACT

Before going into any detailed discussion of our objections to the trade-treaty program, I wish to bring up a matter which I feel transcends in importance any differences which may exist as to the proper kind of reciprocity for this Nation to have.

When the Trade Treaty Act was first enacted in 1934 it was for the avowed purpose of expanding our export markets, and I propose to show later wherein it has not done so.

When the question of its extension came up in 1937 the principal argument then was that it was desirable as a means of preserving world peace, and I propose to show wherein it has failed to achieve this purpose, as must be obvious to anyone.

Now its extension is being sought not so much for the expansion of our export markets, and not as a means of "preserving" peace, but as a means of dealing with "the problems of economic reconstruction when hostilities have ceased."

In his statement before the Ways and Means Committee the Secretary of State admitted that "the scope for going forward with the program during the war is naturally restricted." There can be no question about this. It is apparent also that inasmuch as treaties have already been entered into with practically all the industrial nations with whom it is possible to secure agreements, the only field for further negotiations is with agricultural countries, such as Argentina, New Zealand, Australia, Denmark, and so forth, whose products would simply add to our own agricultural surpluses and further depress farm prices. Thus there does not appear to be any present reason for extending the act.

PRESENT ACT NOT ADAPTED FOR DEALING WITH POST-WAR READJUSTMENTS

The question then is, Should the act be extended as a means of dealing with a situation which will exist when the wars now going on in all parts of the world have ceased and the tens of millions of men now under arms return to productive labor?

In the opinion of the Republican minority of the Ways and Means Committee, the Trade Treaty Act in its present form would neither be efficacious nor desirable in dealing with the chaotic conditions that undoubtedly will exist when peace comes. Because of the thousand-odd tariff reductions made to date, we do not have much left to bargain with. Moreover, any further reductions in our tariffs in the face of post-war economic conditions would dangerously expose our domestic market to the ravages of post-war foreign competition.

WE WILL NEED HIGHER, NOT LOWER, TARIFFS WHEN PEACE COMES

If history is any guide, what we will need when peace comes is not lower tariffs, but more adequate tariffs. Gentlemen on the other side of the aisle may say I am only manufacturing fear, but we had a somewhat analogous situation during and after the late war to what we have now. It is worth referring to.

OUR POST-WAR EXPERIENCE UNDER THE FREE-TRADE TARIFF OF 1913

It will be recalled that in 1913 a Democratic free-trade tariff act was passed, known as the Underwood Act. That act put practically all agricultural commodities on the free list and drastically reduced the rates on other dutiable articles. However, before the consequences of that act could be fully felt war broke out in Europe and eventually spread throughout the world. The result, insofar as our foreign trade was concerned, was that, despite being under a free-trade tariff, we had virtually no competition from European countries. They were otherwise occupied.

ARMISTICE BROUGHT DELUGE OF CHEAP IMPORTS

However, when the armistice came in 1918 and the millions of men who had been under arms returned to productive employment, our domestic producers felt the full impact of the tariff reductions made under the 1913 act. The first thing that happened was that we were flooded with surplus food, clothing, and other articles which had been sent abroad as war supplies. These were dumped into our market at prices which were simply ruinous to American agriculture, industry, and labor. But the imports of surplus war supplies did not end the flood. As soon as the men who had been under arms got back to their jobs and to their farms they began seeking markets for their products, and they found here in our country not only the richest market in the world but one in which they had no difficulty in entering because of the absence or inadequacy of our tariff duties on competitive products. These cheap foreign importations contributed largely to the collapse of farm prices, to the stagnation of our industry, and to unemployment following the World War.

EMERGENCY TARIFF ENACTED IN 1921

In 1920, a Republican Congress hurriedly enacted an emergency tariff bill to stem the flow of these foreign imports. Unfortunately, that measure was vetoed by President Wilson. However, immediately after the Harding administration came into power in 1921, it was promptly reenacted and became a law. It was superseded in 1922 by the general tariff bill of that year, the so-called Fordney-McCumber Act.

PRESENT SITUATION ANALOGOUS TO WORLD-WAR CONDITIONS

Now, what is the analogy which is to be drawn between the situation then and the situation in which we now find ourselves? It is this: Under the 22 trade treaties entered into to date, our tariffs have been drastically reduced on over 1,000 products. These reductions affect 42 percent of our dutiable imports, which, of course, make up those which compete with our own products. The average reduction in rates has been 39 percent. Thus, we have had a more drastic and more general tariff reduction by piecemeal under the trade treaties than any President would dare suggest or any Congress would dare enact in a general tariff bill.

It is said by proponents of the program that despite the large number and drastic nature of these reductions, our domestic producers have not been injured—at least not much. As to this, I will have something to say later on in these remarks.

TREATY PROGRAM HAS PAVED WAY FOR POST-WAR FLOODING OF DOMESTIC MARKET

Approximately one-half the reductions made were under the British treaty, which became effective on January 1, 1939. However, the fact that all during 1939 the leading nations of the world were either engaged in war or in preparation for war saved us from the full effect which otherwise would have been felt as a consequence of the drastic reductions made. We are now in the same situation we were during the Great War. We have a boom in exports, as a consequence of the war, and we have a sharp diminution of competition from abroad. Nevertheless, imports of competitive commodities are still very substantial.

Under the 22 trade treaties negotiated to date, we have already paved the way for another post-war flooding of the

domestic market with surplus food and clothing, which have been accumulated abroad as war supplies, and with the products of foreign farms and factories, as normal foreign production is resumed.

WITNESSES BEFORE COMMITTEE WARNED OF DANGERS TO WHICH TREATY PROGRAM EXPOSES US

Numerous witnesses who appeared before the committee stressed the point that continuation of the policy of entering into further trade treaties at this time and binding ourselves for long periods was dangerous. I would like to refer to two or three quotations from statements made before the committee relative to this phase of the situation. I refer to these quotations because they express so much better than I am able the situation which will confront us when wars in all parts of the world come to an end.

TWENTY-FIVE MILLION FOREIGN SOLDIERS WILL RETURN TO PRODUCTIVE EMPLOYMENT

The following is taken from the testimony of Mr. Millard C. Brown, president of the Continental Mills, of Philadelphia, Pa.:

Today, as a result of our reciprocal-trade program, many of our protective duties are lower than in the act of 1922. Again Europe and Asia are at war. It is estimated that twenty to twenty-five million men and women are in the service of the warring countries, either on the battlefield or other services connected with the war. When we again have peace on earth and Europe and Asia have exhausted themselves; when they have added greatly to their already burdensome debts; when their currencies are greatly depreciated; when their returning armies are willing or are conscripted to work for a mere pittance to keep from starvation, the influx of imported farm and industrial products will be a more serious threat to our economy than ever before in our history. It is time that we were putting our house in order to withstand the shock. * * * Unless we start soon in putting our house in order the beautiful day dream of reciprocity will turn into the most hideous nightmare the country has ever been through. * * *

When peace is declared it will be too late to make the necessary adjustments.

FOREIGN COUNTRIES WILL USE DESPERATE MEASURES TO REGAIN FOREIGN TRADE

The following is taken from the testimony of Mr. Arthur Besse, president of the National Association of Wool Manufacturers. After referring to the large increase in woolen imports as a result of the British treaty which, though somewhat curtailed since the war began, are nevertheless substantial, Mr. Besse states:

The situation after the war will be ever more serious. Poorly paid labor, desperate measures at price control and manipulation of foreign exchange, export bounties, and other measures which foreign nations will use to rebuild their trade will find us vulnerable, with gaps in the tariff wall which Congress erected to protect our home industries. How can we trade with foreign nations for tariff concessions then? We have already made substantial concessions, which have been extended to all nations except Germany. Are we to be told that we must make further concessions to get our export trade back again, and accept further tariff cuts, on the theory that our willingness to admit foreign products will contribute to world peace? * * *

It is precisely because, after the war, we will need adequate protection more than ever that our tariff should not be entrusted to a statesman who thoroughly believes in and has consistently striven for a lowered tariff. It is my opinion that our problem is not going to be how to find indirect means of reducing tariff rates, but how to provide adequate protection for our workers against low paid and perhaps even conscript workers in Europe and Asia.

NO PRUDENT PERSON WOULD BIND HANDS IN FACE OF FUTURE UNCERTAINTIES

The following is from the testimony of Mr. Howard I. Young, representing the National Association of Manufacturers:

Let us for the moment assume the many advantages asserted by proponents of the future extension of the present Trade Agreements Act. Let us then confront the great practicalities. I know of no man in public life for whom my associates entertain a more profound admiration and respect than the present Secretary of State. But can he or any member of this committee, or the most sagacious of statesmen, undertake to say what will be the condition of any nation engaged in the present struggle, or that may become involved in it, at the end of this awful conflict? Will any member of this committee undertake to do so?

Within a few brief months a virile state with which we concluded one of the first trade agreements, and others with which we were about to negotiate, have met political death. What states will endure? What will be the number and nature of their dependencies? What will be the extent of their territories, their economic strength or weakness, the condition of their currencies, the state of exchange, the tendency of prices, the development of quotas, the conditions of trade, investment, indebtedness, of taxes? Who will venture to say? The event is in the hands of God. I know no representative businessman, no American industry, that would undertake to bind itself today for the marketing of its products in any of the warring nations for a 2- or 3-year term. No man upon his own responsibility or as trustee of others would make such commitments to an uncertain future.

Who would write an insurance policy for a house on fire or within a city afflicted with a catastrophe conflagration or against the consequences of a flood or an earthquake in being?

Yet what is proposed now is that, without the safeguards suggested, we shall continue to make the most binding international contracts amid "crash of matter and the wreck of worlds."

These, ladies and gentlemen of the House, are challenging statements.

MINORITY FAVOR SETTING UP ADEQUATE MACHINERY TO DEAL WITH POST-WAR SITUATION

We of the Republican minority are not insensible to the fact that the setting up of some desirable machinery for dealing with the foreign-trade situation when peace is restored is desirable. In our minority views we point out that the present trade-treaty program, far from lending flexibility to our tariff structure, actually is the essense of inflexibility. In fact, we assert that it places the Nation in an economic strait jacket.

Let me briefly quote from our views respecting our recommendation for a substitute program. On page 9 of our report, we state:

PRESENT PROGRAM SHOULD BE ALLOWED TO LAPSE, BUT STUDY SHOULD BE MADE TO DETERMINE BEST METHOD OF DEALING WITH RECIPROCITY AND TARIFF QUESTIONS

Without prejudice to our views in favor of tariff reciprocity as a matter of principle, we recommend that the joint resolution under consideration be defeated and that the present trade-treaty program be allowed to lapse.

However, we feel that the question of post-war readjustments and the preservation of the normal channels of commerce are of vital importance, and that we as a nation should consider setting up a truly flexible trade authority which would be able to deal with these problems as and when they arise. The present Trade Treaty Act does not provide a satisfactory method of dealing with all the possible problems with which we may have to cope. For example, it is not adapted to meeting any requirement for increased tariff protection that may, and probably will, arise in the future. Moreover, with its administration in the hands of the State Department, economic considerations are frequently ignored in favor of international political objectives.

We believe that the Congress should immediately authorize an investigation of the whole question with a view to working out a combined tariff and tariff and reciprocity policy (1) that protects our vital interests, (2) that is truly flexible, and (3) that is geared to deal with foreign trade upon a realistic basis along constitutional lines. Consideration should be given to the creation of some independent agency to deal with both matters.

This is a constructive suggestion. It negatives any thought that we of the minority are merely for doing away with the present program without any substitute therefor. It definitely commits us to a policy of real reciprocity along constitutional lines as distinguished from the present one-sided and unconstitutional program. We do not presume to suggest the exact details of such a substitute program because we believe they should be worked out after careful study without reference to any preconceived notions.

IF TREATY PROGRAM IS CONTINUED, CONGRESS SHOULD AT LEAST RESERVE RIGHT OF APPROVAL

Knowing that the administration will make every effort to enact the pending joint resolution without change, and having in mind that its "appeasement program" in connection with the sudden termination of the Argentine negotiations may be expected to have some results along the lines hoped for, we have also offered an alternative suggestion, which I would now like to discuss. In our minority views we state:

If despite its many objectionable features and in disregard of the dangers to which it is exposing the Nation the present Trade Treaty Act is extended, we feel that it should be amended at least to the extent of requiring congressional approval of the trade treaties before they become effective.

Aside from the constitutional question involved we believe that inasmuch as these treaties vitally concern the welfare of the whole Nation the elected representatives of the people in Congress should have some say in regard to them.

This is not to be construed as a retreat from our position that the present act should be allowed to lapse. We simply state that if the administration insists on going ahead with the program, Congress at least should have some check on the treaty negotiators, not only to protect the Nation from actual or potentially injurious tariff reductions, but to give the Congress an opportunity to say whether its hands shall be tied insofar as legislating in the future with regard to items affected by the trade treaties is concerned.

HANDS OF CONGRESS TIED BY TRADE TREATIES

The Secretary of State has always insisted that the matter of general tariff legislation is still in the hands of Congress, but I do not agree with that contention. In the first place, the thousand-odd reductions made under the trade treaties and their extension to all countries constitute a general tariff revision not made by Congress, not approved by Congress, and with respect to which Congress is powerless to act. Secondly, Congress can take no action with respect to the items covered by trade agreements without violating an international agreement and thereby breaking faith. Its hands are tied for the life of the treaties, which is at least 3 years, and as long thereafter as the administration in power wishes to continue them. The treaties do not expire at the end of 3 years. They are simply subject to termination upon notice, and presumably that notice could not be given by Congress as that would involve an invasion of the rights of the Executive. Even if the Congress felt impelled to repudiate the treaties by enacting legislation to supersede them as a matter of national emergency, such legislation would be subject to the almost certain Presidential veto, and it would therefore require a two-thirds majority in both branches to enact it. Hence to say that Congress is free to act is certainly a misstatement of facts.

CONGRESSIONAL RATIFICATION OF TREATIES IS ONLY WAY MEMBERS CAN REGISTER THEIR DISAPPROVAL

Aside from constitutional considerations, which I hope to have time to discuss later, there are many reasons why congressional approval of trade treaties should be reserved. It is the only way by which Members of the House and the Senate can register effective opposition to any harmful reductions. Members on both sides of the aisle have had experience in going before the Committee for Reciprocity Information to protest against reductions contemplated under specific treaties. They know from bitter experience how futile it is to appear before that body, which does not even have any part in the actual negotiations of the treaties. They know from what happens when the treaties are finally entered into that their protests are generally ignored.

I sympathize with those Members on the other side of the aisle who have gone before the Committee on Reciprocity Information in behalf of their constituents, particularly when they have voted at least once, and perhaps twice, in favor of the act or its extension. They, of course, realize they surrendered their constitutional authority over tariff making to the executive branch and that they had to get down on their knees in order to try to save their people from unwise and injurious tariff reductions.

CONGRESS NOW HAS TO PLEAD WITH BUREAUCRATS NOT TO MAKE INJURIOUS RATE REDUCTIONS

It seemed rather strange to me when I appeared before the committee in connection with the British agreement to have to go before that body to plead for my constituents. The Constitution gives Congress the power to write tariff rates, and our constituents send us here to legislate as their Representatives. We have gone a long way from representative government when Congressmen have to go before bureaucrats to plead with them not to change rates of duty that the Congress itself has fixed.

I should think that those Members on the other side of the aisle who have gone before the Reciprocity Committee would want to take advantage of the opportunity they now have to regain at least some control over tariff making by requiring trade treaties to be submitted to Congress for approval.

MEMBERS CAN PROTECT THEMSELVES BY VOTING FOR CONGRESSIONAL APPROVAL OF TREATIES

I recall that when the Argentine and Chilean treaties were under consideration, certain Members on the other side of the aisle and in the other body let it be known that if certain rates were reduced they could be counted on to vote against the extension of the trade-treaty program. They will feel rather awkward if they should vote for the continuation of the program and find later that negotiations with Argentina and Chile were resumed and reductions previously contemplated were made. They can protect themselves by voting for House and Senate approval of future treaties. If they fail to do so and subsequently the rate reductions to which they have registered their opposition are made, they may find it hard explaining to their constituents why they did not seize the opportunity, which is being afforded at this time, to give Congress a hand in the treaty negotiations.

MOST FOREIGN LEGISLATIVE BODIES RESERVE RIGHT TO APPROVE TREATIES

The argument was made 6 years ago that the Executive needed a free hand in negotiating treaties so he could deal on an equal footing with the heads of other governments, it being asserted they had the power to enter into treaties without the requirement of legislative ratification. Of course, that was no argument for doing away with congressional approval, because we do not have the same system of government as other nations have. We have a constitutional government under which the powers of government are divided among the legislative, executive, and judicial branches. But, aside from that fact, it appears that the argument then made was actually without foundation. Of the 22 treaties which have been negotiated thus far only 3 have been put into effect without legislative ratification, namely, those with Belgium, Cuba, and Ecuador; and of the remaining treaties 10 were subject to ratification by the foreign legislative bodies before they became effective, and 9 went into effect provisionally subject to subsequent ratification.

DIFFICULTY OF SECURING CONGRESSIONAL APPROVAL OF TREATIES NO ARGUMENT AGAINST IT

Reference has been made to the difficulty in the past of securing congressional approval of trade treaties, but if a particular treaty is unable to command a majority vote in both Houses, the chances are that it is not in the best interest of the country and should not be entered into. Certainly the combined judgment of the Congress, representing every section and every congressional district in the country, is entitled to more weight than the views of any one man, regardless of who he may be. This is a representative government—not a one-man government.

DELAY IN SECURING APPROVAL COULD BE AVOIDED

It is also said that congressional ratification of treaties would result in delay, but certainly Congress could be expected to consider individual treaties as rapidly as they have been considered in some of the foreign countries, where legislative approval has been required. Congress could have taken 11 months to approve the Brazilian treaty without delaying matters, because that is how long the Brazilian Legislature took. Two of the treaties required 8 months for approval by the foreign legislative bodies, another 6½ months, and another 5½ months.

We of the minority are perfectly willing to support a provision in connection with congressional ratification of the treaties which would provide for their expeditious consideration and prevent their being stifled in committee or filibustered to death in either branch.

In connection with the amendment which we offered in committee providing for congressional approval of the treaties, we added the provision giving privileged status to general resolutions providing for approval of treaties, as in the case of the reorganization plan submitted by the President under the Reorganization Act. Neither that amendment nor any other we offered were approved, inasmuch as the Democratic majority had prepared the way for reporting out the joint resolution without change.

CONGRESSIONAL RATIFICATION WOULD PROVIDE OPPORTUNITY FOR PUBLIC HEARINGS ON COMPLETED TREATY

Another desirable feature of congressional approval of the treaties would be that it would provide an opportunity for public hearings on the completed treaties. At present no such hearings are conducted. The hearings which take place before the Committee for Reciprocity Information are held prior to the negotiation of the treaties, when their terms are, of course, not known. Congressional approval of treaties is the only way in which American agriculture, industry, and labor can be sure that careful consideration will be given to their interests and the interests of the Nation at large. It is high time that the Congress resumed its constitutional functions and put a stop to the unwholesome and un-American trend toward the centralization of all authority in the executive branch.

OBJECTIONS TO PRESENT TREATY PROGRAM

I turn now to our objections to the form of the present act and the manner of its administration by the State Department. I propose to show first that the trade treaties have been injurious to domestic producers; second, that they have not resulted in expanding our export markets, particularly for farm products; third, that they have not contributed to peace; and, fourth, that the act in its present form is unconstitutional.

ANALYSIS OF REDUCTIONS MADE UNDER TREATIES

In discussing the injury which the trade-treaty program has resulted in, it may be advisable first to analyze the 22 trade treaties which have been negotiated to date. Under those treaties there have been 1,012 reductions in rates, which affect 42 percent or nearly one-half of our dutiable imports. These reductions have averaged 39 percent.

In view of the fact that our concessions are extended not only to imports from the individual treaty countries but to the entire world with the sole exception of Germany, there can be no question but what they have resulted in bringing about a general downward tariff revision. In other words, the treaty program has been used for other purposes than just "Yankee trading."

Let us further analyze the rate reductions which have been made thus far. In the minority report on the pending joint resolution there will be found a table, prepared by the Tariff Commission, showing both the number of reductions and the percentage of reduction by tariff schedules. It will be seen from this table that 662 of the 1,012 rates affected were reduced by more than 30 percent, and that 415 of the total were reduced by more than 40 percent.

As we are informed, the effect of the reductions in approximately 80 percent of the instances has been to bring the rates even below the rates on the same products under the Fordney-McCumber Act of 1922, which, even by critics of the 1930 Tariff Act, was conceded to be a reasonable tariff. When we go below the rates of the 1922 act we are, of course, approaching the level of the free-trade Underwood Act of unhappy memory.

IMPORTS OF ARTICLES SUBJECT TO REDUCED RATES INCREASE FASTEST

It has been contended by opponents of the trade-treaty program that domestic producers have not been adversely affected by the reductions made thus far. This does not square with the testimony of American agriculture, industry, and labor before the Ways and Means Committee in the course of the recent hearings on the pending joint resolution.

Between 1934 and 1938 imports of commodities on which the duty had been reduced under trade treaties increased by 46 percent, compared with only a 14-percent increase in the case of dutiable imports not affected by trade treaties.

Of course, the whole purpose in making tariff reductions is to enable foreign countries to have easier access to our market and to sell their goods in competition with our own. To say that American producers are not injured by the importation of competitive foreign goods is to deny what is incontrovertibly a fact.

FOREIGN IMPORTS OF COMPETITIVE PRODUCTS DISPLACE OUR OWN

We have a consumptive capacity in this country for only so much, and, if our needs are supplied by foreign producers, they obviously cannot be supplied by domestic producers. The importation of a yard of woolen cloth from England displaces a yard of cloth which might have been produced in American woolen mills by American workmen. It gives employment to English labor and takes away employment from American labor.

In this connection, I am reminded of the statement which Abraham Lincoln made about the tariff, which is apropos at this time, in view of the fact that we recently celebrated his birthday. He put the tariff question in very simple language, saying in effect that if we bought some rails from a foreign country, we had the rails, the foreign country had our money, and a foreign workman was given employment. Conversely, when we bought American rails, we still had the rails, but we also had the money, and an American workman rather than a foreign workman was given a job.

NO NEED FOR IMPORTING GOODS WE ALREADY PRODUCE

It has been contended by trade-treaty proponents if we expect to sell our own goods abroad, we must permit foreign countries to trade with us. Conceding this point simply for the sake of argument, it does not follow that we must buy foreign products which we do not need. There are plenty of things we do need and do not produce, which we must buy from abroad, to give foreign countries the wherewithal to purchase our own goods, particularly when there is added to that foreign purchasing power the tremendous amount of competitive goods they sell us despite our present tariff duties, and there is added also the purchasing power which we have given them as a result of the staggering purchases of foreign gold and silver at inflated prices, and the additional money left abroad by our tourists and sent by immigrants to their native lands.

RATES REDUCED ON AGRICULTURAL PRODUCTS OF WHICH WE HAVE SURPLUS

Let me refer briefly to the importation of agricultural products. The Secretary of Agriculture, of course, concedes that a surplus of a given commodity depresses prices. That is why we have the Agricultural Adjustment Act to limit production. That is why we have the Surplus Commodities Corporation to buy up farm surpluses. Yet it seems rather inconsistent for any department of the Government to be pursuing a policy which encourages even greater surpluses of these very commodities by drastically reducing our tariffs. In the fiscal year 1939 over $30,000,000 was spent on surplus-removal operations of 20 different commodities the tariff on which had been reduced under trade treaties.

The Secretary of Agriculture knows full well that surpluses of foreign products prevent our farmers from obtaining parity prices, yet the trade-treaty program has encouraged the importation of foreign farm products the domestic prices of which are far below parity. This is another inconsistency between the farm program and the trade-treaty program.

It is not my purpose to discuss in detail the effects of the trade-treaty program as applied to agriculture, as I am sure this matter will be fully gone into by Members from those States which are primarily concerned with farming. However, I do want to call attention to the testimony before the Ways and Means Committee of the heads of the two great farm organizations—the National Grange and the American Farm Bureau Federation.

NATIONAL GRANGE OPPOSES EXTENSION OF TREATY PROGRAM

The National Grange was represented at the hearings by its master, L. J. Taber, who made an able presentation of the viewpoint of his organization, which represents a total membership of approximately 800,000 farmers in 36 States. Mr. Taber called attention to the inconsistency between the administration farm program and the trade-treaty program, and discussed the Trade Treaty Act in all its aspects. I commend his remarks to Members, particularly from the

farm States. In my opinion, he made one of the most convincing statements in opposition to the present program that the committee heard during the entire hearings.

At this point I would like to quote the resolution respecting trade treaties adopted by the National Grange at its recent annual meeting held at Peoria, Ill. It is as follows:

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

Thus we have one of the great farm organizations of the country taking the definite position that the present Trade Treaty Act should not be extended.

FARM BUREAU FEDERATION QUALIFIES ITS SUPPORT OF PROGRAM

The American Farm Bureau Federation was represented by its president, Mr. Edward A. O'Neill, of Alabama.

I would like to call particular attention to the resolution adopted by the Farm Bureau with respect to trade treaties, because it has generally been asserted that the Farm Bureau is favorable to the treaty program. However, in my opinion, the reservations which it makes practically places it in the same position as the Grange. I quote from its resolution:

In giving our support to the continuance of reciprocal-trade agreements we renew, with increased emphasis, our demand that no agreement be consummated the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of and opposition to such agreement by all agricultural groups.

We further insist that in the negotiation of trade agreements economic factors be given consideration equivalent to the weight accorded to the factors of diplomacy and statecraft. To this end we urge that the Reciprocal Trade Act be amended to provide that no agreement be consummated unless unanimously approved by the Secretaries of State, Commerce, and Agriculture.

I call particular attention to the first paragraph of the resolution I have just read, wherein it is stated in effect that any trade treaty the effect of which might be to force or hold farm prices or any commodity below parity level, should be condemned. In my opinion, that amounts to an indictment of every trade treaty thus far entered into affecting farm products.

AGRICULTURE SHOULD NOT BE FOOLED BY TERMINATION OF ARGENTINE NEGOTIATIONS

While I am discussing the trade treaties as they affect agriculture, I would like to refer briefly to the negotiations with Argentina and Uruguay which were only recently terminated. Both of the major farm organizations opposed the negotiation of these treaties. I have already touched on the fact that a great many Members of Congress, including many Members on the other side of the aisle, appeared before the Committee for Reciprocity Information protesting against any reduction in the duty on South American farm products. Some Members, not only of the House, but of the other branch, went so far as to state that if the Argentine treaty was concluded, and reductions were made on farm products affecting their sections, they would be forced to oppose the continuation of the program.

The strange thing was that just prior to the time the chairman of the Ways and Means Committee introduced the resolution to extend the treaty program, announcment was made that the negotiations with Argentina had been "terminated." The explanation given by the State Department was that there had been a failure to come to any understanding as to the concessions which this country would make. I should not be surprised, however, if the breaking off of negotiations with Argentina did not have some connection with the fact that the treaty program was soon coming up for extension.

I wonder how many Members are going to be led to support the extension resolution on the supposition that there will be no trade treaty with Argentina? During the hearings there was considerable bandying of words over what was meant by the word "terminated," as used in the Secretary of State's announcement regarding the breaking down of the Argentina negotiations. The question was raised whether there should not be added the qualifying word "temporarily" terminated. But even though we accept the Secretary's statement that the negotiations were ended with no further meetings scheduled, there is nothing in the world to prevent the negotiations from being reopened at any time, even though the whole procedure, involving giving notice of intention to negotiate, and so forth, has to be gone through with. Of course, I do not suppose that there is any likelihood of negotiations being resumed while House Joint Resolution 470 is still pending in Congress.

LABOR GROUPS ALSO OPPOSED TO TRADE-TREATY PROGRAM

Opposition of organized labor to the extension of the treaty program was also brought out during the hearings before the Ways and Means Committee. Mr. Matthew Woll, vice president of the American Federation of Labor and president of the American Wage Earners' Protective Conference, waited around for several days to testify, but, because of the lengthy calendar, was not reached before he had to leave to attend the sessions of the American Federation of Labor at Miami, Fla. However, he presented a very comprehensive brief to the committee, which is found in the printed hearings, and I suggest that it be read by all Members.

Speaking for the organization of which he is the head, Mr. Woll opposed the continuation of the trade-treaty program, unless the treaties were made subject to ratification by the Senate. He asserted that without resorting to misrepresentation and distortion of facts the proponents of the present trade-treaty program could not show where the treaties as a whole had been helpful in providing employment for American workers. He stated that the admission into the American market of products of foreign workers who were paid from 5 to 25 cents an hour would undermine and destroy the effectiveness of the Fair Labor Standards Act. He also stated that the trade treaties nullify the protection which is intended to be afforded American workers by the Asiatic Exclusion Act and the Immigration Act, meaning of course that while we continue to prevent the foreign worker from coming here and competing in our labor market, trade treaties bring about the same result by admitting the products of his labor.

To offset Mr. Woll's testimony and that of other representatives of labor who also appeared in opposition to the treaty program, the administration offered as a witness Mr. Isador Lubin, Commissioner of Labor Statistics in the Department of Labor. Naturally he was favorable to the program, as it would hardly be expected that anyone not favorable thereto would be continued in office by the administration. He produced various charts and figures to convey the impression labor had benefited by the trade-treaty program. However, I for one would rather take the testimony of Mr. Woll and others, who are directly affected by the program, than Mr. Lubin, who speaks purely from a theoretical standpoint and who, of course, is able to conjure up figures to prove his point of view—at least to his own satisfaction.

ATTITUDE OF BUSINESS GROUPS

Business and industry also were represented at the hearings by numerous witnesses. The majority, of course, will refer to the large number of businessmen who are favorable to the program, but in practically every instance those who take such a position are in the export business and naturally have a selfish interest in the program. They, of course, do not realize the sacrifice others are made to bear in order to gain for them, or attempt to gain for them, lean foreign markets.

In an effort to make it appear that business generally was favorable to the program, the majority caused to be inserted in the hearings large sheaves of letters, carefully gleaned from the files of the Ways and Means Committee, favoring the program. An examination of these letters discloses, however, that they are practically all from firms engaged in the export business. The chairman did not state how many letters had been received by the committee in opposition to the program, and, of course, he did not include any such letters in the hearings.

One of the outstanding witnesses before the committee was Mr. Howard I. Young, president of the American Zinc, Lead & Smelting Co., of St. Louis, who represented the tariff committee of the National Association of Manufacturers. With him was associated Dr. John Lee Coulter, a former member of the United States Tariff Commission, who reviewed the effects of the program over the 5½ years of its operation, while Mr. Young himself confined his remarks to the general principles underlying the program.

I have already referred to the conclusion of the National Association of Manufacturers that any further negotiation of trade treaties at the present time was undesirable in view of present chaotic conditions and the unknown post-war situation.

Taking up the effects of the trade-treaty program to date, Dr. Coulter, as economist for the association, pointed out that the treaty program had brought about a general tariff reduction, involving not only a loss of revenue but an increase in imports which displace our own labor and increase unemployment and adversely affect the domestic price structure. He asserted that much of the damage done by the treaty program was obscured by reason of the fact that it had been carried on during a period of expanding industrial activities and rising prices. He contended that the damage would show itself more completely when the millions of men now under arms throughout the world return to productive labor and seek an outlet for their products.

Another very able and informative witness was Mr. Arthur Besse, representing the National Association of Wool Manufacturers. Mr. Besse spoke as a practical businessman who was in a position to give first-hand information as to the adverse effects of the trade treaties on the woolen-goods business. Mr. Besse, as I have previously stated, also questioned the wisdom of entering into further treaties at this time in view of conditions as they now are and particularly in view of conditions as they are likely to be when peace comes to Europe.

Referring to the impact of the treaty program upon his own line of business, Mr. Besse said:

> The result of these duty cuts was immediately apparent when the United Kingdom agreement became effective on January 1, 1939. During the first 5 months of the year shipments of woolen and worsted goods from Great Britain to the United States showed an increase of 385 percent as compared with a like period in 1938. * * * Naturally, since the outbreak of war with Germany, English mills have experienced some difficulty in forwarding woolens to this country. * * * Imports for 1939 will be the largest of any year since 1929. Our industry was saved from a flood of woolen imports this fall by the fact the English mills were otherwise occupied.

The National Association of Cotton Manufacturers, while not represented at the hearings by a witness, filed a brief with the committee, which is printed in the hearings. In their brief they point out that numerous reductions had been made on cotton goods under various treaties, and assert that inasmuch as the domestic production of cotton goods largely has to be consumed in the domestic market, any tariff reductions that take away any part of that market bring disaster and hardship not only to the industry but to the community wherein the local industry is located, and the workers as well.

In the report of the Democratic majority it is asserted that—

> A large number of witnesses representing the membership of both major political parties, and coming from all sections of the United States, testified in support of the resolution.

It is to be noted that the majority did not claim that "most" of the witnesses favored the continuation of the trade-treaty program as at present administered—only "a large number." Of course, the fact is that aside from administration witnesses the great preponderance of the testimony was unfavorable to the present program. In addition to those already mentioned as having testified in opposition, mention should be made of the outstanding statements made by Mr. Samuel Crowther; Mr. George N. Peek; Mr. F. E. Mollin, representing the American National Livestock Association; Mr. E. H. Cooley, representing the Massachusetts Fisheries Association; Mr. Joseph M. Wells, representing the United States Potters Association; Mr. Hugo N, Schloss and Mr. C. B. J. Molitor, representing the American Lace Manufacturers Association; Mr. Walter R. Peabody, representing the American Tariff League; Mr. Joseph Heath, representing American lace workers; Mr. James M. Duffy, representing American pottery workers; and Mr. Joseph E. Mayeur, representing American window-glass cutters. Other outstanding statements could also be referred to if time permitted. I should mention, also, the able statement made by Mr. Henry Fraser, dealing with the constitutional aspects of the program, to which I invite the attention of all Members.

TARIFF EXPERT ADMITS THAT DOMESTIC INTERESTS ARE INJURED BY TREATIES

It is, of course, impossible in the limited time available for me to discuss all the testimony presented at the hearings; but the fact is that we have the testimony of practical men, saying that the trade-treaty program has worked to the disadvantage of American agriculture, industry, and labor, to contrast with the statements of administration officials and impractical tariff "experts," who say that American producers have not been hurt by the program—at least, not much. I asked one of these experts whether all the changes that have been made in the trade treaties had been distinctly beneficial to our industries. His reply was:

> The answer would be "No"; not all of them have been. The reductions in duties which have been made have not been intended to be beneficial to American industry. They have been made to help our export trade with the least injury to American industry. And they have been made so as to do the least possible damage to American industry.

So here we have the statement of one of the so-called tariff experts that the reductions in duties are not intended to be beneficial to American industry, but to help those who engage in the export business at the expense of American industry in general. Thus what they are doing is to rob Peter to pay Paul, but they are doing it in such a way that the latter is not benefited to the same extent that the former is injured.

It must not be forgotten that 92 percent of our goods are consumed here at home and that only 8 percent are shipped abroad. We are injuring 92 percent of our business to help 8 percent. There is no necessity for injuring anyone. We can help our exporters without hurting domestic producers by following the policy to which I previously referred of trading our surpluses for the things we need but do not produce.

EXPORTS AND THE TRADE-TREATY PROGRAM

I turn now to the question of exports. What has the treaty program accomplished in the way of expanding our export markets, which, of course, was the stated purpose of the act?

Before discussing this point, let me briefly refer to events leading up to the original passage of the act.

Six years ago, the Congress was called upon to enact, under the guise of "emergency," this measure giving the President the authority to enter into binding trade treaties with foreign nations and to make reductions in our tariff rates pursuant thereto, without the specific approval of the Congress and without reference to any congressional rate-making standards. The act was originally limited to 3 years and was extended in 1937 for a second 3-year period.

SURRENDER OF TARIFF POWERS TO EXECUTIVE BASED ON ALLEGED EMERGENCY

What was the alleged emergency on which the surrender of the tariff- and treaty-making powers of Congress to the President were attempted to be justified? Reference was made to the sharp decline in our foreign trade from 1929 to 1932. This was the alleged emergency. It was said that the trade-treaty program which was proposed was "the only means" by which we could hope to regain our former large export markets.

This contention was made despite the fact that our foreign trade in 1934 had already increased considerably above the low point of 1932. In fact, I shall show later that the annual rate of increase in our exports from 1932 to 1934 was somewhat greater than it has been since the trade-treaty program has been in effect.

DECLINE IN FOREIGN TRADE FROM 1929–32 NOT RELATED TO TARIFF POLICY

It was contended by Secretary Hull and others that the decline in our foreign trade from 1929 to 1932 was largely the result of the passage of the Hawley-Smoot Tariff Act of 1930, and it was said that by reducing our tariffs we would be able to regain the large volume of foreign trade which we had enjoyed up to 1929. Of course, this argument was based on a fallacious premise to begin with. I do not propose to go into a discussion of what brought about the depression in this country, but it was world-wide in scope and resulted very largely as an aftermath of the World War. The depression, not only in this country but throughout the world, began at least 9 months before the Hawley-Smoot Act was passed. In fact, evidence was presented to the Ways and Means Committee that the decline in the world price level began some 5 years previous to that time.

Further proof that the Hawley-Smoot Act did not cause the depression is evidenced by the fact that from 1929 to 1932 imports on the free list declined in exactly the same percentage as imports on the dutiable list, indicating that the decline in foreign trade was the result of decreased purchasing power at home and abroad.

With this preliminary discussion let us see how the act has affected our export trade.

AGRICULTURAL EXPORTS HAVE DECLINED UNDER TRADE TREATIES

The farmers of the country were given the positive assurance in 1934 that they would be the chief beneficiaries of the trade-treaty program. But what do we find after 6 years of trade treaties? Official statistics of the Department of Agriculture, which are referred to in our minority views, show that in the fiscal year 1934 our agricultural exports were valued at $787,000,000. At that time, of course, the trade-treaty program had not come into operation. But the startling fact is that after the negotiation of these 22 trade treaties we find that our exports have declined from $787,000,000 in the fiscal year 1934 to only $683,000,000 in the fiscal year 1939, a loss of $104,000,000 in export trade under the treaty program.

Thus it appears that the trade-treaty program has failed to expand the foreign market for farm products. Not only has the value of farm exports declined sharply under the treaty program, but the farmers' share of our total exports has also declined—from 39.2 percent in the fiscal year 1934 to only 23.7 percent in the fiscal year 1939.

Recently numerous farm commodities have been subsidized on exportation. Any increases in the exports of these particular commodities must therefore be attributable largely, if not entirely, to the subsidy program and not to trade treaties.

WAR MATERIALS ACCOUNT FOR LARGE PART OF EXPORTS OF INDUSTRIAL ITEMS

So far as nonagricultural commodities are concerned, there have, of course, been increases in exports during the time the treaty program has been in effect; but are they attributable to the treaty program or to other factors? As we showed in our minority report, a large part of our recent export business has been in war materials and materials useful in war or preparation therefor. If it were not for these exports of war materials, failure of the trade-treaty program to increase exports would be even more apparent.

The strange thing is that while the trade-treaty program is supposedly dedicated to peace, its proponents are taking credit for all the increase in exports, most of which are attributable to war.

INCREASES IN EXPORTS TO NONTREATY COUNTRIES

Even as regards nonagricultural exports in general, it will be found that in many instances the principal increases were to nontreaty countries. Tables were inserted in the record of the hearings by at least two witnesses—Dr. John Lee Coulter and Walter R. Peabody—showing these to be the facts.

Of course, we are all familiar with the statistics of the State Department purporting to show that exports to treaty countries have increased to a greater extent than to nontreaty countries. Proponents of the treaty program rest their case very largely on this showing. Of course, it is difficult to tell just what the effect of the trade treaties has been, because of the fact, as I have already pointed out, that our export trade with all countries was on the increase prior to the time the treaty program came into effect. Presumably the increase would have continued even if the trade-treaty program had not been in effect.

In the statistics which the State Department and the Commerce Department have published, comparing trade with treaty and nontreaty countries, a break-down is always given of the trade with the treaty countries but no break-down is shown of the nontreaty group. They are all lumped together. They, of course, include a number of countries which during the past several years have been engaged in aggression or been the victims of aggression. It so happens all these countries were nontreaty countries. They include China, Japan, Manchukuo, Spain, Italy, Ethiopia, Albania, Germany, Austria, and Czechoslovakia. Naturally our trade with these countries has been interrupted during the time they have been involved in hostilities. If they are excluded from the nontreaty group of countries, then the picture is entirely different from that presented by the State Department.

EXCLUSION OF WARRING NATIONS SHOWS LARGEST GAIN IN EXPORTS TO NONTREATY COUNTRIES

On page 18 of the minority views there appears a table prepared by the Tariff Commission, showing the trade between the treaty and nontreaty countries, with those countries I have mentioned excluded. The table compares the year 1934, which is the last year prior to the trade-treaty program, with the last full year for which statistics are available—1938. It shows a greater increase to nontreaty countries—excluding the nations engaged in hostilities—than to treaty countries during the period 1934–38—60.8 percent as against 58.1 percent.

Tables have also been prepared by the Tariff Commission in an attempt to refute this particular table, which was prepared by them at the instance of the minority. They have selected different years and different bases so as to show a picture more favorable to the administration's point of view. Of course, we all realize that we can always pick a set of figures to show anything we desire, but the years 1934 to 1938 show the actual comparison before and after trade treaties.

There was also inserted during the hearing a break-down of our trade with nontreaty countries by countries. This table appears in the hearing at page 917. I call attention to this table as showing the large increase in our trade with nontreaty countries, which far exceeds the increase in the case of many treaty countries. For example, comparing 1934–35 with 1937–38, exports to Venezuela increased 160 percent; to Argentina, 96 percent; to Chile, 80 percent; to the Irish Free State, 171 percent; to Norway, 81 percent; to Russia, 183 percent; to Rumania, 100 percent; to Turkey—at that time a nontreaty country—292 percent; to British Malaya—also a nontreaty country at that time—102 percent; to New Zealand, 66 percent; Union of South Africa, 61 percent, and so on.

INCREASED EXPORTS, NOT NUMBER OF CONCESSIONS, IS WHAT COUNTS

There has been inserted in the hearings by the majority a series of tables, covering over 250 pages of the record, purporting to show concessions obtained for the United States in foreign markets. Of course, the whole purpose of these lengthy tables is to make it appear we have received great benefits. However, it is not the number of concessions we receive but the nature of them and the extent to which they actually result in increased exports with which we are mostly concerned. It is to be noted even if all the concessions granted to us resulted in increased exports, which, of course, is a violent assumption, they still would only affect 14 percent of our total export trade.

The mere fact that a country grants us a so-called concession is no assurance whatever that it will be of any value to us in gaining export markets. Our ability to sell abroad depends upon whether we are able to undersell our foreign competitors. If they get the same or greater benefits than we receive, there is no net advantage to us as a result of the treaty concessions.

TRADE TREATIES AND PEACE

Turning briefly to the peace aspects of the program, I believe it is apparent to everyone who will look the facts squarely in the face that the trade-treaty program has not in the slightest degree achieved its unstated, but officially declared, secondary purpose of promoting world peace. Large groups in this country who are sincerely desirous of promoting peace—as, of course, we all are—have been led to support the program because they had been told or because they conscientiously believe it contributes to peace. However, the fact is that it has not done so. No tangible evidence can be presented of any contribution the trade-treaty program has made to peace. When it was first enacted conditions throughout the world were fairly normal. Since it has been in effect, however, conditions have grown progressively worse. We have had a series of aggressions against smaller countries, which are still going on, and England and France are again at war with Germany.

In no single instance was a recent war or aggression begun on account of trade restrictions. Japan did not march into Manchukuo and China because of tariffs levied against her goods by those countries; Italy did not take Ethiopia and Albania because of tariff restrictions against her; Germany did not seize Austria and Czechoslovakia because of trade restrictions; Germany and Russia did not invade Poland because of tariffs or trade restrictions; Russia is not fighting Finland over trade; England and France are not at war with Germany because of trade. In every instance these wars and aggressions were begun for reasons entirely apart from tariffs. Not only were they begun for different reasons, but the fact that China was one of Japan's best customers did not prevent the latter's invasion of that country. The fact that England and France were two of Germany's best customers did not prevent the war now going on between those countries. Germany, as a matter of fact, is one of the few countries with which France has a most-favored-nation treaty.

The peace aspect of the trade-treaty program was never suggested when the act was originally under consideration. It was a secondary thought after the program had failed to make any substantial headway in expanding our export markets. There is no question but what a large support of the program comes from people who have been mistakenly led to believe that trade treaties had some connection with peace. However, it must be apparent to them by now that if the trade-treaty program has any justification at all, it must be for other reasons than having contributed to world peace.

CONSTITUTIONAL ASPECTS OF TRADE-TREATY PROGRAM

To refer briefly to the constitutional aspects of the trade-treaty program, I simply want to point out that the present act involves an unconstitutional delegation of the tariff and treaty-making powers of Congress to the Executive. Congress, under the Constitution, has exclusive legislative powers. It can only delegate to the Executive administrative functions. Thus, under the flexible tariff it lays down a rate-making formula which it directs the President to carry out in connection with the Tariff Commission, which operates as a fact-finding body. Under the Trade Treaty Act, however, Congress lays down no rate-making formula. The Executive has complete discretionary power both as to the selection of the articles which are to be included in trade-treaty negotiations and as to the basis or criterion, if any is to be used, by which rate reductions shall be measured. The only limitation in the act is that no reduction shall be made in excess of 50 percent, but this is not a rate-making formula, but only a circumscribing of his discretionary authority. The absence of this rate-making formula in the Trade Treaty Act is the real distinction between it and the flexible-tariff provisions.

Of course it is said that legislative standards are laid down in the act, but I challenge anyone to find therein any rate-making formula or any standards which conform to the requirement laid down in the Supreme Court's decision in the flexible-tariff case. The Trade Treaty Act says that whenever the President shall find that either American or foreign tariffs "unduly burden" either our export or import trade, then he shall have authority to enter into trade treaties with foreign countries generally and make such reductions as are necessary or proper to carry out these treaties.

In the first place the question as to what kind of a tariff rate unduly burdens foreign trade is more a matter of opinion than a matter of fact. But, even if it be conceded that determination of such a matter is a question of fact, this finding is not a limitation on the items which may be reduced under trade treaties. It merely is a condition precedent to the President exercising his authority; first, to enter into trade treaties, and second, to reduce tariff rates pursuant thereto. There is nothing in the act limiting the treaties to duties which are burdensome or limiting the reductions in rates to a point which is not burdensome.

As a matter of fact, the authority delegated is so broad that the President can enter into treaties with any number of countries, and make any reductions he chooses, merely by coming to the conclusion that a single tariff rate, either of the United States or of any foreign country, "burdens" our export or import trade. That, as Mr. Justice Cardozo said of the N. R. A. Act, is "delegation running riot."

It has been said by proponents of the program that the present Trade Treaty Act is no more a delegation of authority than under previous reciprocity acts. This statement either shows their ignorance of previous reciprocity laws or it is a deliberate attempt to mislead. The fact is that under all prior reciprocity measures, Congress has either reserved the right on the part of both Houses to approve trade treaties when negotiated, or, if it has not reserved such right, it has specified in the Reciprocity Act not only the articles, but the precise reductions in rates, which the President could use as a basis for negotiation with foreign countries. There is absolutely no truth in saying that the form of the present Trade Treaty Act is comparable to past reciprocity measures.

VIEWS OF SECRETARY HULL AND CHAIRMAN DOUGHTON ON TARIFF MAKING BY THE EXECUTIVE

In connection with this reference to the constitutional aspects of the trade-treaty program, I would just like to refer briefly to the attitude of one or two leading proponents of the trade-treaty program with regard to the question of tariff making by the Executive. It seems that for one reason or another they have completely reversed their stand of a few years ago I believe they have attempted to justify their reversal of attitude on the ground there is some great emergency which justifies setting aside constitutional limitations and giving one man not only the right to reduce tariff duties and with them the revenue of the Government, but to exercise the power of life and death over every domestic industry, which is dependent for its existence upon reasonable tariff protection. A few years ago, when the flexible-tariff provisions of the 1930 Tariff Act were under consideration, the present Secretary of State, then a Senator, stated that this was—

> Too much power for a bad man to have, or for a good man to want.

But that is not all he said. He said that tariff making by the Executive is—

> Undoubtedly unconstitutional and is violative of the functions of the American Congress.

My good friend the gentleman from North Carolina [Mr. DOUGHTON] said of tariff making by the Executive when the flexible tariff was under consideration in 1930:

> It is subversive of our system, idea, and ideals of government—

And is—

> a violation of the fundamental principles upon which it rests.

I could go on and quote from the chairman at great length, but I will simply refer to another brief statement which he made at that time. He said:

> It is too much power and authority to lodge in any man whoever has been, is now, or ever will be, President of the United States.

If these gentlemen were opposed to giving the President administrative powers under the flexible tariff, they should be

even more opposed today to giving the President legislative and treaty-making powers under the Trade Treaty Act.

RIGHT TO QUESTION CONSTITUTIONALITY OF ACT PURPOSELY DENIED

The question may be asked here, Why, if the act is unconstitutional, has it not been tested in the courts? The answer is perfectly simple—it is that those who drafted the act did not want it tested in the courts and took particular pains to prevent any such eventuality. They inserted in the act an apparently innocuous provision, making inapplicable to items affected by the trade treaties the provisions of section 516 (b) of the Tariff Act of 1930. Reference to that section discloses the fact that it is the provision which gives American producers the right to appeal or protest the rate of duty being assessed by the collector of customs. In the absence of that provision, they would have no such right. Those in charge of the trade-treaty program realized that if this right were taken away from American producers, the chances of the act's constitutionality being tested in the courts would be virtually nil.

The excuse given for denying this right was that it would result in delay, but that argument no longer obtains by reason of an amendment to section 516 (b) made in 1938 under the Customs Administrative Act, providing that liquidation of entries shall no longer be suspended pending termination of litigation arising out of that section.

CONCLUSIONS AND RECOMMENDATIONS OF REPUBLICAN MINORITY

In this discussion of the trade-treaty program, I have not attempted to cover all the various points which could be raised. I could stand here for hours talking on this subject and not duplicate a single argument. Others will doubtless discuss phases of the program upon which I have not touched. I do not feel it is fair for me to occupy too much of the time of the House, especially when debate is limited and other Members desire recognition. I shall bring my remarks to a close by simply quoting the conclusions and recommendations which we of the Republican minority set forth in our report. I quote:

Having carefully considered the trade-treaty program in all its aspects, we conclude—

CONCLUSIONS

1. That it has not been successful in accomplishing its primary purpose of expanding the foreign markets for the products of the United States or its unstated but officially declared secondary purpose of promoting world peace.
2. That it has not been administered in the national interest.
3. That it should not be extended in its present form, and as now being administered, particularly in the face of present and prospective world conditions.

We accordingly recommend:

RECOMMENDATIONS

1. That the present act be allowed to lapse.
2. That a study be made with a view to setting up a substitute foreign-trade program (a) that protects our vital interests, (b) that is truly flexible, and (c) that is geared to deal with foreign trade upon a realistic basis along constitutional lines.
3. That if the present act is extended, it at least should be modified to provide for congressional approval of trade treaties before they become operative.
4. That the following additional amendments are also desirable:

(a) Before generalizing our treaty concessions to any country, require an affirmative finding by the Tariff Commission that the foreign country does not discriminate against American commerce or pursue acts or policies inconsistent with the purposes of the trade-treaty program.

(b) Set up a rate-making formula in the act by which trade-treaty negotiators would be bound in making concessions, such formula to be so worded as to prevent reductions in rates below an amount reasonably necessary to give American producers at least an equal opportunity with low-cost foreign producers in competing for the home market.

(c) Provide that no reductions be permitted on foreign farm products when the price of the competitive American product is below parity.

(d) Exclude from the scope of the trade-treaty program the import taxes imposed by section 601 (c) of the Revenue Act of 1932, as amended, and the processing taxes on certain foreign vegetable oils imposed by section 602½ of the Revenue Act of 1934.

(e) Restore to American producers the right to litigate matters arising out of the trade treaties, particularly the question of constitutionality.

EXTENSION OF REMARKS

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution passed by the Michigan Muck Farmers' Association at a convention held in February.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. SHAFER]?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I also ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made in my congressional district by my colleague the gentleman from Wisconsin [Mr. BOLLES].

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. SHAFER]?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Santa Monica Evening Outlook of February 16 under the caption "Protection From Irresponsible Agencies."

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

VIEWS OF FORMER PRESIDENT M'KINLEY ON RECIPROCAL-TRADE TREATIES

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECCOMBE]?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, in the course of this general debate on reciprocal-trade agreements, undoubtedly there will be many misinterpretations placed on the last public utterance of former President McKinley in regard to the extension of trade treaties. For fear that someone may try to accuse former President McKinley of being a free trader, and knowing that he was a great protectionist, and in favor of protecting the American market, the American workmen, and American farmers, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein the last public utterance made by former President William McKinley on this subject at Buffalo, N. Y.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECCOMBE]?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

Mr. RAYBURN. Mr. Speaker, may I make a statement with reference to former President William McKinley, for whom in memory we all have a very high regard. In speaking about protective tariffs, even though he firmly believed in them, he also made the very definite statement that American people—farmers, manufacturers, and all others—could not continue to sell where they do not buy. Everyone knows that money does not cross the ocean to balance trade between the countries of the earth, but, on the contrary, it is the surplus goods from one country in exchange for the surplus goods of another that accomplishes this. [Applause.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Speaker, there is no reason for misunderstanding with reference to the statement of ex-President McKinley on reciprocal-trade agreements. It was nothing new. James G. Blaine, I think, was the first to talk of reciprocity. President Harrison did likewise. We all know that McKinley did favor reciprocal agreements between two na-

tions, giving, taking, and making concessions between those two nations, with the approval of the Congress of the United States.

Mr. Speaker, that is an entirely different situation from the Hull trade agreements, which have in them the unconditional most-favored-nation clause, which gives the same benefits and concessions of all nations of the world, bringing free American labor, paid $3 a day and upward, into direct competition with the poverty-stricken labor of the world, the 20-cent labor of Japan, the $1 labor of Italy, Germany, and Czechoslovakia. This is an entirely different situation, Mr. Speaker, and furthermore the trade agreements suggested by President McKinley were to be approved both by the House and the Senate. [Applause.]

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN].

Mr. RICH. Mr. Speaker, reserving the right to object, and I will not object, the gentleman from Mississippi made a statement the other day that he lost a suit of clothes. May I state that in 2 or 3 days I will present a statement of the Potomac Electric Power Co., showing that the gentleman should have lost his shirt because of the statement he made in regard to that company, a statement which is not warranted. The gentleman spoke of the great amount of earnings which he thought that company received from the public. I will show to the membership on the floor of the House that his statement is not sound—and I want the gentleman from Mississippi [Mr. RANKIN] to be present—that they are only making an honest, legitimate earning, consistent with sound business and that they give the citizens of Washington, D. C., a square deal and good rates.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

THE FARMERS AND THE TARIFF

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from Pennsylvania, I will show where the Republican tariff has taken the shirts off all of us, especially off the American farmers.

I am glad the gentleman is investigating power rates because I have some figures on Pennsylvania to give him. However, I wanted to reply to the gentleman from New York [Mr. FISH].

If he will go back and study it, he will find that Alexander Hamilton was in favor of offsetting the tariff by an export debenture on farm products. In other words, never until the tariff logrolling of the last three-quarters of a century, which was started under the Republican Party, did they ever attempt to strip the farmers of what they made without giving them something in return.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with reference to the late Gen. Frederick Funston.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a telegram from F. W. White, president of the Minnesota Farm Bureau Federation, together with a short article from the Modern Dairyman, regarding the reciprocal-trade agreements. I also ask unanimous consent to extend my remarks in the RECORD and include therein an article regarding automotive facts.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection?

Mr. STEFAN and Mr. SNYDER asked and were given permission to extend their own remarks in the RECORD.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the duty of a neutral, with appropriate international citations.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief statement from Collier's magazine.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 407, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 407, with Mr. WOODRUM of Virginia in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Indiana [Mr. BOEHNE].

Mr. BOEHNE. Mr. Chairman, no other question of economic policy is as old, or has so frequently engaged the attention of the American public, as that of the relation of the National Government to foreign trade. The first legislation passed under the Constitution was the Tariff Act of 1789, and from that day to this, the tariff has been a live issue. Since the Civil War, and particularly in the last quarter of a century, there has been general dissatisfaction in America over the tariff situation. Even those persons who in principle have approved of protective tariffs have felt that the legislation was not as it should be. These thoughts have not been confined to the members of any one political party. One needs only to call to the attention of this Congress the number of letters and telegrams, as well as newspaper editorials that appear in the well-indexed hearings before the Ways and Means Committee in the consideration of this legislation. The political trading and logrolling which have undeniably been associated with the framing of tariff acts, and the notorious fact that large contributors to party campaign funds have been the recipients of special favors, have made even the friends of the tariff feel that "something ought to be done about it."

It is rather interesting to note what Alexander Hamilton, who is frequently credited with being the father of American protective tariffs, had to say in his famous Report on Manufactures. He said that—

> Protecting duties evidently amount to a virtual bounty on the domestic fabrics, since by enhancing the charges on foreign articles they enable the national manufacturers to undersell all their foreign competitors. * * * As often as a duty upon a foreign article makes an addition to its price, it causes an extra expense to the community for the benefit of the domestic manufacturer. A bounty does no more.

In the field of tariff, no more than anywhere else, can one get something for nothing. If some producers are encouraged by governmental subsidies, whether tariffs or direct bounties, others are discouraged. With direct bounties this discouragement comes from higher taxes and a restricted market for products on which no bounty is paid; with tariffs it comes from higher prices paid by the public and a restriction of the markets, both here and abroad, for those products which are produced more cheaply here than abroad, and which would ordinarily be exported.

You will hear much during these debates about tariff and the American standard of living. The argument that will be presented, in brief, runs about as follows: Low tariffs may be

a sound policy for other countries, but the United States has a special need for very high tariffs on account of our high wage level. Unless high tariffs are imposed foreign goods will come in, throw Americans out of work, and ruin our standard of living.

This specter of a reduction of the American standard of living through a lowering of the tariff to the level of a sweated and peasant labor of Europe and Asia is held constantly before our citizens. There is no denying the fact that this is a very effective appeal.

High wages or a high standard of living means that the public receives for its work a large share of material things. High wages cannot be produced by the politician as the magician produces rabbits out of a hat. High wages can only result from a large amount of production per capita. It is the general standard of productivity that sets the wage level. If the American standard should be $5 a day for workers of given skill and training, that wage level is the result, in large part, of rich natural resources and our facilities for machine production. It is not based upon what Americans can do embroidering, making cutlery, or growing sugar beets or alligator pears.

Most of the confusion arises from a failure to distinguish between the prosperity of groups and the prosperity of the whole Nation. No one can deny that a high tariff enables some producers to make more money than they otherwise would, and in their particular industries to employ more men or pay higher wages than they otherwise would. The point is whether the whole Nation has a higher standard of living as a result of such measures. The payment of direct bounties to producers is undoubtedly a fine thing for producers and sometimes for their employees. Likewise the payment of veterans' relief to able-bodied men raised the standard of living of the beneficiaries, but few people believe that an indiscriminate granting of bounties or veterans' relief makes a country prosperous or raises its standard of living.

In spite of our high wage level we export more goods than any country in the world. All of these goods go to countries with standards of living lower than our own. We even sell to the Chinese and to the Japanese. Evidently these purchases by countries, which are occasionally called pauper-labor countries, of goods made in our high-wage country would not be possible unless the relation between productivity and wages were substantially as I stated them a moment ago. Whatever one may think of tariffs, there is no reason for having a special policy in the United States on account of our high standard of living. No matter what that standard of living may be, there will be some things which we will produce more cheaply than other countries and export abroad, and there will be other things which we can buy more cheaply abroad. This would be true if our standard of living were doubled; it would be true were our standard of living the lowest in the world.

It is not an easy thing to say that in recent decades the public has been somewhat unwilling to face a real tariff issue. Until some years after the Civil War the protective tariff had a definite purpose, namely, that of fostering industrialization. This original purpose of the tariff is no longer important. We have forgotten that the tariff is a bounty; that it takes from part of the public and turns the proceeds over to others. We prefer to believe that it consists in getting something for nothing, and at the same time it is defended as a means of benefiting everyone.

For some time now we have been hearing of a so-called scientific tariff, a tariff that was to equalize the cost of production abroad and cost of production at home. On the face of it, this seems to contain the solution. It appears reasonable and fair. When, however, we consider why international trade takes place, it is apparent that equalizing production costs does not get us out of a tariff impasse. The difference in production costs is what makes trade possible. If there were no difference, there would be no trade. The reason why America imports coffee, sugar, wool, fine cameras, and fine silks is that they can be produced more cheaply abroad. The reason we export wheat, cotton, automobiles, and many other articles is that we can produce them more cheaply than they can be produced abroad.

As a result of all this a new tariff procedure was brought into being in 1934 through the efforts of the Secretary of State, the Honorable Cordell Hull. There was passed by the Congress what is now known as the Trade Agreements Act of June 12, 1934, which for a period of 3 years gave to the President, through the Department of State, the power to negotiate reciprocal-trade agreements with other nations in an attempt to cause international trade to flow once more. That act had for its purpose the expanding of the foreign markets for the products of the United States.

The principle of authorizing the President to change tariff rates by Executive proclamation was not new in American tariff history, as the opposition would have you believe. The Dingley Act of 1897 had authorized the President to negotiate similar agreements covering a limited group of imports. Under this act, Presidents McKinley and Theodore Roosevelt negotiated agreements with France, Portugal, Germany, Italy, Switzerland, Spain, Bulgaria, the Netherlands, and Great Britain. The individual agreements, by the way, were never referred to Congress but went into effect by Presidential proclamation.

The Fordney-McCumber Act of 1922 authorized the President to increase or decrease duties on any particular article when, on the basis of an investigation by the Tariff Commission, he found that existing duties did not equal the difference between the costs of production in the United States and the principal competing country. This so-called scientific or flexible tariff was no answer to the larger problem of tariff policy, but certainly it furnished a precedent for tariff changes by Executive action.

The Trade Agreements Act expired by limitation in 1937, at which time it was renewed for another term of 3 years. Today we are debating as to whether or not this act should be given another lease on life. I believe that this is a very important battle, and I think that the prime consideration should be, Is the continuance of this type of tariff making for the general welfare of the whole Nation? Of course, every one of us as Representatives of our constituency feel it very keenly when something occurs here in Washington that vitally affects a portion of those people who have seen fit to send us here. On the other hand, it is necessary for us, as Representatives in Congress, to look at the entire panorama and be guided only by those considerations, which we believe will make for a healthy and prosperous nation.

No doubt others will speak about individual trade agreements that have been consummated by the Department of State. I prefer to touch on only one more item, and that is the relationship between this program and the livelihood of the American farmer.

It is true that the work of rebuilding international trade on a sound basis has been rendered quite difficult by the outbreak of a new major war. It is safe to say that the scope of operations of a new trade-agreements program will be restricted by war conditions, but that is no reason for abandoning the entire program. Those who take that position overlook the all-important fact that the chances for sound economic restoration after the war will be almost nonexistent if we now abandon our work in behalf of sound trade policies. The fact that during the past few years 21 nations showed their willingness, by entering into reciprocal-trade agreements with us, to modify their trade policies in a more liberal direction, offers a solid basis for the hope that, with peace regained, there will be a good opportunity for completing the work of trade restoration. That precious opportunity will be lost if we should now reverse our own policy and turn our face straight back toward suicidal economic nationalism with its Hawley-Smoot embargoes.

Much of the propaganda being poured out is that the trade-agreements program has caused an increase in our imports of agricultural products and that this has hurt agriculture. During 1939 we imported into this country $1,118,000,000 worth of so-called agricultural products, or about half the

figure for 1929. Those who attack the trade-agreements program would have the country believe that these imports mean that American farmers have lost that much of their home market. Never was a more palpable and insidious falsehood perpetrated on our farm people.

None of the self-styled friends of the farmer will ever say that about 60 percent of the so-called agricultural products imported into this country during 1939, or about $755,000,000, were products which even the authors of the Hawley-Smoot tariff considered so incapable of displacing our own farm production and so indispensable for our people that they were largely left on the free list in the Tariff Act of 1930. What farmer was hurt by the $181,000,000 of rubber we brought in during that period, or by the $140,000,000 of coffee, or by $121,000,000 of raw silk? Or by the $29,000,000 of bananas, the $28,000,000 of cocoa beans, the $26,000,000 of carpet wool, or the $21,000,000 of tea? As a matter of fact, a large proportion of these products are consumed by our farm population. Their standard of living is raised by such consumption.

The products comprised in the remaining 40 percent of agricultural imports are of two general types: First, commodities of which we do not produce enough for our domestic requirements, notwithstanding we have for years imposed and still today impose high tariffs on most of them; and, second, products which we import because of special quality or use, or differences in marketing season, or other special considerations. These imports do not displace—they supplement—our deficient domestic supplies.

Those who are responsible for laying unwarranted stress on farm imports claim that these limited importations are materially hurtful to American agriculture. It seems to me as a plain business proposition that if the farmers had been hurt it would be reflected in farm income. That is the real test for every farmer. Let us look at the record.

By 1932, after 2½ years of Hawley-Smoot tariff embargoes, farm cash income had fallen to $4,500,000,000. By 1938, after 4 years of trade-agreement policy, it had risen to $7,500,000,000, excluding benefit payments. Were farmers hurt by this $3,000,000,000 increase in farm income?

The income to the dairy industry declined from $1,800,000,000 in 1929 to $991,000,000 in 1932, but it rose under our trade program to $1,400,000,000 in 1938. Does that indicate injury?

The income to the cattle industry fell from $1,500,000,000 in 1929 to $620,000,000 in 1932, but it rose again under our trade program to $1,100,000,000 in 1938. Does this indicate ruin?

What farmer was hurt by the increase in the average farm price of wheat from 39 cents in 1932 to 66 cents in 1938? What was injurious about the increase in the farmers' price on corn from 28 cents in 1932 to 49 cents in 1938?

If experience is any teacher at all, it should have taught everyone of us that farmers cannot be saved by embargo tariffs. It is politically impossible to grant tariff embargoes to some groups and withhold them from others.

On January 13, 1940, there appeared an editorial in the Evansville (Ind.) Press which I think is worth reading at this point:

GUARANTEE TO CURE OR KILL—OF ALL THE FAKE POLITICAL NOSTRUMS EVER PEDDLED THE AMERICAN FARMER THE PROTECTIVE TARIFF IS DOUBTLESS THE PHONIEST

After that last big war the farm-the-farmer lobbyists and politicians sold the Fordney-McCumber tariff as the sure cure for all rural aches and pains. The result was the foreign countries which had been buying our cotton, wheat, corn, hogs, cattle, etc., started growing their own and buying elsewhere. They had to because their sales in our markets having been restricted by the higher tariff rates, they couldn't get the dollars to buy as many American farm products. And, incidentally, they couldn't get enough dollars to pay the debts they owed to and in the United States.

An effort was made to remedy that by lending more dollars abroad, which was a good racket while it lasted. The twenties boomed along, farmers sold more to borrower-customers abroad, and farm prices here rose to a point where—while by no means on a parity with industrial prices—they were at least attractive enough to induce foreign farm products to start scaling our tariff walls. In 1929 about 10 percent of the farm products sold in this country were imported.

So the lobbyists and politicians started their medicine show again. Their new concoction bore the label of Smoot-Hawley, and was guaranteed to cure the tuberculosis, cancer, lumbago, and gout of the Farm Belt, and give American farmers a monopoly on the American market. It almost made good on that latter claim, but in so doing it knocked in the head the farmer's foreign markets, far more important to him than a domestic monopoly. Though by 1932 there was scarcely a trickle of farm imports, that fact did little good for our farmers who got 5 cents for their cotton, 10 cents for corn, and "two bits" for wheat.

Came then F. D. R. and the New Deal, Cordell Hull and the reciprocal-trade agreements, each year recapturing a little more of those lost foreign markets. And farm prices rising to a point where—while still not up to parity—they are attractive enough to have caused farm imports to rise from a trickle to a small stream. Of course most of our so-called farm imports consist of such products as bananas, rubber, coffee, tea, raw silk, cacao beans, and babassu nuts—but you can't expect politicians to mention that, at least not in an election year. They will talk about the 10,000,000 acres which could be cultivated, replacing the imports. They won't mention the 40,000,000 acres that would be put out of production if we lost our exports.

Once again the farmers of farmers, who pitch their medicine tents in the lobbies of Washington, are crying out the old quack cure. They want to abolish the Hull reciprocal-trade traeatment, persuade the patient to take a suck out of the same old protective-tariff bottle. Is there a farmer in the audience who, having taken that "cure" twice, still has enough strength to step forward and give a testimonial?

The case for trade agreements, it seems to me, comes down to the simple proposition that by reducing excessive and unreasonable tariff barriers and inducing other countries to do likewise, thus permitting a healthy growth of mutually advantageous trade, we greatly enlarge the purchasing power and the market outlets for our farm and other surpluses, both at home and abroad, to the benefit of American agriculture, American industry, and American labor. [Applause.]

Mr. KNUTSON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. CANNON].

Mr. CANNON of Florida. Mr. Chairman, this administration all during its existence has subsidized the farmer, paid him not to produce, paid him benefit payments, parity payments, and so on. I will take my share of the guilt for all those votes. I voted on every occasion for benefit payments and for every assistance that smacked of helping the farmer. I did it then as a nonpolitical move. I now take the same position as a nonpolitical move, but my ox is being gored. I wonder if the farmer friends will help me now. I am one four hundred and thirty-fifth of this Congress, and I am doing just what every man in this House is doing, trying to help those who have chosen us to come here, and as a Floridian I object seriously to the reciprocal-trade treaties.

By subsidizing our farmers we have lowered their buying power by paying them not to produce, and so forth. Their income has been less, of necessity, because their peak production has not been enjoyed. The reciprocal-trade treaties now attempt to subsidize foreign producers by letting them compete with the American markets, thereby raising the foreigner's buying power. We lower our own buying power and raise the buying power of the foreign producers by the same operation. It does not make sense.

We cannot buy here or abroad without buying power. If we give up our own buying power and market in the interest of good will, we are paying a foolish price for trade with foreign countries. We try to raise our living standards, of course, and we think that we pay the highest wages of any country in existence, and we do, to our workers and wage earners; yet we put certain of our States in direct competition with countries that are not interested in paying high wages, countries that we know pay just a pittance to their workers, enabling them barely to exist. My State of Florida is materially prejudiced by this practice.

The United States must be considered as a whole.

If therefore the reciprocal trade treaty program hurts any State within these United States, how can it be said that any benefit is gained? It cannot be a benefit to this country as a whole if the traffic and trade and the commercial activity of any one State is virtually destroyed. That again is what we are doing to Florida.

The facts and figures are well known to every man and woman in this House. We all know how Florida and certain other sections are suffering. The facts have been presented on every occasion to every committee of the House, including the Committee on Ways and Means, and to the Committee on Reciprocity Information, a year ago by me.

This matter is political, but as far as agriculture is concerned I am nonpolitical. It is nothing but a political fight. If this program must be carried on, it appears to me that as concerns those States, including my own State of Florida, that are engaged in producing competitive commodities, if the proponents of this measure would admit that a cost-of-production amendment would be feasible, then you would not hurt certain of our States. If the tariff in question were designed to protect Florida and her cost of production of the competitive commodities insofar as Cuba is concerned much less suffering would result.

You cannot assist the United States, as such, and hurt or destroy the agricultural market in any one of its States. It just cannot be done and, again, we do not know in the future what the international situation will be. If we keep on raising the income, nationally, by our agricultural concessions to those foreign countries, who can tell me now when we again arrive at that crisis in our international life where those countries abroad will be found? Those who have benefited by the sacrifices we have made?

Buying power is what the farmer needs and that is what the American citizen needs. If you impair it or if you destroy it you have done nothing except to brand us all as a lot of fools, in my opinion.

If the Government, through the State Department and through this administration, on the one hand attempts to make sacrifices and to destroy the buying powers of our farmers and give it to foreign countries, and on the other hand, in the same breath or with the same thought, raises the buying power of foreign countries, by these foolish and unfair reciprocal-trade treaties, what have we accomplished? It appears to me to be economical suicide. It is wholly inconsistent, because if you destroy our buying power you cannot buy here or abroad. I therefore vigorously oppose this "fool's gold" program as respects the Florida-Cuba treaty. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I desire to join with the distinguished chairman of the Ways and Means Committee and others, in paying a deserved tribute to our great Secretary of State, my distinguished fellow citizen of Tennessee, the Honorable Cordell Hull. It was my privilege to serve with him here as a Member of this body before he was elected to the Senate. As you know, he served with great credit and distinction as a Member of this body for some 22 years, about 18 years of that time as a member of the Ways and Means Committee. I feel that he not only deserves a place as one of the greatest statesmen this Nation has ever produced but, today, he stands out in bold relief as one of the foremost statesmen of the entire world. [Applause.]

My good friend, the chairman of the Ways and Means Committee, has honored me by suggesting that I devote at least a part of the time allotted to me to a discussion of the legal and constitutional question involved in the Reciprocal Trade Agreements Act.

COSTITUTIONALITY OF TRADE-AGREEMENTS ACT

There is neither the time nor is there any necessity for my attempting to review in detail the constitutional question. There is not the necessity for such a review because I am confident that all those who are willing to be convinced have been entirely satisfied that there is in fact no real question concerning the constitutionality of the trade-agreements act. And as for the shortness of the time available to me, I doubt if that really makes very much difference because I am sure that even if I had 10 days to speak on this subject rather than 10 minutes, I could not make any progress with those Members who would vote against this act even if it had been written by the Supreme Court itself.

For the benefit of all members, however, I want to say that the constitutional question has been given the most attentive consideration by the Committee on Ways and Means each time the act has been before us. I speak from personal knowledge when I assure you that this question received our best attention. Our concern in this question is necessarily deeper than that of persons who, while voicing constitutional objections, are in fact opposed to the legislation regardless of its constitutionality. Moreover, recognizing that this is a matter which involves our contractual obligations with many other nations as well as our domestic law, we have felt an especial concern that there should be no reasonable doubt on this question. I do not claim to possess the same superhuman qualities as an infallible prophet on constitutional questions, as some Members have done from time to time—frequently, however, they subsequently found themselves in disagreement with the Supreme Court on the same matter. I do say emphatically, however, that the majority members of the committee were entirely convinced that this act stands squarely within the bounds of the Constitution as laid down both by court decisions and the long-established and unquestioned practices of the Congress from the earliest days of the Nation.

Only two constitutional issues have been raised: First, that the act involves an unconstitutional delegation of legislative power, and secondly, that trade agreements are treaties which must be ratified by two-thirds of the Senate. I think it is very important for us in considering the precedents to keep in mind that these two issues are separate and distinct. A great deal of confusion has been caused, whether intentionally or not I am not sure, by scrambling up the issues and the precedents. On the one hand, some minority members at the hearings would attempt to distinguish direct decisions and precedents on the delegation issue by stating that those cases did not involve international agreements, while other members who asserted that there were no precedents for not submitting trade agreements to the Senate as "treaties" attempted to avoid the square application of precedents such as the reciprocity agreements made under section 3 of the Dingley Tariff Act of 1897 without Senate ratification. I repeat, they tried to avoid and distinguish such square Republican precedents on the treaty issue by offering the utterly irrelevant distinction that section 3 of the Dingley Act specified the items and rates to be covered in the agreements.

The question of specifying particular items and rates may have a bearing on the delegation issue, but it has absolutely no bearing on the treaty issue. And, conversely, when we are talking about the delegation issue, it is worse than ridiculous to attempt to distinguish pertinent cases by saying that they did not involve international agreements. I hope I have made this fundamental point clear. It is really a very simple one, but it is also an essential one if we are to understand the force of the authorities and precedents which support the Trade Agreements Act on these two separate constitutional issues.

I cannot attempt to review the many decisions and precedents which were carefully considered in 1934 when this act was originally enacted, nor shall I attempt to go into the details of the recent decisions of the Supreme Court which have reaffirmed the soundness of the conclusion which we reached in 1934. These authorities are all to be found in the records of the three hearings which have been held by the Committee on Ways and Means and the two hearings previously held by the Senate Finance Committee on this act. I shall simply state for the benefit of those Members who have not had an opportunity to make an exhaustive examination of this matter for themselves that on the delegation of power issue there are precedents going back to 1794 which show that throughout the entire course of the Nation's history Congress has delegated to the President broad dis-

cretionary powers in the regulation of foreign commerce. It is not necessary for Members to take my word for this. Permit me to read to you what the Supreme Court of the United States said in 1936 in the case of *United States* v. *Curtiss-Wright Export Corporation* (229 U. S. 304, 324):

Practically every volume of the United States Statutes contains one or more acts or joint resolutions of Congress authorizing action by the President in respect of subjects affecting foreign relations, which either leave the exercise of the power to his unrestricted judgment or provide a standard far more general than that which has always been considered requisite with regard to domestic affairs.

So far as I have been able to discover—and I am sure that I am right on this—there has never been a single successful challenge in our courts to any of these acts. On the contrary, there are numerous decisions by the Supreme Court squarely rejecting such challenges and upholding the power of Congress to invoke the assistance of the Executive in dealing with these peculiarly difficult and delicate problems which touch and sometimes go to the very heart of our foreign relations.

Mr. MOTT. Mr. Chairman, will the gentleman yield there?

Mr. COOPER. No; I prefer not to yield.

I shall simply refer to three of the leading cases which I believe, taken together, make it clear beyond any reasonable doubt that there is no improper delegation of legislative power in the Trade Agreements Act. *Field* v. *Clark* (143 U. S. 649 (1892)) involved an unsuccessful attack on the McKinley Tariff Act of 1890 on both the delegation-of-power and treaty issues; *Hampton* v. *United States* (276 U. S. 394 (1928)) established the constitutionality of the so-called flexible-tariff provisions of the Tariff Act of 1922, whereby Congress delegated to the President the authority to modify tariff rates within a 50-percent range; and *United States* v. *Curtiss-Wright Export Corporation* (299 U. S. 304 (1936)), where the Supreme Court in unequivocal terms upheld the power of Congress to delegate broad discretion to the Executive in matters which concern the regulation of our foreign commerce.

It ought not to be necessary, but perhaps it is desirable, to say again that the Trade Agreements Act is one of the most important measures which this Congress has ever enacted in carrying out its plenary power to regulate our foreign commerce. The situation in the world today and for the past 10 years has been such that our responsibility to regulate effectively our foreign commerce called for setting up a procedure which could protect and foster our overseas trade. The Congress would simply be helpless to provide effective regulation of our foreign commerce under these circumstances if it could not establish some procedure which would enable us to deal with and control foreign tariffs and trade barriers as well as our own.

In the Hampton case the Supreme Court upheld the power of Congress to invoke the assistance of the Executive by delegating to him power to change our tariff rates within a 50-percent limit pursuant to the principle of equalizing costs of production in foreign commerce. During recent years the situation of world trade was such that it was imperative for Congress to administer quickly and effectively to that other equally important aspect of commerce—namely, distribution. Chief Justice Taft recognized the realities involved when he said in the Hampton case that—I quote:

In determining what it [the Congress] may do in seeking assistance from another branch [the executive], the extent and character of that assistance must be fixed according to common sense and the inherent necessities of governmental coordination.

The realistic rule laid down in the Hampton case for deciding these questions was stated as follows—I quote:

If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. No. I prefer not to yield now. I regret my time is very limited.

I submit that the principle on which the Trade Agreements Act rests, of bargaining open foreign channels of distribution and markets in aid of American producers, is an "intelligible principle" which accords with "common sense and the inherent necessities of the governmental coordination," to use the authoritative words of Chief Justice Taft. I cannot attempt to discuss in detail the underlying limitations and policies prescribed in this act, but I can refer any Members who are interested to a very full exposition of this aspect in an article by Francis B. Sayre, in volume 39 of the Columbia Law Review, entitled "The Constitutionality of the Trade Agreements Act." So much for the delegation-of-power issue.

On the second issue—namely, whether the trade agreements must be submitted for ratification by two-thirds of the Senate—the precedents and authorities are equally conclusive. Again I can say that the precedents go back to the early days of the Republic. The various international agreements concluded by this Government without Senate ratification number at least 1,000. These agreements dealt with a variety of matters, and many of them, like the present trade agreements, were concluded pursuant to congressional authorization.

Since 1792 the Congress has exercised its important powers in connection with the regulation of our foreign mails by delegating certain powers to the Executive and invoking his assistance in carrying out congressional policy through the negotiation of executive agreements with other nations. In 1890 Chief Justice Taft, then Solicitor General, upheld the power of Congress to authorize the Postmaster General to adhere to international postal conventions without Senate ratification. A similar statute stands on our books today.

As I mentioned earlier in my remarks, the reciprocal agreements negotiated pursuant to section 3 of the Dingley Tariff Act of 1897 constitute inescapable precedents on the treaty issue. Some 15 of these agreements were concluded, as expressly authorized by Congress, without Senate ratification. As I have said before, the argument that these agreements were different because the act prescribed the terms and rates to be dealt with in the agreements, is of absolutely no relevance on the treaty issue. These matters go only to the delegation issue, and in view of the ample authorities on this issue, there is no need to, and I do not, rely on these agreements as precedents on the delegation issue. I might simply add for the benefit of those who might otherwise overlook the fact, that the Dingley Act was a Republican measure.

Finally, as to the treaty issue it is highly significant that of all the Executive agreements which have been concluded, not one has ever been stricken down by the courts as being a violation of the treaty-making power. On the contrary, the Supreme Court itself on several occasions has expressly recognized the standing of such agreements concluded without Senate ratification. In the Curtiss-Wright decision, cited previously, the Supreme Court referred to "treaties, international understandings, and compacts," declaring that "the power to make such international agreements as do not constitute treaties in the constitutional sense," although not "expressly affirmed by the Constitution, nevertheless exist[s] as inherently inseparable from the conception of nationality." And in 1937, in *United States* v. *Belmont* (301 U. S. 324, 330), the Supreme Court again spoke unmistakably to the point when it stated in respect to certain Executive agreements concluded by this Government:

The assignment and the agreements in connection therewith did not, as in the case of treaties, as that term is used in the treaty-making clause of the Constitution (art. II, sec. 2), require the advice and consent of the Senate.

I have deemed it desirable to refer to the Curtiss-Wright and the Belmont decisions because both are highly pertinent pronouncements of the Supreme Court which had not been decided when the Trade Agreements Act was enacted in 1934. Both of these decisions strongly fortify the conclusion which we reached in 1934 on the basis of precedents and authorities then available; the Curtiss-Wright decision passes directly

on the delegation of power issue and speaks directly to the treaty-making issue, while the Belmont case bears directly on the latter issue.

Three times now—first in 1934, then in 1937, and again in 1940—Congress has given these matters the conscientious consideration which any constitutional question requires. Both in 1937 and in 1940 the latest pertinent decisions of the Supreme Court have confirmed the soundness of our 1934 conclusion. I submit the time has come when we must accept the views of that Court as foreclosing the constitutional question as a subject for further debate. Let us, therefore, direct our attention, as the lawyers say, to the merits. I think we will find the record equally conclusive on that score.

It was to be hoped that this broad national program, designed and intended to benefit all the people of this country, could be considered in its broad national aspects rather than from the standpoint of narrow, selfish interests, and that it might be free from partisan political consideration, but it has been demonstrated that such a hope could not be realized. It soon developed in the hearings on this resolution that the effort of the minority was to turn it into an old-time tariff fight.

On this resolution, as has been true in the consideration of previous measures related to the tariff, the two great political parties, as represented here, are definitely divided, the majority members of the Ways and Means Committee favoring the extension of the program and the minority members opposing it.

The Trade Agreements Act approved June 12, 1934, was in response to a message from the President of the United States recommending its passage. In 1937 it was extended for another period of 3 years. The pending resolution, No. 407, is for the purpose of extending it another 3 years and is likewise in response to a message of the President delivered in person at the beginning of this session of Congress, and it is a most important administration measure.

It might be interesting to remind ourselves of some of the reasons existing in 1934 for the adoption of this program. An analysis of our foreign trade showed that the total exports of the United States fell from $5,241,000,000 in 1929 to $1,675,000,000 in 1933, while the imports fell from $4,399,000,000 in 1929 to $1,449,000,000 in 1933. The decline in American commerce had steadily continued. The important point was that in this great shrinkage of world trade we were not only losing in the same proportion as other nations but we were losing at a greater rate than other countries. Many of the markets we were then losing, of course, were being taken by other countries. Under our arrangement and under conditions as they then existed, we were not able to hold our own in world trade.

So, in self-defense and as a matter of common sense, it was necessary for us to at least try to improve this situation. Therefore, the trade-agreements program was adopted. Now, let us look to the record to see what has actually happened. Twenty-two trade agreements have been made. Twenty of them are now in effect, covering 60 percent of our foreign trade. Of course, the Czechoslovakian agreement was abrogated and the agreement with Nicaragua was terminated.

Total exports of the United States increased from $2,208,000,000 in 1934 and 1935, average, to $3,136,000,000 in 1938 and 1939, average, or an increase of 42 percent, while the general imports increased from $1,851,000,000 in 1934 and 1935, average, to $2,139,000,000 in 1938 and 1939, average, or an increase of 16 percent.

Comparing January to November for the 2 years, 1938 and 1939, with the corresponding months of the pre-trade-agreement years, 1934 and 1935, few agreements having gone into effect before 1936, the figures show an increase of 60.5 percent in exports to trade-agreement countries and of only 29.6 percent to nonagreement countries.

I also invite attention to the fact that many concessions have been obtained through these trade agreements. Concessions have been obtained on at least 3,000 items or rates in the tariff schedule of the foreign countries with which agreements are in effect. Almost one-third of our total exports to all countries have been the subject of concessions. Reductions in tariffs, liberalization of quotas, bindings of existing customs treatment, and other concessions have been secured for almost three-fourths of our total agricultural exports to the agreement countries, and for nearly half of our nonagricultural exports to the same countries. I emphasize the fact that of the concessions received by this country from the other countries of the world with which we have negotiated these agreements, the concessions for agricultural products have exceeded the concessions for nonagricultural products. And it will be remembered that one of the main purposes of this program was to benefit agriculture.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield there?

Mr. COOPER. Yes.

Mr. McCORMACK. And in any agreement we make with another country, if that country makes an agreement with some other country and gives the same concessions between the United States and that country where the duty, for example, is lower to the third country, we automatically get the benefit of that.

Mr. COOPER. The gentleman is correct, and since the gentleman has raised that point, I shall give some pertinent figures on that point. That is with respect, of course, to the application of the most-favored-nation treatment. Let it be remembered that Chief Justice Hughes, while Secretary of State, in 1922, under a Republican administration, is the man who started the unconditional most-favored-nation policy. It was put into effect by him in 1923, and has continued as the policy of this Government from that time down to now.

I call attention to a few very pertinent facts in that connection. About a year or so ago a special study was made by the State Department and the Tariff Commission of the generalization of concessions and also the other side of the question. Those investigations showed that the generalizations that we made with all the other countries amounted to $30,000,000 in trade. On the other hand, by that very generalization policy, we protected $250,000,000 worth of our export trade. The ratio stands $9 of benefits that we have received for every $1 of concessions that we have granted. In my part of the country when you trade on a basis of getting benefits 9 to 1, it is considered pretty good trading.

The attempt to criticize Secretary Hull by charging that he has changed his position from that expressed in 1929 to the effect that the so-called flexible-tariff provisions of the Tariff Acts of 1922 and 1930 were unwise, unsound, and unconstitutional has absolutely no basis for at least three reasons. First, the decisions of the courts during the years prior to 1934 sustained the validity of the flexible provisions, and these decisions are equally applicable to the Reciprocal Trade Agreements Act. Second, instead of normal conditions as in 1929 and previous years, a business collapse, unprecedented in all history in its dislocating, disruptive, and chaotic effects, presented an unprecedented emergency which called for emergency treatment by an emergency governmental agency, and hence the reciprocal trade agreements program was inaugurated. Third, it has been definitely and authoritatively stated by the sponsors of this trade program since 1934 that, notwithstanding, the court decisions sustained every basic feature of the Reciprocal Trade Agreements Act, it was only being proposed as a temporary emergency agency to deal with terrific abnormal economic conditions, so that as soon as these were sufficiently improved or cured, Congress would be in a position, and also in a better position, to deliberate at any length in the formulation of a permanent policy of tariff making and trade promotion.

Another point to which I want to call attention is that the earlier agreements, which mostly went into effect in 1935 and 1936, have shown definitely encouraging results, accord-

ing to the statement of Secretary of Agriculture Wallace, as he pointed out in the hearings that agricultural exports to the 16 countries with which trade agreements were in effect throughout the fiscal year 1938–39 showed an increase in that year of 15 percent over the fiscal year 1935–36, while agricultural exports to all other countries showed a decrease in the same period of 19 percent.

With respect to cattle, about which we have heard so much here, the gross income of the cattle industry, which stood at $635,000,000 in 1932, was in 1938, $1,165,000,000. And the average farm price of beef in 1932 was $4.25 a hundred; in 1938, $6.56 a hundred; and in the first 11 months of 1939, $6.87 a hundred.

Reference has been made frequently to agriculture and some increase in recent agricultural imports. To be fair, it should be pointed out that in 1939, of the increase of agricultural imports to this country, 70 percent is accounted for by commodities not produced in this country at all—crude rubber, coffee, tea, raw silk, and raw cocoa. The remaining 30 percent of increase is largely accounted for by increased imports of industrial raw materials, such as wool, mohair, hides, and skins, products on which there has been no reduction in duty and of which the imports supplement the domestic production.

Many of you are intensely interested in agriculture, as I am, coming from an agricultural district. I invite your attention to the hearings, and especially to the statements of Secretary Wallace and Mr. O'Neal, both of whom have given a lifetime of devoted service to the cause of agriculture, and have done so much for the American farmer.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. COOPER. I especially want to call your attention to the statement of Mr. O'Neal, president of the American Farm Bureau Federation. He went about this thing in a commonsense businesslike way. He wanted to know what the truth was about it. He took all 22 of these trade agreements to the Iowa State College at Ames, Iowa. Some of the Iowa Members may check me, but I have always understood that it was one of the outstanding agricultural colleges of this country. He there employed the assistance of Dr. Schultz, head of their economics department. He simply handed to him all 22 of these trade agreements and asked him and his staff to analyze them and then report to the Farm Bureau Federation what the actual situation was with respect to agriculture. On the basis of that report at the national convention of the Farm Bureau Federation held in Chicago last December, more than 2,000 delegates from 39 States of the Union went on record, without a dissenting vote, in favor of the reciprocal trade agreements program, and urging its extension. [Applause.] I invite you to simply look to the record and see the statement appearing there. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I am sorry I cannot yield at this point.

Mr. AUGUST H. ANDRESEN. The gentleman should put in the whole resolution of the Farm Bureau Federation.

Mr. COOPER. It is in the record of the hearings. I have invited your attention to it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOPER. No. I am sorry I cannot. I will read to the gentleman and for the benefit of other Members from the statement Mr. O'Neal made to the committee:

> In order to get at the real effects of this program without regard to partisan politics or preconceived economic theories, the American Farm Bureau Federation enlisted the cooperation of one of the leading agricultural colleges of the United States—Iowa State College, under the direction of Prof. T. W. Schultz, head of its economics department. This college, during the last few months, has carried on a comprehensive study of the program. We wanted facts and not propaganda.
>
> In this study Professor Schultz and his assistants sought the answers to these and other questions:
>
> Have the American farmers been hurt by increased imports under the trade-agreement program?
>
> Have the American farmers received benefit from increased industrial exports under the trade-agreement program?
>
> What has been the over-all effect of this program upon American agriculture?
>
> Based upon the results of the Iowa State College study and factual information made available from other sources, the delegates representing farmers from 39 States, at the annual meeting of the American Farm Bureau Federation at Chicago in December 1939, without a dissenting vote, adopted a resolution declaring as their conviction that the net effect of the trade-agreements program had been helpful rather than harmful to American agriculture.

[Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. KNUTSON. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, the gentleman who has just left the Well [Mr. COOPER] has referred to the words of the president of the American Farm Bureau Federation in endorsement, as he contends, of this program.

By way of preface to what I am going to say about this bill, I believe I ought to point out that the resolution of the American Farm Bureau Federation, adopted but a few weeks before Mr. O'Neal appeared before the Ways and Means Committee, was highly critical of the methods which have been used by the State Department in the administration of the reciprocal trade agreement program. As a matter of fact, it asserted and declared:

> In giving our support to the continuance of reciprocal-trade agreements we renew with increased emphasis our demand that no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of the opposition to such agreements by all agricultural groups.

This same resolution further insisted:

> That in the negotiation of trade agreements economic factors be given consideration equivalent to the weight accorded to the factors of the diplomacy and statecraft. To this end we urge that the Reciprocal Trade Act be amended to provide that no agreement be consummated unless unanimously approved by the Secretaries of State, Commerce, and Agriculture.

In view of the fact that farm prices are still far below parity and in the face of the unequivocal demand that the Trade Agreements Act be amended in certain definite particulars, it will be difficult for the membership to understand just where the president of the American Farm Bureau Federation found his authority for saying that his organization favored the reenactment of the pending legislation without the dotting of an "i" or the crossing of a "t." That Mr. O'Neal has transgressed far beyond the limits fixed by his convention, no one can be heard to deny. A more reasonable interpretation of the resolution would put the American Farm Bureau Federation in the rank of the opposition ists.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. GEARHART. I yield.

Mr. KNUTSON. The preceding speaker, the gentleman from Tennessee [Mr. COOPER], laid emphasis upon an analysis that had been made of the reciprocal-trade agreements by a group of college professors out at Ames, Iowa. It was testified later that each member of that committee was a free-trader. Is that true?

Mr. GEARHART. That was generally admitted by persons who discussed the subject before our committee.

Mr. KNUTSON. And therefore anything they may have had to say carried no weight.

Mr. GEARHART. And I may be pardoned, I trust, for calling attention to the further fact that many, if not all, of the State farm bureaus, affiliates of the American Farm Bureau Federation, have passed resolutions which are very critical, some in emphatic condemnation, of the reciprocal trade agreements program. Among them is the California Farm Bureau Federation, which, in State convention assembled, passed an emphatic resolution demanding that the trade-agreements program be permitted to die on its expiration date; that is, on June 12, 1940.

Mr. Chairman, when this act, as a bill, was before the Congress in 1934 two reasons were advanced for its enactment: First, that it would bring back our American economy to that high state of prosperity which the Nation enjoyed in the twenties under the Fordney-McCumber Tariff Act; and, second, that it would have the effect of expanding foreign markets for the products of the United States. Since the beginning of the administration of the program, over 5 years ago, the act has failed miserably in bringing back prosperity, that prosperity which we enjoyed during those golden days of the Fordney-McCumber Act; and since the administration of the program has failed miserably in the attainment of the other objective—that is, the further expansion of our foreign markets—it has been necessary of late to invent and inject a new reason why we should continue this program for another 3 years. And the most appealing reason that any of the proponents could think of was peace. Peace—universal peace—could any idea be more persuasive? By they told us that if we would but reenact this ill-working program it would bring peace to this sorely distracted world—not only to the United States but to all the peoples of the world. Peace; yea, verily, the peace for which we have so long yearned but of which we have had so little. Peace—just because of the magical influence of the Hull reciprocal trade program.

Before the Committee on Ways and Means the distinguished Secretary of State, the distinguished Secretary of Agriculture, and the sometimes extravagant Mr. Grady, of the State Department, laid great stress upon this idea of peace. So far did their enthusiasm for this new concept carry them that they, gravely nodding their heads like the wise men of old, asserted, reasserted, and declared time and time again, in tones most ominous, that the World War now raging in Europe is directly traceable in its origin and causes to the enactment of the Smoot-Hawley tariff law, and that such peace as still exists in this war-torn world is directly attributable to the beneficient administration of the reciprocal trade agreements law.

During the course of these hearings a very distinguished economist came to us to express his views in respect to the pending legislation. This economist was none other than Mr. Samuel Crowther, whose name and writings are familiar to us all.

While Mr. Crowther was testifying the gentleman from Massachusetts [Mr. TREADWAY] essayed a question, the purport and substance of which was as follows:

> Mr. Crowther, earlier in these hearings several distinguished witnesses representing the high officialdom of the New Deal administration appeared before us and testified that the present war in Europe is directly traceable to the Smoot-Hawley tariff, and that such peace as we still enjoy is directly attributable to the foresight of the American Congress in enacting the reciprocal trade agreements law. Mr. Crowther, we would like to have you tell us what you think about statements of that kind.

The distinguished economist to whom I have referred was, at the time the gentleman from Massachusetts began asking his question, sitting calmly in the witness chair. As the question unfolded and the witnesses became impressed with the import of the words and the idea they expressed, he arose slowly to his feet and, in measured words, replied:

> If you want to know what I think about a statement of that kind, I think it is almost pathological.

[Laughter.]

Imbecilic would have been a better word. With every important trading nation in the world except the United States engaged in bloody warlike enterprises, the assertion of such a palpable absurdity is evidence irrefutable of a complete poverty in ideas, as well as a contemptuous disregard of easily ascertainable truth.

Enough of such twaddle.

Mr. Chairman, by the test of official figures on exports and imports—the figures of the Government itself—it is disclosed that the United States is the loser in the Hull trade-agreement system.

The chief loser is the farmer. The trade agreements are nullifying all other efforts by the Government to relieve agriculture.

Exports of American farm products are now at the lowest point in history.

Imports of foreign products which compete with American agriculture in the home market are now at the largest point in history.

The American home market has been bargained away. The Hull agreements have failed to obtain equivalent advantages in foreign markets.

Under the Hull trade agreements the United States obtains concessions from 21 countries, most of them of minor commercial importance. But these same agreements open the American market to 64 countries, including the largest trading nations.

An improvident and unfair rule has been adopted which works for ruin in three particulars: First, it subjects American agriculture to the competition of foreign agricultural products in the home market. American farmers no longer have the monopoly of the American market to which they are entitled; second, American industry is forced to compete with 64 countries in supplying the home market, while our industry has obtained minor concessions in 21 foreign markets; third, American labor finds itself competing with the products of foreign cheap labor. Those workers who have lost their jobs because of foreign competition are not protected by the wage and hour law or any other law intended to benefit the worker.

From the standpoint of protection to American agriculture, industry, and labor, the Hull program of trade agreements is insane.

But from the standpoint of those who believe in free trade, and who are willing to open the American market to all the world, regardless of foreign cheap wages, the Hull program is anything but insane. It is plausibly disguised, shrewdly planned, and pushed forward with religious zeal.

The result of this program, if carried to the end, will be the actual gift of the American market to foreign traders in exchange for a mere hope that foreign countries will open their markets to Americans.

Mr. Hull does not exact from foreign nations the concessions which he gives. He gives first, and relies upon the generosity of the world to follow his noble example.

In a world of cutthroat competition, of hard bargaining, based upon the dire necessity of survival, the American free-trade-crusader goes forth, scattering the opportunities of the richest market in the world to foreigners. He gives away the rights of Americans in the hope that foreign countries will give away their rights also.

At a time when all nations are straining every nerve to build up their economic defenses in the struggle for existence, Mr. Hull tears down the economic defenses of the United States. His trade agreements have already torn away 38 percent of the protection heretofore given to American agriculture, industry, and labor. He proposes to tear down the remaining barriers which keep foreign invaders from the market that belongs to Americans.

When foreign wars cease and soldiers return to farms and industries in countries now at war, they will find rich opportunity to move into the United States with their products at the lower rates of duty presented to them by Mr. Hull.

Mr. Hull estimates that the total number of men now engaged in war and support of armies abroad is about 80,000,000. These 80,000,000 men, once turned from war to peacetime production, will be the beneficiaries of Mr. Hull, who has given them the opportunity to supply the American market with foodstuffs, manufactured goods, and raw materials.

Mr. Hull believes that his handsome gesture in giving away the protection of Americans in their own market will induce other countries to be similarly generous to Americans. He has a vision of universal and permanent peace, based upon the brotherly generosity of nations. They are to share mutually in one another's markets. The "haves" are to share with the "have nots." The high-wage American is to compete in a noble trade rivalry with the coolie, the peon, and the peasant. As water seeks its level, so world trade is to seek its level, with no dikes or dams to separate the high-

living-standard workers from the half starved and swarming millions in poor countries.

It is to be a merger of world poverty. American high wages must go by the board, for all wages must be on the world level. In order that impoverished nations shall be helped, American workers must be impoverished. They must share their home market with the world's poorest-paid workers. American farmers must permit foreign peasants to send their foodstuffs to the United States. Then, when the process is complete, everybody in the world will be on a common level—the level of poverty—and there will be peace. Such is Mr. Hull's glorious dream, which he is translating into reality with all the energy at his command. At present he has the authority to give away the American market—and he is doing so.

What is the use of a wage-hour law that guarantees not less than 30 cents an hour to the American workingman? Mr. Hull's trade agreements help to destroy the wage-hour law by placing the American worker in competition with foreign workers who have no wage-hour laws.

What is the use of the law that excludes Asiatics from the United States? The Hull trade agreements open the American market to products of Asiatic labor—Chinese, Japanese, Malay, and Hindu labor, which is paid starvation wages. The Hull program destroys the Asiatic Exclusion Act.

What is the use of immigration laws that keep hordes of aliens from coming here and destroying our labor standards? Mr. Hull's trade agreements open the door to the products of these aliens. They might as well move bodily into this country as to have their goods come here.

All that the United States has done to lift the standards of American labor is attacked by the Hull trade agreements. All benefits to labor will be destroyed if this trade-agreement program is carried to its conclusion. All efforts to save agriculture will come to nothing if the Hull trade-agreement program continues to destroy agriculture. The billions that have gone to save agriculture are wasted.

Sixty-four nations now enjoy special opportunity to sell more cheaply in the American market, thanks to Mr. Hull. Farmers and factory workers are the victims. [Applause.]

Mr. BUCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. MILLS].

BENEFITS TO ARKANSAS FROM RECIPROCAL-TRADE AGREEMENTS—THE SIGNIFICANCE OF FOREIGN TRADE TO ARKANSAS

Mr. MILLS of Arkansas. Mr. Chairman, the drastic shrinkage of our foreign trade during the depression years made necessary the trade-agreements program which was authorized on June 12, 1934, by means of an amendment to the Tariff Act of 1930. Between 1929, the last year before the Hawley-Smoot Tariff Act, and 1933, the year before the Trade Agreements Act was passed, our total exports declined from $5,241,000,000 to only $1,675,000,000. More disturbing, our trade had fallen off proportionately more than had the international trade of the world as a whole.

Arkansas is both directly and indirectly dependent upon foreign trade for continued economic development and sustained prosperity. It needs foreign markets for the surplus products of its factories, its farms, and its forests. It shares in the improved domestic market created when, by selling their surplus commodities abroad, other sections of this country increase their purchasing power.

Total exports reported as originating in Arkansas fell from $29,200,000, or equivalent to $63 for every family of four persons, in 1929, to $10,200,000 in 1932, or to $22 for the same family. There are no recent data compiled in the same manner for exports from Arkansas; but with the increases in trade since the trade-agreements program was inaugurated my State has probably received proportionate benefits.

BENEFITS TO ARKANSAS FROM THE TRADE-AGREEMENTS PROGRAM

Since the Trade Agreements Act was approved, agreements have been negotiated with 21 countries. With so many variables in the economic situation here and abroad affecting the movement of trade, it is difficult to determine precisely the extent to which trade agreements have helped in the restoration of foreign markets for American farm and factory products. It is significant, however, that United States exports to the countries with which trade agreements were in force showed an average annual increase of 42 percent in 1936–37 over 1934–35, while exports to all other countries showed an increase of only 26 percent. Annual average exports to trade-agreement countries in 1937–38 were 61 percent above the 1934–35 average; exports to non-trade-agreement countries increased only 38 percent during the same period. Arkansas undoubtedly shared in these increased exports.

SPECIFIC CONCESSIONS OBTAINED WHICH BENEFIT ARKANSAS

Lumber and timber products, petroleum products, rice, and cotton are examples of the important products of Arkansas for which expanded and more stable foreign-market outlets have been obtained in trade agreements.

Arkansas' producers of lumber and timber and of wooden manufactures are in a position to benefit from expanding foreign markets made possible by concessions obtained in 12 agreements. On various kinds of lumber and timber, five countries reduced their duties, two countries increased their quotas, three countries bound the existing duties against increase, and three countries guaranteed continued free entry. Five countries reduced their duties and three bound their duties on certain wooden manufactures. In addition, through the agreement with the United Kingdom, the margin of Empire preference was reduced by nine colonies.

Unmanufactured cotton is Arkansas' most important agricultural export, and seven countries have guaranteed to continue the present favorable treatment accorded American raw cotton. Since Arkansas is dependent to a large extent upon the domestic consumption of its cotton crop, the State benefits indirectly from the concessions on cotton textiles and manufactures obtained in 11 agreements.

Little was obtained in the way of direct concession for cotton, because it was already on the free list of most countries. But it should not be interpreted that the agreements are not important to the cotton producers of Arkansas. An important gain to the farmer is in his capacity as a consumer. The main object of lowering trade barriers must surely be to encourage trade to follow broad lines of greatest economic advantage so that there will be more goods and services available for everybody. Something has already been done in breaking up rigid prices in the 800 or 900 reductions on industrial products.

Petroleum refiners in the State are particularly interested in concessions on these products obtained in 12 agreements. Five countries reduced the duties on petroleum products, four countries bound the rate of duty, two countries bound petroleum products on the free list, and one country bound the rate of duty and increased the quota.

The rice growers and exporters of Arkansas benefit from concessions obtained in eight agreements on rice. Four countries reduced their duties, two countries bound their duties, one country bound the duty and bound the quota, and one country assured the quota on rice.

Arkansas is by far the greatest bauxite-producing State in the country, and it is estimated that exports from the State amount to almost a third of production. Since trade agreements have opened up new markets for aluminum, abrasives, commercial chemicals, and refractories, in the manufacture of which bauxite is used, Arkansas bauxite producers benefit indirectly by the increased demand for their product.

In addition to the direct concessions obtained, there is most-favored-nation provision in each trade agreement which automatically extends to American products reductions or limitations on tariff rates granted by the agreement country to countries other than the United States. For example, lower tariff rates on some 600 items formerly extended by Canada to France but not to the United States now apply to American commodities. Among these Arkansas is particularly interested in the reductions on long lists of wooden and cotton manufactures and on crude petroleum and petroleum products.

BENEFITS TO ARKANSAS LABOR FROM TRADE AGREEMENTS

A great many of the persons employed in Arkansas owe their jobs to the export trade of the State. The trade-agreements program, by reopening and expanding foreign markets, increases the demand for labor. When foreign countries increase their demand for American products, industry must employ greater numbers of wage earners to produce these commodities. Increased employment in industries manufacturing for export provides greater domestic consumer purchasing power and creates greater employment opportunities for those engaged in supplying the domestic market.

ARKANSAS BENEFITS AS THE UNITED STATES BENEFITS

There is a direct interrelationship between prosperity of any section of the country and prosperity of the country as a whole. Thus the concessions obtained on American products not produced in Arkansas indirectly benefit the citizens of the State by creating increased domestic demand for the lumber products, raw cotton and cotton manufactures, petroleum products, rice, bauxite, and the many other commodities produced in the State.

Expanding foreign and domestic trade means greater tonnage to be handled by railroad, steamship, and truck transportation industries. This in turn means more and steadier employment in these lines as well as in such service industries as banking, brokerage, advertising, insurance, and warehousing.

MANGANESE ORE AND THE STATE OF ARKANSAS

In the last few years Arkansas has been one of the largest producers and shippers of manganese and with a comparatively high capacity of operation for the steel industry there is no reason why this State should not maintain or exceed its present status.

In order to obtain the concessions for the benefit of Arkansas it has been necessary to make some concessions which may have affected producers of certain products of this State. It would be a coincidence if this had not happened. I have in mind the reduction in duty on manganese ore in the agreement with Brazil. There has been some criticism of this action.

The purpose of the administration in reducing the rate of duty on manganese ore in the agreement with Brazil was to induce it in turn to lower the rates of duty on American products which we desired to export to it. There is no other way to obtain concessions in foreign markets except to lower some of the rates of duty on our part; that was the case with manganese ore. There were relatively few dutiable products entering the United States from Brazil and in order to gain concessions on a maximum number of products which we exported it was necessary to make some concession on manganese. The rate of duty on imports of manganese, except from Cuba which enter free by previous arrangement, is still over 50 percent ad valorem. This would seem to be ample protection for encouraging developments in the domestic manganese industry provided opportunity is afforded by the steel industry.

Prices, production, and imports of manganese ore normally fluctuate in relation to the activity of the steel industry. The percentage of the apparent consumption of manganese metal originating from domestic sources was 3.4 in 1933. In 1938 this comparative percentage was 6.1 of the apparent consumption. Only 150,370 long tons were consumed in the United States in 1933. This had increased to 217,961 long tons in 1938. In other words the 6.1 percent from domestic sources in 1938 was a much larger proportion of a greatly increased consumption. Larger quantities of domestic manganese are produced and consumed as general business conditions improve in the United States, so that whatever recovery has and can be brought about by the trade-agreements program will continue to aid manganese producers. To say the least the above would indicate that the policy now before us has not contributed in any way to stifle the development of our domestic manganese industry.

Therefore, Mr. Chairman, we have no difficulty in understanding why the great majority of the citizens of Arkansas favor the passage of this bill, extending the authority to make reciprocal-trade agreements with our sister nations. [Applause.]

Mr. KNUTSON. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Chairman, I know of no legislation coming before the present session of Congress in which agriculture, labor, and industry are more vitally concerned than the resolution now pending to extend the life of the Reciprocal Trade Agreements Act. In view of what has been done and what may be done in the future under the delegation of power authorized in this act, it is my firm conviction that in order properly to protect agriculture, and particularly the livestock industry, this act should be amended to provide for Senate ratification of all future trade agreements. [Applause.]

At the proper time I propose to offer the following amendment to House Joint Resolution 407: Line 8, before the period, insert "except that no foreign trade agreement entered into after the date of enactment of this joint resolution under such section 350 shall be effective unless concluded by and with the advice and consent of the Senate as in the case of treaties."

By virtue of this Reciprocal Trade Agreements Act Congress has delegated vast powers to the President, who, in turn, has delegated that power to the Secretary of State. Because of the detailed complexities and ramifications of tariffs the Secretary of State has of necessity largely delegated this power to a secret committee representing the Tariff Commission, the Departments of State, Agriculture, Commerce, and the Treasury. No elected representatives of the people participate in the deliberations or in the promulgation of the list of items upon which tariff concessions are to be granted to foreign countries. The Committee on Reciprocity Information, a departmental committee, has been set up to hold hearings on proposed trade agreements. Senators, Congressmen, and others representing various industries affected under these trade agreements feel that their protests are not given sufficient consideration and that what is said before the Committee on Reciprocity Information has little effect upon the men who are actually revamping the tariff schedules. These hearings are often referred to here on the hill as a convenient place for those opposing concessions to "blow off steam." However, last October, when the hearings were held on the proposed Argentine trade agreement, enough steam was turned on the Committee on Reciprocity Information to suspend action at least temporarily on that agreement and the one with Uruguay. About 34 Senators and Congressmen, almost equally divided between Republicans and Democrats, made vigorous protest at the hearings. While negotiations on the proposed trade agreements with Argentina and Uruguay have been suspended, I fear this may be only a temporary suspension until Congress passes this resolution to extend the life of the Reciprocal Trade Agreements Act for another 3 years.

In the trade agreements thus far concluded the United States has reduced the tariff on more than 1,100 items. It has agreed not to increase the rates on about 100 items and has agreed not to place any duty on approximately 150 other items. It has reduced 3 excise taxes and has agreed not to place quotas on hundreds of products. On many others the United States has agreed not to impose any internal tax. Such is the power that Congress has delegated to the executive branch without so much as requiring legislative approval before concluding the agreements.

Tariffs have been reduced and consequently importations encouraged on the following agricultural commodities: Heavy cattle (quota), calves (quota), pork, bacon, hams, and so forth, milk and cream (quota), cheddar cheese, eggs, honey, oats and oatmeal, rye, barley, various feeds, apples, berries, cherries, pineapples, raisins (seedless), various grass, garden and field seeds, white potatoes (quota), turnips, maple sugar and sirup, wrapper tobacco, cigarette tobacco and cane sugar (Cuba only).

In making my protest before the Committee on Reciprocity Information when hearings were held on the proposed Argen-

tine and also the Canadian trade agreements, I contended that there could be no justification for reducing the tariff on competitive agricultural commodities when millions of dollars from the Federal Treasury were being spent in reducing production and in subsidizing the exportation of our domestic surpluses. Unless the American market can be preserved for the American farmer and livestock producer to the extent of his ability to supply it at a fair price, agriculture will not receive its fair share of the national income. Agriculture is the biggest business in the United States today. The value of all farm lands and buildings exceeds $32,000,000,000. The livestock industry is the most important phase of agriculture. In 1938 the total cash farm income, excluding Government payments, according to the Bureau of Agricultural Economics, was $7,538,000,000. Of this, the sale of livestock and livestock products accounted for $4,384,000,000. In other words, livestock and livestock products accounted for 58 percent of the total national cash farm income. It will be impossible to maintain the American standard of living unless agriculture, labor, and industry are accorded tariff protection equal to the difference in the cost of production at home and abroad.

Importations of competitive agricultural commodities must be curbed, not encouraged, if we are to provide farmers and livestock producers in this country an opportunity to expand their production. Our farm problem cannot be solved until agriculture is fully protected from unfair competition from abroad and at the same time is assured its proportionate share of our exports. We can and should demand certain concessions of the foreign countries from whom we purchase annually more than a billion dollars' worth of duty-free articles.

In analyzing the situation I find competitive agricultural imports are increasing and our total agricultural exports are decreasing. In 1939 our imports of competitive agricultural products amounted to $526,000,000, as compared to $476,000,000 in 1938, an increase of $50,000,000 in competitive imports. It is interesting to note that in 1939 our total of all agricultural products exported amounted to only $655,000,000, as compared with $827,000,000 in 1938, a decrease in agricultural exports of $172,000,000. This shows that our competitive agricultural imports amounted to more than 80 percent of the total of our agricultural exports. If the American market can be preserved for the American farmer, it will go a long way toward solving our problem of agricultural surpluses.

Now, as to agriculture's diminishing share in our foreign trade, let me call to your attention the following table, which clearly demonstrates over a long period of time the trend of industrializing the United States at the expense of agriculture:

United States exports of agricultural and nonagricultural products

(Values in millions of dollars)

Yearly average or year	Agricultural products		Nonagricultural products	
	Value	Percent of total	Value	Percent of total
1921-25	$2,013	46.7	$2,297	53.3
1926-30	1,692	36.1	2,996	63.9
1921	2,115	48.3	2,264	51.7
1922	1,884	50.0	1,881	50.0
1923	1,820	44.5	2,270	55.5
1924	2,110	46.9	2,388	53.1
1925	2,136	44.3	2,683	55.7
1926	1,817	38.6	2,895	61.4
1927	1,885	39.6	2,874	60.4
1928	1,863	37.0	3,167	63.0
1929	1,693	32.8	3,464	67.2
1930	1,201	31.8	2,580	68.2
1931	821	34.5	1,557	65.5
1932	662	42.0	914	58.0
19 3	694	42.2	953	57.8
1934	733	34.9	1,367	65.1
1935	747	33.3	1,496	66.7
1936	709	29.3	1,709	70.7
1937	797	24.2	2,501	75.8
1938	828	27.1	2,229	72.9
1939	655	21.0	2,468	79.0

Source: Bureau of Foreign and Domestic Commerce.

These figures are very disappointing to those who had hoped the reciprocal trade agreements program would give agriculture a greater share in our export trade.

In 1938 our total imports from foreign countries amounted to $1,950,000,000. Agricultural commodities accounted for 46.4 percent of this total, more than one-half of which were competitive. Of this total $1,183,000,000 worth of commodities entered this market free of duty. It would seem that when we import more than a billion dollars' worth of duty-free articles a year that some bilateral trade agreements might be entered into that would facilitate the exportation of our surplus agricultural commodities, such as cotton, tobacco, wheat, and pork products. While the objectives of the reciprocal trade agreements program are commendable, too often pressure from foreign countries and certain industrialists has dictated terms inimical to the best interests of American agriculture. Provision for Senate ratification would relieve the State Department of embarrassing demands from foreign governments by the transfer of this final authority to the Senate.

Under the trade agreement entered into with Canada as revised in January 1939, the duties on a great many agricultural products were reduced. The tariff on cattle weighing over 700 pounds was reduced 50 percent to 1½ cents a pound. While quotas were established to mitigate the effects of this reduction, importations of cattle have nevertheless been encouraged. Although Canada made certain concessions to obtain such reduced rates, under the unconditional most-favored-nation clause, Mexico automatically received similar benefits in spite of her policy of expropriating American-owned oil properties.

During 1939 we imported 478,565 head of cattle from Mexico and 274,384 head from Canada, making a total of 752,949. This compares with the total of 423,625 head imported during the previous year.

The reduced rates in the Canadian trade agreement while not applicable to all these cattle have nevertheless encouraged increased importations and probably will encourage further production of cattle in Canada and Mexico for sale in the United States.

Mr. CARLSON. Will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Kansas.

Mr. CARLSON. The gentleman is a cattleman and knows when you get a 50-percent reduction of a 3-cent tariff, on thousands of head of cattle at $15 a head, that is quite a concession?

Mr. COFFEE of Nebraska. Yes, indeed.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman is putting in some very good figures on cattle. Has he ever compared the importation of cattle in terms of all cattle that go to market from a number of our Western States in a single year?

Mr. COFFEE of Nebraska. I have not checked those figures, but 750,000 head of cattle in 1 year would cover the total shipments from a number of our Western States.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not a fact that over 2,000,000 head of cattle have been shipped into this country since 1934?

Mr. COFFEE of Nebraska. I am sure that is correct.

To those who argue that these increased importations do not adversely affect the livestock industry, let me point out that the present relatively stable price for cattle has been maintained only by virtue of the fact that we have 8,000,000 cattle in the United States less than we had in 1934. Cattle production is now increasing, as well as is hog production, which was severely curtailed during the recent drought years. If we are to make room not only for normal livestock production but for the increasing livestock production in the South, the American market must be preserved for our domestic producers. Only a small surplus is necessary to depress the price of livestock as well as any other commodity.

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. COFFEE of Nebraska. Mr. Chairman, under the proposed Argentine trade agreement the 6-cent per pound tariff on canned beef was listed for a reduction. This rate is so low now that foreign countries have a practical monopoly on canned corned beef in the United States. It has been argued that canned beef was not competitive in our markets. The facts are that our domestic producers cannot compete with the price at which the South American canned beef is offered in this market. South American packers are able to buy good grass fat steers in Argentina at one-half the cost of production in the United States. Packing-house workers in Argentina receive 16⅔ cents per hour as compared with an average of better than 70 cents per hour in the packing centers of the United States. During 1939 we imported principally from Uruguay and Argentina over 85,863,000 pounds of canned beef, which is the equivalent of more than 400,000 steers weighing a thousand pounds each. If the American standard of living is to be maintained, tariff protection must be provided that will equalize the cost of these imported commodities with the cost of our domestic products. The American livestock industry cannot compete and should not be expected to compete in the domestic market with the cheap products from countries maintaining low living and wage standards. The proposed Argentine trade agreement was the most serious threat to agriculture, and the livestock industry in particular, of any of the proposals thus far advanced. Practically all the commodities in this agreement on which the United States proposed to make tariff concessions were agricultural and directly competitive, and included such commodities as beef, hides, corn, turkeys, casein, flaxseed, and numerous other competitive agricultural commodities.

In the event trade negotiations with Argentina should be revived, it is highly desirable to require Senate ratification in order to protect our domestic agriculture, and particularly the livestock industry. What we need to import should be the basis of our trade agreements rather than what some foreign country wants to export. A generalized reduction in tariffs in the face of present chaotic world conditions can demoralize our entire domestic economy. No one can foretell what conditions will be at the close of the present war in Europe. To reduce our tariffs and bind ourselves through trade agreements for the next 3 years in the face of unpredictable events without the necessity of legislative approval would certainly be gambling with the general welfare of this Nation.

It has been contended that the trade-agreements program has opened up foreign markets for our surplus agricultural commodities. While it is admitted there are possibilities under this program and that some commodities have benefited, the records indicate that our cotton exports in 1938 were one-fourth less than they were in 1937 and were only about one-half the 1926–30 average. The exports of cotton during the last year were subsidized to the extent of 1½ cents a pound. In order to move our surplus wheat into the foreign markets during the last 2 years, it was necessary to subsidize the exportation of this surplus at an approximate cost of 26 cents a bushel. In 1938 our exports of cured pork were only 16 percent as much as the 1910–14 average—lard only 40 percent as much. Great Britain is now prohibiting the importation of American tobacco and apples. And so we find that with all these trade agreements we still have no dependable foreign market for these surplus commodities such as cotton, tobacco, lard, pork, and wheat.

While the objectives of the trade-agreement program are laudable and many of the agreements are working out satisfactorily, others have been a boomerang to American agriculture. Those in the offing are still more threatening. How to preserve the good and eliminate the bad features of this program is the problem now facing Congress.

It should be understood that under the unconditional most-favored-nation clause, when we make a trade agreement with one country, every other country in the world not discriminating against our trade gets the benefit of the concessions. As a consequence, we encourage imports from nonagreement countries making no concessions as well as from the agreement country, with no real assurance of increasing our exports.

It is true, of course, that by increasing our imports from a foreign country we may thereby increase the purchasing power in that country and may by virtue of that fact increase our exports to that country. However, it may result in the sale of American securities instead of in increased exports. Foreign investments in the United States at the close of 1938 amounted to $7,833,000,000.

How much more essential it is to our national welfare to increase our domestic purchasing power rather than to build up foreign purchasing power becomes evident when it is realized that 93 percent of our industrial and agricultural production is consumed in the United States. Only about 7 percent of our production of movable goods is exported.

The few benefits that agriculture has received from the trade-agreement program are offset by the increase of competitive imports and by the threat of further concessions. A trade agreement based on benefits to one group in the United States at the expense of another group cannot be defended.

The concessions that have been granted the United States in these trade agreements have been largely nullified by the war. Neutrals as well as belligerents have imposed exchange controls and import licenses. Under this system only the most essential American exports are now permitted entry. As an example of this, both Great Britain and France have been refusing licenses for the importation of American apples. This was one of the important items on which the United Kingdom made a tariff concession in return for the concessions made by the United States. We continue to receive imports based on the lower tariffs provided in the United Kingdom agreement in spite of the prohibition against our exports. We continue to give all the countries the benefits of the concessions we have made, although various methods have been used by most of the countries to impede our exports. Discriminations against our trade by many of the countries with whom we have trade agreements have been carried on with impunity. Germany is the only country not enjoying the benefits of these concessions. The depreciation of foreign currencies has had the effect of cheapening foreign goods in our market and of enhancing the price of American goods in foreign countries. Trade agreements can offer no assurance of currency stabilization. As a consequence there is no assurance that our markets will not be flooded with commodities from countries with depreciated currency at the close of this war if we open the tariff gate.

With the world in the turmoils of war, it is hardly possible to negotiate a multilateral trade agreement now with any country that could assure agriculture of any benefits.

So long as Uncle Sam continues to play the role of Santa Claus to foreign nations, the demands for concessions will never cease. Agriculture cannot afford to make any further concessions on competitive agricultural commodities for the purpose of encouraging industrial exports. Farmers and ranchers cannot afford to permit the fixing of import duties on competitive products by a secret committee that is not familiar with the diversity of agricultural problems throughout the Nation, and is not elected by and consequently not responsible to the people.

In order to safeguard the general welfare of this Nation and to protect agriculture, labor, and industry, this resolution to extend the life of the Reciprocal Trade Agreements Act should be amended to provide for Senate ratification of all future trade agreements. With this amendment the measure would be in accord with the provision in the Constitution that requires all treaties with foreign nations to be ratified by the Senate.

My amendment providing for Senate ratification would assure American agriculture, labor, and industry an ade-

quate opportunity to be heard on the actual terms of the agreements before they became effective. It would remove the legal objections that have been raised, that Congress had delegated to the executive branch of the Government, contrary to the Constitution, the tariff, taxation, and treaty-making powers of Congress. It would recognize the desirability of negotiating such trade agreements as are mutually advantageous and beneficial. It would permit the State Department to continue trade negotiations with foreign nations but with the limitation that before any trade agreement could become effective its full text would be subjected to public scrutiny and legislative approval.

Since the resolution now pending does not affect existing trade agreements, Senate ratification for all future trade agreements will permit those elected by the people and responsible to the people to pass final judgment. [Applause.]

Mr. BUCK. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Chairman, the trade-agreements program has been in operation for 5½ years, concluding reciprocal agreements with country after country in order that the producers of the United States may have wider distribution for their products, both agricultural and industrial. Georgia needs this trade-agreements program because Georgia wants foreign markets for its cotton, its textile manufactures, its tobacco, its turpentine and rosin, its lumber and wood products.

Throughout the twenties the United States was selling enormous quantities of its products in the markets of the world. We were a creditor nation and it was clearly manifest that if we expected to continue to sell to other countries we had to increase our imports as part payment for those exports. Instead of frankly facing this fact and boldly encouraging American importers, the Congress enacted the Hawley-Smoot Tariff Act of 1930, raising our tariffs to excessively high levels, practically closing our markets to the countries with which we had been trading. These countries naturally took steps to shut out our goods from their markets. No country can long continue to buy from a market where it cannot sell.

The proponents of the Hawley-Smoot Tariff Act promised that it would result in great prosperity for the American people. Instead, employment in this country decreased rapidly, farm income dwindled, businessmen saw losses instead of profits on their books, transportation lines found less and less tonnage to carry.

The export trade of the United States dropped from $5,200,000,000 in 1929 to about $1,700,000,000 in 1932. As the value of our foreign trade contracted, purchasing power throughout the country also contracted; as large surpluses of unsold goods piled up, prices fell and the repercussions were felt in all parts of the United States. In Georgia, between 1929 and 1932, the total accountable income of the State fell from $952,000,000 to $557,000,000, the cash income of our Georgia farmers declined from $231,000,000 to $66,000,000. In 1929 exports reported to have originated in Georgia were valued at $70,000,000—and that figure did not include the value of Georgia's raw and semimanufactured products that went to other States to be finished and shipped abroad. By 1932 the reported value of Georgia's exports had shrunk to $23,000,000.

All of these facts showed us plainly that one cannot sell if one will not buy.

It was imperative that order and prosperity be restored throughout our domestic economy and one of the most important steps in this direction was the reestablishment of our foreign trade. Something had to be done to cut away the confused mass of trade restrictions resulting from extreme economic nationalism, so that goods might move more freely among the nations of the world. No one country could accomplish this by mere unilateral revision of its tariffs, but as the strongest country, economically, the United States could and did take the responsibility of inaugurating a program of reciprocal action to deal with the perilous situation that confronted foreign trade.

The Congress passed the Reciprocal Trade Agreements Act in June 1934 and renewed it in 1937. Under its provisions foreign countries were asked to lower their tariff barriers and again to buy the surplus products of our farms, forests, mines, and factories. On our part we assured these countries that we would lower some of our barriers and buy more of their products.

The essential difference between this program and other methods of tariff adjustment is that it enables us to deal with foreign tariffs and trade barriers as well as our own. Adjustment in our own tariff accompany and are made conditional upon similar action by foreign countries.

During the 5½ years since June 1934, reciprocal-trade agreements have been concluded with 21 countries, accounting for 60 percent of our total foreign trade. That means that substantial progress has been made in carrying out the intent of the Congress that trade agreements should be negotiated with foreign countries "as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce."

Since the trade agreements program began operation in 1934 our foreign trade has shown notable increases. Our total exports during the past 2 years, 1938 and 1939, have averaged more than $3,100,000,000, or 42 percent higher than during the 2-year period 1934 and 1935. Our imports during 1938 and 1939 have averaged more than $2,100,000,000, an increase of 15.6 percent over the average for 1934 and 1935. In other words, we have bought more goods and we have sold more goods.

I know quite well that other factors than trade agreements have helped this increase in our foreign trade, but it is significant to note what happened in our trade with the 16 countries with which agreements were in effect all during 1938 and 1939. Our exports to these countries during this 2-year period averaged $1,232,000,000, or 62 percent higher than they had averaged in 1934 and 1935. Imports from these countries averaged $942,000,000 during 1938 and 1939, an increase of 21.6 percent over the average for 1934–35. Compared with these increases, our exports to countries with which we had no trade agreements in 1938 and 1939 averaged $1,300,000,000 during those 2 years, or 31.7 percent higher than the average for 1934 and 1935, and our imports from these countries in the later period averaged $868,000,000, or 12.5 percent more than the average for the earlier period.

Not all products entering into the trade of the United States with foreign agreement countries are covered by specific concessions but all our exports to such countries benefit because of the greater purchasing power resulting from increased trade between the United States and these countries. In addition, all products benefit from the general provisions of each agreement which protect our exporters from discriminatory treatment with respect to all forms of trade control.

Farm prosperity is of key importance to our national welfare, and the exports of our agricultural products, always an important factor in farm prosperity, have now to meet ever greater competition in world markets. What the trade-agreements program is doing to help the farmer is indicated by the report from the Department of Agriculture that during the fiscal year 1938–39 agricultural exports to the 16 countries with which trade agreements were in effect throughout that year were 15 percent, $28,000,000, higher than during the fiscal year 1935–36, whereas exports to all other countries declined by 19 percent. If cotton is excluded, exports of agricultural products rose 69 percent to the trade-agreement countries and 26 percent to all other countries. Although agricultural imports from Canada and Cuba declined, such imports from the other 14 countries taken together rose 11 percent.

The American farmer benefits directly from the larger exports that result from the concessions that have been obtained in trade agreements on a wide range of agricultural products covering three-quarters of our agricultural exports to trade-agreement countries. Furthermore, by disposing of surplus products abroad the farmer finds steadier prices for the products he sells on the domestic market.

The trade-agreements program could not be expected to cut all trade barriers and clear away all the surpluses that were piled up in elevators and warehouses, but as it increases market outlets these ends are gradually being accomplished, and acreage reduction will prove less necessary.

In protecting our cotton exports against the restrictions and discriminations imposed by foreign countries trade agreements have been a favorable factor in the unfavorable developments of recent years in our cotton-export trade.

Trade agreements have enabled the agreement countries to obtain larger amounts of dollar exchange, thus facilitating their purchases of American cotton; and they have improved the market for cotton with the United States by adding to the pay rolls of industry and the incomes of farmers.

The reasons for the low cotton exports of the last 2 or 3 years are entirely unconnected with the trade-agreements program. Domestic cotton prices during a considerable part of that period were above the world level and a large part of our better-grade cotton was tied up in loans. Furthermore, during 1938–39, the general unsettlement abroad helped to hold our exports at a low level. Foreign consumption was largely supplied by withdrawal from stocks abroad, supplemented by purchases from countries offering cotton at prices lower than those prevailing in the United States.

The restrictions on imports of many commodities, set up as a result of war in certain countries, are outside the province of trade agreements and may prove only temporary.

In Georgia, where agriculture is of paramount importance, we are interested in the benefits we gain through concessions obtained in trade agreements. Cotton raising in Georgia gives employment to almost 1,000,000 persons and the cotton-textile industry to 90,000 persons.

Five agreement countries, including the United Kingdom, have given assurances that the present duty-free treatment would not be changed, and 2 countries have bound the present duty against increase. In 11 agreements concessions have been obtained on cotton manufactures. In the list of products benefited are yarns, bags, cotton cloth of many types, hosiery, knit goods, shirts, collars, men's cotton clothing, and women's dresses. Georgia has these to sell. Furthermore, concessions have been obtained on such products as automobiles, aircraft, furniture, electrical supplies, imitation leather, oilcloth, shoes, typewriter ribbons, power belting, rubberized piece goods, tires, rubber hose, and pharmaceutical supplies. Georgia's cotton goes into the manufacture of all of these. Whether these products are manufactured in Georgia or some other State, any measure increasing the foreign market for these increases Georgia's opportunity to sell its cotton crop profitably.

Georgia growers and manufacturers of tobacco have a direct interest in the concessions obtained in 11 agreements for tobacco and its manufactures. For tobacco leaf 2 countries reduced the duties, 4 bound the existing duties against increase, and 1 guaranteed the amount of its annual purchase. For cigarettes 4 countries reduced the duties and 4 bound them against increase. Two countries reduced the duties on smoking and chewing tobacco. In addition, through the agreement with the United Kingdom, 16 colonies reduced the margin of Empire preference on many types of unmanufactured and manufactured tobacco.

In Georgia our wood-manufacturing industries give employment to more than 15,000 wage earners. Producers of hardwood and softwood lumber and timber and wooden manufactures benefit directly from expanding foreign markets made possible by concessions obtained in 12 agreements. On various kinds of lumber and timber, 5 countries reduced the duties, 2 countries increased the quotas, 3 countries bound the existing duties against increase, and 3 countries guaranteed to continue free entry. On certain wooden manufactures 5 countries reduced the duties, and 3 bound them against increase. In addition, through the agreement with the United Kingdom, the margin of Empire preference was reduced by 9 colonies, 6 of which are in the West Indies group.

About half of the United States production of turpentine and rosin comes from Georgia, where more than 15,000 persons are employed by the industry. Concessions have been obtained in trade agreements with 9 countries expanding and restoring foreign markets for these products. Three countries reduced the rate of duty, 1 country bound the existing rate of duty against increase, and 5 countries gave assurances that the present duty-free treatment of naval stores would not be changed. Furthermore, since rosin and turpentine are largely used in the preparation of paper, soap, chemicals, paint, and shoe polishes, the many concessions obtained in the trade agreements which expand foreign markets for these American products are also of value to the Georgia producer of these raw materials.

The production of fruits and vegetables is large in Georgia, and Georgia's meat-packing, papermaking, and canning industries are growing. Whether or not they have yet reached the export stage, they benefit from the multitudinous concessions obtained on such products, for when increased quantities of these are exported from the great centers of production Georgia's producers experience less severe competition in the domestic market.

The list of hundreds of concessions obtained for farm products and the record of direct benefits to agriculture from the trade-agreements program is impressive. But that does not tell the whole story. Farm prices and farm income are largely dependent upon the purchasing power of our entire population, therefore, when industrial exports are increased and industrial employment expands, the farmer sells more of his products at better prices.

It is therefore good news to the farmer from the Commissioner of Labor, Dr. Lubin, speaking with reference to the greater exports of manufactured goods, that the trade-agreements program has increased employment mainly in those industries which pay wages well above the average wage for manufacturing in the United States. Dr. Lubin cited instances in which exports of manufactured products increased in 1938 over 1937, thereby offsetting in part the effects on industry of declining domestic sales. For example, the continued rise in the value of our exports of agricultural machinery and implements to countries which had granted concessions on these commodities resulted in our total exports of them to be greater in 1938 than in 1937.

The benefits derived from improved foreign trade do not stop with the farmer or the manufacturer for export. The increase in pay rolls, profits, and farm income that results from greater exports creates additional purchasing power for the wide variety of goods and services that enter only domestic trade.

Increased foreign and domestic trade means increased tonnage to be handled by railroad, steamship, and truck-transportation industries. This in turn means more and steadier employment in these lines as well as in such service industries as banking, brokerage, advertising, insurance, and warehousing.

Thus, it is plainly manifest that every section of our country, and every type of industry and agriculture reap benefits from the trade-agreements program and that its continuance is of vital importance in the improvement of our national economy.

The interdepartmental committees charged with the formulation and negotiation of trade agreements during the past 5½ years have been most thorough in their work. Hearings and conferences have been held to insure that due account is taken of the viewpoint of any interested citizen; a vast amount of factual information is assembled from sources both within and without the Government and all these data studied with care. Customs quotas and specialized classifications are employed, when appropriate, to re-

duce to a minimum the impact of foreign competition on our markets. Moreover, certain general provisions and clauses designed to deal with specific conditions are part of each agreement and act as safeguards against developments in the future. The operation of the trade agreements is given constant and careful supervision in order that remedial action may be taken whenever it appears that the producer of any product might be materially injured. Only admiration can be expressed for the manner in which all this work has been done.

The right of Congress to delegate the authority to negotiate trade agreements that become effective without Senate ratification is within the bounds of the Constitution, and stands squarely upon long-established and unquestioned practices of the Congress. At least 1,000 international agreements of various kinds have been entered into by this Nation and brought into effect without being submitted to the Senate under the treaty-making procedure. Pertinent decisions of the Supreme Court have upheld the power of Congress to delegate to the Executive authority to adhere to conventions with foreign governments without Senate ratification.

The disastrous history of the past 20 years, during which the doctrine of national self-sufficiency ran rampant, is evidence that we must continue our efforts to put international economic relations on a sound cooperative base so that when the present wars are ended millions of people may have the opportunity to return to peaceful employment.

We must, therefore, continue this program, not only because of its great benefits to our own economy but also because it will play so important a part in bringing about a world peace that will endure. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, before Congress complies with the demand to renew the reciprocal-trade program, I believe it is our duty to study its effect thus far upon the American people and to analyze future possibilities, if the program is continued as demanded by the President.

We are more interested in the future than what has taken place in the past. However, we should profit by the experience of the past and let that be our yardstick for the future. Exports and imports under present unsettled world conditions cannot be used as a guide for what must eventually develop when the war ceases in Europe.

If Congress is interested in the future welfare of American citizens, then all trade agreements should now be abrogated or suspended. [Applause.] Six years ago two laws were enacted by the New Deal to revive foreign trade and reestablish domestic prosperity. These were the monetary gold and silver policies and the reciprocal-trade law. The administration of both proved dismal failures for American citizens, as we still have between 9,000,000 and 10,000,000 people unemployed and more than 20,000,000 people on public relief. The "screwball" English used in the administration of both laws made America the prize sucker of the world, for under them we became the champion Santa Claus for the rest of humanity.

NEW DEALERS LOVE TO PLAY SANTA CLAUS

The magnitude of the generosity of the New Deal under these laws toward foreign governments and their citizens is so fantastic that the true story, when told, sounds like a fairy tale from the land of Utopia. Believe it or not, but cold, uncontroverted facts disclose that the policies pursued by our Federal Government during the last 7 years, and up to the time the war started in Europe, brought fortune and recovery to the rest of the world at our expense, but nothing but continued depression, unemployment, and near bankruptcy to the American people.

THE STORY OF COTTON

Both programs were designed to aid agriculture in particular, principally cotton. I am glad that I have the opportunity of following the distinguished chairman of the Committee on Naval Affairs, the gentleman from Georgia [Mr. VINSON], who has stated that the reciprocal-trade program has helped cotton.

I also had the opportunity of hearing the majority whip speak over the radio last night, and he boasted about the aid that had been given to cotton. I am just wondering if they had looked at the figures as to how the cotton farmers had been helped through this reciprocal-trade program.

In 1933, before the reciprocal-trade program was enacted, we exported from the South nearly 8,000,000 bales of cotton into the world market. After 22 agreements had been negotiated, and in 1939, our exports had fallen to 3,353,000 bales.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. At this point it may be pertinent to call attention to the fact that at the same time our exports of cotton dropped from 8,000,000 to 3,000,000 bales, purchases by foreign mills increased 10 percent. They bought their cotton elsewhere.

Mr. AUGUST H. ANDRESEN. The gentleman is correct. Our market has been flooded with cheaply produced finished cotton goods, and because of this fact we hear the distinguished gentlemen from the cotton States complaining and asking us to do something to save the cotton farmer and the cotton mills throughout the country.

Mr. KNUTSON. Did not this decline take place notwithstanding a subsidy?

Mr. AUGUST H. ANDRESEN. The gentleman is right. Shortly before the war started we paid $7.50 a bale subsidy, which amounts to about $9 in British pounds at the going rate of exchange, so that we are in reality making Great Britain and the other countries a present of $9 a bale to take the cotton off our hands.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I am sorry, I cannot yield.

As far as wheat is concerned, the clever manipulators in the foreign countries who are playing us for first-class suckers played the American farmers a shrewd trick. They depressed the world price of wheat last June to the lowest it had been in 350 years, and then we paid them from 26 cents to 30 cents a bushel subsidy to take it off our hands; in other words, we really gave it to them for nothing. That is the type of aid agriculture has had from this reciprocal-trade program and the other programs passed by a subservient or rubber-stamp Congress to help the greatest industry in the United States.

I do not know how many Members from the cotton-growing sections of the country are going to support this bill. From the interest indicated here on the majority or Democratic side, it does not seem as though very many of them are sufficiently interested in the discussion to find out the truth of what is happening to the farmers down through the Southern States and in other parts of the country. Undoubtedly they have received their instructions as to how they are to vote, and they will cast their votes here accordingly when the roll is called in the next few days.

The Representatives from the cotton-growing districts should read with interest the graphic story told in the following tables from the statistics of the Departments of Agriculture and Commerce. Of course, I do not assume that they will pass this information on to the cotton producers of the South, but eventually American cotton farmers will get the story.

DID THE GOLD POLICY OR RECIPROCAL-TRADE PROGRAM HELP EXPORT AMERICAN COTTON?

Exports of cotton by the world

[In thousands of bales]

	1932–33	1933–34	1934–35	1935–36	1936–37	1937–38	1938–39
United States	8,426	7,552	[1] 4,816	6,040	5,511	5,672	[2] 3,353
India	2,123	2,555	2,507	2,952	3,468	1,721	2,685
Egypt	1,292	1,850	1,640	1,687	1,824	1,781	1,753
Brazil	5	272	746	743	1,082	1,146	1,609
Other countries	1,288	1,207	1,450	2,016	2,365	2,213	2,229
By world	13,134	13,436	11,159	13,438	14,250	12,533	11,629

[1] Enactment of reciprocal trade law, 1934.
[2] 22 trade agreements in operation and lowest export of American cotton in all history (1939).

The tale of United States cotton—10 years

[In bales]

	1929	1939
United States acreage	43,232,000	24,248,000
Old World acreage (except China)	36,938,000	47,172,000
United States exports previous season	8,043,000	3,512,000
United States "carry-over"	4,517,000	14,123,000
After a crop of	14,447,000	11,943,000
United States loan	None	11,340,000
Price at season's start.....cents	18.04	9.37
Parity at season's start.....do	20.70	15.60

ROOSEVELT MAKES DRASTIC CUT ON FARM-PRODUCT TARIFFS

Despite the fact that President Roosevelt promised American farmers in 1932 that he would not cut the duties on competitive farm products produced by American farmers, a study of the 22 reciprocal-trade agreements thus far negotiated will show that more than 160 drastic reductions have been made on the import duties of competitive farm products. Many of these reductions are as much as 50 percent of the protective rate enacted by the Republican administration in 1930.

The farmers of America should know what has been done to them, and I will therefore cite some of the competitive products upon which reductions have been made. The following products are included in this list: Cattle, hogs, pork, bacon, milk, cream, buttermilk, cheese, chickens, ducks, geese, turkeys, eggs, honey, barley, malt, corn, oats, oatmeal, rye, apples, sugar, cabbage, carrots, rutabagas, potatoes, onions, hay, straw, and numerous other farm commodities. This is the way President Roosevelt kept his pledge made to American farmers.

ARGENTINE TRADE AGREEMENT

The proposed trade agreement with Argentina contemplated reductions in the tariff duties on beef, veal, cheese, corn, turkeys, and other competitive farm products. A vigorous protest was lodged against the treaty by Members of Congress and farmers from all over the country. I appeared as one of the Representatives and made my protest to the Committee on Reciprocity Information. The swell of opposition against the proposed agreement was so strong that negotiations were temporarily discontinued on the treaty. Of course, no one lost sight of the fact that a Presidential election will take place in November. However, I venture to say that within 48 hours after the results of the November election have been announced, Secretary Hull, at the instance of the President, will reopen negotiations with Argentina on the trade treaty, if this law is renewed by the present Congress. I predict this action irrespective of the results in the November election.

NEW DEAL GOLD AND SILVER POLICY

Now, another policy that was designed to help the farmers was the gold policy, which should be written in red ink in the history of this country. It worked out only for the benefit of foreign governments, international gold speculators, and a few domestic mines.

You know that during the last 6 years, or since January 1, 1934, and up to January of this year, we have purchased $11,120,000,000 worth of foreign gold at $35 an ounce. We have paid these foreigners a premium or made them a gift of $4,448,328,000 as a premium for the privilege of purchasing their gold, and we are today sitting here with $18,100,000,000 worth of gold buried in the hills of Kentucky.

This policy was also designed to help cotton and to help the other farmers in the United States.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. KNUTSON. Is it possible they may have put the gold in the ground in order to fertilize it?

Mr. AUGUST H. ANDRESEN. It may be that they have done it for that purpose because nobody knows what it will be worth after we get the balance of the world supply of gold, and we now have 70 percent of it. I can imagine that the rest of the world will go off the gold standard as a medium of international exchange, and we will be sitting high and dry with 80 or 85 percent of the world's supply of gold.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield on that point?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If the gentleman will permit, I want to make the observation that the great tragedy about this is not so much that we paid a premium of four and a fraction billion, but we must pay nine and a fraction of the eleven-plus billions in actual goods for something we do not need, dare not use, and are not using at the present time. In other words, those dollars that we gave for the gold must be redeemed in goods that our people need and should use.

Mr. AUGUST H. ANDRESEN. The gentleman is quite correct.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I am sorry I cannot yield.

As a matter of fact, we are now paying for the war in Europe with American dollars contributed as gifts to those governments and those countries that have sent us gold.

We are financing Russia for we have bought nearly $1,000,000,000 worth of gold from Russia that has been sent to our United States Treasury.

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield to the gentleman from Minnesota 5 additional minutes.

Mr. AUGUST H. ANDRESEN. You know they do not show these Russian purchases on our books in the Treasury. You will not find any record of the purchase of Russian gold. They would not dare to put it in the RECORD for fear there might be some criticism from the American people. The Russians are clever, too, and they have sent their gold to England and have had the English bankers send the gold over here. The figures show that Russia has sent England around $1,000,000,000 of gold for transshipment to the United States, and for that $1,000,000,000 worth of gold we have just made Russia a magnanimous present of over $400,000,000 in American money when it only cost them about $11 an ounce to produce gold in communistic Russia.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. BREWSTER. I should want to amend the gentleman's figures a little. Is it not a fact it cost them about $11 an ounce?

Mr. AUGUST H. ANDRESEN. Between $11 and $12 an ounce.

Mr. BREWSTER. And we pay them $35 an ounce.

Mr. AUGUST H. ANDRESEN. We are paying them $35 an ounce.

Mr. BREWSTER. So on that $1,000,000,000 is not their profit actually $660,000,000 instead of $400,000,000?

Mr. AUGUST H. ANDRESEN. The gentleman is correct, but I wanted to be generous about it and treat them the same as the British, for they are very clever over there.

Now, the administration recognizes the fact that we have too much gold in this country, and that we must get rid of it. How do they propose to do it? They propose that we get rid of this King Midas hoard in two ways.

In the first place, Mr. Morgenthau and Mr. Hull suggest that we lower our duties on farm and manufactured products and that we permit the foreigners to produce more competitive manufactured and farm products for shipment into the United States, and that these imports shall be in excess of our exports. Then we are to pay the difference back to the foreigners in gold. That is part of this reciprocal-trade program; and so they are lowering the duties and want this law continued for additional reductions.

But we have a much more clever suggestion coming from Mr. Adolph Berle, Jr., who is the Assistant Secretary of State. On January 3, 1931, in a speech he made at New Haven—and that must be a center of learning, a very distinguished place—I understand he suggested that we give this gold back to the people who sold it to us and let them sell it back to us again at $35 an ounce. That was his proposal. It just seems to

me that we are continuing to be the prize Santa Claus in the world. You will hear more of this suggestion as time goes on.

In 1933 the New Deal made it a penitentiary crime for any American citizen to possess gold or gold certificates. They required that all gold holdings be surrendered to the Treasury on the basis of $20.67 an ounce. This meant that a $20 gold piece, which contains approximately an ounce of gold, would only exchange for a $20 Federal Reserve note or silver certificates or currency. After the New Deal had taken over gold owned by American citizens at $20.67 an ounce, President Roosevelt generously raised the price for all foreign gold, and also newly mined gold in this country, to $35 an ounce, which resulted in the payment of a premium of $14.33 an ounce for all gold purchased by the Treasury since January 1934. Foreign governments, international money lenders, and gold speculators hastily took advantage of American generosity. During the past 6 years the Treasury has purchased $11,120,820,000 in foreign gold, upon which a premium has been paid by the American people in an amount of $4,448,328,000, as shown in the following table of statistics from the Department of Commerce, United States Treasury, and the Federal Reserve Board. In the same 6-year period only $900,000,000 in newly mined domestic gold has been purchased by the Treasury. Our total gold holdings now approximate $18,100,000,000, or 70 percent of the world's supply. The Federal Reserve System has a claim against this gold for about $16,000,000,000.

Foreign gold purchased by U. S. Treasury Jan. 1, 1934, to Jan. 1, 1940

[The first column shows amount paid (at $35 per ounce) by Treasury to foreign sellers of gold. The second column shows the gift or premium from our Treasury to foreign gold dealers, being the difference between $20.67 per ounce and $35 per ounce]

	Total amount paid by U. S. Treasury	Amount of gift from U. S. Treasury to foreign gold dealers
United Kingdom	$4,916,352,000	$1,966,540,000
France	1,839,360,000	735,744,000
Belgium	283,775,000	113,510,000
Netherlands	903,667,000	361,466,000
Sweden	88,869,000	35,547,000
Switzerland	163,683,000	65,473,000
Canada	1,065,392,000	426,156,000
Mexico	192,467,000	76,986,000
Colombia	91,947,000	36,778,000
Philippine Islands	137,829,000	55,131,000
Australia	175,932,000	70,372,000
South Africa	23,529,000	9,411,000
Japan	580,813,000	232,325,000
British India	347,857,000	139,142,000
All other countries	319,405,000	127,762,000
Total	11,120,820,000	4,448,328,000

DEPRECIATED FOREIGN CURRENCY AND ITS EFFECT UPON AMERICAN ECONOMY

The President has asked for the continuation of the reciprocity law and other New Deal powers, but I am not willing to grant these extensions, as I sincerely believe that these panaceas have worked to the detriment of our country. With wars and financial difficulties in all parts of the world, our monetary and reciprocal trade policies should be suspended. Unless we change our foreign-trade policies at once, we are headed for a major depression which may be the last "round-up" for American democracy.

If we cannot profit by known facts which caused the depression of 1932, our leaders of today are not worthy of the trust placed in them by the American people.

One of the main causes for the 1932 depression was the manipulation of money by international bankers. They arbitrarily, and with malice aforethought, reduced the value of the British pound in American dollars from $4.86 to $3.50, and a similar manipulated depreciation in all other foreign currencies, as is shown by the table below from statistics supplied by the Federal Reserve Board.

The depreciation of foreign currencies made it impossible for foreign citizens to purchase the products of American industry and agriculture, which resulted in the piling up of huge surpluses of farm products in the United States, lower prices, closing down of factories, unemployment, and general distress.

Foreign exchange rates

[Value of foreign currencies in terms of dollars and cents]

Country	1929	1932	1934[1]	1940[2]
England (pound)	$4.86	$3.50	$5.04	$3.95
Canada (dollar)	.99¾	.88	1.01	.86½
Australia (pound)	4.81	2.79	4.01	3.16
New Zealand (pound)	4.83	3.20	4.02	3.17
France (franc)	.039	.039	.065	.022
Italy (lira)	.0523	.0512	.0856	.0505
Argentina (peso)	.95	.58	.33¼	.2978
Mexico (peso)	.48	.3180	.2774	.1675
Japan (yen)	.46	.2811	.2870	.2345

[1]The reciprocal trade law was approved in June of 1934.
[2]Rates of exchange on Feb. 15, 1940, in terms of American dollars.

A study of the above table will show that the pattern of the 1932 depression is being closely followed. If history repeats, and it surely will, international money lenders will soon bring about another world-wide depression. But the next depression will be streamlined and its consequences far more devastating that the debacle of 1932. We will, no doubt, have most of the gold in the world, and our tariff duties will all have been materially lowered in reciprocity agreements, thereby making it easier for competitive imports to enter the country.

When the European war ends and workers now engaged in war get back into productive employment, depreciated foreign currency will stop exports from this country, due to the high value of the American dollar. This scheme to destroy our export trade will automatically bring about a flood of cheaply produced foreign farm and manufactured products into this country. Depreciated foreign currency automatically increases the purchasing power of the American dollar in foreign markets. Our exports were reduced to a minimum in 1932 because of this fact, and the same thing will happen when the war ends in Europe, because of action already taken in this direction by international operators to protect themselves for the future.

I said that the pattern is the same today as it was in the early thirties. The reciprocal trade law went into effect in 1934. The British pound was then worth $5.04. Today its value is $3.95, a depreciation of over 20 percent. The Canadian dollar has depreciated 13 percent, the Mexican peso 43 percent, the French franc 66 percent, and similar depreciations are taking place in all other foreign currencies. Secretary Hull has done nothing to correct this attack upon our American economy, although every trade agreement contains a provision for adjustment or cancelation of a trade treaty because of depreciated foreign currency.

The war in Europe is bound to end. When it does our day of reckoning will be at hand. In fact, we can already see the effect of international currency manipulation upon our exports. The belligerent and warring nations are only buying airplanes and supplies needed for war and armament purposes. Purchases of other supplies from our country are being discontinued or placed under restricted quotas. When the war ends there will be no need to purchase additional war supplies, and, because of depreciated foreign currencies, foreign nations will not be able to buy products of American manufacture and production. On the other hand, because of the high value of the American dollar, our country will be flooded with cheaply produced farm and manufactured products from other foreign countries, which can only mean a glutted domestic market, the piling up of surpluses, increased unemployment, lower farm prices, and general distress. All of which will be brought about by international bankers and foreign governments through the manipulation and depreciation of foreign currencies.

Currency manipulation is a tool of international money lenders to gain profit for themselves. They care nothing about the welfare of laborers and farmers of this or any other country. They want dividends and profits, but to get these they must take goods in payment, for there is little gold in the world excepting in the United States. They propose to

destroy our export market and to flood our domestic market with competitive products in order to regain possession of the gold that they sold to us at $35 an ounce.

In analyzing the above exchange rate table, some may ask the question as to why the British pound rose from $3.50 in 1932 to $5.04 in 1934. The answer is simple. President Roosevelt depreciated the American dollar in 1933 down to 59 cents to make our currency on a par with the British pound and other foreign currencies. Foreign currencies are again being depreciated. Does the President propose to do anything about it? Are we about to have another devaluation of the American dollar? I am sure that the American people would like to know as to the future stability and value of their money.

Great Britain, France, Japan, and other producing countries are determined to recapture all foreign trade, to stop our exports and to flood this country with foreign products. Sir Samuel Hoare, a noted Englishman, said last week, "Unless Great Britain maintains her export trade she will lose the war." A British manufacturer, writing in the Manchester Guardian, summed up the situation by saying, "Without exports we die." An editorial which appeared in the Washington Post on February 19, 1940, made the following comment on these expressions from England:

> This emphasis upon the importance of British export trade will be far from welcome to American exporters who have been hoping that British industry would be increasingly diverted to production for war purposes, leaving the export field to competitors. The statistics of our export trade indicate that a considerable volume of business has in fact been shifted from Great Britain to the United States in recent months. However, the remarks of Sir Samuel Hoare indicate that the British Government intends to combat this diversion by various devices applicable under a regimented system of wartime economy.

War or no war, Great Britain, Japan, and other exporting countries intend to maintain and expand their export supremacy, and the means that they will use will be through the depreciation of their currencies and other monetary manipulations.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. CROWTHER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, one of the purposes of the reciprocal trade law was to enlarge the shipment of apples from the State of Washington to Canada. For a time this succeeded, but now that the Canadian dollar has been depreciated 13 percent, the process has become reversed, and Canadian apples are being sold in the State of Washington, and no Washington apples in Canada.

I also wish to point out that since the trade agreements went into effect, Mexican currency has depreciated 41 percent. It is not to be wondered at that some of our southern cattle speculators have of late been buying large quantities of Mexican cattle. To illustrate: before Mexico depreciated its currency, $10,000 in American money purchased 2,381 head of 700-pound Mexican steers, at $42 a head. Under the present depreciated Mexican currency, you can now buy the same number of cattle of the same weight for $6,071. A very profitable transaction for a few cattle speculators.

The imports of cattle from Mexico and Canada for 1939 were 753,570 head with a foreign valuation of $20,206,797 as against 424,022 head in 1938. It is estimated that approximately 2,000,000 head of cattle have been imported into this country since 1934.

Some of our consumers may welcome the opportunity of buying cheaply produced products from foreign countries. It is only natural, within the limited income of most people, that they should desire to buy cheaply and get as much as possible for their money. But in the United States we have built up an American standard of living which far outstrips any other country. If we are to maintain our standard of living, we must recognize the fact that our farmers and laboring men cannot compete with the cheaply produced goods from the rest of the world. Therefore we must maintain our protective system and perfect it in order to give the same advantages to all groups in our complicated economic structure. This should be our objective. I am strongly for foreign trade, but cannot favor a policy which I am convinced will bring ruin to the American people.

You will pardon my sincerity in this discussion, but it is my candid opinion that the leaders who ask for the continuation of the reciprocal-trade policy have either been "duped" into blissful ignorance—which I hope is true for they may then correct the error of their ways—or they have knowingly joined an international conspiracy to deliberately destroy our American economic system.

I am interested in the future of America and sincerely urge upon the membership of this House to now disregard outside pressure and begin legislating for the future welfare and happiness of the American people. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CROWTHER. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. MCLEAN].

Mr. MCLEAN. Mr. Chairman, the measure before us is a resolution to continue legislation previously enacted authorizing the President to adjust our tariff rates by agreements with foreign nations. Because it is unconstitutional it should be allowed to lapse or be materially altered to preserve congressional prerogatives. It is admittedly a scheme for revising our import duties, and although brought in under the guise of temporary legislation to meet an emergency it is in fact intended to be our permanent policy of tariff revision. By this legislation Congress has conveyed to the Executive plenary and exclusive authority in all matters pertaining to the tariff. The program in several particulars does violence to our scheme of government under the Constitution.

A few days ago the President, in speaking to the Youth Congress assembled in Washington, found it necessary to say:

> It has been said that some of you are Communists. * * * As Americans you have a legal right—a legal and constitutional right—to call yourselves Communists, those of you that do. But as Americans you have not only a right but a sacred duty to confine your advocacy of changes in law to the methods prescribed by the Constitution.

There is no exemption from this rule to us because we are Members of the House of Representatives. Our duty is just as sacred. Ours is a peoples' government.

Its founders intended and provided as definitely as they possibly could that it should be—that there should be no dictator or totalitarian state arise on the American continent. The sacred rights of personal liberty and free enterprise were to be jealously guarded, and no one will deny the success of the plan.

What made the Government established under the Federal Constitution successful was the restraints that were embedded in it—its checks and its balances. All rights not delegated to the Federal Government were expressly reserved to the States and the people thereof. The jurisdiction of the Federal Government over such matters as had been delegated was divided into three separate and distinct parts—the legislative, the executive, and the judicial. The jurisdiction of the several branches was defined, and restraints were provided to prevent the encroachment of one branch of the Government on the other and the Federal Government from usurping the rights reserved to the States. By disregarding these restraints the power of the Executive is expanded, and the more that power is expanded and our everyday life directed from Washington the further the Government becomes removed from popular control.

We are warned against subversive practices and propaganda. We are told that Communists and Fascists and other organized groups would overthrow our Government by force. Serious as we know that threat to be, there is a more serious challenge beyond it. The danger is that those who are charged with the responsibility of preserving our Government may themselves provide the machinery by which it can be destroyed.

The President in his annual message of January 3, 1940, said:

> Everybody recognizes that general tariff legislation is a congressional function.

He also said, in support of transferring this congressional function to the Executive:

> We also know that because of the stupendous task involved in fashioning and passing of a general law it is advisable to provide at times of emergency some flexibility to make the general law adjustable to changing conditions.

If under our constitutional scheme of Government tariff legislation is a congressional function, and if it is desirable to provide the flexibility to which the President refers, should it not be done by the orderly processes provided for such changes in the Constitution? The President himself gave us the answer in his address to the Youth Congress:

> We have not only a right but a sacred duty to confine our advocacy of changes in law to the method prescribed by the Constitution.

Tariff legislation is a congressional function.

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

This is an old rule, stated by Justice Harlan in *Fields* v. *Clark* (143 U. S. 681). But when this suggestion is advanced we are met with a number of precedents, and the fact that Congress has already, on two occasions, approved this particular process of tariff revision, and the statement that, the practice having been followed in other cases for a long period of time with the acquiescence of the Government, the executive branch, the legislative branch, and the courts, it has gained a legal status; which is another way of saying that such acquiescence is a proper method by which to amend the Constitution of the United States. Such procedure amounts to nothing more than usurpation by one branch of the Government of the authority of another, and would be described by Washington as "An instrumentality by which free governments are destroyed."

The precedents that have been cited are not comparable to the present procedure. The authority granted was under limitation which leaves no discretion in the President, and prescribes a rule or formula for his guidance pursuant to which he is directed under certain conditions to perform an administrative act. There were some agreements cited where the objectives sought to be attained were of small consequence and they rendered themselves readily adoptable more by common acceptance than by formal act. They were so trifling as to be classed with matters with which the law does not concern itself. Never before has Congress attempted to delegate to the Executive the power to exercise his unfettered judgment and discretion in a matter of such magnitude. Assuming for argument's sake that it may have been done, the repeated violation of law cannot be justification of other violations. The failure to punish the perpetrator for the commission of a crime may encourage a repetition of it, but does not make the act any less a crime.

The act authorizing the President to make agreements with foreign nations, providing how much of our market shall be appropriated for their products in consideration for concessions they might give us for our products, was first enacted in 1934. It was enacted under the pressure of economic conditions which existed at the time. Under it the President was authorized to make such arrangements with foreign nations for a period of 3 years. The appeal for its enactment was based upon the necessity of meeting a then-existing emergency. At the end of 3 years, the emergency alleged to be still existing, the authority was extended for a further period of 3 years. That extended period being about to expire, we are again asked to continue the authority because of another emergency, and for the further reason that the President should have plenary power when peace comes to bind America by trade agreements of his own making with other nations in the effort to establish a permanent and universal peace. Secretary Hull, in other days, speaking of giving the President authority to put reciprocal-trade agreements into effect, said:

> As has been said on a former occasion, this is too much power for a bad man to have or for a good man to want.

For the purpose of preventing the person who happened for the time being to be occupying the office of President from making an entangling alliance with a foreign nation, the provision that treaties should be made by and with the advice and consent of the Senate was included in the Constitution. This provision was intended to meet just such an emergency as we are about to face when peace comes, and is a restraint upon the activities of the executive department which Members of Congress, as representatives of the people, should jealously guard and protect. And it should be borne in mind that the instrument has no different status whether it be designated as a treaty or an agreement. A treaty differs from an agreement only in that the word "treaty" designates an agreement between nations.

The words "temporary" and "emergency" are constantly repeated in this discussion. The fact is that the purposes of this program has always been to establish it as the permanent tariff policy. The talk of emergency, temporary existence, and the sentimental arguments concerning peace are but subterfuges advanced only as a political argument to obtain its enactment. The program is nothing more or less than a tariff-revision program. It very cleverly avoids the pitfalls of political misfortunes of which political parties in the past have been the victims. This is admittedly a tariff-reducing program. We cannot anticipate, should it become necessary, any increase in tariff rates at any time under a program which is predicated upon concessions. No nations would give us concessions in return for an increased rate on imports from it to the United States, nor would they continue the concessions granted if increased rate of duty on imports should become necessary because of adjustments of currency and exchange, cost of production, or other items which affect adversely our standard of living. In fact, experience during its operation discloses that it is entirely a tariff-reducing program, about which the Congress, whose function it is, shall have nothing whatever to say.

There is nothing unusual or unique about the procedure here advocated; there is nothing unusual or unique in the President's plea that the legislative power in tariff making be delegated to him. The idea has been the basis of all regulatory laws that have been passed during the present administration. The purpose has been to transfer to the Executive and such agencies as he may designate, such powers as will enable him to direct and control all governmental activity, unfettered by any congressional mandate in spite of the fact that Congress speaks for the people.

In justification for the procedure the argument is advanced that Congress has heretofore delegated such power to the President, and resort is had to former statutes and adjudications of the Supreme Court. The primary duty in establishing national policy is with the Congress, but we have fallen into the habit of asking what the courts say we can do, and by permitting weakening practices and gradual usurpation we are contributing to the weakening of the foundation of our governmental structure. How many times in the opinions of the Supreme Court do we find these words:

> Congress has determined this policy. It is not for us to question the wisdom of Congress. That is a matter that addresses itself to the political and not judicial forum. It is for us but to carry out the expressed will of the Congress.

Ours is the primary duty to maintain and defend the instrument "which made and preserves us a nation," and here we have an excellent illustration of the means by which all legislative authority can be conveyed to the Executive and there can be set up the machinery by which free government can be destroyed.

In years to come when students of Government are asked to describe the Congress of the United States, what will the answer be? Probably something like this: The Congress was

once the representative body of the people under the Constitution of the United States. It is now an investigating body endeavoring to ascertain how far boards and bodies of its creating exercising unfettered legislative authority have trespassed upon the rights of human liberty and free enterprise. As for example, when the Labor Board was created and Congress knew nothing of its activities until public sentiment made necessary a congressional investigation, and similarly the Tennessee Valley Authority, and there will be others.

If this law is enacted Congress, composed of the people's representatives, will have nothing whatever to say regarding the tariff policy of the country for at least 3 years. We will be fettered by agreements with foreign countries which may lead to embarrassment with our neighbors abroad and commercal disaster at home. We cannot foresee the consequences of European adjustments. The irresistible rules of self-interest and supply and demand still govern all nations of the world. The demands of our home market are the basis of our prosperity and general welfare, prosperity at home will benefit our foreign trade, and these can be our objectives under our traditional policy of reciprocal tariff without foreign entanglements.

If the arguments are sound in favor of giving the President power to consummate treaties—call them, if you will, agreements, compacts, or by any other name—without the advice and consent of the Senate, including the power to fix rates of duty on imports and to regulate commerce with foreign nations without congressional action, the proposition should be submitted to the people to make appropriate changes.

The Constitution was not made for a day. It was made for all time until changed by the people through the orderly processes of amendment.

I have no sympathy with the suggestion that the task of tariff adjustment is too stupendous for the Congress. Nor am I willing to admit that Congress is not above sinister influences, or that a board or body appointed to act in its stead—the personnel of which is unknown and who must live a cloistered life in order to perform properly this delegated function of Congress—is any more capable or above these sinister influences than the elected representatives of the people. I am not ready by my vote to avoid the responsibility placed upon me by the people I am privileged to represent. This is the people's forum where they are directed to petition for the redress of their grievances. It is here that the lash of their disapproval is felt, and it should not be for us to change the system until they themselves alter the free government which they enjoy.

Mr. CROWTHER. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. EDWIN A. HALL].

Mr. EDWIN A. HALL. Mr. Chairman, may I draw attention to the recent hearings on the fox fur farming industry, held before the Committee on Ways and Means. I wish to point out at this time several erroneous impressions which I believe have been given from the arguments, in contrast to some of the testimony that has been forwarded by various witnesses.

The day before I testified—and incidentally my testimony was predicated upon evidence I had from a constituent of mine who was a life-long fox-fur rancher—another gentleman, who I was told was an authority on the fox fur farming industry, testified that 90 percent of the fox-fur ranchers of the United States were for the reciprocal-trade treaties. Every subsequent statement which I made and also which my worthy colleague, the gentleman from Ohio, Hon. EARL R. LEWIS, made was attacked and argued against by various members of the committee on the basis of the very evidence that this gentleman presented and also because of the fact that he was supposed to be an authority on fox-fur farming. After some inquiry I found that the gentleman in question was not a fox-fur rancher and that he did not represent 90 percent of the fox-fur farmers, and also that he was not an authority on the fox fur farming industry.

I am here today to say that the testimony submitted by that gentleman, whereas it might not be entirely erroneous, is a mistaken impression and should be taken lightly when one reads the evidence before this committee.

Further, he gave out the idea that the market available in the United States was for some 400,000 pelts. I can vouch at this time, from the evidence presented to me by a life-long fox-fur rancher, that the limit of this market is not more than 250,000 pelts per year.

The quota of all imports placed on these furs is 100,000. I say that this quota should be cut in half and the reciprocal tariff on these furs which should be raised from 35 percent to either 75 or 100 percent ad valorem.

In conclusion, I wish to state that from evidence I have received it appears that most fox-fur ranchers in the country are not in favor of this treaty as it affects them, and that unless the fox-fur agreements are drastically changed these ranchers will be most seriously jeopardized. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. YOUNGDAHL].

Mr. YOUNGDAHL. Mr. Chairman, Members of this House are uniformly aware that American agriculture is taking a licking. The American farmer has taken a terrific beating for several years. His plight today is the worst in all that time.

One of the more important jobs before this session of Congress is the enactment of legislation which will alleviate that plight and which will again restore to the American farmer the ability to make a decent living and reap a decent profit for his labors.

I represent a district which is entirely urban. That city is located in a State which is preponderently agricultural. The welfare and prosperity of the people in Minneapolis is directly tied up with the prosperity and welfare of Minnesota's farmers. For this reason I have made an earnest attempt to study and weigh the viewpoints of farm groups and farm leaders in regard to various legislative proposals. I have turned to resolutions of farm groups and farm organizations and to the statements of farm leaders. My findings have appalled me.

Of all the misrepresentation, political maneuvering, and actual desertion of the intentions of their constituents that I have ever seen, the recent utterances of a few of the self-styled farm leaders reaches a new high in deception.

They take a stand on an agricultural program today. Tomorrow they repudiate that program and are off on a new front. It is a case of now you see them and now you do not. Houdini was a sluggard at deception and quick change compared to them.

On October 15 and 16, 1937, Mr. M. W. Thatcher, of St. Paul, Minn., who now carries the title of the national legislative chairman of the National Farmers' Union and president of the National Federation of Grain Cooperatives, appeared before the subcommittee of the Committee on Agriculture and Forestry of the United States Senate. In the name of northwest agriculture, he insisted upon passage of the so-called cost-of-production bill, S. 570.

Then on April 19, 1939, just 6 days before the House Committee on Agriculture was to vote on this measure, a letter was addressed to the gentleman from Texas, Honorable MARVIN JONES, chairman, as well as to other members of that committee, in which Mr. Thatcher vigorously opposed that bill. At that time Mr. Thatcher represented himself as the national legislative representative of the Northwest Farmers' Union, the Wheat Conservation Conference, and the National Federation of Grain Cooperatives, and he attached to his protest a list of organizations and their representatives whom he said had determined to oppose S. 570.

The cost-of-production bill was then being sponsored by 18 Senators from 15 farm States and in the House by 16 Representatives from 14 agricultural States. I would like to say here that I was not among those sponsors and did not support that legislation. But the chief thing was that the Depart-

ment of Agriculture had decided to oppose the cost-of-production principle in farm legislation and Mr. Thatcher was playing along.

The gentleman from Illinois, Congressman ANTON J. JOHNSON, took the pains to investigate some of the names of those whom Mr. Thatcher claimed to represent. On July 26, 1939, he addressed this House, revealing some startling results of his investigation. He stated that practically every name listed by Mr. Thatcher in his communication of April 19, 1939, was either in the sporadic employment of the Department of Agriculture or was protesting against the use of his name by Mr. Thatcher.

The gentleman from Illinois, Congressman JOHNSON said:

As a member of the House Committee on Agriculture, I believe the Members of Congress are entitled to have this information that they may assay the opposition to the cost-of-production bill, S. 570. From this unimpeachable record it appears that many of the officers of the Farmers' Union organization have been placed on the pay rolls of the Department of Agriculture. It may be that this has not been done with any idea in mind, on the part of the Agricultural Department officials, of swinging the leadership of the Farmers' Union away from their historical position of supporting and fighting for cost of production to a position of endorsement and support of the present agricultural program, which is recognized everywhere as a failure. Far be it from me to assume that this may have been the intent or motive back of this patronage among the leaders of the once militant and proud Farmers' Union organization. However, the Members of Congress who read this record will be able to judge more accurately than I possibly could judge. It is strange indeed that these men, when they sign a letter addressed to the Members of Congress, sign it in their official capacity as an officer of a farm organization, yet the record reveals that many of them also, and at the same time, hold a formal appointment as an employee of the United States Department of Agriculture. How they can serve two masters and serve them both faithfully is more than I, as a Member of Congress, can understand. It is perhaps even more than any reasonable prudent man can understand.

It is somewhat embarrassing to a Northwest Representative to have our alleged farm leaders discredited by Members of Congress from other States. Yet I am forced to admit that the duplicity, as shown by the RECORD, is difficult to deny.

On December 15, 1939, some 1,500 farmers from the Northwest, according to Mr. Thatcher, assembled as delegates to the convention of the Farmers' Union business-activities group. Among the speakers was the Secretary of Agriculture, the Honorable Henry Wallace. A Washington news service, dated December 16, charged that a prearranged agreement had been reached between Mr. Wallace and Mr. Thatcher to have that convention favor the trade-agreement program. Mr. Thatcher subsequently denied that any such deal had been made and demanded a retraction of the original charge. To the best of my knowledge, that retraction was never made.

On that date the convention did go on record favoring the "philosophy of the reciprocal-trade agreements as the most likely assurance to bring international cooperation and peace." But the convention very definitely added several severe qualifications. I quote from the resolutions passed by that convention as published in the newspaper accounts of the proceedings:

We are opposed to the consummation of any Federal trade agreements which have in their provisions agreements admitting livestock or livestock products, grain or grain products, or poultry products, or dairy products, or any other agricultural products which can be efficiently produced in this country, and which may directly or indirectly have a bearing on the supply of said products, or which may have a tendency to depress farm prices; and

That we believe it against the public interest to repose in a single authority the responsibility for effectuating reciprocal-trade agreements and that the public interest will be best served by a requirement that all proposed reciprocal-trade treaties be subject to review and approval of the United States Senate.

Those qualifications were placed in the resolutions, apparently to protect the farmer. I might add that they fail to show any particular desire to protect the interests of labor engaged in the production of commodities other than agricultural which might be involved in trade agreements.

But once again I thought that I knew where the Farmers' Union stood. Then on February 1, 1940, the distinguished senior Senator from Montana read into the RECORD a later statement by Mr. Thatcher, as the national legislative representative of the Farmers' Union, with reference to the views, aims, and wants of agriculture. This statement was a six-point program which included a reference to the trade treaties entirely in conflict with the language of the organization's actual resolutions. Mr. Thatcher's entire statement above the trade-agreement program, on this occasion, was as follows:

We support the philosophy of reciprocal-trade agreements as the most likely assurance to bring international cooperation and peace, but we insist that, in the consummation of such agreements, necessary safeguards must be employed to protect parity prices for domestic agricultural products efficiently produced. We are opposed to logrolling tariff legislation which has historically betrayed American agriculture.

I fail to find in that statement any allusion to ratification by the Senate. I fail to find any reference to specific imports which bring about world competition for our Northwest farmer. Reading the actual resolutions and this later statement together, one might get the impression that the latter statement was an attempt to recede from the actual opinion of the group as expressed in their resolutions and to join with the wishes of the Federal department. One might easily get the impression that such might be done for political purposes. One could hardly fail to believe that Mr. Thatcher's statement was a deliberate and intentional misrepresentation of the position of the Farmers' Union and its members. The members of that organization could hardly believe both the things they said in their own resolution and the things Mr. Thatcher said they believed. The members of the Farmers' Union agreed either with themselves or with Mr. Thatcher. They could not agree with both.

Mr. Thatcher may not be conversant with what has happened. I am quite sure the farmers of the Northwest are painfully aware of what has happened. Perhaps Mr. Thatcher does not know that through the medium of the trade agreements, the tariff on cattle, hogs, poultry, eggs, barley, oats, rye, hay, potatoes, and other Northwest farm crops were reduced at a time when domestic prices for these products were as much as 63 percent below parity. Perhaps Mr. Thatcher does not know that 1939 imports of farm commodities were approximately $300,000,000 greater than in 1934 when the trade-agreement program was authorized.

Perhaps Mr. Thatcher is not familiar with the facts that agricultural exports from the United States last year were below the rock-bottom year of 1932, or of any intervening year.

Referring back to those resolutions of the Farmers' Union convention which refers to protection of "parity prices for domestic agricultural products which can be effectively produced," I wonder if those farmers might not have been led down a blind alley. I wonder if, when they subscribed to that statement about efficient production, they were aware that the State Department and numerous officials of the Department of Agriculture hold that flax, corn, and other products are not being efficiently produced in the Northwest. There is ample evidence to substantiate that statement.

Mr. Thatcher was in Washington recently. Did he call on any Northwest Congressmen and discuss with them his organization's program? Did he appear before the Ways and Means Committee, which at the time was holding hearings on the reciprocal trade agreement program? As far as I know, he did neither. He apparently prefers to correspond directly with the political leaders of the administration. His letter to the chairman of the House Committee on Agriculture, Congressman JONES, is in the Appendix of the RECORD, page 557.

That statement, by the way, protested vigorously the action of this House in deleting the $25,000,000 appropriation for continuation of the farm-tenancy program by the Farm Security Administration. It again reiterates the fact that he represents the National Farmers' Union and the National Federation of Grain Cooperatives.

But last week, meeting in Bismarck, N. Dak., the North Dakota Grain Dealers, representing the preponderance of all grain elevators now serving producers of that State, charged the Farm Security Administration had "grossly misused public funds and unjustly discriminated against farmers' and local cooperative elevators." The Associated Press—and I think

you will agree that the Associated Press ordinarily is accurate—report of that meeting added:

The resolution did not mention the name of a "certain terminal marketing agency," which, it is alleged, has borrowed money from the F. S. A. on an ironclad contract that all grains marketed by borrowing farmers must be shipped exclusively to this particular agency.

The resolution condemned "abuse of functions and purposes of the Farm Security Administration" and demanded the indefensible practice be discontinued immediately.

This organization has been operating longer than the Farmers' Union. It has always managed to convey its views on farm problems direct to Northwest Senators and Representatives. It has not confined its contacts to the White House, the Department of Agriculture, or the offices of committee chairmen.

The farmers of Minnesota have been trying to cooperate with the Department of Agriculture in every program it has advanced. In the face of mounting imports and with reduced tariff protection they cut their base wheat acreage last year by 489,000 acres. That acreage would have supplied more than enough to have fed all our unemployed and needy. For their compliance with orders, for their patriotic attempt at cooperation I think our farmers are entitled to sincere and intelligent leadership, not the uncertain, in-and-out representation they seem to have been getting.

My colleague the gentleman from Minnesota, Congressman H. CARL ANDERSEN, placed in the Appendix of the RECORD, page 572, the resolutions of the Minnesota Farm Bureau Federation relating to trade agreements, in which they sought—

1. No tariff concessions be made on items in any treaty or agreement the effect of which would be likely to reduce or hold the domestic price of any farm commodity below parity;
2. Full hearing be given to spokesmen for producers of agricultural commodities affected in any way by treaty concessions, with a guaranty of consideration of such representations, and assurance that no treaty shall be completed until a full and complete record of such hearings shall have been made available; and
3. That the United States Senate must approve each proposed treaty or agreement in its entirety in order to make it effective.

A letter from Mr. W. S. Moscrip, president of the Twin City Milk Producers' Association, accompanied the resolution to the gentleman from Minnesota, Congressman ANDERSEN, protesting that Mr. Edward O'Neal, president of the American Farm Bureau Federation, in his testimony before the Ways and Means Committee, during which he lauded the trade-agreement program, did not represent the opinion of the Minnesota federation in that he did not insist upon proper safeguards.

The able and courageous leadership which the Minnesota Farm Bureau Federation has always maintained entitles it to consideration by all Northwest Congressmen. Its leaders are not on Federal pay rolls and they do not run around their elected Representatives in order to practice their private dealings with department heads. The Twin City Milk Producers' Association, of which Mr. Moscrip is head, is one of the principal founders of the federation. It is a well-established and efficient enterprise, commanding the respect of businessmen and farmers generally throughout the Northwest.

As between the representations made by the Minnesota Farm Bureau Federation and Mr. Thatcher, or between Mr. O'Neal and Mr. Moscrip, in my opinion, there can be no question as to which truly represent the farmers of the Northwest.

Mr. Moscrip also is chairman of the farm committee of the St. Paul Association of Commerce, which group, together with large and representative groups all over Minnesota, North and South Dakota, and Montana, have joined together to engage Dr. John Lee Coulter, former president of the North Dakota Agricultural College and a former member of the United States Tariff Commission, to analyze for them the effects of trade treaties upon Northwest agriculture. Those organizations are seriously attempting to find the solution to the problems of agriculture. They are among the largest and most representative organizations of those States.

Among the organizations which have banded together to engage the services of Dr. Coulter are:

Minnesota: United States Flax Institute; St. Paul Association of Commerce; the Duluth and Moorhead Chambers of Commerce.

North Dakota: Greater North Dakota Association; North Dakota Motor Trades; Fargo-Moorhead Fuel Exchange; North Dakota Highway Contractors' Association; North Dakota Retail Hardware Association; North Dakota Bottlers' Association; Tri-State Farm Owners' Association; North Dakota Implement Dealers' Association; North Dakota Dairymen's Association; North Dakota Cooperative Wool Marketing Association; North Dakota Breeders' Association; North Dakota and Red River Valley Livestock Feeders' Association; and civic and commerce associations at Valley City and Harvey.

South Dakota: Greater South Dakota Association; South Dakota Bankers' Association; and chambers of commerce at Huron, Rapid City, and Watertown.

Montana: Montanans, Inc.; Southeast Montana Counties' Association; and chambers of commerce at Miles City, Glendive, Billings, Butte, Helena, and Great Falls.

I have noted somewhere recently that the paid-up membership of the Farmers' Union is about 6,000. The membership of these organizations engaging Dr. Coulter will exceed 30,000, and there are no Federal pay rollees in their membership, either. I want to applaud the sincerity and effectiveness of that group of organizations which have put Dr. Coulter to work that we may have access to facts and figures on this program.

Incidentally, Mr. O'Neal, of the Farm Bureau Federation, left the general impression that a detailed study of these trade agreements, and their results, conducted under the direction of Prof. T. W. Schultz, of the economics department of the Iowa State College, showed these agreements to have been generally beneficial to agriculture, and that on the strength of these findings the federation was favoring renewal of the present program. A careful reading of Mr. Schultz's voluminous report fails to reveal any such conclusions.

If agriculture today finds itself in desperate straits—and most of us will agree that it does—I am convinced that the duplicity, misstatements, and misrepresentation of some of their leaders is at least partly responsible.

I think the time has come to pin down some of these statements and to inquire as to the purpose of some of these misstatements.

I believe the time has come when the farmers themselves should put a stop to these self-styled representatives dashing into Washington, mixing a little medicine with the department heads, making a fleeting statement for the record, and then running back home to draw fancy salaries.

If the whole program were laid out clearly, if these so-called farm leaders would stay put for a few minutes, it would be far easier to draft legislation in keeping with the real desires of the farmers. Today I very much fear that few of the real farmers know what their alleged leaders are doing.

Witness, for example, the complexity of the situation with this Farmers' Union group. At different times Mr. Thatcher represents the National Farmers' Union, the Farmers' Union, the National Federation of Grain Cooperatives, the Farmers' Union Business Activities Group. Then I understand there is the Farmers' Union Terminal Association in St. Paul, as well as the Farmers' Union Grain Terminal Association. I do not know how many other groups do business in everything from oil to turkeys.

I wonder if the time has not come to conduct a congressional investigation of that complex set-up. No holding company in the utility field was ever more complicated or more impossible of understanding.

If we in Congress cannot unravel their manifold divisions and set-ups, I doubt that they are thoroughly understood by all the farmers they claim to represent. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOLLES].

Mr. BOLLES. Mr. Chairman, the policy of trade reciprocity is a Republican Party policy, first advocated by Republicans, supported by Republicans. The first law on reciprocity was the Hale amendment to the McKinley tariff bill of 1892. The history of this reciprocal-trade movement is most interesting and informative. I shall set it down here briefly. I am indebted much to a former Member of this House, James T. McCleary, of Minnesota.

There are two very different propositions claiming to be reciprocity. It is worth while for every good American citizen

to take time to look into both propositions. One kind of reciprocity deals with articles that do not compete with our own products, the other with competing articles. The latter is the Hale plan.

Congress has full authority over our tariff laws. Congress can levy any kind or rate of duty on all goods from foreign countries, or levy duties on certain imports and admit other imports duty free, or admit all imports duty free. No foreign country can demand of us as a right free admission for any of her products. Such free admission is a privilege which Congress may grant or withhold, according to what it judges to be for the best interest of our people. And Congress may, as to it seems wise, grant this exemption unconditionally or require as a condition of such privilege what it regards as an equivalent concession for our products of suitable character.

In 1884, in his fourth annual message to Congress, President Arthur proposed:

A series of reciprocal treaties with the countries of America which shall foster between us and them an unhampered movement of trade. The conditions of these treaties should be the free admission of such merchandise as this country does not produce, in return for the admission free, or under a favored scheme of duties, of our own products.

This recommendation is believed to have been suggested by James G. Blaine, who was Secretary of State for a time at the beginning of Arthur's administration. In 1884, however, the Democratic candidate for the Presidency, Grover Cleveland, of New York, was elected and the Blaine-Arthur suggestion was not acted upon. But in 1889, when Benjamin Harrison became President, he selected Mr. Blaine as his Secretary of State. Here was Blaine's opportunity to revive the recommendation made 5 years earlier.

For the first time in our history, the framers of the McKinley bill determined to round out our protective system by extending protection to all our agricultural products. Mr. Blaine resolved to do more; he resolved to find new markets abroad for them and for other American products. To this end he called a conference with the countries of Central and South America, then, as now, one of the most promising fields for our exports. This Pan-American Congress met in Washington in October 1889, 18 countries being represented. Our imports from these countries were large, but our exports to them were small. On June 4, 1890, while the McKinley bill was still pending in the Senate, Blaine wrote a letter to President Harrison enclosing a report of the Pan-American Conference on the subject of a customs union, pointing out the one-sided character of the trade between the United States and Latin America, and outlining a plan for increasing our exports to those countries.

The President transmitted Blaine's letter to Congress, commenting favorably upon the plan suggested, but not specifically recommending it. In his message President Harrison said:

It has been so often and so persistently stated that our tariff laws offered an insurmountable barrier to a large exchange of products with the Latin-American nations that I deem it proper to call attention to the fact that more than 87 percent of the products of those nations sent to our ports are now admitted duty free. If sugar is placed upon the free list, practically every important article exported from those states will be given untaxed access to our markets, except wool. The real difficulty in the way of negotiating profitable reciprocity treaties is that we have freely given so much that would have had value in the mutual concessions which such treaties imply.

With the view of embodying the Blaine reciprocity idea in the tariff bill, Senator Eugene Hale, of Maine, offered an amendment to the McKinley bill, as follows:

And the President of the United States is hereby authorized, without further legislation, to declare the ports of the United States free and open to all the products of any nation of the American hemisphere upon which no export duties are imposed, whenever, and so long as such nation shall admit to its ports, free of all national, provincial (state), municipal, and other taxes, flour, cornmeal, and all other breadstuffs; preserved meats; fish; vegetables and fruits; cottonseed oil, rice, and other provisions, including all articles of wood, agricultural implements and machinery, mining and mechanical machinery, structural steel and iron, steel rails, locomotives, railway cars and supplies, streetcars, refined petroleum, or such products of the United States as may be agreed upon.

The Blaine reciprocity idea attracted marked attention throughout this country and in other lands. In order to still further elucidate it Blaine wrote a letter on July 11, 1890, to Senator Frye, of Maine, in which he said:

The charge against the protective policy which has injured it most is that its benefits go wholly to the manufacturer and the capitalist and not at all to the farmer. You and I well know that that is not true, but still it is the most plausible and therefore the most hurtful argument of the free-trader. Here is an opportunity where the farmer may be benefited—primarily, undeniably, richly benefited. Here is an opportunity for a Republican Congress to open the markets of 40,000,000 of people to the products of American farms. Shall we seize the opportunity or shall we throw it away? * * * I do not doubt that in many respects the tariff bill pending in the Senate is a just measure, and that most of its provisions are in accordance with the wise policy of protection; but there is not a section or a line in the entire bill that will open the market for another bushel of wheat or another barrel of pork.

To the mayor of his home city, Augusta, Maine, Blaine wrote another letter, as follows:

You are in error in supposing that I am opposed to sugar being admitted free of duty. My objection is not to free sugar but to the proposed method of making it free. If, in the pending tariff, sugar is placed upon the free list, we give to certain countries a free market for $95,000,000 of their products, while they are not asked to open their markets to the free admission of a single dollar of American products. We ought to have, in exchange for free sugar from certain countries, a free market for breadstuffs and provisions, besides various fabrics from all parts of our country. In short, we ought to secure, in return for free sugar, a market for $60,000,000 or $70,000,000 of our own products.

It will not require reciprocity treaties to secure this great boon. The tariff bill can contain all the necessary conditions. The legislative power is able to secure the desired end. Within the last 20 years we have given the countries south of us free admission for nearly $60,000,000 worth of their products without receiving a penny's advantage in exchange. If sugar be now made unconditionally free, we shall have given to the Latin American countries free admission for $150,000,000 worth of their products. It is time, I think, to look out for some reciprocal advantage. We are a very rich nation, but not rich enough to trade on this unequal basis.

In the debate in the Senate over the Hale amendment, it was pointed out that the phrase "any nation of the Western Hemisphere" must either exclude Cuba and Puerto Rico or include Canada. The prime motive of the amendment being not only to protect American industry, especially the agricultural products, but also to extend their market abroad, it was desired to include Cuba and Puerto but not Canada, whose products, if admitted free, would compete with the products of the American farms. Nor was it regarded as consistent to permit the free importation of the wool of Argentina. After long and careful consideration, the reciprocity section of the Tariff Act of 1890 was finally agreed to in the following terms:

SEC. 3. That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the 1st day of January 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides, the product of or exported from such designated country, as follows, namely—

Then follows half a page stating the duties to be levied, ranging from seven-tenths of 1 cent to 2 cents per pound on sugar graded by degree of refinement, 4 cents per gallon on molasses, 3 cents per pound on coffee, 10 cents per pound on tea, and 1½ cents per pound on raw hides.

From the foregoing it will be seen that the Blaine-McKinley reciprocity plan embodied three ideas:

First. It was meant to apply chiefly to the Latin-American countries and not to Canada.

Second. It was not to cover competing articles, tea and coffee being then entirely noncompeting, sugar being nearly

so, and hides being produced in this country in quantities too small to supply our market.

Third. Free admission to this great market for the products of any country was to be regarded as a thing of so much value that it was to be secured, not as a gift, but by rendering for it an equivalent concession.

In the administration of President Harrison, through reciprocity agreements made under the provisions of the McKinley tariff law of 1890, we secured admission to Brazil, duty free, for our wheat and wheat flour, our corn and cornmeal, our rye and rye flour, our buckwheat and buckwheat flour, our barley, potatoes, beans, peas, hay, oats, and a number of other products; while our lard, butter, cheese, canned and preserved meats, fruits, and vegetables, and many others of our manufactured or partly manufactured products were admitted at a reduction of 25 percent from the regular rates. Under this arrangement the sales of American products in Brazil largely increased. Similar arrangements were made with several other countries of Central and South America, with similar results. Concessions were also obtained from Germany in return for the free admission of her sugar.

The real attitude of the Democratic Party toward reciprocity is seen in the fact that, when shortly thereafter it came into full possession of the Government, it unceremoniously abrogated all these commercial arrangements, without even the courtesy of a preliminary notification to the countries at interest, by the passage of the Wilson tariff law approved August 27, 1894.

Most of these treaties were in operation only about 2 years. How did they work? Taking the total of United States exports to the whole of Latin America as the basis of comparison, the following results in round numbers are shown for three typical years:

In 1891, before the reciprocal period, exports were	$90,000,000
In 1893, during the reciprocal period, exports rose to	103,000,000
In 1895, after the reciprocal period, exports fell to	88,000,000

Considering the short time these reciprocity agreements were in operation and the business depression in the United States during much of that period, these results may be regarded as very good evidence of the value of such agreements in extending our sales in foregin markets.

The Republican national platform of 1896, on which William McKinley made his first Presidential campaign, stated the doctrine wonderfully well, as follows:

> Protection and reciprocity are twin measures of Republican policy and go hand in hand. * * * Both must be reestablished—protection for what we produce; free admission for the necessaries of life which we do not produce. * * * Protection builds up domestic industry and trade and secures our own market for ourselves; reciprocity builds up foreign trade and finds an outlet for our surplus.

On this subject the Republican national platform of 1900, on which William McKinley made his second Presidential campaign, with Theodore Roosevelt as candidate for Vice President, unequivocally declared:

> We favor the associated policy of reciprocity so directed as to open our markets on favorable terms for what we do not ourselves produce in return for free foreign markets.

In view of the fact that the loved and honored name of William McKinley is sometimes used to justify so-called reciprocity in competing products, it may not be amiss to quote from two of his most important utterances on this subject. In his inaugural address on March 4, 1897, President McKinley said:

> The end in view always to be the opening up of new markets for the products of our country, by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor of our own people, but tend to increase their prosperity.

And in his final message to the American people, delivered at Buffalo, Mr. McKinley said:

> By sensible trade arrangements, which will not interrupt our home production, we shall extend the outlets for our increasing surplus. * * * We should take from our customers such of their products as we can use without harm to our industries and labor.

In his first annual message to Congress, dated December 3, 1901, President Roosevelt said:

> Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained and that reciprocity be sought for, so far as it can be safely done, without injury to our home industries.

The Republican national platform of 1904, on which Theodore Roosevelt was elected President, said:

> We have extended widely our foreign markets, and we believe in the adoption of all practicable methods for their further extension, including commercial reciprocity wherever reciprocal arrangements can be effected, consistent with the principles of protection and without injury to American agriculture, American labor, or any American industry.

In his speech accepting the nomination for the Presidency in 1904, Mr. Roosevelt thus endorsed the McKinley view:

> We believe in reciprocity with foreign nations on the terms outlined in President McKinley's last speech, which urge the extension of our foreign markets by reciprocal agreements whenever they could be made without injury to American industry and labor.

The late Charles Emory Smith, Postmaster General in the Cabinets of Presidents McKinley and Roosevelt, clearly described reciprocity in the following words:

> When righly understood, the principle is axiomatic. Brazil grows coffee, but makes no machinery. We make machinery but grow no coffee. She needs the fabrics of our factories and forges, and we need the fruits of her tropical soil. We agree to concessions for her coffee, she agrees to concessions for our machinery.

Such was the reciprocity preached by Blaine and practiced by McKinley. Such reciprocity is entirely consistent with the principles of protection, and can be entered into without injury to American agriculture, American labor, or any American industry.

That is the kind and character of reciprocity in which I believe. Whenever Secretary Hull commits himself to that policy, which is the reciprocity of protection rather than the policy of free trade, I shall give it my hearty support.

Mr. Chairman, I may say to the majority leader that I sat a very few feet away from William McKinley when he made his reciprocity speech in Buffalo, N. Y. Not only that, but in poignant grief I saw him assassinated a few minutes later.

Reciprocity originated in the Republican Party. It was fathered by the Republican Party. Reciprocity was the thought of that great American and Republican statesman, James G. Blaine. Reciprocity was upheld in the Garfield administration, then by Chester A. Arthur, and later, when the McKinley bill was adopted, the first amendment ever adopted which had reciprocity in it was offered by Senator Eugene Hale, of Maine. This amendment became a part of the McKinley bill.

Later, when Wilson had a tariff bill, they repealed all those things and the Democratic policy was such that, as you recall, a poem was written that goes as follows:

> Mary had a little lamb,
> She loved it every minute.
> But Wilson took the tariff off,
> And then she had to skin it.

[Laughter and applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, I do not pretend to represent 99 percent of the farmers and cattlemen as the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] did in his statement a few minutes ago when he said that 99 percent were opposed to extension of the reciprocal-trade treaties. But I can make a statement about 99 percent of the cattlemen and farmers that no one can contradict. That is, that they have been well satisfied with the average price they have received for their cattle during the time the reciprocal-trade treaties have been in effect.

The proof of the pudding is in the eating, and certainly the financial condition of cattlemen in this country during

the time these trade treaties have been in effect has tremendously improved. The value of cattle in the United States since 1933 has increased well over a billion dollars. Every representative of a basic agricultural commodity who has opposed the extension of these treaties has done so, not on the theory that the commodity has been actually hurt, but through fear of what may happen to that commodity in the future. Privately every cattleman will admit to you that he has not been hurt by the Canadian agreement.

There has been a lot of loose talk about what has been done under the trade treaties. The tariff on canned beef has not been changed, it remains at 6 cents, just as it was in the Hawley-Smoot tariff bill.

The tariff on chilled and dressed beef has not been changed. It still remains the same. What tariff concessions have actually been made by the cattle industry between 1934 and 1939? Six hundred and ninety thousand cattle have come in at a reduced tariff during the 4-year period. The tariff paid by those 690,000 cattle has amounted to $17,000,000, a pretty stiff tariff. The concession granted has been less than this $17,000,000; so the cattle industry during the 4 years the trade treaties have been in effect, if it had all been charged to the cattle producer would have been but a $17,000,000 concession in an industry the value of which is over two and one-half billions of dollars; but it did not even make this $17,000,000 concession, because the domestic price certainly did not reflect the reduction in the tariff. A million cattle have come in during the time the trade treaties have been in effect that paid the full 2½-cent rate. This is the best proof we can have that the domestic cattle market is in fine shape. It would have to be to justify the payment of the 2½-cent tariff on cattle coming into this country.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. ZIMMERMAN. I will ask my distinguished colleague from Oklahoma, who is one of the cattle producers in the country, if at this very moment cattle are bringing a price above parity?

Mr. FERGUSON. Yes; about 103 percent of parity.

Mr. ZIMMERMAN. Is any other agricultural commodity—cotton, corn, or wheat—anywhere near parity?

Mr. FERGUSON. With the exception of lambs it is the only product.

Mr. ZIMMERMAN. Then the gentleman states as a stockman that cattle and lambs at this time are selling above parity notwithstanding these iniquitous, destructive treaty agreements that have been put into force?

Mr. FERGUSON. That is true. The truth of the matter is that wheat and corn have not been affected by the trade treaties.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. McCORMACK. With reference to the other agricultural products, they are much nearer parity now than they were when the present administration came into power 7 years ago.

Mr. FERGUSON. Wheat, of course, is bringing three to four times what it was 7 years ago, corn more than twice as much as 1933.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. MURRAY. This is all very confusing, I might say to my good friend from Oklahoma, if I can read the English language. Within the last 24 hours I have read how on two different occasions the gentleman from Oklahoma, who now has the floor, appeared before the Committee on Reciprocity Information and spoke against having any trade treaties. I would like to ask the gentleman——

Mr. FERGUSON. Mr. Chairman, I decline to yield further. I am glad the gentleman has brought that subject up and shall be very happy to state my position. Certainly I appeared against increasing the quota. I appeared and asked for a quarterly division of the imports so the imports would not depress our market. We got the imports divided into quarters of 60,000 head per quarter. Now, for the cattlemen who have made their concession, whose market has been benefited due to increased industrial activity, due to a better domestic market, for them to say we do not want the trade treaties extended——

Mr. MURRAY. Does the gentleman want the Argentine treaty?

Mr. FERGUSON. We do not want to see benefits taken away from us——

Mr. MURRAY. Answer me; does the gentleman want the Argentine treaty?

Mr. FERGUSON. The Argentine treaty is not up for consideration.

Mr. MURRAY. No; not until after the election.

Mr. FERGUSON. Chilled beef, live beef, wheat, or corn was never under consideration in the Argentine treaty, only byproducts of beef.

The CHAIRMAN. The gentleman from Oklahoma has consumed 7 minutes.

Mr. FERGUSON. Now, Mr. Chairman, I want to talk a minute or two about Mexican cattle. It so happens I am a producer of Hereford cattle. I have 2,000 well-bred Hereford cattle in Oklahoma. I hope my family will continue to produce well-bred Hereford cattle. I even have a thoroughbred herd, producing my own bulls in order to build it up. If I thought the importation of these Mexican cattle was going to continue to be a threat and was an actual threat to our American market, certainly from selfish interests, I could not defend these trade treaties. In reality a majority of these Mexican cattle were between 500 and 700 pounds, and paid a 2½-cent duty.

Let us follow one of these Mexican steers into the channels of trade in the United States and see who receives the most benefit for this steer. Considering the average value of a common Mexican steer at 4 cents per pound, $24 would be the original investment not counting the duty paid on a 600-pound steer. The duty on this steer, if he weighed 600 pounds, would be $15—a 60-percent duty. Let us trace this steer until he reaches our beef market. Five dollars would be paid out for transportation, $6 for concentrates such as cottonseed cake, $5 for rough feed, and $6 for summer pasture.

So before you get that steer to market, including the $15 you pay the United States Government in duty, the American investment in the steer would be $36 against an original purchase price of $24. Incidentally, that purchase is always made in American dollars and not through the benefit of a manipulation of the currency.

This fall our western calves were bringing 9, 10, and 11 cents per pound. The farmers in the Southwest had produced a lot of cheap feed. Feed is of no value unless consumed by livestock. Domestic calves were too high to feed this type of feed. This caused a big influx of Mexican cattle that could be fed cheaply to make cheap beef. The cattle in this weight class are the machinery used to transfer American feed into beef, and the great portion of the investment in the animal represents money expended to the American farmer for his feed, the American railroads, and the American packers. These cattle furnish a cheap type of beef when the market is high, as it is at this time.

We hear a lot about the increased cattle population and of the dangers in the future. As I mentioned before, the farmers are not hurt now, but they are afraid of the future; and one of the big points of the cattlemen has been, "We fear an increase in population."

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FERGUSON. Mr. Chairman, as I say, these Mexican cattle do furnish cheap beef, which goes to the industrial centers that have been built up under reciprocal-trade treaties.

We hear about the danger of an increase in cattle population. The fact is that about 90 percent of the imports are

steers. Unless Nature, with the aid of Republican propaganda, creates an unknown miracle, these steers cannot contribute to any permanent increase in our cattle population.

Mr. Chairman, I think we all admit that this furor about cattle and about agriculture is a fear of what may happen, what could be done, some bogey man farther down the road; certainly no one has made a case of what has actually happened, and the American farmer certainly cannot be very much afraid of what will happen to him under this administration.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Does the gentleman have any fear whatever about the possibility of any trade agreement with Argentina that may be negotiated in the future?

Mr. FERGUSON. Not as long as the sanitary pact is in effect, and that is in the sacred hands of the United States Senate, which the gentleman wants to give this treaty program to; so he should not worry about repeal of the sanitary pact.

Mr. COFFEE of Nebraska. Is there any fear in the gentleman's mind that the sanitary pact might be ratified? The gentleman knows that the State Department has been interested in having the sanitary pact ratified, which would permit the importation of chilled beef from Argentina into the United States.

Mr. FERGUSON. The gentleman confirms my point. He is afraid of something down the road and is not hurt by what has already happened. The farmer has no reason to fear this administration. One of the main benefits that have been promised to him for a good many years, one which was kept by this administration, was a reduction in interest rates. Today the farmer receives probably a quarter of a billion dollars every year due to the reduced interest rate on his mortgages and on his commercial paper.

The Federal land bank, the Commissioner loans, production credit, and farm security have all not only reduced Government interest rates but have forced private lending agencies to meet their competitors. Farm mortgages that only a short while ago cost the farmer from 6 to as high as 10 percent now range between 3½ and 5 percent. Capital borrowed to produce the products the eastern manufacturer transforms, operating capital for the farm that formerly cost from 6 to 10 percent is now obtainable from the Government and private sources at rates from 3 to 5 percent. Formerly the borrower paid in interest as much as any enterprise could possibly make. The rates today give the farmer a chance for the first time in the history of this Nation. I think it is just for the farmer and the businessmen to obtain credit at a reasonable rate.

To prove I am making a statement that is in agreement with our Republican friends, I want to read an article by the gentleman from New York, BRUCE BARTON, in Collier's, issue of August 12, 1939. He is a capable, brilliant member of the Republican Party. In speaking of the investors' losses, the gentleman from New York [Mr. BARTON] makes the following statement:

> The answer, summarized from the letters written me by savings-bank presidents, would read as follows:
>
> The value of money at any given time, like that of anything else the people use, depends upon the relation of supply to demand. The United States Treasury and the Federal Reserve Board have made money cheap by pumping huge issues of Government paper into the banks, where it becomes the basis for vast amounts of credit.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FERGUSON. Mr. Chairman, the gentleman from New York [Mr. BARTON], who represents a typical eastern Republican district, naturally wants to sell his products—that is, the income from money—at the highest possible figure, just as the farmer wants to sell his wheat and cattle at the highest possible figure, so he bemoans the fact that farm mortgages and commercial paper have decreased the income of the eastern investors.

The gentleman from New York [Mr. BARTON], in his article, pointed out the particularly tragic situation of widows, children, and old people whose income from life-insurance investments have been cut from 5 to 3½ percent. I rejoice that the widows, children, and old people, struggling on a farm have for the first time in their lives been relieved of the crushing burden of excessive interest rates. I am glad to make that another issue. Let us meet head on on some of these issues like reciprocal-trade treaties and lower interest rates. I am glad to make that an issue with the Republican Party in the next campaign.

Further reading from the article written by the gentleman from New York [Mr. BARTON], he offers a solution to the farm problem that I think deserves more publicity.

> The farm program—
>
> Speaking of the present one—
>
> is subject to all the criticisms that were leveled at Mr. Hoover's little half-billion dollar Farm Board; only in the present instance the cost of failure totals many billions. There are more farmers than the Nation needs. The most efficient should be allowed to raise food as economically as possible and sell it to the people in the cities at the lowest prices consistent with a reasonable profit. The less successful producers on marginal lands should be helped to find their way into reforestation, flood control, or any one of a dozen activities that would contribute to the national welfare.

I am a little hazy about what the author means in this last sentence unless when he refers to flood control he means that the excess farmers are to be mercifully drowned in the nearest body of water.

That shows the understanding of a man who represents a typical Republican district.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I think it is unfair for the gentleman to make that reference to the gentleman from New York, who never said that the farmers should be taken out and drowned in the nearest pond.

Mr. FERGUSON. I have completed my quotation. I am now making a statement of my own.

Mr. AUGUST H. ANDRESEN. I hope the gentleman will take that out of his remarks, because it is entirely unfair.

Mr. FERGUSON. Mr. Chairman, I refuse to yield further.

Mr. Chairman, the Republican philosophy was exemplified when 140 Members on this side of the aisle twice last year voted against parity payments and this year voted against continuing funds for farm tenancy and soil conservation.

I would like to stress another sentence from Mr. BARTON'S article in Collier's magazine:

> The most efficient should be allowed to raise food as economically as possible and sell it to the people of the cities at the lowest prices consistent with a reasonable profit.

Of course, this shows the gentleman has no sympathy with the theory that the farmer, who makes all his purchases in a protected market, should have any benefit to offset the benefit the manufacturer receives from the tariff. Certainly, I believe this administration, with the present farm program, has made great steps toward solving the difficult farm question. We have a program based, first, on soil conservation. The first legislation in the history of this Nation that recognized the productivity of our soil as a natural resource had been depleted in the past and without proper conservation will be dangerously depleted in the future. When we have this philosophy, we recognize every piece of land has some agricultural usefulness which can be restored by proper practices and continue to maintain our farm population.

The present bill, when parity payments are provided, as they should be and will, by a self-financing method if the Congress will vote a processing tax or a certificate plan, then the farmer will be assured a fair price for his portion of the domestic market. Any sound farm program must contain all the basic features of the present program—soil conservation, crop control, and parity payments. In addition to this, the present program has many fine angles, such as the distribution of surplus commodities, which in the last year purchased

2,000,000,000 pounds of surplus commodities at the approximate cost of $66,000,000, and with these products fed some 11,000,000 people per month in the United States, thus accomplishing what everyone advocates—increasing our domestic consumption. Loans on farm products have saved the farmer from taking low prices at marketing time. Now crop insurance is being satisfactorily developed on wheat and may be extended to other products.

So in conclusion I want to say that I am glad to accept these three points of issue between the Republican Party and the Democratic Party. The Republicans are against the extension of the reciprocal-trade treaties that will help continue our domestic prosperity. They are opposed to low interest rates the farmers now enjoy and would like to go back to manipulation of Government credit—to the high interest rates and the tribute the West for almost a century has paid to eastern investors. They are opposed to any farm program, as demonstrated by a vote by a majority of their Members in Congress.

I am glad to give the farmers of this Nation a chance to decide these issues in the next Presidential election. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. ANDERSON].

Mr. ANDERSON of Missouri. Mr. Chairman, the question before us now is one, I am sure, on which every Member of this body will, sooner or later, be heard. I, for one, wish to set forth my reasons for supporting the reciprocal trade agreements program, in a few simple words at this time.

It may be considered somewhat selfish or even narrow to speak only of my own State of Missouri when advocating a continuance of the reciprocal trade agreements program, but I am sure that the benefits accruing to our State from this program are similar, if not identical, with those derived by the others. Then too, the distinguished chairman of the Ways and Means Committee, and other Members have clearly outlined and explained at length the immeasurable and unquestionable benefits which the Nation as a whole has derived from the reciprocal trade agreements program.

Missouri, just as every other State in this Union, is directly and indirectly affected by the conditions of foreign trade and commerce. It needs foreign markets for the surplus products of its factories and its farms. It shares with the other States the improved domestic markets created when the purchasing power of the Nation is increased through an increased volume of foreign trade. Therefore, let us examine a few figures to determine just how great have been the benefits to our State from the reciprocal trade-agreements program.

In 1929 exports reported as originating in Missouri amounted to a little more than $49,000,000. In 1932 we hit the almost unbelievable low of $9,000,000, or a loss of $40,000,000 in foreign trade in 3 years. Hence, surpluses were created; purchasing power was reduced and prices fell. The total accountable income for Missouri fell from $2,104,000,000 in 1929 to $1,277,000,000 in 1932. The cash farm income declined from $354,000,000 in 1929 to $149,000,000 within that same period. The figures I have used were compiled by the Bureau of Foreign and Domestic Commerce, and I am sure that the other States of this Union were in much the same predicament.

A little more simple arithmetic will show that United States exports to countries with which we have made trade agreements increased 42 percent in 1936–37 over 1934–35. The average annual exports to trade-agreement nations in 1937–38 were 61 percent above the 1934–35 average. Missouri shared in these increased exports, just as every other State did. It is significant to note that foreign trade with nations with which we have trade agreements increased 61 percent while trade with nations with which we did not have such agreements showed an increase of only 26 percent. Draw your own conclusions.

The livestock and meat packers of Missouri have benefited directly from agreements obtained in 17 instances on meat and meat products. Eight countries have reduced the tariff on lard and the duty entirely removed by one nation. The United Kingdom increased the annual quota for American hams, and bound them on its free list. Twelve other countries granted some form of tariff concession on American hams, fresh, cured and frozen pork, beef, and veal. Missouri being one of the great livestock and packing States reaped great benefits from these concessions. The same has been true in regard to the grain farmers of Missouri who have benefited through agreements in 11 specific instances.

In my State, just as in every other State, many thousands of persons owe their jobs to export trade. By reopening and expanding foreign markets the trade-agreements program has increased the demand for American products and industry necessarily hired more people. This increased the number of wage earners and gave thousands of people buying power in domestic markets. There is a direct interrelationship between prosperity of any section of the country and the country as a whole. Thus, concessions obtained on American products not produced in Missouri indirectly benefit the citizens of our State by creating increased domestic demand for many products which our State produces. Expanding foreign and domestic trade means greater tonnage handled by railroad, truck, and steamship. This in turn means more and steadier employment.

The question of extending the reciprocal trade agreements program is one that certainly goes far beyond party loyalty. I am sure that Congress will see the question entirely apart from political considerations, and when viewed in that light the conclusion is inescapable that the trade-agreements program has immensely benefited this Nation. Abandonment of this program will take away our foreign markets which, if lost now, may never be regained. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Chairman, I am opposed to this bill because I believe in preserving our American markets for our American agricultural and industrial producers to the full limit of their capacity to supply them, to the end that unemployment and tax burdens of our people may be reduced.

We read in Holy Writ that no man can serve two masters. I do not believe a Member of Congress can serve the peon labor in foreign lands and at the same time serve our 11,000,000 unemployed working men and women who want jobs, who are looking for jobs and cannot get them. I will take my position on the side of our American agricultural and industrial interests, and those employed therein, as against the interests of those in foreign lands who are favored under the New Deal trade agreements.

I intend to discuss but one phase of this tariff question in the brief time which I have. I represent a city district, but as a matter of principle in the past I have voted for a high protective tariff to protect agriculture and industry in other congressional districts. If you new Members of this House will refer back to the debates on the Hawley-Smoot tariff bill you will find that most of our Democratic New Deal leaders from below the Mason and Dixon's line waxed eloquent in speaking before the Committee on Ways and Means and on the floor of the House and the floor of the Senate in favor of almost embargo tariffs on foreign products which come into competition with industrial or agricultural products of their own States or districts.

Mr. Chairman, I intend to talk turkey for a few moments today—Hawley-Smoot tariff turkey—cold-turkey facts. On yesterday we listened to a distinguished gentleman, our good friend, the scholarly and able gentleman from the 7th District of Virginia [Mr. ROBERTSON], who made a fervid and eloquent speech in favor of the New Deal reciprocal-trade treaties and vitriolically denounced the Hawley-Smoot tariff bill. Today I am not going to present the record of testimony in behalf of high protective tariff by McCumber, Fordney, Hawley, Smoot, Joe Grundy, or Andy Mellon. I want to present some high protective-tariff philosophy that was expounded only a short time ago by the gentleman from Virginia [Mr. ROBERTSON], when, on October 17, 1939, he

appeared before the Committee for Reciprocity Information, testified at length, and waxed eloquent in his fight to maintain the turkey embargo tariff provisions of the Hawley-Smoot Act, which he bitterly denounced yesterday.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I am pleased to yield to the distinguished gentleman from Virginia.

Mr. ROBERTSON. In view of the fact that the gentleman has before him what purport to be my remarks on that occasion, before he discusses some particular section of it, will he read the opening remark I made?

Mr. SCHAFER of Wisconsin. Yes; I shall be pleased to do so. It reads as follows:

Mr. ROBERTSON. Mr. Chairman and members of the Committee, I come before this honorable Committee today not as a Mark Anthony to bury the reciprocal trade agreement program but to praise it.

Mr. Chairman, I may add that in view of his testimony in favor of maintaining an embargo tariff to protect turkeys, which are raised within his congressional district of Virginia, he should have stated: "I come here not to bury the Hawley-Smoot Tariff Act but to praise it, particularly the turkey schedule."

The gentleman made one of the finest protective-tariff speeches I have ever read or heard of. I am sorry my time is so limited that I cannot put his entire speech in the RECORD. I hope the House will grant me unanimous consent to place this scholarly protective-tariff presentation by the gentleman from Virginia [Mr. ROBERTSON] in the RECORD, so that those who read his speech on yesterday in favor of the New Deal sell-out agreements, which have been disguised as reciprocal-trade agreements will know that he was only shadow-boxing yesterday and that he believes in a high protective tariff. He wants a higher tariff than Fordney, McCumber, Grundy, Andy Mellon, Smoot, or Hawley, particularly when it comes to protecting the turkey industry within the confines of the Seventh Congressional District of Virginia, which he so ably represents on the floor of the House and before the Committee for Reciprocity Information.

Now, what did the gentleman say before the Committee for Reciprocity Information? I will quote some of the high points of his high protective tariff speech. This is not Andy Mellon, Grundy, Smoot, Hawley, or any other Republican disciple or adherent of a protective tariff policy talking. This is the gentleman from Virginia [Mr. ROBERTSON], who made a speech denouncing the Hawley-Smoot tariff bill and the principles of protective tariff on yesterday. This same gentleman only a few months ago strongly favored retaining the high protective tariff turkey schedule which was placed in the law under the Hawley-Smoot bill, to wit, a 10-cent-per-pound tariff on imported dead turkeys and an 8-cent-per-pound tariff on imported live turkeys. This is what the gentleman said on October 17, 1939, before the Committee for Reciprocity Information:

I appear primarily today to call to your attention the probable effect upon the American producer of turkeys of a reduction in the present duty on turkeys from Argentina, and of course, under the principles of reciprocal-trade agreements it would include turkeys from Canada or any other nation that produces turkeys and that are in the position to ship them to us.

Then he went on to say—

This year we will produce approximately 32,000,000 turkeys in this country, 22 percent more than last year, bigger than the bumper crop of 1936, the largest domestic crop of turkeys in the history of the Nation, 1 bird for each 4 people.

Get that. One bird for each four people in the United States. That is not as good as two chickens in every pot that you Democratic brethren talk about on the hustings. [Laughter.]

One bird for each four people, whereas in 1929, when we had the maximum of consumer-purchasing power, there was produced in this country only one bird for each seven people.

Mr. Chairman, the gentleman from Virginia [Mr. ROBERTSON] wants to retain an embargo tariff on foreign turkeys although he admits that we produce in the United States only 32,000,000 turkeys, or 1 turkey for every 4 of our people, and, notwithstanding that his New Deal has provided a double-header Thanksgiving Day.

The record indicates that the gentleman from Virginia is a high priest in the temple of tariff protection and he should not be supporting this free trade reciprocal trade agreement program. In his testimony the gentleman also said:

You will no doubt be interested in the experience of one farmer in Rockingham County, which is in my district. I might say that the Shenandoah Valley in Virginia produces more turkeys than any other valley in Virginia, and is becoming a national factor in turkey production. It is now a $5,000,000 industry.

Mr. Chairman, I wonder how the turkey farmers in Virginia will take the free-trade speech which the gentleman delivered yesterday in favor of the reciprocal trade agreement program and opposed to protective tariff. The gentleman also said before the Committee for Reciprocity Information:

Mind you, a $5,000,000 industry against the total of $52,000 importation in the year before last from all countries combined of turkeys. Here are the actual figures of one man who raises turkeys on shares. He is in the feed business. The farmers furnish the turkeys and he furnishes the feed. They keep books and then they divide up the profits.

Mr. Chairman, time will not permit me to quote this in its entirety, but the gentleman then explains the high cost of producing turkeys in the United States, particularly in the Seventh Congressional District of Virginia, which he so ably represents, except when he stands in the Well of the House and makes free-trade antiprotective tariff speeches as he did yesterday.

Let us see what else he said. I again quote the gentleman from Virginia:

I have shown you, I believe, gentlemen, from these figures—and you can get similar figures from any producer of turkeys—that the Argentinan can lay down a dressed turkey in this country for approximately 10 cents a pound, and the American farmer will have to have 17 or 18 cents a pound on the hoof to come out.

Now, what else does he say? He then goes on and explains the reason for the high cost of producing turkeys in this country and shows that the Texas cowboys receive a much higher wage than the foreign cowboys receive.

This is the first time I ever knew that cowboys herded turkeys. Mr. Chairman, I again quote the gentleman from Virginia as follows:

Well, why is that great difference, you ask? I will tell you some of the reasons why. On the pampas they can raise a turkey and send him to market without one grain of feeding. If they want to feed, they have got corn that they can produce in Argentina for just one-half of what we can produce corn here for. You are no doubt familiar with the difference in land values on one side of the Rio Grande and the other. On the Texas side, the taxes of a ranch owner alone each year amount to more than the sale price of the Mexican land across the river, the same kind of land, growing the same products. The Texas cowboy gets $30 a month and his keep, while the Mexican cowboy gets $5 or $6 a month and frequently has to furnish his own beans and a little strip of bacon, if he gets any. All of the costs of the American producer are higher than the costs of the Latin American countries, and it is our farmer, constituting 30,000,000 of our consumer group, that is supposed to have a purchasing power on a parity with what we call the American standard of living, because that is the price he must pay for his finished products.

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SCHAFER of Wisconsin. Now, I ask my good friend the gentleman from Virginia to follow the wonderful American philosophy as expressed by him when he was advocating retaining the high protective turkey tariff provisions of the Hawley-Smoot bill to protect the turkey raisers of his district and take the same position with reference to protecting all of the American people from unfair competition of cheaply produced foreign products. It is about time that statesmen stop talking one way one day and the other way the next day.

Mr. Chairman, the gentleman from Virginia admitted that 32,000,000 turkeys were grown in the United States and protested against 23,000 coming in from the Argentine and depressing the American market.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. ROBERTSON. Instead of the gentleman's spending all of his time commenting on my appearance in asking them to compare 10-cent turkeys delivered here against domestic costs of 20 to 25 cents a pound, why does not the gentleman enlighten the House on what has been done, if anything, to the general detriment of agriculture?

Mr. SCHAFER of Wisconsin. Well, I will say to the gentleman that I voted for the Hawley-Smoot tariff bill, including the high protective turkey tariff schedule which you asked to have continued a few months ago, although you denounce a protective tariff in principle except when you plead for an embargo tariff to protect industries in your own congressional district. You admitted when talking for your turkeys in Virginia that the importation of 23,000 turkeys would depress the American turkey market, although we raise only 32,000,000 turkeys a year or one turkey for every four of our people and now have a New Deal doubleheader Thanksgiving Day.

Mr. Chairman, the gentleman from Virginia also said:

I will tell you the psychological effect of it. Even if we make a slight reduction in this tariff, even if we had such a small quota, like the importations in 1937 and 1938, if the 23,000 turkeys came in against 32,000,000, you can easily see the effect it would have. You might say, "Well, we will just make a little concession and let them ship in 100,000 birds. It will not have any practical effect."

I will tell you it will. The psychological effect of these birds' going to any kind of storage anywhere in the United States will depress the whole market.

Mr. Chairman, the gentleman's argument opposed to the importation of turkeys is applicable to bringing in any other imports which compete with American agricultural and industrial products. It would therefore seem that the gentleman from Virginia should follow the principles he enunciated with reference to turkeys and stand in the Well of the House and make a slashing attack against these New Deal American sell-out trade agreements which our Democratic brethren have clothed in the robes of reciprocal-trade agreements. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, this is indeed a great problem, as we have already gathered from the very enlightening discourses which have been going on in this Chamber during the past 2 days. Having to do as it does with our national problems in every corner of this great Nation, and having to do with our international relations, it is indeed one of the greatest problems which will come before the Congress. It has not only to do with agriculture, as has been so well described, but it has to do with many other great lines of industry and trade throughout the country, such as the transportation business, mining, the automotive industry, the construction industry, and many other lines of business activities that might be mentioned. This afternoon I shall call attention briefly to one of these great lines of trade and commerce which I have just enumerated, namely, the relationship between the reciprocal-trade agreements and the railroads and the railroad employees, with special reference to the Railroad Retirement Act. In order to bring the matter before you, I want to picture an analogy by reading a letter which I have here from Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, in which he points out the baneful effects which are about to come to the country if we pass the transportation bill, S. 2009, without the Harrington amendment. I shall read this letter from Mr. Whitney and then point out that we might say exactly the same thing with reference to the effect of the reciprocal-trade agreements upon the Railroad Retirement Act and on other situations with reference to railroad employees and the railroad situation in general depending, of course, upon the effect that the extension or nonextension of the reciprocal-trade agreements will have on business. This is the letter from Mr. Whitney:

GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN,
Cleveland, Ohio, February 14, 1940.

RAILROAD RETIREMENT ACT THREATENED

(Statement by A. F. Whitney, president, Brotherhood of Railroad Trainmen)

In establishing an actuarially sound basis for the Railroad Retirement Act, the total pay roll in the railroad industry was a vital consideration as a means of calculating the future income from taxes levied under the Carriers Taxing Act. Such data was furnished the Secretary of the Treasury. Even on the basis of a pay roll of $2,200,000,000 (averaged over 8 years), the Secretary of the Treasury felt that the recommended tax rate was inadequate, and he insisted upon an increase of one-fourth of 1 percent tax upon both the carriers and their employees, which rate was adopted.

In May 1938 I had occasion to review the subject of retirement legislation and made the following statement:

"No one can tell at this time what the average pay roll over years to come may be. If the railroads are permitted to continue to exploit labor through long trains, inadequate crews, and modern methods of efficiency, the future railroad pay roll might be less rather than more."

Events appear to have substantiated this forecast.

As a matter of fact, Murray W. Latimer, chairman of the Railroad Retirement Board, stated recently that the annual pay roll is even now already several million below the figure set up originally.

We are now threatened with at least a 25-percent reduction in the number of railroad employees, should the so-called omnibus transportation bill, now before a joint conference committee of the Senate and House, become a law, without the Harrington amendment. The Wall Street Journal is convinced that if this bill is enacted, wide-spread railroad consolidations will follow. In the January 17, 1940, issue of the Journal, the following appears:

"The savings, main purpose of mergers, and increase in efficiency in consolidation probably would be substantial. * * * Estimates have been made that if all of the possible or logical consolidations and coordinations were an accomplished fact, savings in railroad operations of as much as $500,000,000 annually could be brought about."

One of our leading Senators, and a great expert on the railroad subject, in speaking regarding the transportation bill the other day, said that there was $1,000,000 of waste committed per day by the railroads, which amounts to $365,000,000 of waste every year, which could and should be stopped, and thus eliminate the necessity for putting the cost of consolidations onto the railroad employees.

It is reliably estimated that 80 percent of the savings from consolidations will come from the pay rolls of railroad workers. Thus, $400,000,000 will be taken annually from the workers if the railroad bankers' program of consolidations is carried out, and the transportation bill proposes to place the initiative and encouragement for consolidations in the hands of the railroads and their bankers. There will accordingly be $400,000,000 less annually on which to collect taxes under the Carriers Taxing Act, which at the present tax rate of 6 percent, would reduce the tax income $24,000,000 annually. Although there would be this fatal reduction in tax income, there would be no corresponding concurrent reduction in benefits payable under the retirement act, for the reason that railroad consolidations would eliminate those of shortest seniority and hence farthest, in point of time, from receiving benefits under the act. This, of course, would also have the effect of raising the average age level and the average years of service of those employees remaining in the industry.

And consequently would result in the payment of more benefits instead of less but out of a much smaller income.

These are vital rights of railway employees that are seriously threatened by enactment of the omnibus transportation bill. But what of the spectacle of increasing unemployment when the Nation's welfare is already seriously threatened by the millions of unemployed? Even if we use the fictitious estimate of the average annual wage in the railroad industry, based upon the middle-of-the-month count, a $400,000,000 reduction in pay rolls would be equivalent to the elimination of approximately 225,000 jobs. Of course, in estimating job losses through consolidations, we must realize that those of the shortest service period and receiving the lowest annual earnings would be eliminated first. Consequently, a $400,000,000 reduction in the railroad pay roll could easily result in the elimination of as many as 350,000 jobs in the railroad industry alone, not to mention the deflating effect upon other

industries and small business in communities throughout the Nation.

When we consider that the railroad pay roll right now is far below the figure on which the retirement act solvency was based, it is entirely possible that if railroad bankers are given their way, and their consolidation program is carried out with the permission of Congress through enactment of the omnibus transportation bill, the tax rate under the Railroad Retirement Act will have to be increased by at least 35 percent, if the solvency of that act is to be maintained.

These facts show again the national folly of ever hoping to achieve social security for the masses, while impairing mass purchasing power either by reducing wages or increasing the already serious number of unemployed.

There is only one hope for railroad employees, and for the public generally, and that is the Harrington amendment to the omnibus transportation bill, which was passed by the House of Representatives last July, and which reads as follows: "*Provided, however,* That no such transaction (consolidation, merger, purchase, lease, operating contract, or acquisition of control) shall be approved by the Commission if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees."

The Harrington amendment will prevent the destruction of more than a quarter of a million railroad jobs in the interests of Wall Street railroad bankers and coupon clippers. Unless the Congress retains the Harrington amendment, or defeats the omnibus transportation bill, railroad workers and our citizens and businessmen may look forward not only to the loss of at least one-fourth of their number in employment, but also to an unbearably large increase in their taxes under the Railroad Retirement Act, if the solvency of that act is to be maintained.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes more to the gentleman.

Mr. ALEXANDER. Mr. Chairman, during my remaining time I shall now make another analogy. Nature and representative government are two great things. Nature is beautiful, as is representative government. We have all seen at the farm how the principle of survival of the fittest is practiced, how the strongest chickens push the weak chickens away from the feed; how the strongest cattle push away the weaker and the smaller cattle from the fodder; how the old tom cat pushes the kittens from the milk basin; how the big dog gets the best bones and the best food, and we have all seen how the strongest and fattest pigs rout the rest of the pigs out of the trough and get the first and the best of the food.

Under our form of government, we have set up more or less the same system. In other words, we have said to the fittest, to the best equipped intellectually and physically, you proceed to feed, to clothe, and to provide for yourself and to accumulate worldly goods at the expense of the less fit or capable; we have said, "The world is yours and the fullness thereof," so certain ones proceed to set themselves up in preference to the weaker members of society, and that, of course, is the principle, laissez faire, I believe it is called, and which we all agree has been very helpful and successful in creating the greatest nation on earth, the United States of America, during the one-hundred-and-fifty-odd years of its existence under representative constitutional government.

But, to get back to nature—nature is also cold and heartless. Take, for instance, an icicle. It is beautiful; but if you take hold of it, it will do one of two things: It will either freeze your hand or it will melt and go to nothingness. I call attention to this fact as well as to the principles we find in the farmyard, for that is nature; and I think that the businessmen and the successful people of the United States could well take a lesson from this example which I have just pointed out. Yes; we have promoted, we have encouraged the individual to press forward to success in this Nation; but how many of us want to be classed with the icicle or with the pigs? No; we do not want to be classed with the icicle or with the pigs, because we claim to be human beings, to have a heart, and to be the highest form of creation. We humans claim to have the right to inherit eternal life, but I submit that the way many of our most successful men and the way that most of our successful corporations have been operating in this Nation there is not much difference between them and the beast; there is not much difference between them because they have forgotten the heart.

And right here it seems to me is the weak spot in our whole philosophy of government. We seem to promote greatness, to encourage success, but too few know when to stop. We have too few who realize that if we carry this fine great principle of liberty and freedom and the promotion of the individual and the survival of the fittest among humans to its ultimate conclusion and meaning in this rich great Republic we call America, that soon we have only the 60 wealthy families holding all wealth, all control, and all power, while the masses and the millions who have been less aggressive, less successful perhaps, are left in poverty and want and come to be dissatisfied, come to be prey for radical doctrines, come to the day of revolution. Or else leaders of government, seeking to stem the tide of imperialism growing in the hands of the few, and seeking to stem the tide of radicalism or revolt among the masses, set up new, strange, undemocratic forms of control, and thus the system of checks and balances, so essential to perpetuation of our form of government, are gradually destroyed.

What we need in America is a new social philosophy for our success. What we need is more Myron Taylors, who can say to the God of greed, I have enough, and from this day I am going to stop grabbing and grasping, and start to give and to serve. Think what we could accomplish if every successful man, if every great mind in America would today and from this day on, start to devote their intellects, their ability to re-creating America and Americanism and Christianity. Think what it would mean if they would stop being mercenary and would start to dedicate their matchless energy and enthusiasm to rebuilding the world on an American basis with peace and justice, and liberty and freedom for all.

But instead they have so generally forgotten the mind; they have forgotten the spirit part of humanity and have been only an icicle or worse. I want to submit a new ideal for the businessman, especially the successful businessman of America, the great corporations and their leaders. It is this, that after they have become successful they should then begin to think about how they can devote some of their time and magnificent energy to the support of and service to the weaker, to the building up of the weaker.

I think we all agree that is a fine ideal, and we will all applaud when that suggestion is made with respect to an individual. But is that not essentially the same proposition we are considering in connection with the reciprocal-trade agreements only that it is a still higher step upward—because it has to do with groups of individuals, with many individuals as nations? We could not perpetuate this Nation as one and indivisible by saying as we said that all men are created free and equal until we had made the saying true and meaningful in the Civil War by suffering and the spilling of blood. Well, it is no less true today that all men are created equal in all the world. We can hardly have one set of moral principles for one group and another for another, if we believe in the principles of free government and of Christianity. Otherwise why do we open our sessions with prayer to God for guidance? This same principle must be applied in our decision which we reach this week on this great problem. We as a collective group of success as a Nation, must learn to stop to think that as humans, there is more than the law of the beasts to be considered in this matter, there is the higher law of the spirit. We must realize our duty to serve collectively as well as individually, and we must seek to give truth and meaning to the ideal that all men are created free and equal everywhere. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. SCHIFFLER].

Mr. SCHIFFLER. Mr. Chairman, commerce between nations has been the subject of much discussion and debate extending over hundreds of years. Immediately after the founding of our Republic, recognizing within the United

States the necessity for adequate protection for agriculture and industry, a protective tariff law was enacted and approved by President George Washington on July 4, 1789. This law was found to be of great general benefit, and resulted in rapid progress in the development of agriculture and industry in our Nation, and also provided much-needed revenue, which in a few years was sufficient to completely discharge our national indebtedness.

During these years the opinion was almost unanimous that protection was necessary. Little serious debate resulted from its enactment and subsequent operations until some 25 years later. Henceforth, and until this day, adequate means of protecting American labor, agriculture, and industry has been the subject of much legislation and of considerable controversy and debate both in the lawmaking bodies and throughout the country.

It occurs to me there are certain fundamentals that must be taken into consideration as an approach to a discussion of this important subject. Among these, and of primary importance, is the proposition that notwithstanding what our commerce may be with all other nations of the world, we are more vitally interested in preserving and promoting domestic tranquillity, progress, prosperity, and the contentment of our own people.

This being the cardinal rule for our guidance in determining a policy with respect to our dealings with the other nations of the world, we logically are called upon to first determine the best method to produce this. It is highly commendable to elevate the standard of civilization throughout the world, to encourage a higher moral responsibility among people, and likewise to do all humanly possible to promote peace among nations.

Shall these aims be achieved at the expense of America's well-being and contentment? Shall we, in seeking to inculcate the world with these high ideals and noble principles, willingly permit the people of our own Nation to suffer? Or shall we call into action that fundamental law of nature and look to our own self-preservation and welfare?

It is not unchristian, uncivilized, or unpatriotic for every citizen of our Nation to first look to putting his own house in order before seeking to set in order the houses of others. In a nation so abundantly blessed with every conceivable means of a self-sustained national economy, with a flow of these blessings to each of our own people, it is just and consistent that we first look to our resources and provide for their fair distribution to the people of our own Nation. We need not look to other parts of the world for the means of providing God's blessings. The means of accomplishing this and of establishing a well-balanced economy are within America, and by fair and sensible means we can accomplish this objective.

Our total export business in the year 1939 represented approximately $3,000,000,000. This is less than 7 percent of the total business transacted by the Nation. In my judgment, it does not justify letting down barriers, under the guise of humanitarianism or any other idealistic objective, to displace American products and American workmen and their jobs with commodities manufactured and grown in other countries in order that we might continue with this export.

I am opposed to the making of the reciprocal trade agreements for several reasons: First, because I believe that such agreements are necessarily within the constitutional prohibition against the making of treaties with foreign nations without the consent and approval of the United States Senate. Irrespective of the name applied and under whatever guise—whether called a pact, convention, covenant, compact, or treaty, so long as such involves the meeting of the minds, causes considerations to move from one to the other, and embrace ordinary contractual obligations, they are contracts, and consequently treaties. All such instruments are realistically as well as legally such as require the consent and approval of the Senate.

None of the 19 agreements thus far executed under the direction of the President and Secretary Hull have been submitted to or approved by the Senate. A two-thirds majority in the Senate is necessary to approve a treaty arrangement. Undoubtedly the reciprocal-trade agreements negotiated with sovereign nations are treaties and are within the purview of the constitutional provision. This power is regulated by article II, section 2, of the Constitution of the United States. Heretofore when reciprocity agreements have been executed they had been submitted to and approved by the Congress. Under no possible construction, and even under the most liberal interpretation, can it be said that the approval of the Reciprocal Trade Act of June 4, 1934, was an approval of this policy and complies with the constitutional provision. The act itself was passed by less than a two-thirds vote—57 Members present voting in favor thereof and 33 against the same. Secondly, I am opposed to the vesting of the authority given under this act to the President of the United States or to any single individual.

The delegation of this authority and its inherent possibilities are unsound and dangerous, and while I recognize under our Constitution that the President of the United States is charged with the exclusive execution of our foreign policies and may originate proposals respecting what that policy shall be, in no instance does the Constitution of the United States, by express language or by implication, confer the power in the President to make a treaty or contract with another sovereign state without the advice and consent of the Senate.

The reciprocal-trade agreements, embracing as they do under the favored-nations clauses the fixing of tariffs and duties with practically all of the nations of the world, violate the Constitution in the manner of negotiating the same and also in another quite serious manner. They delegate taxing authority to the Chief Executive, who, under the present act, has the power to increase or diminish the national revenue. This principle, if approved, can be carried forward with great danger to our form of Government. As a practicable proposition it amounts to divesting the constituted legislative branch of its inherent constitutional duty and privilege.

In this respect Secretary Hull does not disagree with me. I quote his language when speaking of the "flexible tariff" clause in the Senate on May 19, 1932, when he said:

> I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic king. * * *
>
> I am opposed to it, and believe that the sober second thought of the American people will repudiate this unprecedented and unusual and wholly unjustifiable arrogation of power and authority to the President. * * *
>
> I would repeal the flexible provision and restore to the Congress its rightful authority in tariff making.

What stronger reasons can be urged than those urged by Secretary Hull? What different situation today would justify the abrogation of this principle and the assumption of a different attitude? If it was unwise and unconstitutional in 1932 to delegate such power to make tariffs, is it not equally so today? Are there even not stronger practical reasons today why such power should not be delegated?

Unfortunately, an individual adversely affected by the negotiation of a reciprocal-trade treaty, under rulings made by the United States Supreme Court and particularly, in the case of *Massachusetts* v. *Mellon* (262 U. S. 447), must be able to show that he has sustained some direct injury as the result of such agreement and not merely that he suffers in common with people generally. It is therefore impossible, unless such a remote case should arise involving direct and special injury, for such agreements to be attacked in courts of law. The only remedy the taxpayer and the citizen has is in the Congress. Our duty, therefore, is to place the authority for the making of tariffs where it properly belongs. It is our further solemn obligation to wisely legislate in such manner as the Constitution and the interest of our people require. This inherently requires that no arrangement

whether called agreement, pact, or by any other peculiar designation, be entered into without the advice and consent of the Senate.

Fundamentally, I believe that it is wiser for the American people to keep the American markets and to not overly emphasize the value of their exports as well as to consistently guard against the disastrous effects of imports upon American labor, agriculture, and industry.

Under the trade agreements thus far negotiated and in effect, more than 1,000 concessions have been granted lowering the import duties upon numerous industrial and agricultural products. Many of these are permitted to enter this country today in direct competition with a like product manufactured or grown here. It is hardly necessary for me to point out the basic differences in production costs in this Nation and in the other nations of the world. Having granted these concessions, especially upon a large number of competitive commodities, it seems the height of inconsistency and utter folly on the part of American statesmen and diplomats to attempt on one hand to build up for American labor and American agriculture a high standard of living, and immediately destroy it by another general legislative program.

We have enacted child-labor legislation, wage and hour legislation, and various other sound laws designed to elevate the American workmen and farmer. This has necessarily increased production costs and logically produced better living conditions for our people. Most countries abroad are giving little or no attention to these problems, permitting women and children of all ages to work in the fields and factories. Much work in some industries is done at home by family groups. It is, of course, axiomatic that production costs are kept far below those of the United States. The labor costs of most commodities, both manufactured and grown, comprises the higher percentage of the selling cost of such commodities. How can it be expected that American manufacturers and farmers are able to meet competition in domestic markets flooded with goods produced under highly dissimilar conditions, with sweatshop and peon labor, and also maintain solvency and continuity in production?

If the direct objectives of the reciprocal-trade agreements, granting hundreds of concessions to foreign manufacturers and growers, is to force down the American standard of living, both of the farm and factory worker, then it will surely succeed in its accomplishment, for without drastic wage cuts and consequent lowering of living standards of Americans, we cannot compete in American markets with the products grown and manufactured abroad. I sincerely hope that such is not the objective.

A nation blessed with all things essential for human happiness, our problem is to adjust and regulate our domestic affairs as rapidly as our economy will permit, to bring about a fair and equitable portion of all things to all the people. This, of course, cannot other than continue to raise the standards of living in our own Nation, as is evidenced by the number of automobiles, radios, modern homes, telephones, and electrical equipment, as compared with other countries of the world, is incontrovertible evidence of our superior standard of living. Statistics to demonstrate the American standard of living as compared with that in most countries seem superfluous. It is that standard of living that we seek to sustain, and the continuation of the reciprocal trade-making agreements, as now negotiated, will, inevitably, following the ending of war abroad, produce greater disaster than we have thus far known in this Nation.

More thought and study should be given to our domestic problems in seeking their rapid and satisfactory adjustment. Unemployed labor, needy persons, agriculture, excessive taxation, and unwarranted governmental interference in business, are prime problems for our immediate consideration and solution. Likewise, our firm determination to avoid involvement in war and the pronouncement of a strong foreign policy are of equal importance. These are subjects that require our best thought in the hopes of obtaining their early and satisfactory solution. America is our field for labor at this time and not the world, and the devoting of our time to the solution of these problems, and in preparation for the ending of the war, with its consequent repercussions to the economy of the world, is imperative.

These and not the intricacies of further foreign entanglements are and should be America's first thought, and I hope that every Member of the Congress will so recognize such. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. BUCK having assumed the chair as Speaker pro tempore, Mr. WOODRUM of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the resolution, House Joint Resolution 407, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore [Mr. BUCK]. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an article, Price Fixing in Our American Economy, by Professor Ward.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that on tomorrow, after the regular business of the day, I may address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include some of the testimony before the Committee for Reciprocity Information on the proposed Argentine trade agreement.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address by the Postmaster General at the Woman's Democratic Club in Washington.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

By unanimous consent Mr. BENDER was granted permission to extend his own remarks in the RECORD.

SENATE BILLS AND RESOLUTIONS REFERRED

Bills, a joint resolution, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 815. An act for the relief of Christine Lund; to the Committee on Claims.

S. 1373. An act for the relief of H. D. Bateman, Henry G. Conner, Jr., executor of the last will and testament of P. L. Woodard, and J. M. Creech; to the Committee on Claims.

S. 1450. An act to provide funds for cooperation with School District No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children; to the Committee on Indian Affairs.

S. 1531. An act for the relief of Edmund S. Dennis; to the Committee on Claims.

S. 1671. An act to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah; to the Committee on Indian Affairs.

S. 2103. An act to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended; to the Committee on Indian Affairs.

S. 2132. An act for the relief of Katherine Scott, Mrs. J. H. Scott, Jettie Stewart, and Ruth Mincemeyer; to the Committee on Claims.

S. 2199. An act for the relief of Isadore J. Friedman; to the Committee on Claims.

S. 2268. An act for the relief of Roxie Richardson; to the Committee on Claims.

S. 2523. An act to provide for the construction, extension, equipment, and improvement of public-school facilities at McCurtain, Okla., Haskell County; to the Committee on Indian Affairs.

S. 2595. An act for the relief of Lloyd S. Harris; to the Committee on Claims.

S. 2667. An act for the relief of Mr. and Mrs. John W. Finley; to the Committee on Claims.

S. 2884. An act for the relief of Glen E. Robinson, doing business as the Robinson Marine Construction Co.; to the Committee on Claims.

S. 2977. An act authorizing the construction and maintenance of a dike or dam across Stansbury Creek in Baltimore County, Md.; to the Committee on Interstate and Foreign Commerce.

S. 2988. An act for the relief of Bessie Sharrah; to the Committee on Claims.

S. 2991. An act to authorize the Secretary of the Navy to accept on behalf of the United States certain lands in the city of National City, Calif.; to the Committee on Naval Affairs.

S. 2993. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States, and acceptance by gift of certain lands from the city of San Diego, Calif.; to the Committee on Naval Affairs.

S. 3038. An act to provide for the advancement of John L. Hines on the retired list of the Army; to the Committee on Military Affairs.

S. 3044. An act for the relief of Nadine Sanders; to the Committee on Claims.

S. 3061. An act for the relief of Andrew Olson; to the Committee on Claims.

S. 3067. An act authorizing appropriations to be made for the disposition of the remains of personnel of the Navy and Marine Corps and certain civilian employees of the Navy, and for other purposes; to the Committee on Naval Affairs.

S. 3196. An act to amend the act approved May 24, 1938, entitled "An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama," and for the relief of Jose Antonio Sossa D; to the Committee on Claims.

S. 3227. An act to enable the Secretary of Agriculture, in cooperation with official State agencies, to prevent the dissemination of pullorum and other diseases of poultry, and to improve poultry, poultry products, and hatcheries, and for other purposes; to the Committee on Agriculture.

S. J. Res. 206. Joint resolution creating a joint committee to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law; to the Committee on the Library.

S. Con. Res. 18. Concurrent resolution providing for an investigation of the social, economic, and industrial conditions in Puerto Rico; to the Committee on Rules.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 14 minutes p. m.), in accordance with the order heretofore made, the House adjourned until tomorrow, Wednesday, February 21, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Wednesday, February 21, 1940, at 10 a. m., before the petroleum subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON THE POST OFFICE AND POST ROADS

On Wednesday, February 21, 1940, at 10 a. m., there will be a meeting of the Committee on the Post Office and Post Roads to consider H. R. 8350, permitting official mail of the Pan-American Sanitary Bureau to be transmitted in penalty envelopes; also H. R. 8398, a bill amending acts extending the franking privilege to widows of ex-Presidents of the United States.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, February 21, 1940, at 10:30 a. m., for the consideration of H. R. 2775, Arapahoe and Cheyenne Indians jurisdictional bill.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

COMMITTEE ON ROADS

The Committee on Roads will resume hearings at 10 a. m. Monday, February 26, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1403. A letter from the Secretary of the Navy, transmitting draft of a proposed bill providing for the rank of commanders of special naval units afloat; to the Committee on Naval Affairs.

1404. A letter from the Acting Secretary of the Navy, transmitting draft of a proposed bill for the relief of Harold C. Preble, naval architect; to the Committee on Claims.

1405. A letter from the Secretary of War, transmitting proposed draft of a bill to provide for the selection of the chief of Infantry, chief of Cavalry, chief of Field Artillery, and chief of Coast Artillery, from among the brigadier generals of the line; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MANSFIELD: Committee on Rivers and Harbors. S. 685. An act to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes (supplemental Rept. No. 611, pt. 2). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Accounts. House Resolution 385. Resolution for the relief of Katherine L. Myers (Rept. No. 1626). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1627. Report on the disposition of records in the Navy Department. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1628. Report on the disposition of records in the Treasury Department. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. Report No. 1629. Report on the disposition of records in the Interior Department. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. Report No. 1630. Report on the disposition of records in the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. Report No. 1631. Report on the disposition of records in the Department of Labor. Ordered to be printed.

Mr. LUTHER A JOHNSON: Committee on Foreign Affairs. H. R. 7809. A bill authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose; with amendment (Rept. No. 1632). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 7817) for the relief of Daniel N. Farnell, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY:

H. R. 8562. A bill to safeguard investments of Federal funds in water utilization and control works within water courses in certain Western States, and to prevent interference with successful operations of interstate stream compacts, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. O'BRIEN:

H. R. 8563. A bill to amend the World War Adjusted Compensation Act; to the Committee on World War Veterans' Legislation.

By Mr. THOMASON:

H. R. 8564. A bill to safeguard investments of Federal funds in water utilization and control works within water courses in certain Western States, and to prevent interference with successful operations of interstate stream compacts, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. VOORHIS of California:

H. R. 8565. A bill to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government; to the Committee on Ways and Means.

By Mr. SHAFER of Michigan:

H. R. 8566. A bill to constitute the watchmen in the National Zoological Park the National Zoological Park Police, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. HARTER of New York:

H. Con. Res. 48. Concurrent resolution opposing enactment of the St. Lawrence waterway treaty; to the Committee on Foreign Affairs.

By Mr. SHAFER of Michigan:

H. Res. 386 (by request). Resolution authorizing the Joint Committee on Internal Revenue Taxation to make certain income-tax case investigations; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No 3, relative to increased contributions by the Federal Government for relief in California; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to consider their resolution with reference to county-system roads of Kentucky; to the Committee on Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CULLEN:

H. R. 8567. A bill for the relief of James M. Robedee; to the Committee on Naval Affairs.

By Mr. DARDEN:

H. R. 8568. A bill for the relief of John E. Wales 3d and George P. Page; to the Committee on Claims.

By Mr. GARRETT:

H. R. 8569. A bill granting a pension to Harry B. Likens; to the Committee on Invalid Pensions.

By Mr. HARTER of New York:

H. R. 8570. A bill for the relief of Baboo Ram Teree; to the Committee on Immigration and Naturalization.

By Mr. HARTLEY:

H. R. 8571. A bill for the relief of the Bolinross Chemical Co.; to the Committee on Claims.

By Mr. HINSHAW:

H. R. 8572. A bill for the relief of Leland S. Andrews; to the Committee on Military Affairs.

By Mr. JOHNSON of Indiana:

H. R. 8573. A bill for the relief of William E. Search; to the Committee on Claims.

H. R. 8574. A bill for the relief of Virginia Search; to the Committee on Claims.

H. R. 8575. A bill for the relief of Pauline Search; to the Committee on Claims.

H. R. 8576. A bill for the relief of Marion Search; to the Committee on Claims.

By Mr. MARTIN of Massachusetts:

H. R. 8577. A bill for the relief of Antone G. Pina; to the Committee on Claims.

By Mr. ROUTZOHN:

H. R. 8578. A bill for the relief of Manfred Ehrenfried; to the Committee on Immigration and Naturalization.

By Mr. RYAN:

H. R. 8579. A bill for the relief of Michael Goetz, Lucile Goetz, and Angus S. Kennedy; to the Committee on Claims.

By Mr. SASSCER:

H. R. 8580. A bill for the relief of Wesley Durner; to the Committee on Claims.

By Mr. WELCH:

H. R. 8581. A bill for the relief of William Bartlett Haegle; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6607. By Mr. BURDICK: Petition of sundry citizens of Fort Yates, N. Dak., asking for the passage of legislation to cancel feed and seed loans, House bill 2655; to the Committee on Agriculture.

6608. By Mr. CROSSER: Petition submitted by the Maser Home Bakers of Cleveland, Ohio, protesting against the imposition of new processing taxes; to the Committee on Ways and Means.

6609. By Mr. CULLEN: Petition of the officers of Local 1476, Sugar Refinery Workers of the International Longshoremen's Association, urging the necessity of stopping further unemployment and suffering among their members by furthering legislation which will prevent an expansion of refining by the subsidized tropical sugar-refining industry and an expansion of the subsidized beet-sugar industry; to the Committee on Foreign Affairs.

6610. By Mr. ELSTON: Additional petition of the Cincinnati Bakers' Supply Co. and sundry citizens of Cincinnati, Ohio, protesting against the levying of excise or any other form of processing taxes on bread and other every-day indispensable necessities of life; to the Committee on Ways and Means.

6611. By Mr. MARTIN J. KENNEDY: Petition of Bindery Women's Union, Local No. 66, International Brotherhood of Bookbinders, New York City, urging support of the equal-rights amendment to the Constitution; to the Committee on the Judiciary.

6612. Also, petition of the Maritime Association of the Port of New York, New York City, opposing any Federal sugar legislation which will bring about a further reduction in the amount of cane sugar which enters the ports of the United States; to the Committee on Interstate and Foreign Commerce.

6613. By Mr. KEOGH: Petition of Local 1476, Sugar Refinery Workers of the International Longshoremen's Association of Brooklyn, N. Y., favoring legislation that will protect the jobs of the sugar-refinery workers of Brooklyn and Yonkers, N. Y.; to the Committee on Foreign Affairs.

6614. By Mr. KRAMER: Resolution of the Board of Supervisors of the County of Los Angeles, State of California, relative to appropriation for control of venereal diseases, etc.; to the Committee on Appropriations.

6615. Also, resolution of the League to Aid Korean Volunteers in China, relative to permission to remain in the United States until change in political condition in Korea, etc.; to the Committee on Foreign Affairs.

6616. By Mr. LAMBERTSON: Petition of Mrs. John W. Bigley and 38 other citizens of Topeka, Kans., urging Congress to pass the Neely bill; to the Committee on Interstate and Foreign Commerce.

6617. By Mr. McANDREWS: Resolutions adopted at a mass meeting recently held in the city of Chicago, Ill., under the jurisdiction of Polish-American Council; to the Committee on Foreign Affairs.

6618. By the SPEAKER: Petition of the Steel Workers Organizing Committee, Congress of Industrial Organizations, East Chicago, Ind., petitioning consideration of their resolution with reference to the Wage and Hour Act; to the Committee on Ways and Means.

6619. Also, petition of the business and professional group of Equality Magazine, New York City, petitioning consideration of their resolution with reference to House bills 5643, 5138, 4860, 3724, 2830, and Senate bill 409, pertaining to the naturalization laws; to the Committee on Immigration and Naturalization.

6620. Also, petition of the New York State Industrial Union Council, Congress of Industrial Organizations, New York, N. Y., petitioning consideration of their resolution with reference to the Federal wages and hours law; to the Committee on Labor.

6621. Also, petition of the New York State Industrial Union Council, Congress of Industrial Organizations, New York, N. Y., petitioning consideration of their resolution with reference to the Federal Budget; to the Committee on Appropriations.

6622. Also, petition of the New York State Industrial Union Council, Congress of Industrial Organizations, New York, N. Y., petitioning consideration of their resolution with reference to their Resolution No. 13, pertaining to foreign conflicts; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 21, 1940

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we praise Thee for the One whom we may ever approach but never surpass. Before the world, He was: Deeper than all depths and higher than all height are the wonders of our Lord's divine nature. We thank Thee that He is not only forgiving, but life-giving, creating within us those tides of being which make all things new. We pray that we may be worthy of our vocation and appreciate the challenge of our trusteeship. Oh, give us the pungent power of high decision, the hunger that longs for fullness of life, and inspire us with those wise silences that tremble in the breast of aspiration, and with that yearning for all that is fair, lovely, and of good report. Unto Thee be eternal praise, through Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMUNICATION FROM CLERK OF THE HOUSE

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House.

The Clerk read as follows:

FEBRUARY 20, 1940.

The SPEAKER,
House of Representatives, Washington, D. C.

DEAR SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. Newlin Megill, an official in my office, to sign any and all papers for me which he would be authorized to sign by virtue of this designation and of clause 4, rule III, of the House.

Respectfully yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

HON. CLIFFORD DAVIS

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House.

The Clerk read as follows:

FEBRUARY 21, 1940.

The SPEAKER,
House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. CLIFFORD DAVIS as a Representative-elect to the Seventy-sixth Congress, from the Ninth Congressional District of Tennessee, to fill the vacancy caused by the resignation of Hon. Walter Chandler, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.
By H. NEWLIN MEGILL.

HON. CLARENCE E. KILBURN

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House.

The Clerk read as follows:

FEBRUARY 21, 1940.

The SPEAKER,
House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. CLARENCE E. KILBURN as a Representative-elect to the Seventy-sixth Congress, from the Thirty-first Congressional District of New York, to fill the vacancy caused by the death of Hon. Wallace E. Pierce, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.
By H. NEWLIN MEGILL.

SWEARING IN OF MEMBERS

Mr. CLIFFORD DAVIS and Mr. CLARENCE E. KILBURN appeared before the bar of the House and took the oath of office.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following communication.

The Clerk read as follows:

FEBRUARY 20, 1940.

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: Due to other committee assignments the meeting dates of which conflict with the meeting days of the Committee on Claims, I hereby submit my resignation as a member of the Committee on Claims, House of Representatives.

Cordially yours,

A. F. MACIEJEWSKI.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

EXTENSION OF REMARKS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein two letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TAXATION OF GOVERNMENT SECURITIES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. The Chair cannot recognize the gentleman to speak for 2 minutes at this time.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, during the last regular session of Congress I introduced a bill, H. R. 5632, making income from securities issued by the United States, or any State, or Territory, or any subdivision thereof, subject to the income-tax laws of the United States. I regret to say that up to date I have been unable to secure action on this bill. It will be utterly impossible to equalize the burden of taxation until legislation such as this is passed by Congress. Tax-exempt securities today are furnishing a means for those of great wealth to avoid paying to the Government their share of Governmental expense. In the Washington Daily News, in connection with this very subject, there appeared recently what seems to me to be a very timely and true editorial which is packed with wisdom. I sincerely hope all of the Members will take the time to read this editorial. It calls attention to the fact that since the time of Woodrow Wilson every President has recommended that such legislation be passed. However, no such action has been taken by Congress up to date.

Mr. Speaker, in connection with my remarks I ask unanimous consent to insert in the RECORD as a part of my remarks an advertisement headed, "Tax-exempt securities." This came through the mail to me but I do not know where it came from. I may say, however, that it is the sort of propaganda that is going on in the country in connection with this subject advising people what to invest in.

I also ask unanimous consent to insert as part of my remarks the editorial appearing in the Washington Daily News to which I referred.

Mr. RICH. Mr. Speaker, reserving the right to object, the gentleman wants to place in the RECORD an advertisement the source of which he does not know, but apparently from some newspaper somewhere. In addition, he wants to place in the RECORD an editorial. Where is the majority leader? He said the other day that he was going to stop the insertion of these editorials.

Mr. RAYBURN. If the gentleman will yield——

Mr. RICH. I yield.

Mr. RAYBURN. The majority leader did not say anything of the sort. The majority leader said that when a newspaper article or a magazine article was so long that special consent had to be secured he would object. He did not say anything about objecting to short editorials.

Mr. RICH. Does the majority leader wish to permit a newspaper advertisement to go in the RECORD the authorship of which advertisement is not known and whose source is unknown?

Mr. RAYBURN. I do not know anything about that.

Mr. RICH. There ought to be some authenticity to the matter inserted by Members. It does not seem right that such an advertisement should be inserted; it just is not right.

Mr. RAYBURN. Why does not the gentleman object, then?

Mr. RICH. I am going to object until the gentleman informs us where the advertisement came from.

Mr. O'CONNOR. I will say to the gentleman that it came through the United States mail.

Mr. RICH. That is nothing. I get a great deal of propaganda through the mail.

Mr. O'CONNOR. It came from the gentleman's own State, if he wants to know.

Mr. RICH. That is all the worse; too much New Deal propaganda.

Mr. O'CONNOR. It ought to be good, then.

Mr. RICH. We have more New Deal propaganda in Pennsylvania than any other place in the country since the Earle administration, the worst administration for New Deal propaganda in our history.

Mr. O'CONNOR. This has nothing to do with New Deal propaganda.

Mr. RAYBURN. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order has been demanded. Does the gentleman from Pennsylvania object to the request of the gentleman from Montana?

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The regular order has been demanded. Is there objection to the request of the gentleman from Montana [Mr. O'CONNOR] to include the articles and matter referred to by him as a part of his remarks?

Mr. RICH. Mr. Speaker, I object to the unknown newspaper advertisement.

Mr. O'CONNOR. The gentleman does not object to the editorial?

Mr. RICH. No. I ought to object to that, too, but the majority leader is willing to let that go in. The Democratic Party is responsible if it goes in. If I had my say, it would not go in, either.

The SPEAKER. Is there objection? [After a pause.] The Chair hears no objection to the request of the gentleman from Montana [Mr. O'CONNOR], except the objection made by the gentleman from Pennsylvania [Mr. RICH] to the inclusion of one article.

The matter referred to follows:

A bill (H. R. 5632) making income from securities issued by the United States or any State or Territory subject to the income-tax laws of the United States or any subdivision thereof

Be it enacted, etc., That notwithstanding any other provisions of law, all income derived, after the enactment of this act, from securities now outstanding or issued after the date of enactment of this act, by or under the authority of the United States or its possessions, or the obligations of any State, Territory, or any political subdivision thereof, or of the District of Columbia, shall be included in gross income within the meaning of section 22 (a) of the Revenue Act of 1938 for the purpose of taxation under title I of such act, and shall also be subject to taxation under all income-tax laws of the United States, or any subdivision thereof, hereafter enacted.

[From the Washington Daily News]

AGAIN, TAX-EXEMPTS

No. 1 tax recommendation of Glenn Frank's Republican program committee:

"Elimination of all tax exemptions of future issues of Federal, State, and municipal securities."

President Roosevelt made the same recommendation more than a year ago. The Ways and Means Committee in Congress held a hearing—and then nothing more happened.

In fact, every President since Woodrow Wilson, every Secretary of the Treasury since CARTER GLASS, has pointed out the inconsistency of levying a steeply graduated income tax and at the same time continuing to sell tax-exempt bonds to wealthy in-

vestors who want to escape high taxes. But successive Congresses, Republican and Democratic, have failed to act.

In 1934, according to a Treasury study, 33 individuals who reported less than $5,000 of net income actually received tax-exempt interest ranging in amount from $100,000 to $1,000,000. A married person with no dependents, earning $5,000 a year, pays a Federal income tax of $80. That's not much for a person fortunate enough to have a $5,000 salary. But what shall we say of an income-tax system which collects exactly the same amount from another person who has $5,000 in taxable income and $1,000,000 more in nontaxable income? Obviously we can't say that the system is based on the principle of ability to pay.

Nor are such injustices the only evil. Our capitalist system depends upon risk-taking investments to start new businesses and expand old ones. Investors with the most money should take the larger risks. But our tax system definitely discourages risks by the wealthy. Or, to put it another way, our tax laws encourage the rich to play safe. It is a matter of arithmetic that—considering Federal income taxes alone—a man with a $100,000 income can get a larger net return on a 3-percent Government bond than on a 7-percent private investment; a man with a million-dollar income can do better with a 3-percent tax-exempt than with a private risk that yields 12 percent. And when State income taxes are added, the margin is even greater. If he resides in New York State, the million-a-year man has to make more than 16-percent profit on a private risk to realize as large a net as he can get on 3-percent exempt bonds.

Since men of wealth are usually adept at arithmetic and notoriously reluctant to throw their money away, venturesome enterprises which might provide jobs for the idle go begging for capital. The rich investor isn't hurt. He can take a free, safe ride on the never-ending stream of tax-exempts issued by Federal, State, county, and city governments. But the fellow who can't find a job in private business because of the lack of investments therein has no such comfortable alternative. He has to go on W. P. A. or relief.

We're glad Mr. Frank's committee has recommended abolition of tax-exempts as a plank in the next Republican platform, just as we were glad when Mr. Roosevelt proposed the same reform as a New Deal measure. But we'd feel greater hope if the Republicans and Democrats in Congress showed more than an academic interest.

COMMITTEE ON INDIAN AFFAIRS

Mr. O'CONNOR. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent that that committee may remain in session this afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. O'CONNOR]?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I expect to address the House in Committee this afternoon, and I ask unanimous consent that I may extend those remarks and include some tables and quotations therein.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an item from the Farmers' Union Herald, of South St. Paul, Minn.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent that in connection with the remarks I shall make upon the pending trade-agreements bill I may be permitted to include in those remarks excerpts from Secretary Hull and other authorities, as well as statistics bearing upon the question.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LUTHER A. JOHNSON]?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I expect to address the Committee this afternoon on the matter which will be pending before it at that time, and I ask unanimous consent to extend my remarks and to revise same and to include certain tables and figures.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to insert therein an editorial prepared and written by the owner and publisher of two of the largest papers in my district. This deals with a matter in which the Congress is continually interested—the gold surplus.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There was no objection.

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement on the reciprocal trade agreements program by the National Cotton Council of America.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. KITCHENS]?

There was no objection.

CALL OF THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Obviously there is not a quorum present.

Mr. DOUGHTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Allen, Ill.	Gifford	Merritt	Sacks
Allen, La.	Grant, Ala.	Mills, La.	Sasscer
Andrews	Green	Monroney	Satterfield
Brooks	Hancock	Mouton	Schwert
Buckley, N. Y.	Harrington	Myers	Shannon
Chapman	Hill	Nelson	Sheridan
Claypool	Holmes	Norton	Short
Collins	Hook	O'Day	Smith, Maine
Darrow	Jarrett	Osmers	Smith, Va.
DeRouen	Jenks, N. H.	Pace	Somers, N. Y.
Dies	Johnson, Lyndon	Patman	Sparkman
Douglas	Jones, Tex.	Patrick	Steagall
Drewry	Kee	Pittenger	Stearns, N. H.
Dunn	McAndrews	Reece, Tenn.	Taylor
Edelstein	McArdle	Robinson, Utah	Treadway
Evans	McDowell	Robsion, Ky.	Ward
Fay	Maloney	Rockefeller	White, Idaho
Fernandez	Martin, Ill.	Routzohn	
Gathings	Martin, Mass.	Rutherford	
Gehrmann	Mason	Sabath	

The SPEAKER. Three hundred and forty-eight Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a few brief excerpts.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects, in one extension to include an editorial from the American Guardian and in the other to include an editorial from Hour magazine relating to the late Dr. William E. Dodd.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Pasadena Press on the reciprocal-trade agreements.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, if it is not in conflict with the plans for tomorrow of the chairman of the Committee on Ways and Means, I should like very much, and I ask unanimous consent to be permitted, to address the House for 10 minutes on Finland, immediately following the reading of

George Washington's Farewell Address by the gentleman from New York [Mr. CROWTHER].

Mr. COOPER. Reserving the right to object, Mr. Speaker, this matter should be taken up with the respective leaders of the majority and the minority, I believe.

Mr. BUCK. Reserving the right to object, Mr. Speaker, I should like to inform the gentleman from Minnesota that it is not the intention of the Committee on Ways and Means to continue debate tomorrow.

Mr. KNUTSON. Then, Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on tomorrow.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any other special orders heretofore made, he may be permitted to address the House for 15 minutes.

Mr. COOPER. Reserving the right to object, Mr. Speaker, I have no responsibility or interest in this matter, but I understand the program for tomorrow has already been arranged. I believe it would be only fair for the gentleman to confer with the gentleman from Texas, the majority leader, and the gentleman from Massachusetts, the minority leader, because the program for tomorrow is already arranged. I hope the gentleman will withhold his request until such a conference can be had.

The SPEAKER. The Chair understood the gentleman to request that at the conclusion of the legislative program of the day he be permitted to address the House. Is that the request of the gentleman from Minnesota?

Mr. KNUTSON. I was going to ask that I be permitted to speak at the close of the reading of George Washington's Farewell Address.

The SPEAKER. Will the gentleman kindly restate his request?

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that on tomorrow, following the reading of George Washington's Farewell Address and any special orders that may have been heretofore entered, I be permitted to address the House for 10 minutes.

Mr. COOPER. Reserving the right to object, Mr. Speaker, did the gentleman make his request for today or tomorrow?

The SPEAKER. Tomorrow, as the Chair understood it.

Mr. COOPER. The observation I just made applies to tomorrow. As I said, I have no responsibility or interest in this matter.

Mr. KNUTSON. If the majority leader is here, he can make an objection. I saw him on the floor a moment ago.

Mr. COOPER. Did he tell you he would object to the request?

Mr. KNUTSON. I say I saw him on the floor, and he has undoubtedly heard my request. He was here a few moments ago.

Mr. WOODRUM of Virginia. Reserving the right to object, Mr. Speaker, would the gentleman be willing to withhold his request until the majority leader is here? I feel pretty confident that similar requests have been denied. Of course, as far as I am concerned, I have no objection to the gentleman's request, but my understanding is that the majority leader was committed that nothing would be done tomorrow except the formal ceremonies. I should be pleased if the gentleman would defer his request.

Mr. KNUTSON. My remarks will have to do with independence. I thought tomorrow would be a very appropriate time.

Mr. WOODRUM of Virginia. I wish the gentleman would defer his request until the majority leader is here.

Mr. KNUTSON. Mr. Speaker, I withdraw the request temporarily, until I can see the majority leader.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a few brief extracts from public documents on the pollution bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein certain statements made by the National City Bank of New York in reference to the Budget.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made yesterday, and include therein certain tables and extracts from statements of public men.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein a radio address by Rabbi Louis Wolsey.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD, and include therein an article appearing in this morning's Times-Herald entitled "The United States Is the Chief Source of Supply."

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the Reserve Officers' Training Corps, and to include therein a brief statement by one of its officials.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD, and include therein an editorial from the Wall Street Journal on the subject of the record of the trade pacts.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 407, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended; and, pending that motion, I ask unanimous consent that the time for general debate, already fixed by the House on the joint resolution, may be extended 1 hour, one-half to be controlled by the gentleman from New York [Mr. CROWTHER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 407, with Mr. WOODRUM of Virginia in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, there was a man who went on a tour and he was advised by his friends to visit a certain forest. When he returned home they asked him how he had been impressed by the forest and he told them that, unfortunately, he could not see the forest for the trees.

It strikes me that, as far as this debate has progressed, the minority has been in the position of that gentleman who

returned from the tour. It is true that they brought back a lot of deadwood with them and they have built a minority report out of it. It is my purpose this afternoon to examine some of the deadwood that they used in the minority report and in the speeches they have made so far and see just what they have recovered out of the forest that they could not see.

Apparently, they have been unable to grasp either the principle or the effect of the trade-agreements program as a whole, but they have here and there been picking away at some detail of its operation, and I may say generally erroneously informed, without viewing the aim and purpose of the original resolution which we are asking you to extend, and with no consistent theory of their own as to how it should be replaced.

One of the outstanding pieces of deadwood that was brought back was the statement that was made by the gentleman from California [Mr. GEARHART], which will be found on page 1694 of the CONGRESSIONAL RECORD, in which he stated that exports of our American agricultural commodities were at an all-time low and imports at an all-time high. The facts and the figures entirely answer that contention. The total of agricultural imports in 1929 amounted to $2,178,000,000. They were, for 1939, only $999,000,000, but there are 5 other years in which the total amount of agricultural imports exceeded 1939.

I insert a table, to be found on page 554 of the hearings, which gives the figures in detail:

TABLE 1.—*"Competitive" and "noncompetitive" agricultural imports into the United States from all countries, fiscal years ended June 30, 1929–39*

[In millions of dollars]

Fiscal year ended June 30	Total imports	Agricultural imports[1]			
		Total[2]	Noncompetitive[2]	Competitive[2]	Percent competitive of total agricultural
1929	4,292	2,178	1,147	1,030	47.3
1930	3,849	1,900	1,010	889	46.8
1931	2,432	1,162	650	512	44.1
1932	1,730	834	459	375	45.0
1933	1,168	614	331	282	46.0
1934	1,674	839	420	419	49.9
1935	1,789	934	436	498	53.3
1936	2,208	1,141	500	642	56.2
1937	2,892	1,537	670	867	56.4
1938	2,331	1,155	567	588	50.9
1939	2,079	999	[3] 457	[3] 542	[3] 54.3
PRINCIPAL COMMODITIES[4]					
1938		1,081	522	559	51.7
1939		931	426	505	54.2

[1] Excludes forest products, except crude rubber and distilled liquors. General agricultural imports through June 1933, excepting wool for which it was necessary to use import for consumption statistics, 1929–33.

[2] The distinction between competitive and noncompetitive agricultural imports is based upon that made by the U. S. Department of Agriculture, Foreign Crops and Markets, May 6, 1939, p. 347, and May 12, 1939, p. 126. Competitive or supplementary imports are defined as "all agricultural imports of a type commercially produced in the United States, or interchangeable in use to any appreciable extent with agricultural products commercially produced in the United States." In addition to the imports ordinarily considered as competitive, the list compiled by the U. S. Department of Agriculture includes such products as jute, coconut meat, copra, babassu nuts, palm nuts, palm nut kernels, tung oil, and others of which there is little or no production in the United States.

[3] Estimated on basis of ratio between competitive and noncompetitive principal commodities in 1939.

[4] Principal agricultural commodities represented about 94 percent of total agricultural imports in fiscal year 1938 and about 93 percent in fiscal year 1939.

Source: Compiled by U. S. Tariff Commission from U. S. Department of Agriculture, Agricultural Statistics, 1939, p. 429, for 1929–38, and Foreign Crops and Markets, Aug. 12, 1939, p. 136, for 1939 and for principal commodities 1938 and 1939.

The gentleman from Minnesota [Mr. ANDRESEN] made the statement that the United States was flooded with imports from the United Kingdom after their depreciation in 1931. The actual figures are that for 1931 the exports from the United Kingdom to the United States amounted to $120,172,000 and in 1932 to $73,441,000. A decrease of nearly $50,000,000 in 1932 does not seem to bear out the statement that we were flooded with imports from the United Kingdom. For 4 months of 1939—September to December—to the United Kingdom, Canada, and France our exports were $88,000,000 more than the same period in 1938. Imports from these countries were up only $36,000,000. This does not look as if there were any unfavorable facts in those figures.

Let me remind you, Mr. Chairman, that the original resolution was adopted "for the purpose of expanding foreign markets for the products of the United States," and that authorization was given to the President under certain conditions, all of which have been complied with, "to enter into foreign-trade agreements with foreign governments or instrumentalities thereof" and to modify such domestic duties and other import restrictions as might be appropriate to carry out these foreign-trade agreements. The purpose of the agreements obviously was to increase our foreign trade and so help overcome domestic unemployment by restoring former export outlets and by providing new ones for American commodities. The minority has either forgotten or deliberately ignored the primary factor involved, that trade, and international trade in particular, was the basis for the original resolution.

Let us review history. In the face of our creditor position, after the World War the party in power in 1921 passed a so-called emergency tariff act, and in 1922 they made the emergency a permanent proposition and revised tariff rates further upward. A fatal blow was inflicted upon international commerce in the restrictions of the Fordney Act of 1922. It was copied by other commercial nations. They tried to pull themselves up to what we then called "perpetual prosperity" by their own bootstraps. The Fordney Act invited and challenged trade reprisals and retaliations. Twenty-seven nations took our cue and boosted their rates. The full damage done to agriculture by the Fordney Act was, however, largely hidden by the billions of our loans abroad from 1923 to 1929, which permitted purchases from the United States, and by this means our foreign trade was increased in spite of the Fordney Act.

During the political campaign of 1928 the Republicans, instead of furnishing safer leadership in keeping with our creditor position, served notice to the world that they intended to add another story to our already high tariff edifice. The result was, after a year and a half of wrangling and unsettlement, the Tariff Act of 1930.

The resentment against this act, a new and wholly unjustifiable tariff boost, was world-wide. Some 33 nations notified us that retaliations would take place. To give only one example, Canada passed a bill through her Parliament providing that her rates of duty on some 130 products imported from the United States would be the same as fixed in the Hawley-Smoot Act. That was the sort of reciprocity the Tariff Act of 1930 called for.

The fears of agriculture and other export interests were swiftly confirmed. Country after country, alarmed at the Hawley-Smoot Act, quickly shot up retaliatory barriers against our exports. Practically every country in Europe equipped itself with devices whereby our products could be blocked overnight. High tariffs with their brood of quotas were imposed. What happened to wheat is typical of what happened to American exports. Germany raised its tariff on American wheat within a comparatively short period from $0.42 to $1.19 and then to $3.84 per bushel. Likewise, France raised its tariff from $0.53 to $0.85 and later to $1.49 per bushel on American wheat. Italy placed its rate on American wheat from $0.73 to $0.87 and then to $1.69 per bushel. Naturally our exports slumped. Agriculture, depending on the foreign market—13 to 16 percent exported—to a greater extent than industry—5 to 8 percent exported—was the principal victim. Trade was soon stagnated and American agricultural prices practically collapsed. Those from the Midwest will readily recall the farm strikes and riots which ensued in 1931 and 1932. Farmers were forced to quit buying the products of industry, and thus we have the principal origin of a depression which not only became Nation-wide but world-wide. Any meager benefit which agriculture may have obtained from the Hawley-Smoot Act was swept away overnight.

Now it can be asserted that the depression which followed that act was not an imported product. The record is definite on that point. Ninety percent of our trouble, like 90 percent of our market, was at home. Furthermore, with the doctrine of self-sufficiency advocated by the party then in power in the United States, other countries were inclined to follow our example and attempted to produce their own foodstuffs and other agricultural products at great expense. Inefficiency was subsidized the world over. Many countries turned first to the production of agricultural products, and that is another factor which makes the American farm problem of the United States more difficult to solve. Inefficient agriculture in foreign countries now has a vested interest in the trade restrictions established in the emergency. That has made the lessening of trade barriers on agricultural products more difficult.

This administration has adopted a moderate middle course between completely retiring from foreign markets and going entirely to a domestic basis which would call for a rather stiff regimentation. If the forty or fifty million acres now in export trade are to be abandoned for a possible 10,000,000 acres to produce some imported products at a higher price, shocking readjustments will have to be made. We have not yet seen anything which looks like regimentation if that policy should be adopted.

The Trade Agreements Act was established to help make the necessary but careful adjustments. The trade-agreements program, which does permit some quantities of carefully selected imports to enter the American market, is not inconsistent with any system of adjustment in domestic production. The two are fairly complementary to each other. The most glaring contradiction with which we must deal is in the thinking processes of those who during the twenties and early thirties claimed that they had the formula for perpetual prosperity by piling higher and higher tariffs against imports and continuing to dump large quantities abroad by means of artificial purchasing power through foreign loans, and at the same time passed trade-destroying tariff acts. The purely temporary success which they had was nullified by the drastic deflation which farmers and the rest of us suffered from 1930 to 1933.

I need cite no better authority than the testimony before the Ways and Means Committee of the gentleman who was brought forward as the chief economist for the minority, Dr. Coulter. I called Dr. Coulter's attention to a paragraph from the World Economic Survey of 1931 and 1932, published by the League of Nations, which reads as follows, pages 2678–79:

> The whole movement toward higher tariffs was undoubtedly accentuated both by the alarm and resentment felt in many countries as the discussions of the new Hawley-Smoot tariff dragged on in the United States Congress from May 1929 to June 1930 and by the real effects of that tariff when it went into operation. It was followed by new tariffs in many other countries, among others, Canada, Cuba, Mexico, France, Italy, Spain, Australia, New Zealand. In the case of the British Dominions, higher general tariffs were accompanied by an increased measure of imperial preference, and a general idea of a more extensive system of preferential duties with the British Empire was appreciably advanced.

Dr. Coulter stated:

> I remember that and I would say that at that moment that was true.

The witness then proceeded to call the committee's attention to the fact that prior to the enactment of the Hawley-Smoot Tariff Act certain countries had previously put into effect revisions of their import tariffs, and he said, I quote from the hearings, page 2683:

> Dr. COULTER. Ever since 1922 it has just been a continuous revision.
> Mr. BUCK. I am glad you mentioned 1922; that leads me to ask if that was not the start of this whole business?
> Dr. COULTER. Yes.
> Mr. BUCK. Of raising the duties, and it is not surprising that other countries began to use the same policy. And that 17——
> Dr. COULTER. Twenty-seven.
> Mr. BUCK (continuing). Or whatever the number was, raised their tariffs and continued until 1930 and raised them again.
> Dr. COULTER. It was a continuous performance from May 1921, when the Congress went into the revision of all the basic agricultural schedules in the Emergency Act of May 27, 1921; and following 1922 there followed through all these European and Latin-American countries.
> Mr. BUCK. I know; we are not in disagreement.
> Dr. COULTER. It was a continuous performance.
> Mr. BUCK. It was a continuous performance.
> Dr. COULTER. It was international.
> Mr. BUCK. Thank you for supplying the words, because that exactly fits in with the way I felt about it.

Now, if the minority Members, or those opposed to the trade-agreements program, can get any satisfaction out of that testimony of their chief witness they may have it, because there he definitely admits that what this country started in 1921 brought about retaliatory measures in a small way in the succeeding years and that what we did in 1930 finally brought about the great retaliatory measures that eventuated in the general economic collapse that we have been paying for through our nose ever since. We were not realists then. The minority members of the Ways and Means Committee are not today.

Now, let us look at a few of these dead trees that the minority brought back.

Mr. ROBERTSON. Mr. Chairman, is the gentleman willing to yield at this point?

Mr. BUCK. I yield.

Mr. ROBERTSON. Before the gentleman leaves the testimony of Dr. Coulter—Did not Dr. Coulter also admit that he approved the tariff views embodied in Woodrow Wilson's message to the Congress in 1912 and say, "I helped to prepare it"?

Mr. BUCK. He did.

Mr. GIFFORD. Does the gentleman care to yield?

Mr. BUCK. I would prefer to yield later.

Mr. GIFFORD. The gentleman does not care to be rescued from his forest? He is not lost?

Mr. BUCK. I am just beginning to bring into view some of the dead trees. [Laughter and applause.]

The minority report at page 16 stated the depression was due to other causes than the tariff, since the act of 1930 was not passed until after the depression started. One witness even claimed the act was a belated effort in 1930 to prevent the depression from growing deeper. Those who wrote the report have forgotten their own opposition to the so-called limited tariff revision in the fall of 1928, and that the bill was reported to the House in 1929. Did they, in 1928 or May 1929, foresee what was coming in 1930? Obviously they could not have done so.

The minority report contends that free and dutiable imports declined at the same rate during 1929–32. This neglects consideration of very important facts.

As pointed out by the Tariff Commission on page 914 and 915 of the hearings, this comparison is based upon data unadjusted for the following facts:

> (1) The Tariff Act of 1930 transferred articles valued at $212,000,000 in 1929 from the free to the dutiable list, and articles valued at $41,000,000 in 1929 from the dutiable list to the free list, a net amount of $171,000,000 of articles transferred from the free to the dutiable list. The unadjusted 1929 data on free and dutiable imports are therefore not comparable.
> (2) Import excise taxes were imposed in June 1932 on copper, petroleum, and certain classes of lumber which had previously been free of duty. Thus for about half of the year 1932 imports of such products were included in the dutiable imports increasing the total dutiable imports by the corresponding amount and making the unadjusted 1932 dutiable figure noncomparable with 1929 dutiable imports.

Adjustment of the 1929 and 1932 figures for the above facts leads to a figure of 73.9 percent for the decline in dutiable imports between 1929 and 1932, and of 66.8 percent in free imports, certainly not the same rate of decrease.

The report also claims that farm exports have declined under the trade-agreement program. The answer to this question of how farmers have been helped by trade agreements is found in the minority's own table, on page 17 of

its report, which shows that agricultural exports during the period 1935–36 to 1938–39 averaged $178,000,000 annually above the low of $590,000,000 in 1932–33.

The minority also significantly failed to point out, as shown by their own table, that agricultural exports in 1932–33 amounted to only $590,000,000, while in 1938–39 such exports amounted to $683,000,000.

By means of statistical legerdemain the minority attempts to show that the fiscal year 1932–33 was a good year for agriculture because agricultural exports accounted for 40 percent of our total exports. They cannot escape the fact, however, that agricultural exports in 1932–33 were $1,000,000,000 less than in 1928–29.

The real test of whether American farmers are better off now than they were before the Trade Agreements Act was passed is found in a comparison of cash farm income. From a low of $4,600,000,000 in the calendar year 1932, the American farmer's cash income increased to $7,600,000,000 in 1938 and $7,700,000,000 in 1939, not including benefit payments.

No nation that has started on a policy of self-sufficiency has been able to, or will ever be able to, make it work satisfactorily. Those countries abroad, which seem to have moved ahead in their economic restoration at a slightly faster pace than we have, have done so because their domestic economy has been diverted to an armament program.

I say without fear of contradiction today that every one of these countries, by the very nature of that economy, is on the verge of an economic collapse. The program of self-sufficiency is not only founded on the wrong principle but, if applied to the United States, it is not a practical one. There are many commodities which we must import; for example, rubber. We can grow rubber in California from a plant called guayale, but the cost of manufacture, even according to the redoubtable Dr. Coulter, is prohibitive. I could amplify the list immeasurably. We could grow hothouse bananas, perhaps. Dr. Coulter, on the other hand, admitted that out of 109 countries existing in this world today only 9 were in position to manufacture automobiles in any commercial quantity, and only about 3 could produce prunes in commercial quantities. Thus the rest of the world is fair field for our sales of such divergent articles as prunes and automobiles.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield.

Mr. FADDIS. Would the gentleman mind naming those nine countries that can produce automobiles?

Mr. BUCK. I cannot name them now. I find that Dr. Coulter did not name the nine he had in mind.

Mr. FADDIS. I would appreciate it if the gentleman would put that information in the RECORD.

Mr. BUCK. This foreign trade must be promoted, and it can be developed better and in a more advantageous way for our own producers by seeing that trade barriers and import restrictions are not erected against us by foreign countries on automobiles, prunes, and all the other products we produce for export. If such barriers have been erected we must act so that they will be lowered by making concessions on articles that do not materially compete with our home products, or that will not be imported in sufficient quantities to injure our home market.

The success or failure of the trade-agreements program cannot be measured merely by comparing exports with imports. Both imports and exports are clearly intermeshed with domestic production and domestic consumption. Our domestic prosperity depends upon them together, not separately. In this debate this truth has been lost sight of. There is a failure on the part of the minority to follow through the reasoning from the field of foreign trade to our larger domestic field. An obvious economic axiom has been overlooked. That axiom is that the more economic goods the people of a country have the better off they are. I question if there can be any general overproduction. Our goal should be, if it is not already, economic abundance; and by this I mean an economic abundance distributed among various economic groups in geographic areas, if you please, so equitably that the wares of each section of the country find purchasers in other sections. We have pretty well recognized this in connection with our own United States, although I do regret to note that recently efforts to erect trade barriers between our States have been increasing. We must recognize it in connection with our foreign trade.

We should focus our attention on the fact that it is the production of goods rather than the selling of goods to get money that increases the income of our Nation. The selling of goods abroad and receiving of money in return does not in itself serve the purpose of increasing production of goods in this country. It may serve an opposite purpose.

I noted the remarks of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] yesterday on this subject. There are few today who want to see our vast stock of gold increased by more cash for what we sell abroad. Let me call his attention and the attention of the minority to the fact that such procedure actually amounts to giving away our goods and getting more money, and that money is of no value to us unless we can use it to buy goods with. On the other hand, the exchange through mutual trade with foreign countries where we buy their products will increase the total production of useful goods to us; and this, in turn, will serve the purpose of increasing the income of this country.

The minority is fond of saying that the United States is the biggest and most stable market in the world for the goods produced in this country. They say it in a challenging manner, although there is not one Member of the majority that I know of who disputes it.

The fact that reductions in our tariffs have been made so carefully that the home market would not be disturbed, as feared by the minority, was testified to on page 2327 of the hearings by a witness representing an organization opposing the trade-agreements program, who said that few mistakes had been made in the granting of concessions.

But some of the most efficient producing groups in our country, particularly agriculture, have been vitally dependent, and still are, on export markets. In fact, to some of them—and I do not have to go outside of my own State to find an example in dried and canned fruits—the presence or absence of export markets means a difference between operating in the "black" and in the "red." The drying up of foreign markets in the case of agriculture means unsalable surpluses to numerous regions of the country. I call your attention to the testimony of Mr. H. C. Dunlap, vice president and manager of the Dried Fruit Association of California, who appeared before our committee in support of the resolution extending the Trade Agreements Act. I hope every Member of this House who comes from an agricultural district will read his testimony in full. I interrogated Mr. Dunlap as follows, at pages 1911–1912:

Mr. BUCK. If the export trade in your dried-fruit products were cut off entirely, or materially diminished, it would put a good many thousand fruit growers out of business, would it not?

Mr. DUNLAP. It certainly would. All of these products are capable of being marketed in the fresh state; they are adapted to being marketed in the canned state; they would have other application, in some instances, to an outlet in the fermented field, and very certainly in the distilled field. These fields are already burdened. I imagine, at first, in our struggle to justify the investment that we have in the more or less permanent producing unit—you know you do not pull up an orchard which it has taken you 7 to 10 years to bring into production just because the price goes down in 1 year; so the struggle to find an outlet in the other fields would, as I have said, make for disastrous circumstances in the whole fruit industry.

Mr. BUCK. But even if you were successful in marketing the exportable surplus of dried fruits at home, it would still put some farmer out of business, because it would drive down the price of fresh or canned goods, would it not?

Mr. DUNLAP. When they eat some of my stewed prunes for breakfast, they do not eat grapefruit, and vice versa, although we have interested people in the eating of two fruits for breakfast in the past few years.

What Mr. Dunlap said applies equally to any other agricultural commodity that has an exportable surplus. Put this

country on a so-called self-sufficiency basis and refuse to take advantage of the opportunity for export outlets and every man, woman, and child must increase his consumption not only of dried fruits, but of wheat, lard, cotton, tobacco, and countless other commodities, or have the producers of those commodities divert their energy into competition with dairy and other products which are not on an export basis, and thereby bring about entire economic ruin in agriculture. When foreign markets dry up surplus agricultural commodities prices drop, incomes decline, purchasing power disappears, and the areas in which those export crops are produced are no longer able to purchase the products of other sections of the country. Contraction sets in all along the line. Production is curtailed as markets disappear. Unemployment stalks throughout the land. We know it only too well from our former experience.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. BUCK. For a brief question.

Mr. MURRAY. I am asking to get the record straight. How many agricultural products did the gentleman say were exported in 1932?

Mr. BUCK. The quantity?

Mr. MURRAY. Yes; and in dollars. The gentleman mentioned $500,000,000.

Mr. BUCK. $590,000,000.

Mr. MURRAY. Secretary Hull states $662,000,000.

Mr. BUCK. Well, if there is any error, I shall correct it.

Mr. MURRAY. In 1939 what are the total figures covering the export of agricultural products—$655,000,000?

Mr. BUCK. The total preliminary estimate as put in the report was $683,000 000.

Mr. MURRAY. Which is the lowest of any year we have had?

Mr. BUCK. No; I refer the gentleman to the table I put in at the start of my remarks.

Mr. MURRAY. According to the United States Tariff Commission it is. It is the lowest in 20 years.

Mr. BUCK. I am sorry to disagree with the gentleman. The record is clear. Perhaps the gentleman is using calendar-year figures, while the testimony and the report of the minority are based on fiscal years.

Mr. MURRAY. These are Secretary Hull's figures.

Mr. BUCK. The figure $683,000,000 is used in the minority report, and I am only taking the figures from that report.

Mr. Chairman, I shall decline to yield further, because there are a few matters I want to take up.

Manufacturers of shoes in New England and the makers of glass in Pennsylvania and West Virginia are in a very real sense dependent upon the export outlets for cotton, tobacco, apples, copper, automobiles, and petroleum. It is of vital importance to them that the cotton and tobacco workers in the South, the copper and petroleum workers in the Southwest and the West, the automobile workers of Michigan, and the fruit growers of California, Oregon, and Washington, prosper and have the purchasing power with which to buy shoes and the products containing glass.

Yes, my friends, it is true that the domestic market is the big market and it must be maintained. Those very industries that are insistent that Congress place restrictions upon imports in their own lines would be displaying in the long run self-interest if they concentrated their energies on advocating a policy directed toward creating a large home market. They should actively advocate expansion of the domestic market through increased foreign trade. The important thing to them is not the exact percentage of the home market they supply in connection with imports, for they will always supply practically all of it. The important thing is the net value to them of their total sales.

To paraphrase what one of my former colleagues on the Ways and Means Committee, the distinguished gentleman from Kentucky, Mr. Vinson, said, when this matter was debated in 1937, "Is it not better business to have 90 percent of a million-dollar market than all of a half-million-dollar market?" The average businessman and the average farmer who knows his own best interest—not to mention the welfare of the Nation as a whole—should be, and in spite of the efforts of the minority to delude him, generally is an ardent supporter of the trade-agreements program.

It must be remembered that while the minority speaks of our total exports amounting to only 9 or 10 percent of domestic production, agricultural products are exported to a very much greater degree. I insert at this point a brief table prepared by the United States Tariff Commission showing the annual average value of exports and the proportion of the production exported in the years of 1928–37 in certain agricultural commodities.

Commodity	Annual average value of exports, 1928–37	Proportion of production exported
		Percent
Cotton	$474,900,000	52
Sardines	3,100,000	52
Linseed oil, cake, and meal	7,700,000	47
Dried fruits	26,100,000	40
Tobacco	123,700,000	35
Lard	46,200,000	21
Rice	6,700,000	16
Canned fruit	21,400,000	15
Wheat and wheat flour	82,800,000	11
Apples	20,000,000	8

For the benefit of my own constituents I include the percentage of the total California crop of certain agricultural commodities which is normally exported. These figures were furnished by the research department of the California State Chamber of Commerce:

Barley	30
Rice	15
Cotton	90
Apples	40
Apricots	38
Peaches	15
Pears	27
Prunes	52
Grapes	25
Grapefruit	17
Oranges	10
Asparagus (canned)	15

I also insert the figures on imports and exports of raisins, which is also exclusively a California production as far as the United States is concerned, in detail. This clearly indicates the value of the concessions obtained in trade agreements, and also demonstrates that the concessions given on imports can have in no possible way harmed our home production. Other causes have contributed to a low price for raisins this winter, but no one in fairness can possibly attribute that low price to the operation of the trade-agreement program.

Raisins—Imports and exports

Year	Exports		Imports
	To concession countries	To nonconcession countries	
	Pounds	*Pounds*	*Pounds*
1932	19,748,739	95,705,057	1,361,403
1933	16,103,033	75,110,748	1,069,781
1934	20,562,038	71,686,295	1,002,168
1935	26,419,906	83,200,092	803,489
1936	22,468,747	70,483,615	593,842
1937	41,161,988	104,141,361	617,020
1938	60,032,339	94,702,941	321,518

Source: Bureau of Foreign and Domestic Commerce, Foreign Commerce and Navigation.

In view of these figures, there should be no wonder why disastrous repercussions are felt throughout the Nation when just a few agricultural export markets are lost.

I may say that the same is true of industry. Some of our most efficient industries are vitally dependent on foreign outlets for their products, and since so much of our industry is on a large scale, even a small dislocation in physical volume of output increases the per-unit overhead costs. I insert another table similarly prepared, which indicates a few of the manufactured products, the foreign outlets for which are extremely important:

Commodity	Annual average value of exports, 1928–37	Proportion of production exported
		Percent
Refined copper	$63,400,000	38
Lubricating greases	4,300,000	37
Lubricating oil	72,200,000	31
Typewriters and other office appliances	31,800,000	31
Crude sulfur	10,900,000	28
Aircraft and parts (except engines)	12,800,000	24
Kerosene	39,000,000	21
Printing and bookbinding machinery	11,000,000	20
Agricultural machinery	63,600,000	19
Automobiles	271,100,000	7

The minority report felt that the trade-agreement program should be studied. I think it might profit the minority members if they would study the majority report, in which they will find a complete refutation of their threadbare, discredited tariff policy. What they have said and what they will continue to say in their speeches is mere repetition in the hope that finally if repeated long enough somebody will believe they are right. In this respect, I am reminded of the poem by Lewis Carroll called The Hunting of the Snark.

The captain went out with his crew to find the snark and that is what the minority members are trying to do. I read you these opening lines:

"Just the place for a snark!" the Bellman cried,
As he landed his crew with care;
Supporting each man on the top of the tide
By a finger entwined in his hair.

"Just the place for a snark!" I have said it twice:
That alone should encourage the crew.
"Just the place for a snark!" I have said it thrice:
What I tell you three times is true.

That seems to be the system on which the minority is developing its argument, but not only are they like the captain in that respect, they were like him in another respect. He had his own principles of navigation; so does the minority.

He had bought a large map representing the sea,
Without the least vestige of land;
And the crew were much pleased when they found it to be
A map they could all understand.

"What's the good of Mercator's north poles and equators,
Tropics, zones, and meridian lines?"
So the bellman would cry; and the crew would reply
"They are merely conventional signs!"

"Other maps are such shapes, with their islands and capes!
But we've got our brave captain to thank."
(So the crew would protest) "that he's bought us the best—
A perfect and absolute blank!"

The chart which should govern the course of our Nation as offered by the minority Members is just such a blank. They do not like this and that in the trade-agreements program, but in 3 days of debate they have not offered one constructive thought as to what should be done to further improve the status of labor, industry, or agriculture.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BUCK. It would not be possible for one who represents one of the chief agricultural States in the Union, and a congressional district noted for its agricultural products, to pass over the relationship of American agriculture to the trade-agreements program. As a farmer myself I have not prospered in the past year or two, but I cannot blame that lack of prosperity, in all fairness, on anything that the reciprocal trade agreements program has done or has failed to do. Climatic conditions in California during 1938 and 1939 were far from ideal, and resulted, particularly in my own section of the State, in poor crops and heavy losses by farmers. Yet it is interesting to note that for the State as a whole the farm income for 1939 was some $20,000,000 greater than for 1938. The losses that have been sustained have been larger in crops that we have hitherto grown for export, where import restrictions, higher duties, or blocked exchanges by foreign countries with which we formerly did business have prevented the usual flow of commerce. It is interesting to note that while no agreements have been made with countries of this type that agricultural exports other than cotton have increased materially with the countries with which agreements have been made. A little bit later I shall submit some tables for the information of the Committee which will indicate what has been done in certain specific instances in the way of increasing agricultural exports. Before doing so I want to review briefly the trends in foreign trade in agricultural products.

The United States imports and exports of agricultural products reached their all-time peaks in 1920, when they were valued at $3,410,000,000 and $3,850,000,000, respectively. While imports fluctuated around $2,000,000,000 per year throughout the twenties, exports dropped below imports for the first time since 1900 in 1923, and with the single exception of the year 1925 have remained below imports continuously since that date. Excess of agricultural imports over exports, therefore, can in no way be attributable to the trade-agreements program. The low point in our international agricultural trade was reached in 1933, when imports amounted to $614,000,000 and exports to $590,000,000. I insert here the figures in detail:

United States foreign trade in agricultural products

[Millions of dollars]

Year ended June 30—	Imports	Exports
1919	1,930	3,579
1920	3,410	3,850
1921	2,059	2,606
1922	1,370	1,915
1923	2,077	1,798
1924	1,875	1,867
1925	2,057	2,280
1926	2,529	1,892
1927	2,281	1,903
1928	2,194	1,815
1929	2,178	1,847
1930	1,900	1,496
1931	1,162	1,038
1932	834	752
1933	614	590
1934	839	787
1935	934	669
1936	1,141	766
1937	1,537	732
1938	1,155	891
1939	999	683

Source: Compiled from official statistics of the U. S. Department of Agriculture.

It is interesting to note also that exports of agricultural products have represented a higher percentage of domestic production than exports of nonagricultural products. In 1929

and the earlier years exports amounted from 14 to 17 percent of the commercial production of agricultural commodities, as compared with 7 to 10 percent of nonagricultural commodities. Although the percentage of agricultural commodities exported has declined recently, the percentage exported has still remained greater than that of nonagricultural exports. This decline of agricultural exports is widely attributed to nationalistic measures, which many of the principal nations of the world have adopted with a view to their own supposed self-sufficiency. The necessity of checking such developments and of preserving the foreign markets which remained for the United States exports was one of the principal reasons for the adoption of the trade-agreements program, and is one of the principal reasons for continuing the authority to carry on the program.

I insert herewith a table which gives the figures in detail:

United States production and exports of agricultural and nonagricultural commodities

[Values in millions of dollars]

Year	Agricultural			Nonagricultural		
	Production	Exports	Percent exported	Production [1]	Exports [2]	Percent exported
1923	11,041	1,820	16.5	30,150	2,270	7.5
1925	11,968	2,136	17.8	30,878	2,683	8.7
1927	11,616	1,885	16.2	31,585	2,874	9.1
1929	11,941	1,693	14.2	35,985	3,464	9.6
1931	6,968	821	11.8	22,067	1,557	7.1
1933	6,128	694	11.3	16,288	953	5.9
1935	8,010	748	9.3	22,096	1,495	6.8
1937	[3] 9,253	797	8.6	30,614	2,501	8.2
1938	[3] 8,162	828	10.1	(4)	2,299	(4)

[1] Includes minerals, plus the value added to all products by manufacturer.
[2] Includes agricultural products exported in manufactured form, a part of which should be classified as agricultural exports.
[3] Estimated from preliminary data of the U. S. Department of Agriculture.
[4] Not available.
Source: U. S. Department of Commerce.

On November 1, 1939, trade agreements were in effect between the United States and 18 countries having 32 possessions. In 1937, the last year for which complete statistical break-downs are readily available, export to trade-agreement countries of agricultural products on which concessions have been obtained accounted for 74 percent of the total agricultural exports. The following table is illustrative:

Exports of agricultural and nonagricultural products in 1937 [1] according to trade-agreement concessions received by the United States as of Nov. 1, 1939

	Agricultural	Nonagricultural	Total
	Value in millions of dollars		
Total exports to all countries [1]	798	2,501	3,299
Total exports to trade-agreement countries [2]	507	1,241	1,748
Exports of trade-agreement items [3]	374	608	982
Exports of non-trade-agreement items	133	633	766
	Percent of total exports to trade-agreement countries		
Total exports to trade-agreement countries	100	100	100
Exports of trade-agreement items [3]	74	49	56
Exports of non-trade-agreement items	26	51	44

[1] The year 1937 was taken because it is the latest for which published data are readily available.
[2] United States exports were obtained from the import statistics of foreign countries and eliminate, therefore, transshipments and similar distorting factors.
[3] "Trade agreement items" consist of those commodities for which concessions (i. e., duty reductions, quota increases, and binding of existing customs treatment) were obtained from the country to which the commodity was exported.
Source: Adapted by the U. S. Tariff Commission from data compiled by the U. S. Department of State.

Among these concessions, all of which are set out in detail in the hearings, are reductions from 30 to 100 percent of the duty in the principal foreign markets of United States exports of fresh vegetables, apples, pears, lard, wheat, oats, grapefruit, and oranges. In order to obtain these concessions from foreign countries the United States made concessions on imports including, in some cases, the binding of existing tariff treatment on imports of agricultural products which represented 48 percent of the total agricultural imports, but it is important to note that the existing tariff treatment on 40.8 percent of the total was bound, and reductions in duty were made on only 7½ percent of the total agricultural imports. This surely should be a sufficient answer to those who have been claiming that the farmer is being "sold down the river." I insert the figures in detail:

Imports for consumption of agricultural and nonagricultural products in 1937 according to trade-agreement concessions granted by the United States as of Nov. 1, 1939

	Value of imports			Percent of total		
	Agricultural	Nonagricultural	Total	Agricultural	Nonagricultural	Total
Dutiable imports:						
Duty reduced [1]	$118,000,000	$310,000,000	$428,000,000	20.0	47.2	34.4
Duty bound [1]	24,000,000	49,000,000	73,000,000	4.1	7.5	5.9
No action [2]	447,000,000	297,000,000	744,000,000	75.9	45.3	59.7
Total dutiable imports	589,000,000	656,000,000	1,245,000,000	100.0	100.0	100.0
Duty-free imports:						
Bound free [1]	620,000,000	539,000,000	1,159,000,000	62.6	69.5	65.7
No action	370,000,000	236,000,000	606,000,000	37.4	30.5	34.3
Total duty-free imports	990,000,000	775,000,000	1,765,000,000	100.0	100.0	100.0
Dutiable and duty-free imports:						
Duty reduced [1]	118,000,000	310,000,000	428,000,000	7.5	21.7	14.2
Existing treatment bound [1]	644,000,000	588,000,000	1,232,000,000	40.8	41.1	40.9
No action [2]	817,000,000	533,000,000	1,350,000,000	51.7	37.2	44.9
Total dutiable and duty-free imports	1,579,000,000	1,431,000,000	3,010,000,000	100.0	100.0	100.0

[1] Includes all trade agreements in effect as of Nov. 1, 1939. The agreement with Czechoslovakia (termined Apr. 22, 1939), with Nicaragua (terminated Mar. 10, 1938), and with Venezuela (not effective until Dec. 16, 1939) are not included.
[2] Includes sugar from Cuba upon which the reduced duty originally provided was suspended on Sept. 12, 1939.
Source: Adapted by the U. S. Tariff Commission from data compiled by the State Department.

Even under the most favorable circumstances it could not have been expected that the full effects, beneficial or otherwise, of the trade-agreement program could be demonstrated until the figures for the year 1939 are completed. Cuba alone had concluded a trade agreement with the United States during 1932, and only four additional countries were brought in by the close of 1935. It was not until January 1, 1939, that the agreement with the United Kingdom, which is by far the largest market for American agricultural products, became effective. But circumstances have not been as favorable as could have been hoped for. Conditions in 1933 through 1936 were certainly not normal in our agricultural

regions. We had a succession of the most severe droughts in history. The American farmers had the unique experience of having to resort to imports to supply the feed and seed needed to carry on operations, and as we were getting back into more normal conditions in 1937–38 and looked forward hopefully to 1939 the outbreak of war in western Europe disrupted the usual channels of trade.

In the 5 calendar years, 1935–39, exports of agricultural products increased from $748,000,000 in 1935 to $828,000,000 in 1938. Foreign hostilities in 1939 operated to reverse the upward trend. The United Kingdom, Canada, France, Germany, and Japan have usually taken over two-thirds of the United States agricultural exports. The import restrictions, such as those on cargo space, exchange control, and import licenses, by these and other belligerent nations have been used in favor of vital war materials, and to the detriment of our agricultural exports. It is not to be wondered at, therefore, that these exports declined in 1939 to a preliminary estimate of $683,000,000. The trade-agreements program, however, cannot by any stretch of the imagination be made accountable for this decline, which is due entirely to world war conditions. It should be noted, moreover, that the decline was due entirely to a decline in cotton exports, which fell off for reasons peculiar to that commodity. Exports of agricultural commodities, other than cotton, actually had increased from $345,000,000 for the year ending June 30, 1934, to $505,000,000 for the year ending June 30, 1939.

In comparing imports with exports of agricultural products for the purpose of indicating the net balance of commodity trade, attention should be drawn to the competitiveness of the items composing these two groups. Included in imports as agricultural products are numerous articles not produced on United States farms, such, for example, as rubber, coffee, cacao beans, silk, bananas, and tea. In the year 1938, the latest year for which complete statistics are available, these six products alone accounted for $427,000,000 of the total agricultural imports, which were approximately $956,000,000 in value. The fact that these products do not compete with the products of the United States is indicated by the tariff law of 1930, which provides for their entry into this country free of duty. In 1939 the total agricultural products admitted into the United States free of duty, and hence to be classed as noncompetitive, were valued at $755,000,000, and constituted two-thirds of the total agricultural imports. As American agriculture reestablishes itself on a more nearly normal basis and the effects of the drought years are removed, these noncompetitive free products become a relatively larger part of the total agricultural imports. Imports of dutiable products, such as corn and barley—on which I, incidentally, note no concessions were ever made by the United States—decline or disappear entirely during years of normal production at home. Duty-free agricultural imports consist of products which are not generally produced in the United States. Therefore, it is the comparison of dutiable imports with exports which properly indicates the net position of American agriculture with respect to foreign trade. Agricultural exports have exceeded dutiable agricultural imports in every year during the 1935–39 period—on the average, by $299,000,000 each year. Using the year 1935 as a base of 100, dutiable imports of agricultural products declined to 84 in 1939. It appears, therefore, that the attempt of the minority to argue that American agriculture has been damaged by the trade-agreement program is one that must fall flat. Even over this period, when trade agreements were only partially operative, American agriculture was not damaged by an increase in dutiable imports, and, of course, could not be damaged by an increase in nondutiable imports, because these are brought in for the benefit of the American manufacturer and consumer. The following table is illustrative:

Imports (free and dutiable) and exports of agricultural and nonagricultural products, 1935–39

Year	Imports for consumption							Exports of domestic merchandise		
	Total	Agricultural			Nonagricultural			Total	Agricultural	Nonagricultural
		Total	Free	Dutiable	Total	Free	Dutiable			
	Value in millions of dollars									
1935	2,039	1,106	675	431	933	531	402	2,243	748	1,495
1936	2,424	1,307	766	541	1,117	619	498	2,419	710	1,709
1937	3,010	1,579	990	589	1,431	775	656	3,298	797	2,501
1938	1,950	956	634	322	994	549	445	3,058	828	2,230
1939	2,276	1,118	755	363	1,158	642	516	3,124	656	2,468
	Relatives 1935=100									
1935	100	100	100	100	100	100	100	100	100	100
1936	119	118	113	126	120	117	124	108	95	114
1937	148	143	147	137	153	146	163	147	107	167
1938	96	86	94	75	107	103	111	136	111	149
1939	112	101	112	84	124	121	128	139	88	165

Source: Compiled by U. S. Tariff Commission from statistics of the U. S. Department of Commerce.

In the limited time at my disposal it is impossible to detail the increased exports of agricultural products that have resulted from the trade agreements. I do want to take time enough, however, to call the Committee's attention to a few striking examples which completely refute the idea of the minority that there has been a decline in agricultural exports.

In 1933 there were exported to Cuba $217,000 worth of hams and shoulders. The 4-year average through 1938, since the agreement, is $469,000.

In 1933 we exported potatoes to Cuba in the amount of $208,000. The 4-year average since the agreement is $596,000.

In 1933 we exported to Cuba $30,000 worth of fresh grapes and $9,000 worth of raisins. The 4-year average since the agreement has been $86,000 and $26,000, respectively.

In 1933 we exported to Cuba $583,000 worth of rice. The 4-year average since the agreement has been $2,860,000.

In 1933 we exported to Cuba $818,000 worth of lard. The 4-year average since the agreement has been $3,864,000.

So much for Cuba.

Let me take a few selected figures elsewhere. Tobacco to France. The 2-year average before the agreement was $2,528,000. The 2-year average after the agreement was $3,189,000. The 2-year average for raisins exported to France before the agreement was $244,000. The 2-year average after the agreement was $504,000.

Let us look at Canada for a minute. In 1935, the year before the agreement, the value of our exports of tomatoes was $293,000. The 3-year average since the agreement was signed is $543,000.

The value of potatoes exported to Canada in 1935 before the agreement was $140,000. The 3-year average since the agreement was signed, $272,000. The value of fresh vegetables not specifically provided for, exported to Canada, rose from a 3-year average before the agreement of $1,943,000 to $3,137,000.

Grapefruit increased from a 3-year average of $747,000 before the agreement to a 3-year average of $1,203,000 after the agreement. The export of fresh grapes increased from $605,000 for the 3-year average before the agreement to $939,000 to the 3-year average after the agreement.

I return to some of the products that are of particular interest to my own constituents. The exports of raisins to Sweden increased from a 3½-year average before the agreement was signed of $382,000 to a 3½-year average after the

agreement was signed of $548,000. To this country the export of canned pineapples increased on the same basis from $61,000 to $105,000. Too, the export of fresh grapes increased on the same basis from $8,000 to $80,000, and it is noteworthy that in the case of both raisins and grapes there was a continuous annual increase.

The export of dried prunes to the Netherlands in the 2-year period before the agreement was signed averaged $450,000. In the 2-year period after it was signed, $602,000.

In the case of Belgium, dried prunes increased from an export value averaging $355,000 in the 3-year period preceding the agreement to $507,000 in the 3-year period after the agreement. Export of dried apricots to Belgium increased from a 3-year average before the agreement of $182,000 to a 3-year average after the agreement of $313,000.

I could go on down the line with specific items, but it would unnecessarily tire the Committee. The figures are practically all in the RECORD, and if those for any individual commodity have not been put in the RECORD, they are available from the Bureau of Foreign and Domestic Commerce, Tariff Commission, and other Government agencies. There is no agricultural commodity grown in this country which has been developed on an export basis which has not benefited by the trade agreements, and I feel safe in saying that the interests of agricultural commodities which are on a domestic basis have not been adversely affected by the treatment accorded foreign nations in connection with the relatively minor amount of imports of such commodities as come into this country. Others have pointed out the extreme care with which our negotiators have worked out these agreements, and I am satisfied they will continue to exercise that same degree of care if this resolution is passed and their authority extended. Failure to extend it at this time would be tantamount to admitting that we were going back to the alleged self-sufficiency and isolationist theory, which, as I endeavored to show at the outset of my remarks, is one that not only does not work out satisfactorily but one which has previously brought about the severest damage to agriculture and the greatest amount of unemployment this country ever knew.

If there was an emergency in 1934, and I do not believe anyone denies there was when this resolution was originally passed, an emergency in view of World War conditions exists now, and the problems we have to meet after the World War are already in view. This emergency demands even more strongly than that of 1934 that the present authority to make trade agreements be continued with the thought that if it cannot be used in the immediate future, in view of world conditions, it will be available when the carnage abroad has ceased and peace may come to this troubled world. It can be and will be used as our contribution to that peace. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I desire to be perfectly fair to those Members on the Democratic side of the House who urge the extension of the Trade Agreement Act. We on the Republican side of the House are fully aware that you take great pride in pointing to the increase in certain items of export. It is not our purpose in this debate to minimize the increase in volume of certain exports, nor is it our intention or desire to claim any credit for these particular increases. Furthermore, we shall assume no responsibility for the ghastly uses to which they have been put. The credit, the consequences, and the entire responsibility for the increase in exports of munitions of war and essential war materials is all yours.

I hope you will be as fair with the Republican side of the House in presenting your case by placing such exports as are used exclusively for peaceful pursuits in one category and those used for war and mass murder in another. Lest you have difficulty in making this distinction, I respectfully call your attention to the fact that in October 1939 the United States sold no copper to Russia, but in November we exported to Russia copper valued at $1,082,000, and in December last she bought $4,376,000 worth of this metal from us.

Surely, in view of the Russian-Finnish situation, you knew perfectly well the purpose for which this essential war material was to be used, and you now know the purpose for which it is being used. In point of time, you cannot mistake its use, for it was at 8:30 a. m. on November 30 that the Union of Soviet Socialist Republics invaded Finland. These exports, to which you point with pride, were well-timed.

We hear much these days about moral embargoes, except on copper; and I would assume that the Secretary of State has much influence with the copper barons, for these interests apparently have much influence with him, as evidenced by his advance assurance that their tariff schedules would not be disturbed in an impending trade agreement. This was the first instance, so far as the public has ascertained, where the Secretary of State disclosed in advance his proposed action or nonaction on any given commodity.

Russian credit rating in our market ought to be excellent, because the United States is purchasing her gold for $35 an ounce, which costs the Russian Government about $11 an ounce to produce. I am sure that the taxpayers of this country who are financing Russia by paying her a profit of $24 an ounce for gold must realize, with a deep sense of humiliation, the part that they are forced to play on the side of Russia in her war against Finland.

I deplore the fact that there should be a steady release of propaganda emphasizing our increased exports without clearly revealing to the public the part played by our traffic in bloodthirsty war materials.

Mr. Chairman, I voted against the first Trade Agreement Act. I voted against the next extension of it, and I am opposed to this proposed extension unless it shall be so amended as to provide that all future trade treaties shall be ratified by the Senate or by both branches of Congress.

Now, then, with this observation I shall soon deviate a few minutes to further analyze the items of exports which you on the Democratic side stress with so much vigor and party pride. In the meantime let me ask, Why do you present your case in statistics and thus adroitly conceal from the public the part your exports are playing in the great tragedy now being enacted in Finland? The stand made by the Finns in defense of their homeland against the Russian hordes will go down in history as an event comparable to that of the 300 immortals who fought, bled, and died at Thermopylae. Will it be recorded also that the Finns lost because they, too, were betrayed by treachery?

The exports of which you boast, when analyzed in terms of human anguish, present a shameful and ghastly spectacle. Reflect, you Democrats who profess to love liberty, upon the stain you have placed upon the record of this Republic for war exports—and all in the name of gold and profits.

The press informs us that 500 planes at regular intervals roar over the peaceful villages of Finland, dropping crates of bombs to terrify, maim, and kill defenseless women and children. These planes, hundreds of them driven by American engines, propelled by American gas, and loaded with American munitions represent a vast increase in our exports to Russia. Do you dispute the fact that United States of America gasoline is enlisted on the side of Russia against Finland? If you do, look at the figures on exports:

Exports of petroleum and petroleum products to Union of Soviet Socialist Republics (Russia)

1934	$237
1935	3,000
1936	1,301,000
1937	[1] 3,726,000
1938	[1] 3,104,000
1939	[1] 1,956,000

[1] 91 percent refined gasoline.

I may say, also, that if the Russian viewpoint is correct, which is this—that the importation of war materials from the United States is equivalent to the use of so much American manpower against Finland—then how can we escape

from the charge that our country is one of Russia's most helpful allies?

You may look with pride upon the following table of your exports of aircraft, aircraft engines, and parts to Russia over the period of the last 5 years:

Aircraft and parts (except tires and parachutes)—United States exports to Germany and Union of Soviet Socialist Republics, 1934–39 (11 months)

Year	Aircraft		Aircraft engines		Aircraft parts, instruments and accessories (except tires and parachutes)	Total
	Number	Value	Number	Value		
UNION OF SOVIET SOCIALIST REPUBLICS						
1934			405	$1,650,591	$1,625,899	$3,276,490
1935	2	$179,719	21	120,183	720,301	1,020,203
1936	1	117,676	11	58,308	91,727	267,711
1937	10	1,419,116	20	226,817	1,566,325	3,212,288
1938	13	1,969,766	19	171,969	3,029,568	5,171,303
1939 (11 months)	13	1,959,449	17	146,408	686,766	2,792,623

Includes no shipments after August 1939.

Source: Compiled from official statistics of the U. S. Department of Commerce.

I repeat, for sake of emphasis, that the Republican side of the House disclaims all responsibility for the export of bombing planes, bombing engines, copper, and your whole category of mass-murder implements of war. We are not in alliance with Japan and Russia in their wars of aggression.

The press reports that the Mannerheim line is bending. Are your exports bending it? Do you feel that by swelling your exports of war materials to Russia that the Mannerheim line will not only bend but break? Is it not too much to ask, even of the superlative heroism of the little Finlanders, that they hold the Mannerheim line while our superbombing planes destroy their mothers and babies behind the line? But then, you will say, it is cash on the barrel head for our war exports, is it not?

I insist at this point that the official records shall, in part, at least, disclose to the public the contribution which the Roosevelt administration has made to the holocaust in Finland.

Mr. Chairman, there is another tragedy being enacted in the Far East. I refer to a peaceful, inoffensive people known as the Chinese, who have long looked to us as their friend and good neighbor.

May I say at this point for the benefit of our high officials, that a war is raging in China? China is in a death grapple with an aggressor nation. I make this startling disclosure to enlighten President Roosevelt. It is passing strange that what the whole world has known since the Japanese scaled the walls of Nanking in December 1937 has been a dark and mysterious secret to the Roosevelt administration. The exports of war materials by the United States to Japan, however, have not escaped the notice of official Washington. The volume of these exports shipped to warring nations are cleverly concealed to swell the export totals in support of the trade-agreement program.

What we ask is that you, in fairness to the public, segregate the mass-murder exports to Japan and hold them up to public gaze. We want you to let the public know to what extent your exports have contributed to the devastation of China. I hope that modesty will not prevent you from claiming full credit for exporting to Japan in 1937 not less than 54 percent of her essential war materials. This you must admit enabled Japan to prepare for the rape of China. But you did even better in 1938, for during that period, when the Chinese were making a desperate resistance to the invader you exported to Japan 56 percent of her importations of essential war materials.

Mr. Chairman, far be it from me to withhold any fact for which this administration should have the sole credit. I admit that, without your exports, Japan could not have killed during the year 1938 approximately 1,300,000 Chinese and in addition to this have wounded and crippled 400,000 more.

Mr. GIFFORD. Mr. Chairman, I make the point of order that a quorum is not present. This speech is too good for the other Members to miss.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. REED of New York. You may study with pride the following table of exports of aircraft, aircraft engines, and parts to Japan over the period of the past 5 years:

Aircraft and parts (except tires): [1] United States exports to Japan, 1934–39 (11 months)

Year and country	Aircraft		Aircraft engines		Parachutes and parts	Aircraft parts, instruments and accessories (except parachutes and tires)[1]	Total
	Number	Value	Number	Value			
JAPAN							
1934	6	$160,228	5	$36,161		$124,173	$320,562
1935	4	242,161	25	141,339	$3,342	563,535	950,377
1936	[2] 11	[2] 449,944	20	119,695	125	419,336	989,100
1937	12	966,132	56	366,940		1,150,874	2,483,946
1938	66	5,515,439	56	466,398	26,075	5,054,565	11,062,477
1939 (11 months)	1	32,000				2,377,840	2,409,840

[1] United States exports of aircraft tires are not separately reported but are included in a basket clause "Other casings and tubes," which also includes tires and tubes for bicycles, tractors, etc. Total exports under this class to China in 1938 amounted to 33 units valued at $743 and to Japan, 163 units valued at $6,758.

[2] Includes 9 valued at $123,594, and 2 (seaplanes) valued at $326,350.

Source: Compiled from official statistics of the U. S. Department of Commerce.

With all your boasted exports of war materials to Japan, the Chinese by their heroic fight in defense of their home soil have so reduced the resources of her invader that even the length of a match stick and the skin of a rat are important economic factors in the national life of Japan. Fortunate for Japan and most unfortunate for China is the fact that the Roosevelt administration has seen fit to submerge the moral question for commercial considerations.

May I remind you, lest you chide me for not being specific, that the Japanese bought from the junk yards of the United States during the year 1937 iron and steel junk amounting to 1,865,918 tons, for which they paid $35,462,000. In the first 5 months of 1938 Japan purchased from the United States 690,000 tons of iron and steel, for which it paid $11,632,000.

Surely, no Democratic Member of the House will challenge this statement, appearing in the New York Times under date of July 24, 1938:

> In these 5 months Japan's purchases of other raw materials have included 466,000 bales of cotton, the price of which was $24,436,000; crude petroleum, 11,729,000 barrels, for $16,464,000; automobile parts and accessories, $1,935,000; steel ingots, sheet bars, etc., not containing tungsten, $2,032,000; pig iron, $2,166,000; motor fuel, $1,935,000; gas and fuel oil, $2,638,000; and lubricating oil, $1,100,000.
>
> When various other raw products, all of them essential war materials, are added, the total of such purchases for the first 5 months of this year amounts to about $73,000,000. In the corresponding months of 1937 the total of these purchases was approximately $102,000,000.

While you are padding your export figures with this war traffic, do not forget that the United States is going to be the most hated nation in the world. We shall be hated by those who have suffered from our war exports of death and destruction; despised as a Shylock by those from whom you are extracting blood money to obtain war materials. Why then, in the name of Heaven, do not you be honest about it and discard the pious peace argument of your trade-agreement program, which you invented only as an afterthought, an excuse for your discredited and ruinous economic theory?

Furthermore, is there any evidence that opening our markets to cheap foreign goods will insure peace? Your theory that increased trade will prevent wars is exploded by the fact that China was Japan's best customer in 1937, that the United Kingdom was Germany's second best customer, and France her fourth best customer in that year.

Mr. Chairman, there is going to be an end some day to the war now raging in Europe and in the Far East—then

what? What position will our laboring men and our farmers face then? The Republicans have been severely criticized by the Democrats because we object to letting you again ruin this Nation with a free-trade program. Your party enacted the low-tariff Underwood bill prior to the last European war and it was on the statute books when the World War ended in 1918. I shall not attempt to describe the condition of American labor and the American farmer when the World War came to a close. I prefer, and I am sure you would much rather have a distinguished Jeffersonian Democrat of the South portray that low-tariff disaster. After pointing out that the war acted as an embargo, thus protecting the American market from foreign imports, he continues as follows:

But after the war was over, after the vessels of the Old World were released from their burdens, to fly the shipper's flag, after Europe caught up in production and had something to sell us, England with her surplus lying in warehouses, Australia with an abundance of wool, South America with cheap meats, and the Far East with vegetable oils, all turned to the land of gold—to America, the only power in a position to buy extensively—and commenced "dumping" their wares upon our shores.

Then we felt the cold winds of open ports. We were producing tremendously with the highest-priced labor in the world and we suddenly found ourselves confronted with markets for what we had to sell, absolutely lower than the cost of production. A situation was immediately brought about which beggars description. Ruin run riot from the Atlantic seaboard to the Pacific coast.

This would not have happened with a protective tariff policy in effect. Those goods which drove the home people out of business could not have reached our markets at such a demoralizing price. The duties would either have held them back, or raised the price to a level that would have given the American a chance to come out whole. It was a clear demonstration of the ruinous policy of free trade or tariff duties too low to protect, but the lesson was given to us at a tremendous price. Fortunes representing the savings of a lifetime were swept away overnight. Farmers who had followed the plow through heat and cold, who had produced as patriots in obedience to the request of their Government, were unable to get in enough revenue on their crops to pay for the planting and harvesting. Stockmen, rich and powerful one day, found themselves almost the next without any credit and without any equity in their vast herds roaming the broad prairies and thousand hills. The work of years was wasted, the earnings of the hazardous task of a midnight guard and riding by the running steers when the deadly lightning played upon their horns, were scattered in the winds of tariff heresy.

The lesson was brought home again to all lines of endeavor. But faith in certain industries was almost destroyed. The stout-hearted could see little ahead to make them hope. The wreck seemed almost as complete as that of a city with its walls shaken down by the tremors of an earthquake. Great Britain, France, Italy, the Orient, the Argentine Republic, New Zealand, and the Tropics were "picking" out markets, while we were tied to a tree of cost production and could not reach them without sacrificing everything.

Mr. Chairman, this indictment of a low-tariff policy comes from a Democrat who saw the suffering caused by the Underwood Tariff Act which your party placed upon the statute books.

I must point out, however, that when the World War ended the tariff-making function of Congress had not been surrendered to the Executive. The low rates had not been frozen by trade treaties, as they are today. Congress had not then stripped itself of power to defend and protect the people from the devastating effect of foreign imports.

I would remind my Democratic colleagues that when the Congress saw the ruin the free-trade Tariff Act had wrought it enacted an emergency Tariff Act to stop our market from being glutted with foreign goods, but President Wilson vetoed the bill.

Then under a Republican administration the Fordney-McCumber Tariff Act was adopted, approved by President Warren G. Harding.

Mr. Chairman, if I were to tell you how the Fordney-McCumber Act revived business and restored prosperity, you would denounce me for making a political speech. Ah, but I have a witness from your own party and a Democrat whose testimony I present to you. Here is what a Texan had to say with reference to restoration of business, agriculture, and industry following the enactment of the Fordney-McCumber Tariff Act. Here is what a southern Democrat has to say:

The first year of the law's operation marked one of the most remarkable come-backs in the producing and industrial circles of this country that was ever staged. In fact, the law had not been on the statute books more than 6 months until our factories were running at full blast, and the labor surplus which threatened the peace and happiness of America had entirely disappeared. And by the time it had been there 12 months the sheep-and-wool industry showed complete recovery and agricultural conditions in the South were far more satisfactory.

The cotton and peanut producers of Texas, Mississippi, Alabama, Arkansas, Georgia, Tennessee, Virginia, and the Carolinas were enjoying unparalleled prosperity, and as a result those States rivaled each other for development programs more extensive than any of them ever dreamed of a year earlier.

Mr. Chairman, why do you Democrats insist upon continuing a free-trade tariff program such as you are attempting to do by extending the Trade Agreement Act for 3 years when you know from experience under it that you will bring further ruin to agriculture and industry by still further lowering tariffs?

Do you not recall that following the passage of the Fordney-McCumber bill in September 1922, that in May 1923 a commission of southern Governors and commissioners of agriculture traveled all the way to Washington and told President Harding that they were doing well since a duty had been placed on vegetable oils, and urged that the schedules as they then existed be not disturbed? You know that. Yet here you are hell bent for election and free trade. I want you to take to heart this picture of the sorry plight in which you have already placed agriculture under your free-trade agreements.

Mr. Chairman, I call attention to a few pertinent facts to show the injury to our farmers caused by imports. The farmers are aware of the damage they have suffered, even if you who voted to lower the duties on imported farm products do not realize it. The total cash income of the United States farmers in 1938 from farm products marketed, including payments to farmers by the Government, was estimated by the Department of Agriculture as $7,632,000,000. This is a decline from the cash income of 1937 received, which was $8,574,000,000, or a loss to the American farmers in 1 year of $942,000,000.

It must be remembered, too, that of the amount received by the farmers in 1937, the taxpayers, of whom they are a part, contributed $366,000,000; that in 1938 the taxpayers contributed $482,000,000. Thus the decline represents a drop of 18 percent in money received from crops marketed, and a drop of about 8 percent in the amount received from livestock and livestock products.

Mr. Chairman, what is the answer which the experts give in reply to those of us who point out that imports have a depressing effect on the domestic prices of farm products? Their answer is invariably this:

A loss of 18 percent or 8 percent is so small when compared with the total amount received that it is of no consequence whatever to the farmers.

These experts who write down the tariff rates on competitive farm imports imply that the farmers and all of us who complain of the invasion of our market ought to be ashamed to mention an insignificant, infinitesimal loss of $942,000,000 in 1 year due to low prices caused by imports.

I shall analyze the agricultural situation by classifying the farm income by groups. Take fruits and vegetables. These two sources of income to many farmers throughout the country cannot be dismissed as "too insignificant" for consideration. Fruits and vegetables suffered what I would call a most severe decline in 1938 as compared with 1937. These two groups, fruits and vegetables, produced a cash income of $1,160,000,000 in 1937, but in 1938 this cash income fell to $895,000,000, or a loss of $265,000,000 in 1 year. Such an amount may seem small to the spending low-tariff experts, but the sum of $265,000,000, taken from the spending power of the fruit and vegetable growers, is a large amount of money to them.

The cash return from grain may be a mere trifle to the boys in the State Department and the Department of Agriculture but I believe it, too, is worthy of mention. The return from grain marketed in 1937 was $1,008,000,000, but in 1938 the return for grain marketed was only $842,000,000 or a loss of $166,000,000.

While the experts are smoking their imported cigars and smiling at these picayune figures, I venture to mention

American tobacco. A reduction in the income of the farmers and others may have some effect on the tobacco grower, as well as the reduced tariff rates. The cash return from tobacco in 1937 was $318,000,000. The cash return for this product in 1938 was $294,000,000, a loss of $24,000,000. And now, by all this splendid work, an embargo has been placed on this product in England, and England is buying Turkish tobacco. We are out of the market over there.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. I should like to make this statement in connection with it, that that has been done notwithstanding the fact that we have entered into a trade agreement with Great Britain under which she pledges herself to give us most-favored-nation treatment.

Mr. REED of New York. She will give us the most-unfavored-nation licking that a nation ever had before she gets through.

Mr. Chairman, I know how the experts like statistics, figures, and percentages, so let me summarize: The total cash income from all crops in 1937 was $3,845,000,000, which dropped in 1938 to $3,153,000,000, the 1938 return being about 82 percent of that of 1937.

Mr. Chairman, I am not through with the tragedy of the trade-agreement program. There are sections of the United States where the farmers are interested in meat animals, dairy products, chickens, and eggs, as well as beans, sugar beets, and potatoes. I know how irksome the trivial sums are to the expert tariff manipulators, but to the farmers these facts are of real importance. I notice that during the year 1937 meat animals sold by the farmers brought a cash income to them of $2,330,000,000. In 1938 the income from the same source was only $2,180,000,000, or a loss of $150,000,000. I would remind the membership of the House that in 1938 there were imported 429,000 cattle. In the first 11 months of 1939 there were 790,000 cattle imported, an increase in 1939 over 1938 of 361,000 cattle, which the New Deal experts and internationalists insist caused no injury to our cattlemen.

Mr. Chairman, I have the honor to represent a dairy district in western New York, as well as a fruit and vegetable district. The dairymen, the fruit growers, the producers of chickens and eggs and other products are close to the markets which the trade agreements permit competitive farm products to enter. I have mentioned fruit and vegetables, grain, meat, and meat products, and now I turn to what the experts may consider of slight importance to them—however, it means much to the three counties I am privileged to represent. An income of $16,000,000 annually to the dairy farmers cannot be bartered away without disastrous consequences to the economic life of my section of the State of New York. Dairy products in the United States in 1937 sold by farmers brought a cash income amounting to $1,530,000,000. The income from the same source in 1938 was only $1,400,000,000, or a loss of $130,000,000.

It must be remembered that the dairy industry is localized and such a shrinkage in income, as it affects these localities, cannot be minimized by a mere shrug of bureaucratic shoulders.

Now, a word about chickens and eggs. The cash income from these products to our farmers in 1937 was $753,000,000; in 1938 it was $699,000,000, or a loss of $54,000,000.

Mr. Chairman, in view of the uprising of the livestock men in opposition to the proposed Argentine trade agreement, which negotiations were suspended until a more politically propitious time, I present figures to justify the apprehension of the livestock producers. I find that the total farm cash income from the sale of livestock produce was $4,776,000,000 in 1937. The cash income, however, from the same source in 1938 was reduced to $4,385,000,000. This loss on livestock and livestock products in 1 year of $391,000,000 can hardly be considered "microscopic" except by bureaucratic experts. To those who depend on this source of income for their well-being an annual loss of $391,000,000 is not a mere "incident."

To the farmers who were ridiculed by their own Government officials for protesting against a lowering of import duties on corn, I should say that the best evidence to them that their resistance to tariff reductions had real justification was the fact that to bolster the domestic price of corn the taxpayers were called upon in 1938 to appropriate and pay out $500,000,000. The farmers are sensible, realistic men who see no permanent recovery under a program that invites imports of corn while the Government takes over the corn, given as security, at a price below the prevailing market price on the farm. It will be recalled that the Government loaned 50 cents a bushel on the 1937 corn crop, taking corn as security for loans and sealing it in cribs on the borrower's farm. Thus, with the harvest of the new crop in the fall of 1938, the Government took possession of the old sealed corn as satisfaction for the loans, in effect allowing borrowing farmers 50 cents a bushel for their corn although the cash price for corn on farms was less.

The farmers know that a program that gives encouragement to other nations to gain advantage in our market will stimulate foreign production and do to the corn farmers and all other branches of American agriculture what the New Deal cotton program did to the cotton growers of the South.

It must not be forgotten that corn imports in 1937 amounted to 77,974,000 bushels, and in 1938 we imported 34,440,000 bushels of corn. If the cotton market could be captured by foreign producers within a period of 7 or 8 years, the corn farmers of the United States might well apprehend grave danger from the invasion of their market by the foreign producers of corn.

The farmers know full well what happened to them when the World War terminated and imports poured in under the then-existing low-tariff bill. The same stupid program of low tariff has been set up which will devastate the farmers again when the present war ceases. The farmer should not be sacrificed for the benefit of those who seek to profit by selling war materials, using imported agricultural products as a means of payment for munitions and implements of war. You are constantly told by the new dealers that farm imports do not injure the American farmer. If this be true, why is the Department of Agriculture buying surplus farm commodities—and at prices far below their real value—while the Department of State is lowering the tariffs on these same imports.

Preposterous and ridiculous as it may seem, the following deadly parallel reveals that while the Surplus Commodities Corporation was spending over $30,000,000 of public money in buying up surplus commodities there was an influx of more than $92,000,000 of the same commodities from abroad:

Purchase of selected agricultural commodities by the Federal Surplus Commodities Corporation, and imports of those commodities, fiscal years 1938 and 1939

Commodity	Quantity purchased	Amount spent	Imports	
			Quantity	Value
Apples, fresh, bushels	6,180,847	$4,978,816	52,000	$90,000
Beets, pounds	17,858,256	149,383	1,000	[1]
Cabbage, pounds	152,706,155	1,562,503	339,000	8,000
Carrots, pounds	7,612,950	72,379	270,000	3,000
Cauliflower, pounds	793,576	17,968	39,000	[1],000
Celery, pounds	20,391,300	381,384	96,000	3,000
Cheese, pounds	3,445,500	478,211	110,167,000	23,584,000
Eggs, dozen	11,319,300	2,255,659	551,000	106,000
Fish, pounds	3,677,398	262,966	658,345,000	60,259,000
Grapefruit, pounds	188,441,360	2,524,313	12,753,000	155,000
Grapes, pounds	15,830,826	319,489	[2]771,000	1,050,000
Milk, fluid, gallons	18,440,847	4,229,949	22,000	5,000
Peas:				
Canned, cases	864,192	1,427,780	[4]1,610,000	165,000
Dried, pounds	6,000,000	122,813	4,616,000	183,000
Fresh, pounds	77,940	2,808	4,582,000	223,000
Potatoes, white, bushels	6,579,548	4,286,457	[4]1,697,100	1,444,000
Raisins, pounds	50,199,000	2,137,251	825,000	92,000
Rice, milled, pounds	85,948,000	2,861,207	[6]137,024,000	2,294,000
Tomatoes, fresh, pounds	20,741,815	465,259	120,692,000	2,633,000
Wheat cereal, pounds	106,550,500	1,942,517	[1]	[1]
Total		30,479,112		92,298,000

[1] Not available.
[2] Jan. 1–June 30, 1939; not separately classified previously.
[3] Cubic feet.
[4] Pounds.
[5] Includes seed potatoes.
[6] Broken rice.

Source: Annual Reports of the Federal Surplus Commodities Corporation. Fiscal years 1938 and 1939; Foreign Crops and Markets, Nov. 17, 1939.

The farmers have become the victims of a New Deal shell game.

Now, turning from the income loss of the farmers, I shall present the trade-agreement picture as agricultural exports and imports were affected in the years from 1934 to 1939, inclusive:

Imports and exports of agricultural products, 1934 and 1939

	Agricultural imports	Agricultural exports	Excess of imports over exports
1934	$821,954,000	$733,400,000	$88,554,000
1939	1,117,790,000	[1] 655,583,000	462,207,000
Increase: [2]			
Amount	295,836,000	−77,817,000	373,653,000
Percent	36.0	−10.6	

[1] Includes exports of subsidized wheat, cotton, etc.
[2] Minus sign denotes decrease.

I just want to remind you that Assistant Secretary of State Adolf A. Berle, Jr., in referring to the excessive stock of gold in this country proposes to give it away to European countries, but Secretary Morgenthau has a proposal which directly affects your trade-agreement program. Here is what he says:

> The best way to reduce our gold inflow on commodity and service account is for us to have full recovery so that our imports will rise more rapidly than our exports.

If the proposal of the Secretary of the Treasury is to use this gold to pay for imports, it would appear that we have about $12,000,000,000 of excess gold available for that purpose, because the total of our currency is only $6,000,000,000.

This would seem to indicate a desire to import $12,000,000,000 more of commodities than we export.

That $12,000,000,000 would be enough to pay the wages of 10,000,000 men a year at an average of $1,200 per man.

Does the administration contemplate vacation without pay for 10,000,000 American wage earners for a year while carrying out this beautiful program?

Is this the real reason why Secretary Hull is so systematically reducing tariffs away beyond foreign concessions to us so that our imports may be increased accordingly?

Mr. Chairman, I shall conclude by paraphrasing a prophesy made by an eminent British statesman when England departed from her policy of protection:

> It may be vain now, in the midnight of your intoxication, to tell you there will be an awakening of bitterness. It may be idle now, in the springtime of your economic frenzy, to warn you that there will be an ebb of trouble. But the dark and inevitable hour will arrive; then when the spirit is softened by misfortune you will recur to those principles which made your country great.

[Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I wrote a speech a few days ago on this subject, but in view of the fact that most of the figures and tables have already been put in the RECORD, I decided to throw it away and to make a different kind of speech. I listened with considerable interest to the remarks of my good friend from New York who just preceded me, dealing in generalities. It was a typical Republican tariff speech. My first recollection of political arguments goes back more than 40 years. As I recall they always ended up by a discussion of the tariff. It is an issue as old as the country itself and apparently has never been settled.

There was an old doctor in my country some 50 or 60 years ago who had a great practice. He was known far and wide, and it did not make any difference what the ailments were of the patients who came to see him. They all got pills out of the same barrel. He had a barrel of pills in a corner of his office, and whether the patient had pneumonia, chills, malaria, typhoid, or whatever it may have been, the doctor always gave him pills out of that barrel, and it seems to have been the policy of the Republican Party over a long period of time to give to the country a dose of tariff pills any time an ailment was complained of. This has been true as long as I can remember and as long as any man in this House can remember.

The gentleman from New York [Mr. REED] attempted to appeal to the passions of the Members of this House and to those who may read his statement because of exports to Japan and Russia and some other countries, exports to be used for war purposes, and I submit to all of you as fair-minded men that the trade agreements have nothing in the world to do with those exports. There are no trade agreements with the nations to which those exports are going, and if we did, it would not make any difference in this particular case. So, of course, those things are put out for the purpose of confusing the minds of the people.

We have been hearing so much about the farmer, about how he has been sold "down the river." I come from as fine an agricultural district in Missouri as exists in the Middle West. We grow corn in the amount of 100 bushels to the acre, in many instances. We grow a large amount of wheat. The sixth largest stockyards and packing houses in the United States are in my home city of St. Joseph. We have grown as much as 10,000,000 pounds of tobacco in that district, and I say to you that I have not had a single, solitary letter from any one of the hundreds of cattle raisers, the hog raisers, or the corn and wheat growers in that section of the country, in protest against this program.

We have heard that they have been sold "down the river." I say to you that if any fair-minded man or woman interested in this program will look at the record it will be realized that that statement is not true. I deny that it is true and, on the contrary, I charge that the Republican Party by its tariff policy, by these doses of political tariff pills which they have so long been giving to the farmer, put him out in the middle of the river in a boat, with a shingle for a paddle, and ordered him to paddle upstream. That was the policy of the Republican Party under the old system of tariffs.

The farmer of today is not going to forget that not so long ago he paid $200 or $250 for a binder in this country, and that the same piece of machinery made by the same manufacturer in this country could be bought on some foreign markets for a little more than half the price he was paying in this country. I could go down the line and so could you, if you familiarize yourselves with the problem, and show that for a long period of time the American farmer has been paying the tariff bill for the industrialists of this country, and when the representatives of just a few industries come before the committee and begin to plead the case of the farmer in a program of this kind, I know in my own heart, coming from a great agricultural area, and from a family who have been farmers for hundreds of years, that the farmer is not going to longer be fooled by anything of that sort. When a program of tariff was proposed for the farmer, it finally turned out that it was for the benefit of the industrialists, for the manufacturer, and the farmer finally paid the bill.

Let us not forget, Mr. Chairman, that the position of the farmer and the position of the manufacturer are absolutely the reverse. The farmer is subject to the cold and the heat and the drought and flood, wind and storm, bugs, grasshoppers, chinch bug, boll weevil, and hundreds of other things that may affect the production of his crop. He plants it in the spring and he gathers it in the fall, or he sows it in the fall and harvests it in the spring. When he puts it into the earth, he does not know what the demand for it, either domestically or in the foreign market, is going to be when the crop is harvested. He does not know whether he will grow 10 bushels of corn to the acre or 100 bushels. He does not know whether he will grow 5 bushels of wheat or 30 bushels of wheat to the acre. He does not know whether the old sow will raise 5 pigs or 10.

The position of the manufacturer is absolutely the reverse. He knows by a general survey what the demand for his product is going to be. He may even know more than that. He may produce in accordance with a definitely known demand. He sends his salesmen out over the land and takes orders for

the products he is manufacturing. He manufactures in accordance with such definite, known demands. Therefore there is no necessity or reason for a great surplus. It may result, if the demand is limited, in the curtailment of his production. He may have a potential capacity for creating 10 times as much as he does create, but he does not create it and let it lie on the shelves or in the warehouses. He manufactures what the market is taking, but the poor old farmer does not know anything about it. He must put the seed in the earth and depend upon the elements that I have mentioned and then attempt to sell the product when it has been produced 6 months hence. He is, therefore, more concerned with the development of foreign markets even than the manufacturer.

We have heard a great deal about the reduction in tariffs. We have heard a great deal about reductions on commodities that the farmer is producing. I believe I am correct in saying that there has been no tariff reduction in any commodity covered by the Agricultural Adjustment Act, except cracked rice, of which there is a deficiency in this country since the repeal of prohibition. There was no reduction in the tariff on corn, there was no reduction in the tariff on wheat, there was no reduction in the tariff on most of the other commonly known and commonly used agricultural commodities; and when we come to the question of wheat, of which so many of these gentlemen coming from the agricultural communities are interested, in return for certain reductions that have been made to Canada and in other trade agreements, we received a very substantial reduction in the tariff on wheat flour and on many other things as a result of that. As I recall, there are only about 40,000,000 bushels of wheat coming into the United States, and that comes in from Canada. Ten million bushels of that is hard wheat, reprocessed for the purpose of blending with soft wheat, and that is reexported, on which there is a draw-back of the duty. The other 30,000,000 bushels, to a large degree, are stored here or they pass through this country to port and are reexported to some other land with a duty draw-back. So that has not hurt us any, but in return for that we have a reduction on flour and many other things.

I have been somewhat interested and just a bit shocked by some gentlemen who have talked here about the export of agricultural commodities, but they carefully neglect to say to you or to point out to you, when they say there has been a reduction in the export of raw agricultural commodities, that there has been a greater increase in the export of processed commodities that are made from those particular agricultural commodities which they say have declined. I agree with you that the domestic market is, of course, better than the foreign market. Suppose there is a reduction of a million bushels in the export of wheat, but that flour and other commodities made from that million bushels of wheat is exported. I ask you, as fair-minded men and women, if that is not better for the American farmer, because it means work to the American laborer, it means employment, it means profit to the businessman, and it means more purchasing power for more agricultural products. That is the best type of market after all.

I have before me an editorial from the Journal of Commerce, of New York City, and in that editorial it is pointed out that American bacon is taking the place of Canadian bacon in Canada itself. We have heard about pork and all that sort of thing. The American farmer has 99 percent of the American pork market. Here is a chart, and it is almost invisible to the eye when you look at it. In 1939 he had practically all of it. In 1938 he had 99 percent of the American pork market, and in consideration of certain reductions which have been made as a result of these trade agreements, we have increased the sale of lard and many other of these commodities to foreign countries.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. No; I am sorry, I cannot yield. We have increased the sale of other commodities throughout the country, and that is the thing that we are looking for—a market for them. A small surplus of a commodity may affect materially the price of it. So many people forget that we are living under permanently changed economic conditions in the agricultural field as well as in other fields. We must find a market somewhere for all we can, and then there will not be a market enough for it. Remember that 20 years ago we had approximately 16,000,000 more horses in the United States than we have today. They were eating on an average 50 bushels of grain a year, wheat in the form of bran and shorts; they were eating oats and corn and other things, and if you take out of the surpluses of these commodities the amount that those horses were eating, you will have no problem of acreage allotment or marketing quotas—and it started with the World War, when machinery enabled the plains to be plowed up, when there were more millions of acres put under cultivation than should ever have been produced, and the surpluses began to pile up.

There was not a single, solitary thing done at that time by the party in power, the minority today, to help bring about markets except to give them another dose of the tariff pills that came out of the same barrel that all other tariff pills came out of. Instead of selling the farmer "down the river," this is the first time that any administration has ever attempted to help the farmer to sell his products. The industrialists, through their organizations, through their chambers of commerce, export organizations, have gone out to make a market, but the farmer has not been able to do that. Until this administration came into power and Secretary Hull became Secretary of State and conceived this program, there was never any attempt made to find a foreign market for the American farmer.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. I cannot yield. I do not have the time.

Now, let us talk a little politics. My time is running along. I was greatly surprised when this hearing started before the Ways and Means Committee to find the gentlemen on my left attempting to make a political issue out of the age-old, threadbare tariff question. People are not thinking in the same way they did in the days of tariff logrolling. There are some gentlemen over on the Republican side whom I know and very highly respect, who demand that whipsockets be put in the 1940 model automobiles they are now buying. That is the sort of issue they want to go before the country with. The same age-old, worn-out, threadbare issue of the protective tariff, when the world markets and domestic markets have so completely changed. Not so many years ago the markets of the world were weeks away, today they are only days and in some instances only hours. It is now necessary for the industrialists and agriculturalists of this country to go out and fight for markets of the world. We cannot always sell without buying some from those to whom we sell. So long as the balance is in our favor we are profiting. The old tariff issue is a corpse and they can never blow the breath of life into it again.

I wonder how many of you know Mr. Franklyn Waltman? [Applause.] You should applaud. It seems to me I have heard of him. He seems to have been recently employed by the Republican National Committee as their publicity director. I want you to know what he said as it appears in the hearings, about reciprocal-trade agreements. This article appeared in the Washington Post on November 23, 1937:

> Few people, perhaps, will find any news in the statement that the Republicans never seem to learn. Yet their adherence to shibboleths and false issues is truly amazing. Because many years ago the Republicans managed to remain in power for a long period by thumping the full dinner pail, they apparently feel that they can make a winning issue of the present Democratic tariff policies.
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> After the country's reaction in last year's Presidential campaign to Governor Landon's babassu nuts and cheddar cheese speech, one would imagine that Capitol Republicans would shoot on sight anyone who suggested raising again the question of the New Deal's reciprocal-tariff program. Instead, however, they rush in where the economists feared to tread—and they rush into a buzz saw in the person of Secretary of State Cordell Hull.
>
> Since memories are short, it might be well to recall what happened in the 1936 campaign regarding the Hull reciprocal-tariff program. Governor Landon at heart was favorably inclined toward the program. It was one of the New Deal measures of which

he could approve, because it fitted into his philosophy of keeping America a competitive society for free enterprise. But the old-line, standpat Republicans overwhelmed him.

Former Senator George H. Moses went among Republican groups contending the reciprocal-trade agreement with Canada, if properly exploited, would be the undoing of President Roosevelt. Governor Landon's efforts to strike a liberal tone gave George Moses a big pain. He contended repeatedly that Governor Landon only need swing into the Canadian pact with both fists to get the vote of every cowman in an area 100 miles south from the Canadian border and from coast to coast.

The pressure on Governor Landon became so great that he weakened and welcomed into his camp the disgruntled George N. Peek, who tried for months to sabotage the reciprocal-trade program from the inside. It was thought he might be able to do in a frontal attack what was an ignominious failure when he was in the administration.

The remainder of the story is fairly well known. Governor Landon, coached by Mr. Peek, make his attack on the trade program. Immediately it was shown that the statistics he quoted to prove that the tariff cut on cheddar cheese was ruining the country were incomplete and gave only half the picture. His contention about babassu nuts served chiefly to provide an amusing caption for editorials.

Some of Governor Landon's strongest well-wishers shuddered, especially since his speech indicated a confusion of thought on his part regarding competitive free enterprise. The cowmen voted for President Roosevelt—or at least most of them did, as the election returns along the Canadian border indicated.

But the Republicans seemingly never learn. They are quietly organizing a new campaign on Capitol Hill against the reciprocal-trade program. They plan to lay down their attack on the pending negotiations with Czechoslovakia, Great Britain, and Canada. Although the country's foreign trade has doubled from the days of the Hawley-Smoot Act in 1932, they profess to see the country headed for ruin because a few high tariffs have been reduced.

The New England Republicans—really inspired by fears of the owners of shoe and textile factories—contend that the workingman is being hurt; that they suspect foreign entanglements and other bogeys as a result of pending trade agreements. The Corn Belt Republicans reverse the argument. They contend the administration has sold out the farmer for the benefit of eastern manufacturers. With their allies in the National Grange, they scream that the American market is being taken away from the American farmer. They pass over in silence the fact that farm income this year will be about twice what it was in 1932 under the protective Hawley-Smoot Act.

The falsity of this argument about the reciprocal-trade agreements hurting the American farmer is obvious to anyone who takes the time to skim through the agreements already concluded. Reductions in the American tariff on farm products are few and have been made with the greatest caution. Except on commodities of which this country does not produce a sufficiency, they affect only a fraction of the domestic consumption. On the other hand, substantial tariff concessions on farm products have been made by other nations in these agreements.

Members of the Committee, when that statement was put into the RECORD some Members of the opposition attempted to say that newspapermen write the kind of articles and express the kind of opinions that their employers direct them to. If that is true, which I doubt, I say to you that the article comes from a strong Republican paper, and nobody can deny that. Most other Republican papers in this country are also supporting this resolution and program.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. I yield.

Mr. BUCK. Would the gentleman be willing to put in the page number of the hearings in connection with the citation which he just quoted?

Mr. DUNCAN. Yes. That is on page 1450 of the hearings. Now, we are told about how much of the American market the United States is losing. In 1929, that golden era that we hear so much about from the opposition, as I recall, the exports were about $5,240,000,000. The imports were $4,399,000,000. In other words, the exports during that golden era of 1929 were only 20 percent more than the imports. When we come down to 1938 the exports were about $3,094,000,000 and the imports were $1,960,000,000. Therefore we had 37 percent more exports than we had imports in 1929.

There are four classes of people concerned in the making of tariffs. There is the producer, there is the manufacturer, the laborer, and the consumer, and in so many arguments that are made we seem to forget the consumer, who is by all odds the greatest in number. Even the producer is a consumer, and we must think of those folks.

In the lowest period of 1933 the weekly wage pay roll in the United States was slightly less than $63,000,000. By the fall of 1939 the national weekly pay roll had risen to $193,000,000. That does not look to me like it is hurting American labor. So long as the American farmer is selling more and getting a better market for his products, it does not look like he is being hurt.

The gentleman who spoke about cattle yesterday said there were 8,000,000 fewer cattle in the country now than there were a comparatively few years ago. If that be true, then a few hundred thousand more coming in are not going to affect the market, and they have not affected the market. By agreement a definite quota has been fixed, under which only a certain number can come in. All above that number must pay the full duty. That is true with respect to many other things. There are provisions in every trade agreement by which the State Department can cure any evils that may grow out of it—excess imports—provisions by which the American producer and American markets can be protected.

Knowing the Secretary of State as you gentlemen know him, you must know in your hearts that he has the interest of agriculture as well as the interest of all other Americans at heart and that he is not going to see them harmed unduly and unjustly. My prediction is that this will not be a campaign issue this fall; that after it has passed the Congress it will soon be forgotten as a political issue.

My friend from New York, who comes from up in the dairy country, complains, yet here is a headline from a New York paper which reads:

> Farmers getting best prices for milk in the past 9 years—since 1931.

I wonder sometimes if some of these gentlemen who are looking for an issue in their congressional districts do not go back home and attempt to convince their people oftentimes against their own better judgment of what is happening to them, because, as I say, I come from a district that produces almost everything and I have not had a single, solitary word except from the League of Women Voters, who are supporting it, but not from a single farmer, where thousands and thousands of head of cattle are produced, millions of bushels of corn are grown, yet not a word in opposition. It seems so strange that one district would be so vitally affected and another not affected at all. [Applause.]

Since I am making more or less of a general speech, let me say that I have been noticing in the press that one of our Democratic colleagues will offer an amendment providing for senatorial approval. I know that most Republicans are going to vote for such an amendment. They are going to sabotage the bill in any way possible. I appeal to you Democrats that when you vote for senatorial confirmation of this program you are voting against reciprocal-trade agreements, and you know it in your hearts. When you go back to your districts, those interested in this problem, those who know what is good for America, will look you in the eye and say that you have voted against the reciprocal-trade agreements, because you know that if such an amendment should carry, it would absolutely destroy the program. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, the distinguished gentleman from Missouri [Mr. DUNCAN], who has just concluded his remarks, referred to the argument of the gentleman from New York [Mr. REED] as a typical Republican tariff speech. My friend also tells us that he has been listening to Republican tariff speeches for more than 40 years.

Well, it is true that the Republican Party has been preaching the doctrine of a protective tariff down through the years.

It is also true that the Democratic Party has been opposing this philosophy down through the same years. The Republican position on the tariff has not changed. We have always believed in a protective tariff that represents the difference between the cost of production at home and the cost of production abroad. On the other hand, our Democratic friends, as recorded in the CONGRESSIONAL RECORD, down through the years, first contended for a free-trade policy. A little later they changed their position and were advocates of tariff for

revenue only. Indeed, they went so far as to denounce a protective tariff as unconstitutional, and made that proclamation a part of their national party platform. As time went on and the country grew, developed, and prospered under the Republican protective-tariff system, most Democrats finally accepted the protective tariff as a part of our national plan and economy. They took these progressive steps hesitatingly and yielded grudgingly until they finally formulated a national party platform recognizing the difference between the cost of production at home and abroad as the proper yardstick to measure the rates of import duties.

The tariff should not be a political issue. When the Tariff Act of 1930 contained the flexible provision permitting the President to raise or lower duties within the limits prescribed by the Congress, and basing his action entirely upon the scientific finding of a nonpartisan tariff board, I felt that the political aspects of the tariff would be eliminated in the future. The gentleman from Missouri, however, tells us that the "issue is as old as the country itself and apparently has never been settled." If we are to judge by this debate he is correct.

The adoption of the Trade Agreements Act is in line with this last statement. This act was placed on the statute books in 1934, and was presumably an emergency measure to expire at the end of 3 years. In 1937, the life of the act was continued for another 3-year emergency period, and unless the Congress reaffirms its faith and belief in the efficacy of the act, it will expire in June 1940. The act authorized the President to enter into trade agreements with foreign governments; under these agreements to reduce any existing rate of tax up to 50 percent, and to proclaim modifications of other important restrictions; to extend these reduced duties to all countries not discriminating against our trade. No formula is provided for the selection of commodities or the amount of reduction. In short, the President is given almost plenary power to rewrite the tariff law of the land under the guise of reciprocal-trade agreements. Are the independent Members of Congress ready to give him that power?

Let us not forget that the Congress can only enact such laws as are authorized by the Constitution. All other powers are reserved to the States.

In considering legislation, therefore, the Congress should first investigate as to whether the proposed legislation is authorized by the Constitution. If it is found that the act would be unconstitutional, then it should not be passed, and that would necessarily end the inquiry so far as the Congress is concerned.

If it is determined that the proposal is constitutional, then the Congress should investigate the necessity or the desirability of placing such a law upon the statute books.

If these reciprocal-trade agreements are treaties, then it is generally conceded that the law is unconstitutional because Senate ratification is not permitted. On the other hand, if these agreements do not have the force and effect of treaties, then Senate ratification is not obligatory. There are such things as compacts, agreements, and conventions, which have temporary matters for their object, which are called agreements and which do not rise to the dignity of treaties. In one of the leading cases before the Supreme Court it was said:

> A treaty * * * is a compact made with a view to the public welfare, by the superior power, either for perpetuity or for a considerable time.

In other words, if the pending resolution did not stem from purported emergency power, and was for the purpose of renewing this Trade Agreements Act permanently, then under that case Senate ratification would be required.

If this act contemplates the making of trade agreements by the Executive, which are in truth and in fact of the same force and effect as treaties between nations, then the Constitution requires Senate ratification. For the Secretary of State to proclaim that an agreement is not a treaty is not sufficient. If one of these trade agreements does in fact repeal an existing treaty, or repeal an existing law of the land, then it is of the same force and effect as a treaty or a law, and surely requires the same solemnity of enactment.

The fact that one of these reciprocal-trade agreements, entered into under the authority of this act expressly repeals a treaty made with Colombia which was ratified by the Senate, demonstrates beyond doubt that an agreement entered into by the Executive under the act repeals a treaty.

The agreements thus far entered into have not only reduced the tariff, repealed treaties and statute laws, but in at least three instances excise taxes have been reduced. In addition, this country has agreed not to place quotas on hundreds of products. Our negotiators have also agreed not to subject many products to any internal-revenue tax. It seems to me unthinkable that anyone will contend that the Congress has the constitutional authority to delegate to the Executive, or the Secretary of State, the right to bind the country in any such manner. Of course, the Congress might attempt to pass laws repudiating such acts on the part of the Executive. However, our country has always kept its written agreements, and even though the Executive had no right to enter into such treaties with foreign countries, the Congress would be very hesitant about repudiating any action of the Executive taken under the Trade Agreements Act. Do not lose sight of the fact that these agreements are signed, sealed, delivered, and proclaimed by our President as the law of the land before the Congress or the public have information concerning the contents of the agreements.

It is interesting to note in this connection that a majority of the countries require ratification of these trade agreements by their own legislatures. In the trade agreements with Cuba, Belgium, Honduras, and Colombia it is expressly provided that the provisions of these agreements supersede any inconsistent provisions contained in previous treaties concluded between the two governments. Is there any question as to whether or not these agreements made with these last-named countries have the same force and effect as the treaties which the agreements repeal?

The Constitution vests all legislative power in the Congress. If this is true, then any law that permits the Executive, the Secretary of State, or any other person or group of persons to enter into any agreements which have the force and effect of law, and where no limitations are provided, no formula prescribed, is unconstitutional.

In short, it seems clear to me that these agreements are treaties, and it is mere subterfuge to try to escape the plain requirements of the Constitution.

Again, I call your attention to the fact that a number of these negotiated treaties are certainly tax measures. They not only lower and raise tariff taxes, but they go so far as to control the levying of excise taxes. Again, we all agree that under the Constitution all tax measures must originate in the House. Clearly the Congress cannot delegate the taxing power to the Executive. If I am right in this conclusion, then again this Trade Agreements Act is unconstitutional.

During the last 7 years the Congress has gone wild in the delegation of power to the Executive. There has been a constant concentration of power in the office of the Executive. Most of this was done under the guise of emergency legislation. We have now reached the stage where it can hardly be claimed that the usual emergency obtains. The last edition is called a limited emergency.

I do not know just what that includes, but it has found its way into Presidential proclamation. It is another unique method of justifying dictatorial powers exercised by the President.

I am asked why the constitutionality of this law has not been tested in the courts if it has been on our statute books for almost 6 years. The answer is simple. Under existing law there seems to be no possible way whereby industry, citizens, taxpayers, or those vitally interested can raise the question in the courts. The only forum where the wrong can be righted seems to be in the Congress itself. The Trade Agreements Act denies to the manufacturer, the producer, and others the remedy allowed by section 5160 (b) of the Tariff Act of 1930.

Therefore, for the reasons which I have briefly outlined, I cannot escape the conclusion that the Congress has no constitutional right to delegate legislative and treaty-making powers

to the Executive. The provision in the Constitution requiring confirmation by the Senate of treaties and agreements with foreign nations is a wise provision and should not be nullified by circumvention. To do so is to strike a direct blow at representative government. The Senators are elected by the people. The people have reserved to themselves the right to accept or reject these treaties with foreign governments, and when a Senator votes he votes as the representative of those who send him to the Senate. In order to be sure that the people might know what treaties and agreements this country contemplates entering into, debate is provided in the Senate. Hearings may be held in the Senate. The people can be heard.

To make doubly sure that the wishes of the people are protected, the Constitution requires a two-thirds vote before a treaty with a foreign government can be ratified in the Senate.

Realizing that the branch of the Government holding the purse strings and possessing the right to tax can really control the Government, even to destroying it, the Constitution makes it necessary that taxation and revenue measures must originate in the House of Representatives which is the most numerous body in our Congress, the Members of which must answer to the people every 2 years and which is really the "people's forum."

This Trade Agreements Act ruthlessly brushes aside these concepts of democratic representative government. Power and more power is lodged in the Executive. If there is any one thing that the country is demanding today, it is that the Congress reclaim some of the powers which it has supinely yielded to a grasping Executive during the last 7 years.

The Republican Party is not opposed to reciprocal-trade agreements. The theory of bargaining and trading with our sister nations is to be encouraged. The Trade Agreements Act can be so amended as to meet constitutional requirements, safeguard the interests of all of our people, and be of possible benefit to our country. I believe in proceeding along this line.

When the original Trade Agreements Act was before the Congress in 1934 it was claimed that the enactment was necessary to save our foreign trade and assist in bringing about the peace of the world. It was a new venture at that time. What would happen, or what could happen, under the law was entirely problematical. When the law was extended in 1937 the country had had 3 years' experience, and while little had been accomplished beneficial to our country, yet it was contended that the law had not had a fair trial, and the Congress extended the trial period for another 3 years. Now, after 6 years, it seems futile to argue that the law has not had a chance to demonstrate just how beneficial it can be to all of our people.

Under this act 22 trade treaties have been negotiated. Under those treaties there have been 1,012 reductions in tariff rates which affect 42 percent, or nearly one-half, of our dutiable imports. These reductions have averaged 39 percent. Of these 22 treaties only 3 have been put into effect without legislative ratification, namely, those with Belgium, Cuba, and Ecuador; and of the remaining treaties, 10 were subject to ratification by the foreign legislative bodies before they became effective, and 9 went into effect provisionally subject to subsequent ratification.

Contrast this democratic procedure followed in other countries with the dictatorial, arbitrary, and secretive procedure followed under the Hull trade-agreement policy.

The calendar of trade agreements thus far entered into is as follows:

Country	Effective—	Can be terminated on 6 months' notice after—
1. Cuba	September 1934	September 1937.
2. Brazil	January 1936	December 1937.
3. Belgium	May 1935	No date.
4. Haiti	June 1935	June 1938.
5. Sweden	August 1935	August 1938.
6. Colombia	May 1936	May 1938.
7. Canada	January 1936 [1]	November 1941.
8. Honduras	March 1936	March 1937.
9. Netherlands	February 1936	January 1939.
10. Switzerland	February 1936	February 1939.
11. Nicaragua [2]	October 1936	September 1939.
12. Guatemala	June 1936	June 1939.
13. France	do	July 1937.
14. Finland	November 1936	November 1939.
15. Costa Rica	August 1937	August 1940.
16. Salvador	May 1937	May 1940.
17. Czechoslovakia	Suspended	
18. Ecuador	October 1938	No date.
19. United Kingdom	January 1939	December 1941.
20. Turkey	May 1939	December 1939.
21. Venezuela	December 1939	December 1942.

[1] Revised January 1939. This makes the twenty-second treaty.
[2] Tariff concessions no longer effective.

These treaties are usually negotiated for a period of 3 years with the right to terminate upon 6 months' notice after the expiration of the 3-year period. In some cases provision is made for other methods of termination, although no action looking to this end has as yet been taken by our Government.

World conditions are so complex and so uncertain that our Government should not bind itself in any more of these agreements for a further period of 3 years. When existing wars are over and peace returns, no one knows what the economic conditions of the world will be, and we should have a free hand to assist, and at the same time be in a position to take advantage of our economic position. We cannot do that if we have tied our hands before those conditions are known. World conditions today are most unstable. For instance, between the signing date of the agreements and the present time, currencies of the European agreement countries have depreciated as follows: France, 66 percent; Belgium, 29 percent; Switzerland, 31 percent; Netherlands, 22 percent; United Kingdom, 17 percent; Finland, 9 percent; and Sweden, 6 percent.

This means that an American dollar buys more foreign money. That means a lowering of the tariff rate on imports from those countries. Then, again, the Congress has delegated to the Executive the right to devalue the American dollar, and here another opportunity is given to lower tariff rates and to make it easier for foreign labor and foreign industry to compete with American labor and American industry.

The fact that the tariff is more or less of a local issue follows through with these trade agreements. If a certain industry can secure a little better market in some foreign country for its products, then it is favorable to the agreement. We are not prone to consider the composite picture. No particular industry in our country is going to prosper long without its sister industries sharing in the prosperity. We cannot make a law for agriculture alone. Neither can we make a law for the manufacturer alone. There must be a relationship between these laws. At the same time few will deny that these treaties have not militated against the best interests of our agriculture as an industry. The National Grange in resolutions adopted at the national convention recently held, declared:

> The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

The American Farm Bureau Federation by resolution, in part, demanded:

> That no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of and opposition to such agreement by all agricultural groups.

The farmer accepted the trade-treaty program 6 years ago because he was promised that he would be protected in his home market, and that these agreements would give him a larger export market for his products. He now knows from sad experience that the exact opposite has happened.

There are two classes of imports of farm commodities; that is, competitive—all farm products grown in marketable quantities in the United States—and noncompetitive, such as rubber, coffee, bananas, and other things which we do not produce in the United States.

A compilation has been made for the 5 fiscal years immediately preceding the trade agreements and for the 5 fiscal years after the trade agreements. Under the trade agreements, imports of competitive farm products increased 25 percent.

Imports of noncompetitive farm commodities decreased 7 percent.

Exports of farm commodities decreased 20 percent.

This means that farmers of foreign countries increased their sales in the American market 25 percent, while American farmers lost 20 percent of their foreign market, in addition to losing that part of the American market for competitive farm products which was taken by imports from abroad.

In this connection let us not forget that the Federal Government during the fiscal years 1938 and 1939 spent $30,749,112 on surplus-removal operations, and during the same period there was imported into the United States $92,298,000 worth of the same commodities of which our farmers had such a surplus. Tax money was used to remove this surplus from the market, and American dollars were used to buy foreign farm products. Truly the farmer is getting the worst end of these trade agreements.

My constituents want an opportunity to know what these agreements provide before they become law. They want the Congress to have an opportunity to discuss the matter, and they want the right as contemplated by the Constitution to present to the Congress their views as to the advisability of any given treaty with any foreign nation. I ask the proponents of this measure if that is not fundamental American doctrine?

As a practical matter, any hearing now given before a committee in the State Department is superficial. The persons conducting the hearings are not the persons negotiating the agreements, and there is no way of the farmer or the manufacturer in this country knowing whether or not those negotiating the agreements contemplate affecting the particular branch of his industry.

One of the most objectionable features of the present trade-agreement policy is the most-favored-nation clause. This expression is not well understood by most of our people. In short, it means that our Government in agreeing upon a treaty with Canada, for instance, offers Canada certain concessions in tariff rates for other concessions extended to our country by Canada. This is illustrated by this country's agreement to reduce the tariff rate on cattle coming from Canada into the United States. The minute that Canadian agreement became effective, all other nations, excepting Germany, were entitled to the same benefits affecting cattle or any other commodity imported into this country as was extended to Canada; that is, in the trade, Canada paid a price for a reduction of the duty on cattle coming into the United States. Immediately, Mexico and all other countries under the most-favored-nation clause were entitled to the same concession.

The 22 treaties now entered into cover so many commodities that this country has not much left to trade. The favored-nation clause is unfair and every time a new treaty is entered into, our trading stock is materially reduced.

In conclusion, I am opposed to the extension of the trade-agreement act for a period of 3 years because:

First. The Congress has no right to delegate to the Executive the powers carried in the act, and the act is unconstitutional.

Second. The act has not contributed toward the peace of the world, witness the wars in Europe and the wars in the Far East.

Third. While our export trade has increased in some commodities, it is clearly evident that much of this increase is due to world conditions and not the effect of the trade-agreement policy.

Fourth. The agreements thus far entered into have, on the whole, been detrimental to American agriculture.

Fifth. This country has grown great and prosperous under the protective tariff system, and I firmly believe if this act is continued and is administered by those who are opposed to the protective-tariff system, that in the end a serious blow will be struck at the American standard of living, American wages, and the high social standards now enjoyed by our people.

Sixth. The policy being pursued in negotiating these agreements is diametrically opposed to our social security laws, our wages-and-hours laws, our control of production laws, and other activities on the part of the Government, the purpose of which is allegedly to maintain a higher standard of living than obtains in many of these foreign countries with which these agreements are made.

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, farm prices in 1932 were lamentably low. They still are lamentably low.

Several times during this debate the statement has been made that reciprocal-trade treaties and the New Deal have brought great profit to American agriculture, as well as to American industrial workers and those in transportation and shipping.

Many statements have been made about prices in 1932 and since that time under the New Deal. Now, for the records, let us take beef steers and use the Chicago market for the comparison, taking the same grade each time.

July 1, 1932	$8.00 to $8.50 (gold)
Sept. 1, 1932	9.25 to 10.00 (gold)

You see, America was participating in world uplift.

Nov. 1, 1932	$8.00 to $9.25 (gold)

Remember these were gold dollars, not 59-cent rubber dollars.

Now, let us see what happened between election time and March 4, 1933, when, according to President Roosevelt, "the mechanics of civilization broke down." In that 4-month period America was stricken with a great fear. Senator CARTER GLASS was not going to accept the portfolio of the Secretary of the Treasury. All efforts of President Hoover to elicit a reassurance that we would not go off the gold standard or resort to devaluation failed. The famous, or infamous, Hotel Mayflower declaration, "It's not my baby," was the extent of New Deal reassurance then.

On March 4, 1933, these same steers were—Chicago market—$6 to $7.30, and top light hogs were $3.90 as against $4.80 to $5 on July 1, 1932.

Last Saturday, February 17, 1940, these same hogs were $5 to $5.65 in the 59-cent rubber dollars, after doubling the national debt, increasing the Federal take in taxes by two and one-half times, and running a deficit almost as large as the 1932 Budget you New Dealers promised to cut by 25 percent in the campaign of 1932.

Why, steers would have to bring $16 to be on a parity with September 1, 1932, in terms of real money.

Last Saturday, February 17, 1940, the Chicago prices of steers were $10.75 to $11.25, almost the prices, in 59-cent dollar, of March 4, 1933, the day of the black-out.

The gentleman from Oklahoma [Mr. FERGUSON] stated yesterday "wheat is four times the price of 1932." Now let us look at the record.

Wheat in Chicago, September 1, 1932, was quoted at 52 to 52½ cents. May option, 61½ to 61⅝ cents.

Saturday, February 17, 1940, the price was $1.02. But September 1, 1939, it was under 60 cents, and that price maintained by a subsidy of 24 to 30 cents, because the world price was the lowest in 300 years.

America is now the only free market place for neutrals to buy manufactured goods. The increase, as every farmer knows, was made since war was declared last September, and not at all by virtue of any reciprocal-trade treaty.

The August prices, 1938–39, of several farm prices for the State of Iowa follow:

	August 1938	August 1939
Corn	39 cents	36 cents.
Oats	15 cents	22 cents.
Wheat	54 cents	55 cents.
Hogs	$7.80	$5.20.
Cattle	$8	$8.
Eggs	17 cents	12⅘ cents.
Butter	26 cents	24 cents.
Chickens	12⅘ cents	11½ cents.

Authority, Iowa State College.

Does that, expressed in 59-cent dollars, look like happy days are here again?

But dearly beloved, these are not all the blessings the New Deal has in store for the farmers, workers, railroad men, and lake shippers.

Awaiting only the sanction of the Senate—this House will have nothing to say about it—they will build with your money on foreign soil a great deep waterway, that all the ships of the 7 seas may come right to the docks of Buffalo, Cleveland, Toledo, Detroit, Chicago, Milwaukee, and Duluth.

Get this, you thousands of railroad men still working on the great main lines of the Pennsylvania, the Erie, the Nickel Plate, the Wabash, the Baltimore & Ohio, the New York Central that run through my district in Ohio, protected by hour and wage agreements and retirement pay. Get this, you thousands who man the trucks; get this, you Great Lakes seamen.

The New Deal is going to open these great inland seas with more tonnage than the trans-Atlantic trade—to what? Why, ships manned with Lascars at $10 per month; Japanese carriers manned with naval reservists at $4.85 per month, to dump upon these docks the products of Japanese, Koreans, and Chinese working under the menace of a conquering bayonet, to take your job and to preclude the possibility of millions of your friends and relatives ever getting another job, bring the canned beef, the vegetable oils, and starches.

Into the laps and onto backs of our northern and western farmers and dairy men will come the products of every coolie in his paddy—every island worker—the forced and sweated labor of all the world, and freight coming in, is less than half that going toward Argentina and Latin America.

Will 6 percent of the world's people holding 50 percent of the world's trade allow a group of free-traders under a Secretary of State who is allergic to customs houses to trade this away?

The New Deal asks for a third term. Give it to us, they say, and we will bring you the blessings of free trade, we will bring you the same prosperity we brought the cotton farmer and the sharecropper, where 4,500 of the country-wide total of 6,000 farm-tenancy loans were made in one geographical area. Out of this debt, deficit, and delerium we will bring you the more abundant life.

You must in considering the New Deal fit all the pieces into the mosaic to get a completed pattern. You cannot consider the effect on agriculture, manufacturing, and transportation without this.

You farmers are gambling with a great salesman in Secretary Wallace. He is a man who can sell "pig killing," plowing under crops, and shooting cattle—being sure that the hides were duly slashed so that some poor hungry devil might not skin one and get six bits for the hide—who can change programs like the man on the flying trapese, now peddling stamps and printing certificates against the 1940 campaign, who operates the ever-normal granary, and who can sell fly swatters in Little America.

Some of you industrialists trying to run a business are invited to try Dr. Perkins pink pills for perplexed and pathetic producers. They will sure cure your industrial halitosis and economic fallen arches, and continue the balanced Budget, and contribute so much to good neighbor policy of the National Labor Relations Board. And, of course, you want all of your loans obtained through R. F. C. approved by the personnel of the N. L. R. B.

Following the lead of the distinguished chairman of the Ways and Means Committee, I am carefully refraining from anything of a partisan nature in this debate and keeping the discussion free of politics.

Dr. Wallace gives agriculture a blood transfusion with its own money. Dr. Hull opens their veins with a deluge of foreign competitive products. Dr. Jesse Jones and Dr. Morgenthau apply leeches through financing Latin American production of goods with the Import-Export Bank to compete with our own industry.

But reasons for this deplorable condition are not hard to find. Look at our own great State of Ohio. In 1912—

State and local taxes were	$83,103,000
Federal internal-revenue collections	23,824,000
Total tax collections	106,927,000

This was the golden age for American agriculture; the days of President Taft, when the total cost of all government was under a billion dollars; when men had several billions of income to spend for themselves and the balance between farm and factory was fair.

Let us now turn to 1938 and get the picture:

State and local taxes	$372,296,000
State unemployment pay-roll taxes	51,431,000
Federal internal-revenue collections	287,289,000
Federal security pay-roll taxes	42,128,000
Total taxes	759,144,000

Where has Ohio's accumulated savings and wealth gone? Ohio, fifth State in agriculture, higher than that in industrial rank, first in universities conferring doctor's degrees. It has gone into 12-inch yardsticks in T. V. A. It has gone into the great silt reservoir at Fort Peck and a dozen other dams and projects in a dozen other States. It has gone into marble dog pounds in Memphis; into millions of dollars' worth of Chic Sale's projects that the Census Bureau is spending millions on this year to count and survey. It has gone in boondoggling, and the production of communistic plays. It has gone with the wind.

But Taft days can come again.

Attention, Mr. and Mrs. America, and most of the Navy fishing at sea, Ohio, the mother of Presidents—well, we are predicting a blessed event early in November. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I rise to call special attention to the individual views of the gentleman from Oklahoma [Mr. DISNEY], member of the Ways and Means Committee, to be found on pages 51–54 of the committee report on this resolution to renew the Reciprocal Trade Agreement Act.

In his individual report the able gentleman has logically and concisely outlined what has taken place, contrary to the intention of Congress, in the administration of this act in connection with the special excise taxes on oil, coal, lumber, and copper. He has persuasively shown the need for an amendment to the law, which I understand he will offer at the proper time, and which should receive our approval.

In singling out these four products for a special excise tax on their importations, independent of the general tariff law, Congress obviously sought to be in a position to retain control over their importations. A special situation was recognized to exist in connection with oil, coal, lumber, and copper and Congress dealt with them specially.

A general tariff law does not expire by operation of law in terms. It does not require renewal. These excise taxes, on the other hand, do require renewal from time to time, and Congress thus keeps control over the importation factors. It was never understood by Congress that these four import excise taxes were in the same category as import taxes imposed by the general tariff law.

The amendment to be offered by the gentleman from Oklahoma definitely precludes the President and the State Department from treating these four excise taxes as tariffs. It is simply designed to carry out the original intention of Congress. It has become necessary because the Executive, in

reducing these particular excise taxes by trade agreements, has broken faith with Congress. The Executive has assumed power and taken a course of action Congress never intended. It is a serious matter.

When the Reciprocal Trade Agreement Act was enacted in 1934, giving the President the power to raise or lower the tariff 50 percent, it was understood in Congress that the act did not give him the power to touch these four temporary excise taxes. In fact, both the House and Senate committee reports on the bill contained this sentence:

> It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty.

Moreover, during the debate on the floor of the Senate, Senator HARRISON, chairman of the Senate Finance Committee and in charge of the bill, made this statement:

> It will be noted that, so far as tariff rates are concerned, the President has the power to increase or lower them 50 percent, but as to excise taxes they may be continued. It was the intention of those who framed the legislation, and of the House in passing the bill, that they would be frozen; in other words, they might not be modified.

The State Department seeks to justify its action in reducing the special excise tax on oil in the trade agreements with Canada, Cuba, and Venezuela on the ground that while the tax is called an excise tax it is, in fact, a tariff and therefore comes within the provisions of the delegated power. If that is true, why should Congress give oil importations special treatment independent of the general tariff law? Moreover, it is an established rule of statutory interpretation with the courts that when the meaning of a statute is not clear resort may be had to committee reports and to statements made in Congress by the Member and Senator in charge of the bill. The statements made by Senator HARRISON would be considered by a court as in the nature of a supplemental committee report. The President ignored them.

As authorities for this established rule, I cite such classic cases as *Chesapeake & Potomac Telephone Co.* v. *Manning* (186 U. S. 238); *Duplex Printing Press Co.* v. *Deering* (254 U. S. 443); *Church of the Holy Trinity* v. *United States* (143 U. S. 457); *Humphrey's Executor* v. *United States* (295 U. S. 302); *Norman* v. *Baltimore & Ohio R. R. Co.* (294 U. S. 240); and *Hasset* v. *Welch* (303 U. S. 303).

There is no question as to how the Reciprocal Trade Agreements Act should have been interpreted. Notwithstanding the rules of construction and the clear evidence that Congress did not intend any changes in the excise tax on oil, the President and the State Department proceeded to make the reductions. It constitutes a serious and substantial breach of faith with the Congress; and two Senators, both of whom favor the reciprocal-trade program as a whole, have so stated.

Not only is there a principle involved, Mr. Chairman, but there is the very important economic fact that this breach of faith has had and will continue to have an adverse effect on the oil producers of my home State of Illinois. Oil is an important commodity of my State. In 1938 the estimated oil production in Illinois is placed at 22,000,000 barrels. Of the 24 oil-producing States Illinois ranks fourth. Importations of oil into the United States when there is already a marketable surplus of oil adversely affects all independent oil producers. It is for the independent producers that I am concerned.

In 1939 we had in the United States an exportable oil surplus of something like 200,000,000 barrels. Yet the President and the State Department entered into an agreement with Venezuela, which does not expire until December 15, 1942, whereby large importations of oil have been made. In 1939, for instance, the imports of oil from Venezuela amounted to 56,000,000 barrels. It is hardly necessary to say more to indicate how the reduction of the excise tax on oil by the President and State Department has harmed the independent oil producers. Indeed, the action has served to aid monopolistic practices, for the oil importers from Venezuela are solely three big companies.

But it is argued that the tax represents a burden on the consumer. Such is not the case, as shown by the testimony before the Ways and Means Committee. On the contrary, the consumer has benefited by the import tax. For the 7 years prior to the tax the average price of gasoline was 17.76 cents per gallon. For the 7 years since the tax the average price has been 13.67 cents. The same is true with respect to the price of crude oil.

I should like also to call attention to the revenue obtained from the excise tax on petroleum imports. This is an important consideration in view of our unbalanced Budget and the dangerous state of our national debt. From 1932 to 1939 the estimated total receipts are $56,513,714. The receipts for this period from Venezuela petroleum importations alone amounted to $33,621,832.

By reducing the tax the President and the State Department have not only ignored the intention of Congress when it passed the Reciprocal Trade Agreements Act. They have opened the American market to foreign importations when there is a surplus of American oil. And they have bargained away an important source of revenue.

I urge the adoption of the amendment to be offered by the gentleman from Oklahoma. He will no doubt point out why it is essential to accept his amendment if we are to maintain a truly competitive condition in the oil industry and not put the large oil companies in a position where they can control the American market and drive out the independent producer. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I am opposed to this resolution.

Coming from an agricultural district as I do, there is only one view concerning the reciprocal-trade agreements that I can take in fairness to the people that I represent. The ever-increasing amount of our imports of farm products is most distressing and damaging to the American farmer. The agreements or treaties hereto entered into under the Reciprocal Trade Agreements Act have resulted in a very great unfavorable trade balance with respect to the farmers' products.

It is stated frequently that these trade agreements have been a means whereby foreign nations, particularly those of South America, have reduced their tariff on American industrial products and that the United States in turn has reduced its tariff on farm products to permit this exchange. I will concede that the act itself, or the arguments in favor of the act, do not state the proposition so bluntly, but that is the practical way that it has worked out.

I am in favor of the expansion of American industry and trade, but not at the expense of the already downtrodden farmer. These importations cannot be passed off as an insignificant matter. The statement that our imports of farm products are such a small portion of the total amount of farm products and does not affect the price will not stand up under careful and honest scrutiny.

When a shipload of Danish or Holland butter arrives at New York or Philadelphia or Baltimore it must be sold. Invariably this butter is sold at a price that keeps down or actually reduces the price of butterfat paid to our domestic producers. It makes a difference in the cream checks received by the farmers throughout Nebraska and elsewhere. This is true regardless of how small the portion of imported butter is to the total amount of butter produced and consumed in this country.

The reasons for this effect on price is quite simple. In the United States we have an open market on farm commodities. In an open market the lowest offer sets the price. In an open market, such as we have in the United States, the law of supply and demand prevails. If you increase the supply you lower the price. The proposition cannot be explained away, that when you increase imports of farm products into a domestic market already oversupplied, you drive the price still further down.

The importation of farm products at this time is most unfair and very harmful to the American farmer. In

addition to that, it is very inconsistent with our present farm program and the attempt to lessen the supply by controlled production, a program that has cost the taxpayers of the country billions of dollars to maintain.

What is true of butter is likewise true of cheese, meat, cattle, wheat, corn, cotton, and many other farm products. At this point I want to submit a table showing the vast increase in our importation of farm products.

Imports and exports of agricultural products, 1934 and 1939

	Agricultural imports	Agricultural exports	Excess of imports over exports
1934	$821,954,000	$733,400,000	$88,554,000
1939	1,117,790,000	[1] 655,583,000	462,207,000
Increase:			
Amount	295,836,000	−77,817,000	373,653,000
Percent	36.0	−10.6	

[1] Includes exports of subsidized wheat, cotton, etc.
Minus sign (−) denotes decrease.

This foreign competition has had a direct effect upon the income of the American farmer, has lessened the demand for agricultural laborers and lowered farm demand for products of industry.

In 1934 agricultural imports amounted to $821,954,000. That was the year that the Trade Agreements Act was passed.

In the 5 succeeding years, from 1934 to 1939, agricultural imports have increased to $1,117,790,000.

This is an increase of $295,836,000, or 36 percent. That is the disastrous effect upon the American farmer.

But that is not all of the story. For the same 5-year period 1934–39, or the trade-agreements period, the export of American farm produce has decreased 10.6 percent. In other words, the trade agreements have failed to develop foreign markets, as proponents of the act claim.

The Government's own figures plainly tell what has happened. In 1934 agricultural exports amounted to $733,400,000. Under 5 years of the trade-agreement operations exports have dropped in value to $655,583,000. This is a decrease of $77,817,000 in exports, or 10.6 percent.

This decrease also has lowered farm purchasing power. It likewise has shrunken the market for agricultural labor.

The unfavorable trend of both imports and exports has decreased farm income and thereby decreased farm purchasing power, which has curtailed the demand for American manufactured articles and prevented greater industrial reemployment.

When a trade treaty was made with Canada, Canadian producers of cattle had a right to believe that they would ship more cattle into this country. That very thing did happen, and the Canadians now sell us more beef under the trade treaty than they did before. Every one of these trade treaties is, in effect, an encouragement to all the foreign countries to ship farm products to the United States, because the most-favored-nation clause extends the concessions to all nations. Can anyone deny that the vast importations of Argentine beef, which were so highly praised and advertised by the Chief Executive, do not affect domestic cattle markets? The importation into the United States of cotton in any amount will certainly not increase the price of domestically produced cotton, and it will certainly not tend to halt the South's abandonment of cotton raising and going into competition with the northern farmer. The trade agreements have been very beneficial to a few wealthy importers and to a few internationalists whose property holdings extend to many foreign countries. These groups are very active and they are spending a great deal of time and money to influence the public opinion of the country and the Congress concerning the trade-treaty program. Their paid propagandists have cleverly infiltrated many fine organizations and even some farm organizations.

From the standpoint of the rank and file of our manufacturers and industrialists, both large and small, the trade-agreement program is an unsound policy and a false hope. The greatest market in the world for manufactured articles is at home. If the American farmer has the necessary purchasing power, he is our greatest potential customer for automobiles, radios, paint, lumber, clothing, rugs, electrical supplies, furniture, heating plants and cooling systems, and all of the other many American manufactured articles. American farm purchasing power is more necessary to American industry and our national prosperity than our foreign trade.

Speaking of this particular phase of the trade-agreement program, the senior Senator from Kansas, the Honorable ARTHUR CAPPER, said:

> They are pursuing a most short-sighted policy—trading the substance of a good American market for the shadow of foreign markets in low-income countries.

An analysis of the figures for a number of years shows that for every dollar paid to the American farmer for his products, a dollar was spent for labor in the factories and our national income was increased by $7. This proves that the very basis of our national economy is the farmer's purchasing power, the very thing that trade agreements destroy.

There is a basic principle involved in this trade-agreement legislation. It is the protective tariff versus free trade. Here let me remind you that it was under the Republican principle of protective tariff for American agriculture and industry that the United States reached a point where the common, ordinary person has more, enjoys more, and is more than anywhere else on earth. We need to return to that Republican principle of giving first consideration to the American instead of the foreigner. We want a tariff high enough to keep the world abroad from adding to our present overproduction surplus of agricultural products, if one exists. It is true that world-wide depressions have come to the United States under Republican rule, but over a long period of years it must be remembered that the history of the advancement of the United States and of our improved living standards from 1860 to 1932 is the history of the Republican Party.

There is a striking similarity between the low-tariff theory as expressed in the Underwood tariff law and our present-day reciprocal trade agreements program sponsored by Secretary of State Hull. The Underwood Tariff Act would have been ruinous to this country if it had not been for the change of conditions brought about by the World War affecting prices. There is also a striking similarity between the internationalism of Woodrow Wilson and his League of Nations and the internationalism and the desire to be a world power of the present occupant of the White House. The President's often-quoted remark about Argentine beef being vastly superior to American beef is but a symbol of his internationalistic economic philosophy. The way to increase our foreign trade is to increase our domestic purchasing power. That is not a theory, but it is the way that it actually works out. In 1922 a Republican Congress enacted a protective tariff, and in the next 7 years our exports to foreign countries of finished manufactured goods, the class most affected by the tariff of foreign countries, increased practically 100 percent. It has been truly said that foreigners do not buy American goods because they love us but because they have to have the goods. They will keep on buying them for the same reason, and for no other. It has also been well said that if you compete with the foreigner you will eventually live like the foreigner. There is too much truth in that with respect to the American farmer at the present time. I do not contend that the discontinuance of our trade-agreements program will solve all of the problems of American agriculture but I do insist that it is one very important factor.

Mr. Chairman, let us consider some of the things that the Congress of the United States has already done to the American farmer in the last few years. It cannot be denied that the wage and hour law and other similar laws have increased the labor costs, which in turn has increased the prices which the farmer must pay for the things that he buys. The large Government expenditures and the neces-

sary increased taxes resulting therefrom also raise the prices of those things which the farmer must purchase. Many of our industries, at least to a partial extent, have passed these additional tax and labor costs on to the ultimate consumer. When the farmer takes his products to the market place, he cannot demand an increase in price for his products because of the increased price of the things that he must buy.

Under our present cash-and-carry neutrality law, European nations are using all available cash and trade balances in this country to buy airplanes, arms, and implements of war. They must buy their farm products upon credit arrangements, and that trade is going largely to South America. One of the first news dispatches of the United Press from London following the enactment of our present neutrality law was to the effect that a then-existing cash credit in this country of several million dollars which was deposited for the purchase of farm products was canceled and the cash credit used to buy implements of war. This may explain why the present World War has not caused an increase in prices of American farm products that we would ordinarily expect.

Much has been said about the trade-agreements program being an instrument for peace. This argument is like the bald-headed barber attempting to tell others how easy it is to grow hair. To realize the fallacy of this contention, all we have to do is to look about us. War is imminent everywhere, nations hate nations. Good neighbors were never more scarce than they are at the present time. The United States is compelled to build an all-time large Army and Navy for our own protection. As an instrument of peace, the trade-agreements program is a self-evident failure.

Mr. Chairman, when the time arrives for the vote on this bill, it will be a choice between the interests of the importers and the international investors and the interests of the American farmer. I shall cast my vote for the American farmer. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. MUNDT.]

Mr. MUNDT. Mr. Chairman, this arugment over extending the power of the Secretary of State and the President to make executive trade treaties without review or ratification by Congress is not a matter of academic discussion with the farmers of America. From the standpoint of the farmer this debate takes on the significance of life or death insofar as his economic existence is concerned. It is strictly a matter of self-preservation for American agriculture; every Member of this House knows in his heart that there can be no hope and no prosperity for the American farmer until and unless we protect him in his right to supply the American market at an American price level. Adequate tariff protection against a flood of cheap foreign foodstuffs will not alone bring prosperity to the American farmer, but it is the first step in any sound and permanent program for giving parity prices to our domestic producers.

I have followed carefully the political strategy of the partisan new dealers, who are whipping their forces into unity with rebel yells and siren songs of party loyalty; but, my friends, this is a measure affecting the basic recovery program of this country, and Members should not sacrifice their home producers to win political favors. Until the farmer is prosperous America must continue to slink along in the depths of this 10-year-old depression. The American farmer can never prosper on the money paid to foreign producers to undersell him in his own market. Industry knows this lesson well from the standpoint of its own activities, for while Secretary Hull has in large part sabotaged the farmer's protection against food and fabric imports, he has actually raised the protective tariff enjoyed by steel.

Until and unless we give the American farmer the full benefit of the American market—free from foreign competition—there is no magic hocus-pocus and no economic formula which can give him the full parity prices to which he is entitled. Unless we quit favoring foreign farmers and start giving justice to American producers this country will awaken some day to the realization that the New Deal has driven the knife of treachery so far into the back of American agriculture that European and Asiatic standards of living for our farmers will have to be imported along with the products of alien farms. The time to call a halt to this is now.

Mr. Chairman and colleagues, let me have your careful attention to this next point. It is something which every Member should hear and analyze. Secretary of State Hull's own figures show that the agricultural exports for 1939 have dropped to an all-time low for the past quarter of a century. Think of it, friends, even with much of the world actually at war, or worrying about war and trying to hoard foodstuffs, these trade treaties have so expanded foreign farm production that our own farm exports have dwindled to a paltry $656,000,000 in 1939. Why, even in 1932, which you new dealers point to so frequently despite the fact this low point came 2 years after the Democratic Party controlled the House of Representatives and its obstructionist policies had killed all recovery efforts in their inception—even then, I say, our agricultural exports were $662,000,000, or $6,000,000 more than the black New Deal year of 1939. This the Secretary of State's figures reveal, despite the fact we are now using 59-cent dollars as counters, so that actually the loss of agricultural exports disclosed in the 1939 figures is substantially greater than even the $6,000,000 shrinkage between 1932 and 1939.

But friends, the Secretary of State's figures show another startling fact to be true. In 1937, which we should remember was a reciprocal trade treaty year, we actually imported more competitive farm products than we exported for the first time in 25 years. The Secretary of State's figures show that in 1937 we imported $71,000,000 more worth of competitive farm imports than we exported. Mr. Chairman, remember, please, I am talking about competitive farm imports—this $71,000,000 unfavorable balance of power in the matter of our trade relations in competitive farm imports such as beef, pork, eggs, butter, cheese, grains, etc., ignores entirely an additional $711,000,000 worth of noncompetitive agricultural imports such as rubber, spices, teas, and coffee. The simple fact stands out where all who run can read that these trade treaties so increased our competitive farm imports that we bought more of them from abroad than we sold to foreign nations despite the fact every pound of imported farm produce added to the so-called surplus of this country for which Secretary Wallace is paying farmers money to reduce. It is no wonder the New Deal is making no progress toward recovery when its policies contradict themselves as openly as do the import-from-abroad policies of Secretary Hull and the idle-acres-to-decrease-surplus policies of Secretary Wallace.

Mr. Chairman, no Congress can repeal the law of supply and demand. But this Congress can repeal the power of the President and the Secretary of State to destroy this law by increasing domestic food supplies by foreign imports with the result of forcing down and keeping down prices received by our own farmers, poultrymen, ranchers, and other raw materials producers.

This Committee has been advised by the gentleman from Oklahoma, Congressman DISNEY, that he intends to offer an amendment to exempt oil from the ravages of unfair foreign competition by denying the Secretary of State the power to decrease oil tariffs. No one can blame you Oklahoma and Texas Democrats for your efforts to protect your basic industry and for trying to remove it from the ruinous effects of the reciprocal trade agreement program. I commend you for your sincerity in ignoring commands from your party whip and in putting the interests of your constituents above those of mere subservience to partisan policies. But the midwestern farmer is equally entitled to protection against cutthroat foreign competition. His products are to him just as important as oil is to the people of Oklahoma and Texas. There is therefore no

logic and justice in asking this Committee to deny the protection to the American farmer which even you Democrats recognize is essential to the prosperity of the oil industry.

MUNDT TO OFFER AMENDMENTS FOR FARMERS

Consequently, Mr. Chairman, I take this means of serving notice on this Committee that just as the gentleman from Oklahoma, Congressman DISNEY, recognizes his obligation to protect the people of his district in their oil business, so, too, do I recognize my obligation to protect the people of the great agricultural State of South Dakota in their farming business.

Therefore, when this bill is read under the 5-minute rule for amendment I propose to offer some amendments to preclude any tariff reductions on a number of farm products, including cattle, sheep, swine, canned and prepared meats, cheese, turkeys, chickens, butter, oleomargarine which competes with butter, eggs of all types, fresh, frozen, or powdered. I hope you folks from Oklahoma and Texas and other oil-producing States will support my amendments.

By teaming our forces it may be possible to defeat the political mandate issued by Democratic floor leaders and palace politicians to the effect that "this resolution must pass without any amendments." You know and your constituents should realize, my good friends from Oklahoma and Texas, that the best way for you to protect your people from ruinous competition in oil is to join with those of us interested in protecting our people against ruinous competition in farm products. You have no more right to ask us to vote for protection on oil and insist upon subjecting farm products to the knifing of free-trade addicts than we have to ask you to vote for protection for farm products and then ask you to submit to permitting the trade-treaty jockeys to toy with the lifeblood of your basic economy. We must each give and take a little in this great fight to keep America American and to give the American producer an honest chance to enjoy an American price level. We from the farm group urge you from the oil sections to join us in these amendments which I shall offer to give adequate, fair, and honest price protection to our constituents.

If you try to play an all-or-nothing game, and ask for amendments to protect oil and refuse to join us in expanding these exemptions to include farm products, you will have yourselves alone to blame if these amendments of yours fail and your constituents are subjected to 3 more long years of executive trade agreements with tariff schedules arranged by college-boy experts. In justice to your own people, we ask you to join us in securing justice for our own people. It is my opinion that both groups of our constituents are entitled to the tariff protection which we may in that way be able to guarantee to them. It is once again a case of "united we stand, divided we fall." [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I find it necessary to take this means to express my views on the pending legislation, because the remaining time allowed for debate precludes the possibility of everyone having the opportunity to speak on the floor.

Mr. Chairman, I became a Member of this body January 3, 1939, and shortly thereafter was assigned a position in the Committee on Interstate and Foreign Commerce. I have sat through long hours of hearings in that committee and in the executive sessions. At no time during this period of committee work have I found that the Committee on Interstate and Foreign Commerce divided along political lines. This has been much to my satisfaction, as it has, I believe, to all the members of my committee, as it has given each one a trust in his fellow members of the committee, in the knowledge that they were truly attempting to arrive at fact and to prepare legislation in the best interests of the country without regard for partisanship.

It was therefore with considerable amazement that I recently attended several sessions held by the Ways and Means Committee of the House on the Reciprocal Trade Agreements Act, where I found that the committee, even before hearings had concluded, were engaged in active partisanship, each side attempting to obtain some political advantage over the other, and in attempting to justify their course through cross-questioning and evident embarrassment of witnesses.

I understand that this is nothing new when tariff legislation is under consideration by that committee, but that vigorous partisanship in these respects has been condoned by both the Republican and Democratic majorities when their respective parties were in power. Both sides have been able to use figures, statistics, and other data to prove their respective contentions, or disprove those of the opposition, as the case might warrant. It is therefore incumbent upon me as a Representative from my district in California to examine this subject with as great care as possible and to arrive at my conclusions independently. This I have endeavored to do without regard for partisan considerations.

In arriving at my conclusions, I find that history presents interesting but not altogether conclusive evidence. We must look to the future with due regard for the events of the past in deciding our policy. It seems to me that we are being deluded by certain theories of trade that have become fetishes in the minds of both economists and politicians, theories that are being tenaciously held to in spite of reality. Actually, foreign trade is, as everyone knows, a matter of give and take, of buying and selling, of trading our surpluses for foreign surpluses that we need and can use. But right there begins the delusion. There is, in my mind at least, a definite limit to the amount of foreign trade that we can do economically. That limit is set, in any given period, by the amount of foreign goods we need to purchase for our own use. We need a certain quantity of rubber, tin, silk, coffee, tea, spices, manganese, and so forth—things that we do not produce in the United States. When these needs of ours are satisfied, there is no occasion to purchase more of them. The value of these things we need and can use from abroad then becomes the limit in value of the home-grown and home-made surpluses that can be sold abroad to pay for them. If we go beyond that limit and import things that are directly in competition with our own farms and factories just so we can export more of our own products, we come to the position where we are merely swapping dollars with the foreigners, and the only ones to profit are the brokers and shipping lines.

Evidently the administration is out to increase foreign trade willy-nilly. They seem to have the idea that the more foreign trade we do, the better off we are. To that end, the end of expanding foreign trade, they lower tariff barriers on home-grown products, allowing the importation of products at low prices that directly compete with our own home producers. They do that in order that we may increase our exports. The net result is that we throw one group of home producers out of work in order to provide work for other groups. It gets us nowhere as a whole, and causes unnecessary dislocation and hardship on the groups that have to stand the brunt of foreign competition in American markets.

But there is another fallacy involved. As an example, take the American farmer. Last year, and for a great many years, we have allowed the importation of farm products that directly compete with our American farmers. Last year the competing farm imports amounted to $500,000,000. That value is figured on the basis of foreign prices. To pay for those products we sold $500,000,000 of our exports abroad. So far so good, perhaps. But if we could have grown those things at home, at American prices, the value would have been more nearly $700,000,000. In other words, we provided an export market of $500,000,000 which would have been a $700,000,000 market right at home for our manufacturers if we had prevented the importation of these competing products and grown them at home. That would have made no difference to the consumer, because the difference is made up through import duties. But there would have been additional benefits. We could have put 35,000,000 acres of American farm land to productive use and employed 1,000,000 farmers

and farm workers that sought relief. Also, that farm land could then have paid taxes to support schools and roads, and so forth. I cannot agree with the idea that the more foreign trade we do, the better off we are. There is a limit to the foreign trade we can do profitably.

The Argentine is in a different situation. The Argentine is almost exclusively agricultural. They export whole crops in order to purchase automobiles, textiles, and typewriters, and so forth. They are dependent on foreign trade for their prosperity.

England is in a different situation, too. The United Kingdom needs vast supplies of foodstuffs and raw materials. They import twice as much as they export, and consume the difference. They import cotton, wool, and so forth, manufacture it, and then export it. They invest capital abroad, and take payments of interest and dividends in the form of foodstuffs and raw materials. These payments become imports in that form. Consequently their apparent trade balance is always against them. But really it is not so.

None of these problems are similar to our own. These other countries must export or die. That is not so with us, as we are almost a self-contained economic unit. Our problem lies almost wholly in consuming our own products and in purchasing from abroad the few things that we either cannot or do not produce at home.

Perhaps these ideas do not jibe 100 percent with those of others, but no one has been able to refute them, and so until I may be proven wrong I shall maintain them. Consequently I cannot go along with the foreign-trade ideas of this administration.

Now, to get down to the pending measure to extend the life of the Reciprocal Trade Agreements Act for an additional 3 years, thereby giving the Secretary of State power to conduct these negotiations and conclude agreements without benefit of sanction by Congress. I heartily condemn the methods used in the past in making tariffs, whereby the majority party, whichever it might be, has locked the doors against the minority, rigged up a set of tariffs, and forced them through the Congress. The majority, such as it may have been, has by these means ridden roughshod over the minority. Likewise, but perhaps to a lesser degree, this same procedure has been carried on under the Trade Agreements Act in the office of the Secretary of State. The tariffs have been set after hearings, but without any means for minority interests to effectively protest. Under this act the tariffs are set in accordance with whatever may be the judgment of the Secretary of State and his assistants at the moment. I believe that the present means of investigating into the subject of tariffs is a good one, as it gives promise under proper circumstances of providing a means for setting tariffs in a more scientific manner. But I believe also that there must be some final veto power resting in the people, in order that justice may be done all around and in order that some particular theory that may absorb the mind of the Secretary of State for the time being, may not prevail over the will of minority interests. I do not know that giving this veto power to the Senate of the United States is the proper method to pursue, but that veto power must lie some place, and I feel that, lacking any better proposal, Senate ratification is the best method to pursue.

I shall therefore vote for an amendment to this act, providing for Senate ratification, and I shall do so with the distinct understanding that if a better method can be devised, I should be in favor of it. However, one of the most cogent reasons for my voting against the pending measure, if it does not contain such veto power through Senate ratification, is the fact that the President of the United States promised the farmers in 1932 as follows:

> I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it, and will not be deceived.

This promise was not carried out, as more than 200 tariffs on agricultural products have been materially reduced, many as much as 50 percent through the consummation of 22 trade agreements with as many foreign countries. The administration has not played fair with our farmers to this extent, and therefore, I do not feel called upon to grant further extensions of trade-agreement negotiating power. In conclusion, I will say that if this power had not been so abused, I would probably favor the continuance of the trade-agreements program, and likewise, so would many of my colleagues on the Republican side of the House.

Mr. CROWTHER. Mr. Chairman, how much time remains on my side?

The CHAIRMAN. The gentleman from New York has 2 hours and 22 minutes remaining.

Mr. DOUGHTON. Mr. Chairman, I yield 25 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman, I do not expect to talk any politics in connection with my few remarks except possibly at the very last, and what I shall say will be with reference to Democratic politics.

When a Representative takes an opposite view on a matter of great public interest to many of his colleagues, candor to his colleagues and fairness to himself require that he state his views in such detail as to set forth those matters of fact and policy that impel him to the position taken, as well as to give the benefit of these views to those Members who are not as intimately apprised of the facts as the speaker. That is my position today.

There is nothing personal in the views I am about to express. If there were, that personal feeling would direct me to follow the leadership of the chairman of the Ways and Means Committee, for whose integrity, character, and judgment I have the most profound respect. My enthusiasm for his good faith knows no bounds. In passing, I take this occasion to say about him that, of all the public men I have met or read about, he comes nearest to typifying the counterpart of the Father of his Country.

If my personal feelings and admiration were involved, with no other issue, not even his most intimate friend would come more quickly or enthusiastically to the defense of Secretary Hull than would I.

But in one phase of the considerations of this important subject, I must in thought part company with these two great men whom I so much admire.

I shall discuss an amendment which I offered in the Ways and Means Committee, and will reoffer in this Committee, involving the treatment of excise taxes as tariffs, particularly those on petroleum.

No sectional issue is involved, and I do not approach the matter from a sectional standpoint. Twenty-four States produce petroleum. My own State is third in importance from a production standpoint, Texas and California leading her. Probably 20 or 30 other congressional districts produce more oil than mine. But I have seen the independent oilmen battle for their business lives in the last 15 years, and I would feel recreant to my trust as a Representative in Congress if I did not present their cause, even if not a drop of oil was produced in my vicinity. In dollar turn-over, the petroleum business is the third largest industry in the Nation.

In 1932, the independent oilmen who for many years had been carrying on a fight with the monopolists in the industry, particularly the importing monopolists, led the movement which resulted in the Congress placing an import excise tax on oil and in this legislation copper, lumber, and coal were included. As a result of the activity of the independent oilmen, their cooperation with the Government under the code, their espousal of the Connally Hot Oil Act, their determined effort toward conservation by State laws and many other efforts on their part too numerous to mention in this brief speech, there has been brought about genuine competition in the domestic oil industry, even competition amongst the major companies who were, at one time, the monopolists in the industry.

As a result, business for the oilmen themselves has improved, and the consumer has vastly benefited. Proof of this statement is found in the fact that 7 years prior to the imposition of the import excise taxes, the average price of gasoline throughout the United States was 17.76 cents per gallon, and for the 7 years since the imposition of the excise taxes, and this activity of the oilmen, the average price of gasoline in the United States has been 13.67 cents.

So the consumers of gasoline should welcome and heed the cry of the independent oilmen, and especially when the undisputed facts are revealed that oil products have the lowest price range in the commodity index, compared with 1926, of any commodity purchased by the American public, except silk and rubber.

What precipitated the campaign for excise taxes? The independent oilmen of the Nation found that while they were prorating their production of oil, in order to stabilize the whole industry and to realize those benefits for the consumer, that vast quantities of oil flowed here from Mexico and from Venezuela, to the detriment of the domestic industry and the domestic consumer. This oil was produced by peon labor, paid a few cents a day, in competition with high-priced American labor. In passing, it may be said that the oil industry pays the highest wages of any industry in the United States. Passage of the excise tax was some protection against competition with a product produced by cheap labor at a few cents a day.

In the hearings on this bill, many members of the committee complimented the oil industry on the case it made; on the benefits it had produced for the consumer; and on the fairness of the presentation. No industry, according to Dr. Lubin of the Federal Security Administration, has treated labor with more fairness and consideration than the oil industry.

Who did the Venezuelan trade agreement benefit? Who produces and imports the oil from that nation? Three gigantic oil corporations, with probably not a single Venezuelan stockholder; one of them owning the largest fleet flying the American flag, produce the oil in Venezuela, and they control the world market by a system of cartels which makes the foreigner pay higher prices than the domestic consumer of oil products.

So this argument, except incidentally, is not one about tariffs and trade agreements, but the nub of this discussion is monopoly, monopoly on the part of these importers who control the world market, and by virtue of the Venezuelan agreement possess a fearful advantage over the domestic market.

Evidence submitted to this committee has demonstrated the importance of these excise taxes to the domestic petroleum industry. It has been shown that they occupy a vital position in the conservation programs of the petroleum-producing States and that there has been a widely accepted assumption that they were a part of the contribution which the Federal Government made to that program. Imports of petroleum and its products are a source of supply over which the States have no control. Therefore, it devolved upon the Federal Government to supervise these imports if the necessary balance of supply with demand was to be realized.

By continuing these taxes for 2-year periods, a biennial supervision over imports was exercised by Congress which was thus in a position to increase, decrease, or discontinue them, as the situation in the petroleum industry might demand. It has been commonly accepted that this biennial review by Congress has been effective in preventing excessive importations from demoralizing the market.

Testimony before the committee indicated that imports of oil from Venezuela last year were, in round figures, 56,000,000 barrels, of which 22,000,000 barrels, called bunker oil, came in duty free.

The testimony further showed that the exports of petroleum were, in round figures, 200,000,000 barrels last year.

It was shown that oil wells in the United States, capable of making many thousands of barrels each per day, were reduced under the domestic conservation plan, to a few barrels per day.

For example, in East Texas, the allowable was 21 barrels per day, and on account of additional shut-down time the production of these wells ran down to much less than 21 barrels per day—all to stabilize the American market, while the three large importers enjoy a distinct advantage.

It may be argued in rebuttal that the independent oil men are laboring under an apprehension of danger, and that no real dangerous results have flowed from the promulgation of the Venezuelan trade agreement. But do we not have the same right to apprehend danger that the proponents of the bill have to anticipate good from this agreement?

Before the Ways and Means Committee not a syllable of testimony was adduced to show any benefits as yet resulting from the Venezuelan agreement. But it was shown that the imports were sharply accelerated after the announcement of the agreement, and unofficial figures estimate the imports in January were 20 percent higher than in December, when the agreement was announced, and were 40 percent higher than in January 1939.

This quotation from the Chicago Journal of Commerce, showing that imports in January were about 1,000,000 barrels more than in December, is interesting. I quote:

> Petroleum imports into the United States in January totaled 4,784,000 barrels, at the rate of 154,323 barrels daily, highest total in months and, except for the import bulge last midyear, highest monthly total for a long period.
>
> In December 1939 imports total 3,807,000 barrels, and in January 1939, 3,055,000 barrels.
>
> The increase was cited by some authorities as proof that importers were taking advantage of the reduced import excise tax under the recently promulgated Venezuelan reciprocal-trade treaty, now under fire by domestic oil interests.

A voice from California, the Oil Producers Agency, representing every phase of the oil industry in that great State, second only to Texas in production, says, in a letter to a colleague, in part:

> As you are aware, oil is probably the most important single industrial factor in the economic well-being of California, and, if California and its people are to enjoy the benefits of a stable oil industry, that industry must be protected from competition by cheap foreign oil. You may be interested to learn, for instance, that since the Venezuelan agreement was signed, crude oil prices in California have been reduced, with a resultant loss of approximately $20,000,000 in annual operating income to the California industry. The industry cannot stand many blows of that sort.

Not only were the excise taxes cut in half; the free imports—amounting now to 22,000,000 barrels per year—were bound as free, and the remainder bound at 21 cents per barrel, thus taking the whole thing out of Congress' hands.

The threat of congressional action having been removed, these three great monopolists are beginning to get their stride.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from South Dakota.

Mr. MUNDT. I believe the gentleman is making a very logical statement, showing the splendid reasons why Congress should retain in its own hands the right to review and ratify these treaties. I am wondering whether the gentleman does not feel, however, that some such approach as that suggested by the gentleman from Nebraska [Mr. COFFEE], to extend these powers to Congress to include products such as beef, dairy products, and turkeys, would not be better than just a special piece of legislation for oil.

Mr. DISNEY. I do not know. I have not studied that matter. I have been studying this and have not studied that. I hope the gentleman will not press that on me.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from California.

Mr. BUCK. I hesitate to interrupt the gentleman, but does the gentleman present to the Committee the theory that Congress cannot act on any of these matters?

Mr. DISNEY. I do. From a practical standpoint, it cannot be done.

Mr. BUCK. Does the gentleman realize there is a very liberal escape clause in the Venezuelan treaty?

Mr. DISNEY. Yes. I shall come to that in a moment.

The Venezuelan trade agreement runs for 3 years from December 16, 1939, until it is abrogated by action of either party upon 6 months' notice. In other words, it is a permanent fixture, and for all practical purposes it is beyond the control of the Congress of the United States, though in theory, of course, Congress can dispose of it immediately. Six months' notice? Yes; 6 months' notice; and not by Congress, but by the executive department, if and when it makes up its mind to abrogate or change the agreement. It does not even have to consult the Congress about any change. But you may say that this agreement contains a so-called escape clause.

I do not agree that the escape clause has any operating, practical value under all the circumstances. But I will discuss that later.

The original reciprocal-trade agreement was passed in 1934, 2 years after the passage of the excise taxes under discussion. It should be interesting to the Members to arrive at the intent of Congress in its deliberations over the original Reciprocal Trade Agreements Act. It had the excise taxes definitely in mind. Proof of this assertion is replete in the RECORD.

When the trade-agreement bill was before the Seventy-third Congress, second session, the House Ways and Means Committee presented a report in which the following language is found:

> In order that the necessary reciprocity may be accorded, the President is empowered to promise that existing duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are in fact customs duties.

The Senate Committee on Finance adopted the Ways and Means Committee report and used the same language in its own report on the measure.

Support of this position is found in the record of the Senate debate on the bill of 1934. Then Senator HARRISON, chairman of the Senate Finance Committee, in his statement to the Senate when the bill was presented to him on May 17, 1934, as is shown in the CONGRESSIONAL RECORD of that date, at pages 9247 and 9248, presented as a part of his statement an analysis of the bill which contained the following statement:

> In addition to permitting the modification of duties or restrictions, the bill permits the President to enter into commitments whereby the existing customs or excise treatment of specified articles will be maintained; that is, the excise taxes upon oil, coal, copper, lumber, etc. Unless it were possible to provide in such trade agreements against the increase of excise taxes, the advantages derived through a lowering of customs duties guaranteed in such trade agreements might be entirely lost through the imposition of duties such as consumption taxes and the like; so these agreements will provide for inhibitions upon such a policy.

Senator HARRISON, as chairman of the Senate Finance Committee, had charge of the bill on the floor. During the last few minutes in the discussion of the bill before the time at which the Senate had agreed to vote arrived the Senator stated:

> Mr. President, I have another amendment to propose, of which I desire to make some explanation. The Senate can do with reference to the amendment whatever it pleases. It is with reference to a clarification of excise duties.
>
> It will be noted that, so far as tariff rates are concerned, the President has the power to increase or lower them by 50 percent, but as to the excise taxes, they may be continued. It was the intention of those who framed the legislation, and of the House in passing the bill, that they would be frozen; in other words, they might not be modified.
>
> They were adopted in 1923 (sic), I believe it was, what were termed "excise taxes," or were carried into the law as excise taxes; but some question has been raised as to whether or not they are excise taxes or import taxes. The four items concerned were lumber, coal, oil, and copper. So as to remove any doubt as to what the intention was, I have an amendment to offer which will clarify the matter, and if the amendment shall be adopted, it will freeze those four items. In other words, the duties cannot be increased and the duties cannot be lowered. It will recall that as to those four items the provision of law will expire in June of next year. * * *
>
> All excise taxes are frozen by this bill. * * *
>
> Coal, oil, lumber, and copper. These four are carried in the law as bearing excise taxes, and some question has been raised as to whether or not they are in fact excise taxes. In order to remove any doubt and to clarify the matter, I have offered this amendment.
>
> The amendment later offered read as follows: On page 4, line 12, after the word "imports", it is proposed to insert a semicolon and the following: "except that the term does not include excise taxes imposed under the provisions of paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932, as amended."
>
> They cannot be increased and they cannot be lowered. * * *
>
> The reason was that all excise taxes are frozen in this bill. We do not propose to disturb excise taxes at all. The President is given the power with reference to import duties, and it was because the impression prevailed that on these items there were excise taxes, that I offered the amendment. They are carried in the law as being subject to excise taxes. * * *
>
> The kind of taxes styled excise taxes were not to be affected. They were not to be increased or lowered. They were frozen, in other words.

After Senator HARRISON's statement as to the purposes of his amendment, a discussion ensued, from which it can be fairly inferred that the Senate considered that the excise taxes were, as Senator HARRISON said, "frozen" by the terms of the bill. In the last few moments of the debate, Senator Long, of Louisiana, reoffered the amendment, and it was defeated. Since friends of the excise taxes voted to lay the amendment aside, it can properly be claimed that the Senate understood that the excise taxes were, in fact, frozen by the terms of the bill and the amendment was unnecessary.

Friends of the excise taxes relied on the foregoing expressions of the intent of the Congress. Senators ASHURST and HAYDEN, of Arizona, were specifically interested in the import excise taxes on copper. Obviously they took for granted that Senator HARRISON's explanation of the intent and purpose of the original Trade Agreements Act was correct. Each of them voted against the Long amendment, obviously with that understanding, and evidently relied upon it. This is capable of proof, and here is the proof.

Last year when a trade agreement was proposed with Chile, which involved copper, one of the chief industries in Arizona, from which Senators ASHURST and HAYDEN come, these Senators were alert to the interests of their State, and they filed a 40-page brief with the State Department, verified by the oath of Senator HAYDEN, in which they make the flat statement that—

> It is respectfully submitted that such a reduction would be undesirable because it would constitute a breach of faith with the Congress. The very fact that the excise taxes, placed in the Revenue Act of 1932, were limited to expire in the first instance on June 30, 1934, and have been reenacted by the Congress, for successive periods of short duration, would clearly indicate that the Congress has at no time intended to relinquish complete control over these taxes, not only as to their duration but as to their extent.

Quoting further:

> Plainly, Congress has at no time evidenced any intention of relinquishing control of these temporary excise taxes. For the executive branch of the Government to reduce them, by negotiation with a foreign government, would constitute a serious and substantial breach of faith with the Congress.

And quoting further:

> A tariff is a permanent enactment of the Congress, and if Congress does nothing, the tariff will continue forever. An excise tax is a temporary enactment of the Congress, and if the Congress does nothing, the tax will expire and cease to exist by its very limitation.

No agreement including copper, or violating the excise taxes on copper, was made with Chile.

Without abandoning the positive conviction that Congress expressly excluded the four excise taxes—on oil, coal, lumber, and copper, first adopted in 1932 and four times continued by Congress—from modification in any trade agreement, and merely for the purpose of the present argument, it may be held that insofar as the claim of the State Department to authority over such modification of these taxes may be derived from Public Law No. 316 of the Seventy-third Congress,

as amended, such authority would rest solely on section 350 (a) (2) where the following language occurs:

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreements, as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder.

The significant phrase in that sentence which, under the State Department theory, might apply is this:

To proclaim * * * such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreements.

This, it is submitted, would at the utmost authorize the proclamation of "the continuance," or in other words "the freezing," of existing excise taxes but not their reduction.

I would not be candid if I did not say that the Department has treated excise import taxes as tariffs in the Cuban and Canadian agreements—in my judgment, in violation of the intent of Congress.

It is true that the reciprocal-trade agreements contain escape clauses. It is true that the escape clause in the Venezuelan agreement is broad. It is true that Secretary Hull filed with the committee a letter which is incorporated in the majority report, promising to invoke the escape clause when a proper case is made.

Without presuming to impinge, even slightly, on the good faith of anyone, let me remind you that 22 trade agreements have been entered into and in not a single instance has the escape clause been invoked by our Government in behalf of an industry. It may be argued that the escape clause was used in the Canadian agreement with reference to fox furs, but that is not the case; the escape clause was not invoked. A new arrangement was entered into.

From a downright practical standpoint, escape clauses are not of practical benefit. This may be illustrated with reference to the zinc industry's plight, with reference to the Canadian treaty. The duty on zinc was reduced, in spite of the fact that informed opinion—including that of the Bureau of Mines—was unanimous in contending that a tariff reduction would seriously harm the domestic zinc industry. As a result of this headstrong, unenlightened action the price of zinc dropped $7 per ton and accentuated the misery of an industry that was already up to its neck in depressed conditions. This condition of ruinous prices prevailed for 9 long months after the effective date of the Canadian agreement, and even though the overwhelming bulk of imports were coming, not from Canada, but from Mexico and Belgium, no attempt was made by the Department to invoke the escape clause. When the war broke out the price of zinc increased for a brief period—not as a result of the trade agreement with Canada, but in spite of it. Under the most-favored-nation doctrine, the rate having been reduced to Canada, Mexico became entitled to and did realize the same benefit of tariff reduction. The result? Four price cuts since December 1 in zinc have ensued. Mexico is furnishing 62 percent of the domestic use of zinc. Three American smelters are using Mexican zinc exclusively, and 10 smelters to a substantial and growing extent. Over a thousand zinc miners in one of my counties in the Tri-State area, Missouri, Arkansas, and Kansas, have been laid off in the last week or so. The three largest mines in that area have shut down. The loss of employment of a thousand men in a small county in my district has a terrific effect.

This showing has been made to the State Department, and all that has been received is polite diplomatic ignoring of the zinc industry's plea.

Although we may place the utmost reliance in Secretary Hull's promise to make liberal use of the escape clause, in the Venezuelan agreement, it must be remembered that Fate has its part to play, and that Secretary Hull may not always be with us. Other faces, other hands may appear at the trade table. In my opinion, Congress should not rely upon men, but upon the law.

The question may be asked: Why would the importers desire to flood the American market with imports? The question may be answered by a question: Why were the import taxes reduced by the State Department unless that Department anticipated additional imports? Current history furnishes an answer. Last August the importers, who have tremendous domestic production interests in the United States, bulged imports, and their subsidiaries cut the domestic price that they would pay for oil to be used domestically and for export, obviously for profit to the importers in the export trade, for they are not only importers, but among the greatest of exporters, and they control the world trade in oil. Only the most drastic shut-down methods by the Governors of the States, and the possibility of congressional action, prevented this near catastrophe in the oil business.

The domestic conservation plan is for the prime purpose of stabilizing the oil industry and the saving of the more than 300,000 stripper wells, which are the foundation of the independent oil industry. The loss of these wells would be a serious blow to our national defense and to the industry, as well as to the consumer. Surely the Federal Government desires to do nothing that would hamper this program.

Any discussion of imports of foreign oil on the theory that it reduces the price of asphalt would be based upon a false premise, because prior to the excise taxes asphalt sold for more than $12 a ton, and since the adoption of excise taxes asphalt has averaged a little over $11 a ton, or a general average of $1 per ton less than before.

The action of the Department in treating the excise taxes on oil in the Venezuelan agreement resulted in a cut in half of the import excise, in figures a cut from 21 cents per barrel to 10½ cents per barrel. There is a provision in the agreement for a 5-percent quota. That is to say, the total imports of oil to be allowed are 5 percent of the preceding year's refinery runs in the United States. It may be argued that this protects the situation. The quick answer is that the importers can and will import the 5-percent quota at 10½ cents, and in addition to that, will import whatever they please, without let or hindrance from the State Department, at 21 cents a barrel, and millions of barrels can flow into the United States, and the Texas oil man at the same time will be prorating his wells to 21 barrels of oil a day, or less.

The importer-monopolists are not afraid of the 21-cents-a-barrel excise. They are afraid of the threat it contains so long as Congress has control. The difference in cost of production in Venezuela, together with transportation charges to the eastern seaboard, as between Venezuelan oil and American oil, has been an average of $1.03 a barrel. So what does 10½ cents a barrel mean to them? What does 21 cents a barrel mean from the standpoint of abnormal profit?

No; the importers in the past have been fearful that abnormal imports, and the breaking of the domestic market thereby, would bring an avalanche of congressional action down upon their heads and that the excise taxes might be raised so as to protect the American producer. This is the reason that in the past 7 years they have behaved reasonably well. Now that the matter has gone from the control of Congress, from a practical standpoint, they need have no such fears. That, I submit, is the reason why Senator HARRISON, in the debate on the original trade agreement, advised the Senate that we do not propose to put the excise taxes under the trade-agreement statute. That is why the House report inveighed against the use of excise taxes as tariffs.

It may be argued that Congress can rectify the situation in that it has not lost control, but Dr. Grady, Assistant Secretary of State, before the Ways and Means Committee indicated that it would be a breach of an international obligation if Congress should take action against the trade agreement or its provisions. If his position is correct, then these

agreements are not agreements at all, but are treaties which require Senate ratification. But his position appears to be that, although they are not treaties but simple trade agreements, still it would be a violation of an international obligation for Congress to touch the subject.

To summarize: This amendment should be in this bill in order that Congress may maintain its supervision over the monopolists, since the States are maintaining supervision over every oil producer, no matter how small, in the Nation. This is the last opportunity for at least 3 years that Congress will have to rectify this situation in which not only are the excise taxes cut in half, not only are the free imports of bunker oil—last year's imports being 22,000,000 barrels—bound as free, as to any amount the monopolists may care to import, but the remainder bound at 21 cents per barrel, thus denuding Congress of any power or control or supervision over the world-powerful importers, while the States at the same time are exercising control over the independents.

It will not do to say that this is already a fact accomplished. If this amendment passes Congress, it is, in effect, a mandate to the State Department to rectify its oversight in this matter, and it is a warning to the importers that they must not destroy the domestic petroleum industry by ruthless methods of the earlier days—methods that are invited by this present situation.

Without this amendment there is no mandate, unless it be a mandate to the Department to continue this most egregious mistake. [Applause.]

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. Yes.

Mr. BECKWORTH. The gentleman mentioned the fact a moment ago that we in Texas pro rate 20 barrels of oil per day. That is true. Furthermore, last year we had 115 shutdown days, and that shows just how serious the proposition of excess oil is in east Texas, the oil field that is in my district.

Mr. DISNEY. If it is to say that this is a fact accomplished, that will not do. That is not sound reasoning.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CROWTHER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. DISNEY. If this amendment passes the Congress it is in effect a mandate to the State Department to revise this oversight. It is a warning to the importers that they must not destroy the domestic petroleum industry by the ruthless methods of the earlier days; methods that are invited by this situation. Without this amendment there is no mandate unless it be a mandate to the department to continue as it is doing.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. HOUSTON. Has it ever been determined legally whether the Secretary has a right to lower the excises?

Mr. DISNEY. I doubt if you could get into court on that question.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. COFFEE of Nebraska. The gentleman has made a most interesting statement with reference to oil. Does not the gentleman think that in order to protect a lot of other commodities that might come under some future trade agreement, it would be advisable to provide for Senate ratification?

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. CROWTHER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF of Michigan. Mr. Chairman, I shall discuss briefly at this time three factors which have a vital bearing upon this whole question of foreign trade agreements.

The administration has insisted that its methods of conducting the Trade Agreement Act would "soften the mind of the world toward peace."

The administration has also claimed that its method of administering the Trade Agreement Act would increase agricultural exports.

In addition to dealing with those two phases, I want also today to discuss the question of discriminations against our commerce by other nations.

Now, Mr. Chairman, the test of this entire act is to be applied, the success of this entire act is to be measured, the desirability of continuing this act should be determined, it seems to me, upon whether or not the three objectives, among others, of "softening the mind of the world toward peace," increasing agricultural exports, and eliminating discriminations, have been achieved.

It is to no purpose, and it is dangerous, to indulge in political vaporings and partisan subterfuges when we have the definite, precise gages before us by which we can determine this question.

Secretary of State Hull declared before the Ways and Means Committee as long ago as 1937 that one of the prime purposes of the act was to "soften the mind of the world toward peace." Let me take the time to give you the details of that declaration:

When a resolution, similar to the one now under consideration, was before the Ways and Means Committee 3 years ago the Secretary of State appeared and asked the committee to approve the resolution extending the so-called Reciprocal Trade Agreements Act for 3 years. The most significant fact apparent in the hearings at that time was the utter indifference of both the Secretary himself and of his Assistant Secretary, Francis B. Sayre, to our rapidly diminishing trade balance. Both these gentlemen endeavored to convince the committee that great benefits had been reaped by the people of this country through the operations of the act.

A very natural curiosity prompted some of the minority members of the committee to ask the Secretary for a bill of particulars as to what those benefits might be.

After much insistence, Secretary Hull finally stated that the policy had resulted in "softening the mind of the world toward peace." And I will say, in addition, that he gave no other accomplishment as a result of 2½ years of the operation of the act. Turning back every economic question asked him, the Secretary invariably replied that the question was "not relevant to the larger purposes involved," which he said was to "soften the mind of the world toward peace."

The principal theme of his argument, then as now, was that through lowering our tariff barriers, and thus, in effect, throwing our markets open to foreign producers and allowing them to sell their products in this country in competition with our own producers, we could bring about a "softening of the mind of the world toward peace," and establish a reign of brotherly love throughout the world; also that we could develop in the nations of the Old World a spirit of unselfishness—not to say generosity—which, in their dealings with each other and with us, has been a motive utterly unknown in years gone by.

Mr. Chairman, for 5½ years this law has been on the statute books. The Secretary of State has, during this time, negotiated 22 trade agreements with foreign countries. In each agreement we granted certain reductions of tariff on competitive imports, and they, in return, granted certain concessions to us. In every instance the United States has immediately extended to every other nation in the world, except Germany—and Australia for a short time—every reduction of tariff, and every benefit we granted to the nation with which we entered into an agreement. But, as you know, we asked from these other nations nothing except that they should

give us in return most-favored-nation treatment in their relations with us.

It was upon this theory that the Congress passed the act originally, and 3 years ago extended it for another period of 3 years. That was done in the first instance with the understanding that the Secretary would follow the law both in letter and spirit, and that he would see to it that when we extended to nonagreement nations the benefit given by us to the agreement nations we should immediately receive from both every privilege and benefit which either had granted to any other nation in the world.

This, Mr. Chairman, was the intent and the definite understanding of the committee and the Congress. That this is so is indicated by the provision in the law giving to the President the power to withhold from any nation the benefits when such nations failed to grant us most-favored-nation treatment.

Inasmuch as the resolution now before us provides another 3-year extension of the Trade Agreement Act, it is vitally important that we examine the facts disclosed during the recent hearings on the resolution to learn for ourselves whether the administration of the law has been what Congress was led to believe it would be; what progress, if any, has been made toward reaching the declared objectives, these basic assumptions, upon which every argument in favor of the act and its extension must be based.

It is important that we determine for ourselves how foreign nations have reacted to this attempt to eradicate misunderstandings and wars between nations, and to eliminate discriminations and barriers in international trade.

The utter futility of this idealistic undertaking is abundantly proved by our experiences during and following the years 1917, 1918, and 1919, when we attempted to achieve the objectives which the Secretary of State has declared inspire his present endeavor to bring peace to the peoples of the world by this process.

We tried it then by contributing the lives and the health of nearly half a million American boys. We tried it then by bringing agony and suffering to the hearts of millions of relatives of these American boys. We tried it then by spending and lending more than $40,000,000,000 of the American taxpayers' money in that attempt to soften the mind of the world toward peace.

The figures and facts concerning our efforts of those years reduce to a tragic absurdity the present contention that trade agreements will accomplish that which we failed to accomplish by our monumental sacrifices of those days.

Mr. Chairman, there were nearly 40,000 American boys killed in action. More than 14,000 others died of wounds received in action. Nearly 200,000 others were wounded in action. Nearly 77,000 died of disease, accident, and other causes during their services in the war. More than 100,270 with service-connected disabilities have died since the war, many of them victims of the service they rendered their country.

There are today 344,119 World War veterans receiving compensation for service-connected disabilities. There are 40,991 widows, 82,768 dependent parents, and 57,881 dependent children of deceased World War veterans receiving compensation. There are 55,739 veterans drawing $30 per month for total and permanent disabilities not connected with their service. All these constitute a continuing contribution to the futile ideal of world peace through our lone Nation's efforts.

Another thing, Mr. Chairman, which we Americans should never forget is this: When that war ended, and the victors and the vanquished gathered around the conference table at Versailles, there was no dove of peace hovering over that assembly. There was no soft and gentle attitude toward the brotherhood of man in that mirrored palace. There was none of sympathy, none of unselfishness, not a thought or a desire to build for the future peace among those representing the nations of the Old World. In all that solemn and historic conclave the only voice raised in behalf of the future peace of the world, the only one who came there with hands clean, and heart free of greed and hatred, was the United States of America. Every other nation among the victors was there literally sweating with a fever of greed, of selfishness, of a desire to outdo the others in clutching the spoils of victory.

Now, Mr. Chairman, let us have no illusions. Had the Central Powers, instead of the Allies, won that great conflict, the conditions—and the results—at Versailles would have been exactly the same. The victors would have been utterly without mercy, regardless of what group they might be.

Into that conclave strode the President of the United States. He laid upon the altar of future peace all of our killed and wounded; all those of broken bodies; all those of shattered minds; all the widows and the orphans; all the dependent fathers and mothers; all the sum of that incalculable human agony; and all those billions of American money, which we are still paying, and must continue to pay for generations to come. All of these, I say—the whole of this dreadful sacrifice—he laid upon the table at Versailles, and he asked for—what? Money reparations? No. Additional territory? No. Not one dollar of money, not one foot of additional territory did he seek in return for America's supreme sacrifice. He asked only that the nations of the world live at peace with us, and with one another.

Mr. Chairman, there are perhaps few of us in this Congress who, in greater or less degree, did not contribute to that monumental sacrifice, either in service or through ties of blood.

Not only did we lend money while the conflict was raging but after the peace of Versailles was signed these other nations came to us and with pleading, outstretched hands asked for and received more and still more of our billions of money. Eighteen of those nations, Mr. Chairman, borrowed money from us during the conflict and after the conflict was ended. They borrowed this money, not only while their house was burning, not only after it was in ashes, but they came to us and borrowed the money to rebuild. And then what happened? Almost from the day they got the last dollar everyone of those nations, with one magnificent exception, began to plan and plot and whine that they ought not have to repay their honest debt to us. With a strange—and amazingly strange—similarity to individuals, those debtor nations, with one exception, began to justify to themselves the nonpayment of their debts by beginning to abuse and to hate their creditor. We were Uncle Shylock. It had not been their war, but our war. They were preventing the enemy from crossing the sea to destroy us. They were preserving our democracy. These were some of the rationalizations they adopted to justify in their own minds their repudiation of their honest debts to us.

Those debts are unpaid to this hour. Those debts stand repudiated to this day.

Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of June 30, 1939

	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account [1]	
			Principal (net)	Accrued interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Armenia	$23,803,104.11						$11,959,917.49	$11,843,186.62		
Belgium	453,324,480.11	$52,191,273.24	$400,680,000.00	$52,644,480.11	$17,100,000.00	$14,490,000.00			$2,057,630.37	$18,543,642.87
Cuba		12,286,751.58							10,000,000.00	2,286,751.58
Czechoslovakia	[2] 165,762,044.80	20,134,092.26	165,241,108.90	520,935.90	19,829,914.17					304,178.09
Estonia	[3] 21,029,440.02	1,248,432.07	16,466,012.87	4,563,427.15		1,246,990.19				1,441.88
Finland	8,233,157.56	5,656,598.77	8,119,331.70	113,825.86	880,668.30	4,466,615.20				309,315.27
France	4,180,628,819.88	486,075,891.00	3,863,650,000.00	316,978,819.88	161,350,000.00	38,650,000.00			64,689,588.18	221,386,302.82
Germany (Austrian indebtedness) [4]	[3] 26,011,672.09	862,668.00	25,980,480.66	31,191.43	862,668.00					
Great Britain	5,497,069,379.48	2,024,848,817.09	4,368,000,000.00	1,129,069,379.48	232,000,000.00	1,232,770,518.42			202,181,641.56	357,896,657.11
Greece	34,295,967.22	4,039,888.01	31,516,000.00	2,779,967.22	981,000.00	1,896,812.00			2,922.67	1,159,153.34
Hungary	[3] 2,388,730.08	507,778.96	1,908,560.00	480,170.08	73,995.50	433,030.42				753.04
Italy	2,024,150,441.19	100,829,880.16	2,004,900,000.00	19,250,441.19	37,100,000.00	5,766,708.26			364,319.28	57,598,852.62
Latvia	[3] 8,668,365.93	761,549.07	6,879,464.20	1,788,901.73	9,200.00	621,520.12				130,828.95
Liberia		36,471.56							26,000.00	10,471.56
Lithuania	[3] 7,760,608.08	1,237,956.58	6,197,682.00	1,562,926.08	234,783.00	1,001,626.61				1,546.97
Nicaragua [6]		168,575.84							141,950.36	26,625.48
Poland	[3] 263,166,398.70	22,646,297.55	206,057,000.00	57,109,398.70	1,287,297.37	19,310,775.90				2,048,224.28
Rumania	[3] 63,999,476.67	4,791,007.22	63,860,560.43	138,916.24	2,700,000.00	29,061.46			1,798,632.02	263,313.74
Russia	390,298,848.71	[7] 8,750,311.88					192,601,297.37	197,697,551.34		[7] 8,750,311.88
Yugoslavia	61,779,062.52	2,588,771.69	61,625,000.00	154,062.52	1,225,000.00				727,712.55	636,059.14
Total	13,232,369,997.15	2,749,663,012.53	11,231,081,200.76	[8] 1,587,186,843.57	475,634,526.34	1,320,683,658.58	204,561,214.86	209,540,737.96	281,990,396.99	671,354,430.62

[1] Payments of governments which have funded were made prior to the date of the funding agreements.

[2] Differences between principal of funded indebtedness and amounts here stated represent deferred payments provided for in the funding agreements, for which bonds of the respective debtor governments have been or will be delivered to the Treasury.

[3] Increase over amount funded due to exercise of options with respect to the payment of interest due on original issue of bonds of debtor governments.

[4] The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

[5] Includes additional bonds aggregating $3,489,482.75 received July 23, 1937, in exchange for bonds aggregating $1,207,742 and annuities aggregating $69,534.46, payable on Jan. 1, 1933, 1934, and 1935, but postponed as provided by agreements of May 8, 1930, and Sept. 14, 1932.

[6] The United States holds obligations in the principal amount of $289,898.78, which, together with accrued interest thereon, are to be canceled pursuant to agreement of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the U. S. Senate on June 13, 1938.

[7] Represents proceeds of liquidation of financial affairs of the Russian Government in this country. (Copies of letter dated May 23, 1922, from the Secretary of State and of reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to the Russian Government and liquidation of affairs of the latter in this country appear in the Annual Report of the Secretary of the Treasury for 1922, as exhibit 79, p. 283, and in the combined annual reports of the World War Foreign Debt Commission, as exhibit 2, p. 84.)

[8] Includes balances of amounts postponed under provisions of joint resolution of Dec. 23, 1931. (For amounts postponed, see p. 35 of Annual Report of the Secretary of the Treasury for 1932.)

RECEIPTS FROM GERMANY

The status of the indebtedness of Germany to the United States as of June 30, 1939, under the funding and moratorium agreements, is summarized in the following tables:

Amount of indebtedness

	Indebtedness as funded	Total indebtedness as of June 30, 1939	Principal	Interest accrued and unpaid [1]
Army costs (reichsmarks)	1,048,100,000	1,017,530,297.12	997,500,000	20,030,297.12
Mixed claims (reichsmarks)	2,121,600,000	2,095,590,000.00	2,040,000,000	55,590,000.00
Total (reichsmarks)	3,169,700,000	[2] 3,113,120,297.12	3,037,500,000	75,590,297.12
Total (in dollars, at 40.33 cents to the reichsmark)	1,278,340,010	1,255,521,415.83	1,225,023,750	30,497,665.83

[1] Includes interest accrued under unpaid moratorium-agreement annuities.
[2] Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

Payments received

	Total payments received as of June 30, 1939	Payments of principal	Payments of interest
Army costs (reichsmarks)	51,456,406.25	50,600,000.00	856,406.25
Mixed claims (reichsmarks)	87,210,000.00	81,600,000.00	5,610,000.00
Total (reichsmarks)	138,666,406.25	132,200,000.00	6,466,406.25
Total (in dollars)	35,587,809.69	31,539,595.84	2,048,213.85

Amounts not paid according to contract terms, June 30, 1939

Date due	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
	Reichsmarks	*Reichsmarks*	*Reichsmarks*	*Reichsmarks*
Sept. 30, 1933		2,498,562.50	1,529,049.45	[1] 4,027,611.95
Mar. 31, 1934	122,400,000		1,529,049.45	123,929,049.45
Sept. 30, 1934	20,400,000	3,855,687.50	1,529,049.45	25,784,736.95
Mar. 31, 1935	82,900,000	4,534,250.00	1,529,049.45	88,963,299.45
Sept. 30, 1935	29,700,000	5,212,812.50	1,529,049.45	36,441,861.95
Mar. 31, 1936	29,700,000	5,891,375.00	1,529,049.45	37,120,424.45
Sept. 30, 1936	29,700,000	6,569,937.50	1,529,049.45	37,798,986.95
Mar. 31, 1937	29,700,000	7,248,500.00	1,529,049.45	38,477,549.45
Sept. 30, 1937	28,600,000	7,927,062.50	1,529,049.45	38,056,111.95
Mar. 31, 1938	28,600,000	8,585,687.50	1,529,049.45	38,714,736.95
Sept. 30, 1938	28,600,000	9,244,312.50	1,529,049.45	39,373,361.95
Mar. 31, 1939	28,600,000	9,902,937.50	1,529,049.45	40,031,986.95
Total	458,900,000	71,471,125.00	18,348,593.40	548,719,718.40
Total (in dollars, at 40.33 cents to the reichsmark)	$185,074,370	$28,824,304.71	$7,399,987.72	$221,298,662.43

[1] Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse fur Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

Mr. Chairman, I said that there was one exception among the 18. There was. It was that magnificent, that sturdy, honest, brave little Republic of Finland, who today—God strengthen her arm—is with such superb bravery fighting the Russian Communist hordes to a standstill. Little Finland paid her debts. She met her payments, principal and interest, on every due date. Even since she has been battling against the invasion of the godless hordes of Communists, little Finland has made a payment on her debt.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF of Michigan. I yield.

Mr. REED of New York. I just want to remind the House again that Russia is fighting Finland, pounding and breaking the line, with our exports that they are bragging about on the other side.

Mr. WOODRUFF of Michigan. I am happy to have the gentleman from New York put that statement into my speech. It is a contribution from the splendid speech he made this afternoon, which every Member of this House ought to read and ponder.

As we recount these facts, Mr. Chairman, it seems incredible that this was not sufficient evidence to convince us that the other countries of the world did not burn and yearn for peace and good will as do we.

But it seems it was not enough.

So again we embark upon this hopeless quest of peace and good will between the nations, with the United States being the lone laborer in the vineyard of peace with all the other nations resisting our advances.

The original Trade Agreement Act was passed by this Congress on June 12, 1934.

Mr. Chairman, I now want to read a chronological list of military operations by other nations, for the benefit of my colleagues present.

Italy invaded Ethiopia October 2, 1935.
Germany entered upon the Saar occupation March 1, 1935.
The Spanish civil war began July 18, 1936.
The invasion of China by Japan began July 7, 1937.
Austria was forcibly absorbed by the German Reich March 15, 1938.
The Germans took over Sudetenland and dismembered Czechoslovakia October 1 to 10, 1938.
Hungary was absorbed by the Germans November 2, 1938.
Russia signed a "mutual assistance" pact with Estonia September 30, 1939.
The Communists signed a "mutual assistance" past with Latvia October 4, 1939.
The Communists signed a "mutual assistance" pact with Lithuania October 10, 1939.

These mutual assistance pacts, so-called, were compelled by Russia; were thrust upon Estonia, Latvia, and Lithuania and were simply one-way pacts, and these little nations have, in fact, become the unwilling pawns of the Russian communistic regime.

Germany absorbed Bohemia-Moravia March 14, 1939.
Germany completed her dominion of Czechoslovakia March 14, 1939.
Germany took Memel March 22, 1939.
Germany took Danzig September 1, 1939.
The destruction of Poland began September 1, 1939.
The Communist invasion of Finland began November 29, 1939.

"Softening the mind of the world toward peace?" Why, Mr. Chairman, the list I have just read you shows that the longer this trade-agreement policy has gone on and the more agreements that are entered into the greater the number and the more ruthless the character of the armed depradations of big nations against little ones. These depredations have progressively increased in number, magnitude, intensity, and ruthlessness.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF of Michigan. I am sorry. I have not time to complete my statement.

Mr. BUCK. I just wanted the gentleman to include in his statement that he did not indicate that the trade agreements had brought on these wars.

Mr. WOODRUFF of Michigan. Oh, I made no such statement. I did not even infer that the agreements were in any way responsible for present wars, I will say to the gentleman from California.

Now, Mr. Chairman, of course, it is to challenge the common sense of the Nation by a grotesque absurdity to say that these trade agreements, being achieved and conducted as they are, have had the slightest effect in "softening the mind of the world toward peace."

The amazing effrontery is that some of the spokesmen of the administration still continue to claim that these trade agreements will aid in bringing about a peace. In other words, having failed to prevent the malady, its proponents now bring forth the utterly illogical argument that their remedy will cure the disease it has so signally failed to prevent.

Before I leave this point of world peace, Mr. Chairman, let me remind my colleagues that the conditions under which other nations live, their very geographical juxtaposition, have given them the habit of armed conflicts. That habit of war has persisted among those peoples since before the dawn of recorded history. It is not trade agreements but intelligence, enlightenment, and unselfishness—that, and nothing else—that will ever bring universal peace among the nations of the world, if it should be achieved.

Now, with regard to the second point, the promised increase in the foreign markets for our surplus farm products, I want to quote Dr. John Lee Coulter, Ph. D., LL. D., one of the greatest economic authorities in this country, who appeared before the Ways and Means Committee and subjected himself to cross-examination as long as the committee desired. He says:

The primary purpose of the trade-agreements program was stated to be to restore or recover our foreign market for farm surpluses. But the fact is that exports of farm products fell from $787,343,000 during the fiscal year 1933–34 to $682,962,000 during the fiscal year 1938–39—a decrease of over $104,000,000, although farm prices increased from an index of 70 to an index of 95 (1909–14=100). In other words, at the increase in price, farm exports should have been $1,069,560,000 by 1938–39, merely to hold its own. So there was an actual decrease in quantity of exports of farm products of 36 percent from 1933–34 to 1938–39, during the full 5-year period of trade agreements from June 1934 to June 1939.

Now, Mr. Chairman, if this is not enough thoroughly to establish before this body the utter failure of the administration's trade agreements to increase farm exports and to benefit the American farmer, let me point out that although this administration has taxed the American people more than four billions of dollars in an attempt to give the farmer parity price for his product it wants to persist for 3 years more in this trade-agreement policy that is diametrically opposed to the policy of its own Agricultural Department.

Does anyone challenge this statement? Let me introduce at this point, Mr. Chairman, a letter which I wrote to the Secretary of Agriculture on January 9, last, in which I stated:

JANUARY 9, 1940.

Hon. HENRY A. WALLACE,
Secretary of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: I should be glad to receive the following information with respect to each of the agricultural items on which the tariff rate has been reduced under the various agreements made by authority of the Reciprocal Trade Agreements Act of 1934 and 1937:

(a) The parity price of the commodity at the time the trade agreement reducing the tariff thereon became effective.

(b) The average domestic market price at that time.

(c) The parity price of the commodity in question as of August 31, 1939.

(d) The average domestic market price thereof as of August 31, 1939.

The foregoing information is desired in connection with the forthcoming hearings on the extension of the Trade Agreements Act, so I should appreciate receiving it at the very earliest possible. As the information on some of the items may require more time for compilation than others, I suggest that the data immediately available be sent to me without delay and the remainder as soon as practicable.

Yours very truly,

ROY O. WOODRUFF.

You will notice, Mr. Chairman, that I asked for the parity price of the commodities in question as of August 31, 1939, and for the average domestic market price thereof as of the same date, because I did not want the figures complicated and befogged and befuddled by other figures applicable to an artificial war condition.

I now, Mr. Chairman, ask unanimous consent to insert at this point in my remarks the table which I received from the Secretary of Agriculture showing the prices of certain agricultural imports on which duties have been reduced by trade agreements.

Prices of certain agricultural imports on which duties have been reduced by trade agreements

Commodity	Date reduction became effective [1]	Parity price		Average price received by United States farmers	
		As of date reduction became effective [2]	As of Aug. 15, 1939 [3]	As of date reduction became effective [2]	As of Aug. 15, 1939
Cattle (per 100 pounds)	Jan. 1, 1939	$6.56	$6.51	$6.68	$6.50
Hogs (per 100 pounds)	do	9.10	9.02	6.96	5.47
Chickens (per pound)	do	.144	.142	.140	.130
Eggs (per dozen)	do	.294	.251	.188	.175
Barley (per bushel)	do	.780	.774	.380	.345
Buckwheat (per bushel)	do	.920	.912	.537	.548
Oats (per bushel)	do	.503	.499	.263	.254
Rye (per bushel)	do	.907	.900	.347	.342
Hay (per ton)	do	14.96	14.84	6.79	6.77
Potatoes	do	.854	.842	.644	.691
Apples	do	1.21	1.20	.95	.66

[1] The date of the latest agreement is given when more than one agreement is in involved (e. g., the duty on hay was fixed at $3 per ton in the agreement with Canada which became effective Jan. 1, 1936, and at $2.50 per ton in the agreement which became effective Jan. 1, 1939. The latter date is used in the table).

[2] Prices given are as of the 15th of the month in which the tariff reduction became effective.

[3] Subject to revision.

You will note that in the first column is shown the commodity—and the Agricultural Department made its own selection of the commodities shown therein. The second column shows the date the tariff reductions became effective. The third column shows the parity price as of the date the reduction in tariffs became effective. The fourth column shows the parity price as of August 15, 1939. The fifth column shows the average price received by United States farmers as of the date of the reduction of the tariff, and the sixth column shows the average price received by United States farmers as of August 15, 1939.

Now, keep in mind, Mr. Chairman, that this table was prepared by the Department of Agriculture. If you want to see figures which incontrovertibly show the futility, so far as help to the farmers of America is concerned, of the trade-agreements policy as at present administered, note the fact that domestic prices when the tariff on the products became effective were, in most instances, a mere fraction of parity as of that date.

Read those figures and weep.

I think I have proved to the satisfaction of any fair-minded person that the second objective, namely, increasing agricultural exports, promised by the proponents of this bill in the beginning and again 3 years later, simply has not been achieved.

Now, Mr. Chairman, I come to the question of discrimination against our foreign commerce.

It does not require a State Department protocol expert or an administration economist to tell us that if neighbors living side by side, and endeavoring to establish community good will, were busy discriminating against each other and injuring each other in their everyday associations, there would not be a vestige of community good will possible.

It requires no experts of the State Department to tell us that so long as trade is the chief object and activity of other nations, and that so long as those nations are discriminating against us and against each other, there can be no vestige of world-wide good will that can be depended upon to last overnight.

Now, just in case some of you might not know just how widespread these dicriminations between nations are, I have taken the pains to investigate and to secure figures concerning these discriminations.

As you well understand, Mr. Chairman, this question of discriminations against our foreign commerce by countries with which we have negotiated trade agreements and by nonagreement nations is one of the most important factors entering into this whole discussion.

As we all know, when we sign with another nation an agreement wherein each extends to the other certain concessions and benefits, we immediately extend to every other nation in the world except Germany all the benefits or concessions we have given the nation with which we have agreed.

Now, Mr. Chairman, it may hurt your pride in your country to know that we are the only nation in the world scrupulously following this foolish policy.

Before we can examine the problem in its true perspective it is necessary to have in mind very clearly the theoretical case for the trade-agreements program.

One of the major purposes of the Trade Agreements Act passed in 1934 was to increase the volume and area of multilateral trade through the elimination of trade barriers. Under conditions of multilateral trade countries buy and sell on the basis of competitive price. Countries buy in those markets where they can obtain the best terms and the best goods, and they sell wherever they have a price advantage. Thus, to increase multilateral trade would mean increasing the share of world trade carried on without benefit of Government schemes designed to balance a country's imports against its exports, or schemes designed to gain an artificial advantage over a competitor.

The New Deal hoped to increase the area given over to multilateral trade by encouraging foreign countries to remove the various obstacles to competitive trade and to refrain from entering into additional bilateral trade agreements. The United States stood to benefit from such a program, inasmuch as our producers are highly efficient, and inasmuch as our farmers and manufacturers are ready to provide a large quantity of products desired by foreign peoples.

Now, there is nothing wrong with that idea as a theory. Theoretically we and every country in the world, were it possible to bring it about, could benefit by freeing trade from such controls as import quotas, license schemes, exchange restrictions, purchase agreements, import monopolies, and other devices which tend to encourage bilateral trade. There is no question but that we would benefit from any program which would successfully open foreign markets to our commerce and remove existing discriminations against our trade.

It is unfortunate, but nevertheless true, that the New Deal trade-agreements program has not achieved this objective. After 5 years of the operation of this act, foreign countries, including both agreement and nonagreement, are negotiating more bilateral trade agreements than previously; and since the outbreak of war this trend has gained even greater momentum. While the administration claims a slight advantage here and there as a result of its program, it has not been able to disprove my contention that foreign countries are moving faster than ever toward complete bilateral trade or barter and that American commerce is discriminated against on every hand in the markets of the world.

In fact, evidence presented during 3 weeks of hearings completely substantiated my position and, among other things, showed that countries with which we have negotiated agreements are among the worst offenders.

Only partial data are available, but such data are sufficient to show that 11 trade-agreement countries had 33 clearings agreements, 49 clearings and payments agreements, and 26 payments agreements in force as of March 1, 1939. In addition, 7 Latin American countries with which we have agreements practice some form of exchange restriction.

Thus a veritable network of exclusive agreements has grown up around the very markets in which the United States was guaranteed equal treatment. The seriousness of the situation is well summarized by a study of the Tariff Commission published in 1937. Therein it is stated:

> The increased use * * * of quota restrictions on imports, of governmental control over the distribution of foreign exchange, and of clearing and compensation agreements between various pairs of countries has tended to reduce the value of equal tariff treatment and of the most-favored-nation guaranty.

I further find that the Department of Commerce has also concerned itself with this problem. And it is about time it did, if it really wishes to protect American commercial interests. In the annual report of the Secretary of Commerce for 1939, he pointed out that obstacles to foreign intercourse became even more numerous and more complex during the past year than in preceding years. Rather belatedly he noted that various forms of exchange restrictions imposed by foreign governments have created a problem of obtaining effective payments in dollars quite apart from ordinary difficulties of securing and holding foreign markets for American products. He further observed that restrictions were not only placed upon the free conversion of foreign currencies into dollars but also the requirement that exchange allotments must be obtained before goods are passed through customs or even before goods are ordered. To quote from the Annual Report of the Secretary of Commerce:

> Imports from the United States are frequently on a different footing from shipments originating in other countries, notably in instances in which clearing and compensation agreements are in effect or in which bilateral trade results in an excess of exports from this country, and special regulations are sometimes applied to the importation of particular commodities. * * * The situation has been rendered the more confusing during recent times by political dislocations in Central Europe and Asia and by the formation of trade areas and currency blocs to which access from outside areas is completely or partially closed by the use of extraordinary control devices.

In this connection, Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point a report from the Tariff Commission, dated February 19, 1940, entitled "Commercial Agreements Signed Since January 1, 1935," and a table of 1,426 bilateral agreements entered into by nations of the world since that date.

COMMERCIAL AGREEMENTS SIGNED SINCE JANUARY 1, 1935

The tabulation attached is based on a preliminary examination of the commercial treaties and agreements signed since January 1, 1935, of all the countries of the world with all other countries. The tabulation is accurate with regard to Latin American countries, because for some months the Tariff Commission has been making an intensive examination of the texts of these agreements in connection with its Latin American study. For the other countries the list is made up from readily available sources. A careful check of the latter by the Tariff Commission both for purposes of tabulation and substantive material is now in progress.

This tabulation covers bilateral agreements; multilateral agreements are not included. In listing "commercial agreements" the following types of instruments are regularly included: Those which contain provisions affecting tariff rates, trade restrictions, customs regulations, and all types of clearing, compensation, payments, and exchange agreements. These instruments vary considerably both in their length and their formality. Those dealing with such matters as double taxation, trade-marks, navigation, commercial travelers, plant inspection, traffic agreements, and agreements for the payment of noncommercial debts have not been included.

"Basic agreements" include all agreements which do not supplement, modify, or renew other agreements. "Subsidiary agreements" cover all those which modify or supplement the basic agreements here listed and also any agreements that renew the basic agreements or agreements signed prior to January 1, 1935.

Commercial agreements signed since Jan. 1, 1935

Country	Basic agreements	Subsidiary agreements	Total
Afghanistan	2		2
Albania	3	2	5
Argentina	28	12	40
Australia	9	1	10
Austria	21	14	35
Belgium	55	35	90
Bolivia	9		9
Brazil	29	34	63
Bulgaria	28	3	31
Burma	1		1
Canada	19	9	28
Chile	31	36	67
China	2	2	4
Colombia	10	11	21

Commercial agreements signed since Jan. 1, 1935—Continued

Country	Basic agreements	Subsidiary agreements	Total
Costa Rica	8		8
Cuba	6	4	10
Czechoslovakia	34	36	70
Danzig	4		4
Denmark	26	14	40
Dominican Republic	1	2	3
Ecuador	9	13	22
Egypt	5	9	14
Estonia	25	26	51
Ethiopia	2		2
Finland	24	34	58
France	127	82	209
Syria and Lebanon	3		3
Germany	132	145	277
Slovakia	4		4
Greece	48	27	75
Guatemala	7	3	10
Haiti	10	5	15
Honduras	1		1
Hungary	35	25	60
Iceland	4	2	6
India	4	3	7
Iran	6		6
Iraq	7		7
Ireland	10	9	19
Italy	132	91	223
Japan	17	3	20
Manchukuo	3	2	5
Latvia	25	16	41
Liberia	4		4
Lithuania	27	9	36
Luxemburg	4	1	5
Mexico	3	3	6
Monaco		1	1
Muscat	1	1	2
Netherlands	59	27	86
New Zealand	3	2	5
Nicaragua	2	2	4
Norway	41	12	53
Panama	1		1
Paraguay	5		5
Peru	5	5	10
Poland	57	50	107
Portugal	19	3	22
Mozambique		1	1
Rumania	62	57	119
Salvador	7	8	15
Siam	15	2	17
Spain	38	7	45
Sweden	52	16	68
Switzerland	44	36	80
Turkey	73	51	124
Union of South Africa	22	16	38
Union of Soviet Socialist Republics	35	13	48
United Kingdom	67	57	124
Bechuanaland	2		2
Newfoundland	1		1
Northern Rhodesia		1	1
Palestine	2		2
Southern Rhodesia	3	2	5
United States	36	14	50
Uruguay	25	1	26
Venezuela	11	17	28
Yemen	2	1	3
Yugoslavia	32	20	52
79 countries (including 9 colonies or dependencies)	858	573	1,426

NOTE.—Because each bilateral agreement involves 2 countries and in order to avoid counting any such agreement twice, the above totals are one-half the figures that would be obtained by adding the individual country figures. Thus, in terms of the world, the 79 countries as listed have, as the result of negotiations since the beginning of 1935, undertaken commercial commitments with respect to tariffs and trade representing 2,852 engagements by individual countries, equivalent to 1,426 bilateral agreements.

Mr. Chairman, I do not mean to infer that all of these bilateral agreements discriminate against the commerce of the United States. I do say, however, that in a great, great many instances they do, in that benefits accruing to the two agreeing nations are not extended to the United States nor are existing barriers to our commerce removed.

Inasmuch as we discriminate against no nation, and that we extend to every nation in the world except Germany every benefit granted to any trade-agreement nation, the condition outlined above is to be deplored, for it postpones the day when we can hope to regain markets that are so sorely needed if the American farmer and laborer are to prosper. As every farmer in this country knows, the major thing lacking in 1932 was finding increased outlets for surplus American farm products and regain, in part at least, our place in world agricultural trade, a place that we had largely lost as a result of Europe's movement toward self-sufficiency and totalitarianism. But the situation grows progressively worse. Farm exports totaled $683,000,000 during the fiscal year 1939 compared with $752,000,000 in 1932, or a drop of 10 percent in the total value of our farm exports. In terms of volume, farm exports declined 35 percent between 1932 and 1939. Cotton exports dropped 50 percent, wheat exports 15 percent, cured-pork products 22 percent, and lard exports 56 percent. These, it might be noted, are the very same farm products, markets for which were promised the farmers by the advocates of the New Deal trade-agreements program from its very inception.

I pointed out above that the major reason for the failure of the New Deal trade-agreements program lies within the New Deal itself. It negotiates treaties in an atmosphere of sweetness, wishful thinking, and foolish disregard of the immediate and crying need of our own people. It assumes that foreign nations are looking to our interest before protecting their own interest. It, in fact, holds out the hand of brotherly love, at the same time permitting foreign nations to discriminate against our trade while holding in our hands unused the power with which to end this discrimination. By the act itself the President is authorized to withhold from all nations discriminating against our commerce every benefit or concession granted to other nations in these agreements. In only one instance has he done this. I contend that is no way to secure respect for our commerce or to increase our trade.

Trade is competitive, and I know of no merchant on any of the main streets in this country who attempts to increase his volume of trade by encouraging his competitors to gain and keep an unfair advantage.

Now, Mr. Chairman, let me remind you that the bilateral agreements set forth in the table which I mentioned above are only those which have been entered into between countries of the world since January 1, 1935. They do not include bilateral agreements in existence prior to that date.

During the hearings before the Ways and Means Committee on this resolution, I took occasion very carefully to develop this question of discriminations with Dr. Coulter. I had previously gone into the matter—with no success—with both Secretary Hull himself and his assistant, Mr. Grady, seeking in vain to secure from them the name of a single country in the entire world that did not in some degree discriminate against the commerce of the United States.

Failing in this effort to extract information from the Secretary of State and the Assistant Secretary of State, Mr. Grady, I turned with better success to Dr. Coulter, and I wish to insert at this point in my remarks some of the interrogations and the answers appearing in the record concerning these discriminations:

Mr. WOODRUFF of Michigan. Dr. Coulter, you mentioned or used the word "discrimination" a moment ago.

Dr. COULTER. Yes.

Mr. WOODRUFF of Michigan. That prompts this question: How extensive do you believe discrimination against our trade exists in the world today?

Dr. COULTER. It has become formidable.

A statement was made a few evenings ago by one of the best-informed tariff men in the city that at the present time about one-third of the world's trade is under the direct control of barters and bilateral agreements, and other discriminatory controls.

Another one-third—almost exactly, he had the figures—was under the control of the empire systems in the form of preferential treatment, like Britain and her colonies and possessions, and Canada at Ottawa, the Runciman-Roca agreement with Argentina, and so forth.

So we now have two-thirds, in his judgment, leaving not over a third of the trade what you might call free flow, subject only to tariff rates.

Now I have not figured that out but that was used in the discussion, I might say, among four of us, one a former member of the Tariff Commission, who became Minister to Rumania, and Chile, and who has written a book or two; Mr. Brenckman and myself when we discussed these subjects at the Y. M. C. A. covering all phases of the tariff problem. That is when the statement was made.

So, in effect, according to that statement, one-third would seem to be either under the control of barter systems, bilateral agreements, licenses, permits blocking the exchange, and about one-third of

which was under a preferential system, largely imperial, but including France with her colonies; the Dutch with their colonies; and Belgium with her colonies, and so on.

Mr. WOODRUFF of Michigan. Doctor, I was, I am frank to say, rather startled that neither the Secretary of State, Mr. Hull, nor his assistant, Mr. Grady, could give me the name of a single nation, either trade-agreement nation or non-trade-agreement nation, that did not in some degree discriminate against our commerce.

Dr. COULTER. That is an old subject and you will recall this committee approved, in the act of 1930, section 338 (i)—I do not have the act before me, but I am sure it was section 338 (i) which defined foreign discrimination as a basis for action by the President in case the discrimination were deemed to be injurious to the foreign trade of this country.

And that section, 338 (i), set forth specifically that it is discrimination, even where an independent dominion or colony which has jurisdiction over its own trade, gives a preference to the mother country.

That proviso is, I think, being administered because it says that the President may take such steps as he may deem desirable in case of discrimination deemed to be injurious to our foreign trade.

In other words, the law defines the discrimination outright, but the law does not require the President to penalize by embargo on their goods, or entering under a bond, or withdrawal of the most-favored-nation treatment, or the imposition of penalty.

In this case the President could penalize, but the law, while it defines the discrimination does not require a penalty, and leaves it within the discretion of the President. In other words, the President is given the authority to require bond, impose a penalty where he finds discrimination.

But it would be difficult to know just what to do, and President Hoover met the same problem on several occasions and was in doubt as to what should be done.

In some cases, I may say to the committee that has acted——

Mr. WOODRUFF (interposing). Doctor, so far as you have been able to discover, the only instance where this country has exercised the power given to the President has been, according to the Secretary of State, or his assistant, Mr. Grady, in the case of Australia?

Dr. COULTER. Yes.

Mr. WOODRUFF. And, as I said a moment ago, it was startling to me to learn that neither of these gentlemen could disclose to me the name of a single nation that has not been discriminating against the commerce of the United States to some degree.

Do you not think, Doctor, that we might perhaps derive more benefits from this program and that other countries would have a much greater respect for us if we insisted upon our rights in these interchanges of benefits, inasmuch as we extend them to the whole world?

Dr. COULTER. The law as it stands now—that is, this particular act that we are discussing here—calls for securing concessions from other countries equivalent to those we grant.

Mr. WOODRUFF. The record as made in these hearings does not disclose that that feature of the law, or that spirit of the law, has been observed.

Dr. COULTER. I think we have gotten very little in the way of foreign concessions that they have not, in turn, immediately canceled out by some quota scheme or some exchange control, or some barter.

Now, Mr. Chairman, there is no such thing as a one-way good-neighbor policy. Any individual or any nation foolish enough to attempt to carry on such a policy—who attempts to exercise trust and generosity toward another who does not practice the same trust and generosity, and who does not intend to do so—will eventually and inevitably find himself minus his possessions or his markets, as the case may be. To argue otherwise is to defy all logic known to human philosophy.

Unless there is an about-face in the administration of the act, unless the President exercises the authority given him to protect American producers by compelling reciprocal treatment from other nations, or unless this act is allowed to lapse and these trade agreements are discontinued, then the regaining of these markets will not be postponed—the markets will be perpetually lost to us.

Now, Mr. Chairman, it is difficult for me to understand how any man can reconcile in his mind the futile sacrifices we have made during and since the first World War, and during the last 5½ years under this act, with the welfare of this country. It is difficult for me to understand how any fair-minded person could even ask that we continue to lay upon the altar of peace and good will more and more of our own people's welfare and security in the face of the plain and overwhelming evidence that we are not "softening the mind of the world," and the attitude of other nations toward peace, or even toward a good-neighbor policy with this Nation.

We might just as well now face the fact that world policy among the other nations is every nation for itself and "the devil take the hindermost."

It serves no good purpose for us to blind ourselves with platitudes and sentimental phrases. The Golden Rule, whether between nations or individuals, must work two ways. A good-neighbor policy, to be a good-neighbor policy, whether between nations or individuals, must work both ways. A reciprocity policy, to be a reciprocity policy, involves the inescapable correlative act of reciprocity on both sides, not merely on one side.

In view of these irrefutable facts, Mr. Chairman, I do not see how this body can do other than to vote down this resolution to extend this pseudo Reciprocal Trade Agreements Act for another 3 years, and I sincerely hope it will do exactly that. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BUCK. Mr. Chairman, I yield to the gentleman from Nevada [Mr. SCRUGHAM] such time as he may desire.

Mr. SCRUGHAM. Mr. Chairman, the so-called reciprocal trade agreements, in my opinion, constitute, in most cases, a flagrant example of giving away material trade advantages with no adequate compensatory return.

The ill effects of such policies can only be prevented by an immediate return of the United States to the traditional American policy of extending conditional most-favored-nation treatment only on a bilateral basis. These so-called reciprocal trade agreements were commenced by the Harding administration in 1922, and can be definitely laid on the Republican doorstep. It was their administration which first abandoned the conditional principle which had been in effect for more than a hundred years as the guiding foreign-trade policy of the United States. They first adopted the internationalist doctrine of the unconditional most-favored-nation policy. The fact is that the application of the unconditional most-favored-nation policy means a general reduction of tariffs by us, but not by other nations.

I do not consider that this is an appropriate policy for the United States at a time when 10,000,000 or more men are unemployed, and when we are confronted with the keenest and most ruthless foreign competition in the history of the country. In a time of rapidly changing price and wage levels in different countries and violent fluctuations of currency values, we must be in a position to protect ourselves. Aside from the departure from the principles of democracy involved in the measure, the element of damage to an established industry from the adoption of certain trade agreements has been insufficiently considered. I propose to introduce an amendment to the pending bill in an effort to protect such situations. It will read as follows:

If at any time an established domestic industry as a whole shall be damaged as a result of the inclusion of its product in a reciprocal-trade agreement, the President shall institute negotiations with the signatory country seeking to withdraw or sufficiently modify the concession made upon that product to remedy the damage inflicted upon said established domestic industry.

Damage to an industry under this section shall be determined by the Court of Claims of the United States upon complaint of any representative of an industry directed against the United States and setting forth the nature and extent of such damage. A copy of such complaint shall be served upon the Attorney General of the United States, and such service and proceedings in the Court of Claims hereunder shall be given priority and shall be under such rules as the Court of Claims may adopt.

During the past several years the United States has come to occupy an increasingly unfavorable position in world trade, owing to the attitude taken by other nations in the form of prohibitive tariffs, quotas, exchange controls, special agreements, the benefits of which do not extend to the United States.

If we are to compete in a situation like this we must retain the maximum freedom of action and bargaining power. The record of the past indicates that under the unconditional most-favored-nation principle our bargaining power is usually diminished with each trade agreement concluded, inas-

much as the concessions granted under them to one nation are extended gratis to all other nations without requiring concessions of corresponding value in return.

In my opinion, the Cuban agreement is an excellent example of a real reciprocal agreement. It differs profoundly from the other agreements being negotiated in that its benefits are confined to the United States and Cuba, which I think accounts for its success. The other agreements ignore entirely the principle of real reciprocity and in effect constitute little more than a general reduction in our tariffs.

The greatest objection to the measure as it now stands is that it permits the Congress to be shorn of part of its constitutional powers. It was apparently the intent of the framers of the original authorization to retain congressional authority over excise taxes, notably on coal, oil, lumber, and copper. In spite of the ambiguous language contained in the law—Public, No. 316, Seventy-third Congress, section 350 (a) (2)—I am of the opinion that it contains only authority to proclaim continuance of excise taxes, and does not permit reductions.

Most of the objections to the measure can be met by requiring the confirmation of all trade treaties by the Senate of the United States.

In conclusion I desire to place in the RECORD three telegrams just received by me which relate to the subject under discussion.

RENO, NEV., *February 20, 1940.*

JAMES G. SCRUGHAM,
House Office Building, Washington, D. C.:

Farm Bureau generally opposed to trade agreements. Object to favored-nation clause and believe all treaties should be subject to ratification by Senate.

FLORENCE BOVETT,
Nevada State Farm Bureau.

DEETH, NEV., *February 20, 1940.*

J. G. SCRUGHAM, M. C.,
House Office Building:

Nevada stockmen definitely opposed present method consummating trade agreement. Annual meeting passed strong resolution insisting Senate ratification, all trade agreements.

WILLIAM B. WRIGHT.

RENO, NEV., *February 21, 1940.*

Hon. JAMES G. SCRUGHAM,
House of Representatives:

This organization has been opposed to reciprocal-trade agreements and has protested proposed reduction of tariffs on various metals under such agreements. However, if future treaties are subject to Senate ratification, we believe that safeguard will be sufficient to protect interests of mining industry.

HENRY M. RIVES,
Nevada Mine Operators Association.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I favor and shall vote for this resolution, which extends for 3 years from June 12, 1940, the present law authorizing the President to enter into foreign trade agreements with other countries.

The original act granting this authority became the law on June 12, 1934, and was for a period of 3 years, and on June 12, 1937, it was extended for an additional period of 3 years, and will expire on June 12 of this year unless further extended.

The necessity for this legislation was occasioned by disruptive trade restrictions created by the tariff law in this and other countries. So long as this country only passed tariff laws and placed high barriers with reference to the imports of commodities into this country, and other countries had no such laws, these trade barriers could be removed by reduction of our own tariff walls, but other countries, following our example, have also created high tariff walls, and it now serves no useful purpose to reduce our tariffs unless the tariffs of other countries can be likewise reduced.

The present administration, under the able direction of the Secretary of State, Hon. Cordell Hull, evolved this plan of the so-called trade agreements, whereby the President could reduce our tariffs with other countries which would enter into an agreement whereby they would reduce theirs. This plan was originated by Secretary Hull, who has given this subject much thought, and the result of the trade agreements entered into thereunder has been advantageous to our country by expanding our foreign trade.

The Hawley-Smoot tariff bill, which became a law in June 1930 and which raised the tariff rates higher than they had ever been in history, was most disastrous to our foreign trade and was a great handicap in preventing our recovery from the depression. It was passed under the Republican administration, while Herbert Hoover was President, and economists and others who are not actuated by partisan politics all agree that it was one of the greatest mistakes our country ever made in the passage of economic legislation.

As was so well pointed out by the gentleman from North Carolina [Mr. DOUGHTON], the chairman of the Ways and Means Committee, in his speech upon this bill, the passage of the Hawley-Smoot tariff bill immediately resulted in a disastrous fall of prices of all commodities, and especially agricultural prices.

The depression had already begun several months prior thereto, and the Republicans, believing that high tariff was the only antidote for a depression, passed this iniquitous bill, which I voted against and which the Democratic Party vigorously opposed.

I well remember that day in June 1930, when this bill—Hawley-Smoot tariff bill—was passed, and the gentleman from New York [Mr. CROWTHER], an ardent Republican and a devout believer in high tariffs, and who is now fighting this trade-agreement bill, made the closing argument in favor of the tariff bill. I quote from the CONGRESSIONAL RECORD the last paragraph of his speech on that occasion:

> Mr. Speaker and gentlemen of the House, once this bill becomes a law business confidence will be immediately restored. We shall gradually work out of the temporary slump we have been in for the last few months, and once more prosperity will reign supreme. Foreign reprisals will vanish into thin air, and we shall continue to raise the standard of American labor and American wages. We shall dissipate the dark clouds of your gloomy prophecy with the sunshine of a continuing prosperity. [Applause, the Members rising.]

While I am sure that the gentleman from New York was sincere in his statements, and believed what he said was true, his prophesy was not fulfilled. On the day the bill passed, all grain prices fell to new low levels for the season. Wheat went to the lowest price in a year, and oats the lowest in 8 years, and rye the lowest in 30 years, and the price of cotton declined to the lowest level in more than 3 years, and all stocks dropped to even lower levels than in the November crash. The volume of our foreign trade shrank to its lowest level, and it was not until the Roosevelt administration came in, in 1933, that any semblance of recovery took place.

Illustrative of the decline in our foreign trade, let me remind you that the total exports of the United States fell from $5,241,000,000 in 1929 to $1,675,000,000 in 1933, while the imports fell from $4,399,000,000 in 1929, to $1,449,000,000 in 1933.

Under the Trade Agreements Act of 1934, so well administered by President Roosevelt and Secretary Hull, the results in expanding our foreign trade are shown by statistics. Total exports of the United States increased from $2,208,000,000 in 1934 and 1935, average, to $3,136,000,000 in 1938 and 1939, average, or an increase of 42 percent, while the general imports increased from $1,851,000,000 in 1934 and 1935, average, to $2,139,000,000 in 1938 and 1939, average, or an increase of 16 percent.

That the trade agreements have been largely responsible for this increase in foreign trade is proven by the fact that the increase in exports to countries with which trade agreements have been made are far greater than those countries with which trade agreements have not been entered into.

Twenty-two trade agreements have now been made with foreign countries, 20 of them are now in effect, and the 1939 figures show an increase of 60.5 percent in exports to trade-agreement countries, and of only 29.6 percent to nonagreement countries. In other words, the volume of exports to countries with which we have trade agreements has been

nearly twice as great as the increase to countries with which no trade agreements have been had.

Our foreign trade is essential to our domestic prosperity, and as long as the high tariff walls separated the countries of the earth the volume of trade between countries thereby restricted shrank to low levels. As was so well said by Secretary Hull, in his statement before the Ways and Means Committee:

The drastic decline of international trade, in both volume and value, caused the great depression to spread in extent and intensity, with results in terms of widespread human suffering and sacrifice that none of us can forget.

He also uttered a truism when he said that "the domestic prosperity of every country is tied in with the condition of its foreign trade," and supplemented it with this further statement:

A collapse of foreign markets inevitably brings with it disorganization and disruption of the domestic economy, as we discovered to our sorrow in the period following the enactment of the Hawley-Smoot tariff. In this country the ill effects of the collapse of export outlets for the great surplus-producing branches of both agriculture and industry rapidly permeated all branches of our economic life. Even those very industries which thought they were saving themselves by means of embargo tariffs soon discovered that instead they merely helped to ruin their own markets right here in the United States.

As I have heretofore stated, our foreign sales fell from five and two-tenths billion dollars in 1929 to one and six-tenths billions in 1932, and this trade could only be restored through reduction of the excessive tariff barriers here and abroad; and under the Trade Agreements Act, which empowered the President to proclaim modifications of tariff rates, through negotiation with other countries that would reduce their tariff rates, Congress defined the policy, the methods, and the limitations of the reciprocal-trade agreements, and entrusted to the President the duty and responsibility of administering and carrying into effect the provisions of the Trade Agreements Act.

The fact that our exports to all foreign countries increased by a billion dollars, or 46 percent, is obvious that the effect has been most beneficial. While several factors may have entered into this increase, it is evident that the trade agreements were largely responsible, since the increase, as I have heretofore shown, of our exports to trade-agreement countries rose over 60 percent, while our exports to nonagreement countries increased by only 38 percent.

Furthermore, the effectiveness of the trade agreements is revealed, in that the countries with which we have concluded trade agreements have increased their purchase of American products more than they have increased their purchase of the products of other countries. As pointed out by Secretary Hull, in the year 1936–38, the period of the operation of our first trade agreement with Canada, that country's imports from the United States were 42 percent greater than in 1934–35, while Canada's imports from other countries than the United States during the same period increased by only 22 percent.

Further substantiating the claim of Secretary Hull that the trade agreements have been beneficial in expanding our foreign trade, I quote from a statement prepared not by any Government official, or any defender of the administration, but from a pamphlet issued by the foreign commerce department of the Chamber of Commerce of the United States, which certainly cannot be charged with being partial to the New Deal, and which statement is nonpartisan and nonpolitical. This pamphlet was issued January 20, 1940, from which I quote:

Our export trade in 1938 with countries with which we at that time had trade agreements increased 68 percent over the 1931–35 average. Our export trade with nonagreement countries increased 45 percent. Our import trade with agreement countries, in the same comparison, increased 21 percent; our import trade with nonagreement countries increased 10 percent.

Roger Babson, the eminent statistician and political economist, and who is not a politician and who has never been charged with being a Democrat or a defender of the New Deal, in a statement made a few days ago in the public press, commended in the highest terms the trade agreements and said that it was the one outstanding achievement of the Roosevelt administration, which should have the support of all.

TRADE AGREEMENTS HELPFUL TO AGRICULTURE

The Republicans and those opposing the trade agreements have sought to mislead the farmers by claiming that the effect of the trade agreements has been harmful to agriculture, but the facts will not sustain this charge. A great deal of propaganda has been carried on by the high-tariff advocates and the enemies of the administration and opponents of the trade-agreement policy, appealing to the farmers that the trade agreements have been hurtful to them, much of which has distorted the facts and has been confusing and misleading.

Some weeks ago I had a letter from one of these organizations giving figures as to the increase in the first 9 months of 1939, compared with the first 9 months of 1938, indicating an increase of agricultural imports in the United States and a decrease of agricultural exports from the United States. I submitted this letter to Hon. Henry F. Grady, Assistant Secretary of State, former Vice Chairman of the United States Tariff Commission, and who is thoroughly conversant and familiar with the trade agreements and their effects, and I quote from Dr. Grady's letter to me in reply to these charges:

With reference to agricultural imports in the first 9 months of 1939, well over half of the total was accounted for by products such as crude rubber, coffee, cocoa, tea, and raw silk that are not even produced in this country. About one-fourth of the remainder was accounted for by sugar, domestic production and imports of which have until recently been controlled under a special act of Congress. Another large portion consisted of commodities such as wool, flax, and hides, which we do not normally produce in sufficient quantities to satisfy domestic requirements. Special grades of tobacco for blending purposes, off-season imports of fruits and vegetables, fodders and feeds, and similar products of definite value to American farmers, accounted for another large share. When all these items have been deducted, imports of agricultural products which compete directly with American products were insignificant.

It is of interest also to note that the increase in imports of agricultural products in the first 9 months of 1939 as compared with 1938 was almost entirely in the following commodities: Crude rubber, raw silk, cocoa, tea, hides and skins, flaxseed, unmanufactured wool, and wheat for milling in bond and reexport. These eight items accounted for an increase in imports of $85,740,000, while the total imports of all other agricultural products actually decreased by $2,687,000. The first four of these items, which accounted for $44,619,000 of the increase, are not produced at all in this country; the next three are not produced in sufficient quantities for our needs and are used as raw materials by our industries; and the remaining item, wheat for milling in bond and reexport, does not enter into consumption in this country and gives employment to many workers in our flour mills. The milling capacity of Canada is not adequate to produce the quantity of flour from Canadian wheat which can be sold in foreign markets, and therefore American flour mills located at strategic points carry on this profitable milling business. I might add that some of these eight items have been on the free list for years, and that in the case of none of them has any reduction in duty been made in a trade agreement.

A number of factors have tended to depress agricultural exports this year. Exports of cotton fell to a fraction of their normal value, due to decreased foreign consumption, huge world supplies, and the price-pegging effect of the loan program. Abnormal conditions likewise combined to depress the value of exports of corn, wheat, tobacco, and other products below their 1938 levels.

Secretary Hull, in his speech before the American Farm Bureau Federation at Chicago last December, and also in his statement before the Ways and Means Committee, in the hearings on this bill, shattered by irrefutable facts and figures the charge that agriculture had been hurt by the trade agreements, but showed conclusively to the contrary that agriculture and the farmers of America had been materially benefited thereby. He pointed out that after 2½ years of Hawley-Smoot tariff embargoes farm-cash income had fallen to four and six-tenths billion dollars and that after 4 years of trade-agreement policy, it had risen to seven and five-tenths billions, excluding benefit payments. He asked if the farmers were hurt by this three billion increase in farm income.

He said the most reckless claims of injury had been made regarding the dairy and cattle industries, but cited the fact that the income of the dairy industry—which had declined under tariff embargoes from $1,844,000,000 in 1929 to $991,000,000 in 1932—rose under our trade program to $1,398,000,000 in 1938, and asked if this indicated injury.

As to the cattle industry, which under tariff embargoes, fell from $1,495,000,000 in 1929 to $620,000,000 in 1932, rose, under our trade program, to $1,144,000,000 in 1938, and asked if this increase in income of the cattle industry indicated either ruin or injury.

As to the volume of dairy importations, he stated that in the period of our heaviest dairy importations, back in 1924–29, imports of dairy products never exceeded 1½ percent of our domestic production, while in 1938, under the trade-agreement program, the imports of dairy products were only one-half of 1 percent. Instead of increasing the importation of dairy products, the facts show that dairy importations are three times less under the Trade Agreements Act than before.

As to cattle importations, he said that the cattleman has today, as he has always had, 95 to 98 percent of the home market.

With the wonderful record that has been achieved under the trade-agreement program, it would be tragic to even think of not continuing this program for another 3 years, and I do not believe that any thoughtful person, who will weigh this question in a calm, dispassionate, and unbiased way can fail to vote for the continuance of this program, which is vitally needed in the restoration of the economic recovery of our great country. [Applause.]

Mr. BUCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, the citizens of Georgia know full well that there can be no lasting and soundly based prosperity for one region or one economic group of Americans unless other regions and other groups share equitably in that prosperity. That truth holds good with regard to world conditions as well as to conditions in the United States. It impresses itself with particular force upon a State whose principal products, such as cotton, must in large part be sold abroad.

It needs no labored quoting of statistics to prove that when industry is vigorous in this country and abroad, when business in good, when manufacturing is proceeding at a high level, there is a better market for cotton and a better market for other products from the farms of Georgia.

When business and industry in this country and abroad are stagnated, when manufacturing is halted, when pay rolls are cut down and workers lose their jobs, Georgia cotton and other Georgia products find no markets, or only markets at ruinously low prices.

We saw this happen after 1930, when the United States joined the parade—and well toward the head of the line—of nations that were moving to throttle world trade, to become self-sufficient, to bar out of their markets every possible commodity from other countries.

In the 3-year period from 1930 through 1932 the sales of cotton from Georgia farms dropped from 1,500,000 bales to 948,000 bales. The average farm price of cotton in the State dropped from 10½ cents to 6 cents a pound, and the cash farm income from cotton fell from more than $80,000,000 in 1930 to less than $29,000,000 in 1932.

Because half or more than half of the American cotton crop must of necessity be sold in foreign markets, the morass into which international trade had fallen was disastrous for cotton growers in Georgia and the rest of the Cotton Belt. But the effects of the stoppage of world trade extended to the demand for cotton in the United States. Not only the foreign market but the domestic market was suffering. United States mill consumption of cotton in the cotton-marketing year beginning August 1, 1929, was over 6,000,000 bales; in the year beginning August 1, 1931, it was well under 5,000,000 bales.

The same thing happened to tobacco, to forest products, to naval stores, and to the other things that Georgia offers for sale in the markets of the United States and of the world.

Between 1929 and 1933 the total exports of the United States declined from five and one-fourth billion dollars to a little more than one and two-thirds billion dollars. Total exports reported as originating in Georgia fell from $71,000,000 in 1929 to $23,000,000 in 1932. The total accountable income of Georgia fell from $952,000,000 in 1929 to $557,000,000 in 1932. Cash farm income of the State declined from $231,000,000 to $66,000,000 in the same period.

Any measure which effectively promotes the general flow of trade, which provides markets for the products of farms and factories, which provides customers in this country or abroad with the power to buy these products, is to the advantage of Georgia. The reciprocal trade agreements program of the United States, based upon the Trade Agreements Act of 1934, is such a measure.

Under this program agreements with 21 foreign countries have been signed, and their effect has been to increase the flow of commerce between this country and the others that joined in the program. United States exports of merchandise in 1939 totaled well over $3,000,000,000, practically double the 1932 figure. Exports to trade-agreement countries have increased more rapidly than exports to nonagreement countries. Our import trade with agreement countries has been supported better than our imports from nonagreement countries.

Nobody claims that the trade agreements have been the only factors stimulating that trade, but the statistical evidence is not mere coincidence.

Through these trade agreements concessions from foreign countries have been obtained to improve, directly, the foreign-market opportunities for Georgia products. There have been tariff and other concessions on raw cotton, cotton manufactures, tobacco, naval stores, lumber and wood products, and meat products. All the concessions on raw cotton were guaranties, on the part of foreign customers, that they would not impose duties on American cotton. As a matter of fact, few foreign countries had imposed such duties.

Cotton and cotton manufactures, tobacco, naval stores, lumber and wood products, and meat products are examples of important Georgia products for which expanded and more stable foreign markets have been obtained in trade agreements.

Both the growers of cotton—Georgia's most important crop—and the cotton-textile factory owners, workers, and exporters benefit directly from the concession obtained in trade agreements on raw cotton and cotton manufactures. Six countries reduced their duties, and three countries gave assurances that their duties on cotton textiles or manufactures would not be increased. In addition, one country increased the quota, and one assured the quota on cotton manufactures. On raw cotton, five countries, including the United Kingdom, normally the most important market for American raw cotton, gave assurances that the present duty-free treatment would not be changed, and two countries bound the present duty against increase.

Georgia produces more turpentine and rosin than any other State. Nine trade agreements have contained provisions that benefit the foreign markets for these products. Twelve agreements contain concessions on softwood lumber and timber and wooden manufactures that are produced in Georgia.

But Georgia has a stake in the continuance of the trade-agreements program that goes far beyond the foreign concessions which have been obtained for Georgia's products. That program represents a sustained and permanent effort on the part of the United States Government to enlarge the whole scope of foreign trade, to provide buying power among foreign customers and domestic customers for Georgia cotton and other products. That effort has encountered tremendous difficulties, but there can be no doubt that its effect has been toward supporting and maintaining the markets for Georgia cotton and other products. Notwithstanding wars and preparations for war abroad, political unrest, fluctuating levels of industrial and business activity in this and in other countries, the trade-agreements program has been promoting the interest of a more vigorous foreign trade.

The National Cotton Council of America is in favor of the continuance of the reciprocal trade agreements program upon the theory that it is our greatest immediate hope for solving cotton's all-important foreign-trade problem, and that through the instrumentality of reciprocal-trade agreements it is possible to develop and maintain export markets for our

surplus cotton and cottonseed products without serious domestic economic disturbance.

Georgia and the Cotton Belt recognize, perhaps more clearly than some other parts of the United States, that world trade is a two-way affair; that the United States cannot export its products unless it takes in exchange the products of other countries. Georgia has long known what it meant to sell its agricultural products either at home or abroad on an "open" market at the buyer's price and to buy what it needs in a tariff-protected market at prices fortified behind tariff walls. The whole agricultural South has long suffered from the disparity between farm prices and the prices of manufactured products.

Under the trade-agreements program the United States has carefully, scientifically, and safely reduced the height of some of those tariff walls. The result has been that the prices farmers receive for their products and the prices they must pay for the things they need in operating their farms and in looking after the welfare of their families are closer together than they were when the program was inaugurated.

For the United States as a whole, the ratio of prices farmers receive to the prices they pay was 61 to 100 in 1932 after 3 years of extreme high-tariff policy under the Hawley-Smoot Tariff Act. In 1939 that ratio had risen to 77. In 1939 the cash income of Georgia farmers from the marketing of their products was $125,750,000, as compared to the sixty-six million in 1932. The index of prices received by American farmers for cotton and cottonseed was 73 percent of the pre-war level, as compared with 47 percent in 1932. The index of prices received by American farmers for all farm products was 93 percent of the pre-war level, as compared with 65 percent in 1932.

The trade-agreements program has been an effective factor contributing to the improvements in world trade and in domestic business, which, in turn, have helped to bring about these increases in prices and incomes to Georgia farmers. Not only have the agreements benefited American producers whose goods have been sold abroad but they have improved domestic markets. Any American who has a job producing or handling goods for export thereby becomes a better customer in the domestic market for the products of other Americans. The agreements, furthermore, have helped to increase the supplies of foreign goods needed and wanted by American consumers.

To abandon the trade-agreements program now would be to lay down the only useful and efficient tool we have for dealing scientifically and realistically with the international commercial problems of a war-torn world and for rebuilding when peace comes a world economy that will permit men and groups and nations to exchange their products to their mutual advantage. [Applause.]

Mr. BUCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, a certain amount of the products which come from the resources of the earth are necessary to normal modern life, and nations, like men, thrive better and are more peaceable when they have a fair share of these resources. It is far better for all concerned if these resources are readily available through the peaceful channels of trade, instead of being the prize of the lottery of war. No people, or no nation, will willingly or knowingly submit to economic slavery, whether imposed by the fortunes of war, the dickerings of peace, or the whim of geographical location. The standard of living of a people is a factor too vital to be overlooked in modern life. People, today, will not be content with a mere existence. The demand for comforts, conveniences, and even luxuries, is imperative and cannot be disregarded.

From the dawn of history down to the beginning of the twentieth century, wars were fought mainly for the control of the natural resources of the earth, or for tangible wealth. Hunting or fishing grounds, pasture lands, rich agricultural lands, undeveloped raw materials, gold, silver, jewels, slaves, or any kind of easily transportable personal property, were the designs of conquest. Insufficient transportation and the scarcity of labor made the satisfactory distribution of many essential commodities impossible, therefore, ownership was essential if a nation were to progress.

With the coming of modern transportation and the machine age, raw materials became equally available to all nations in the markets of the world, at a world price. Unless a nation was determined to sell the finished product in the markets of the world at a price so low that there remained not enough profit to pay a fair price for raw material, the necessity for possession of sources of raw material vanished. The primary cause of warfare vanished, but at once another took its place.

The universal availability of raw materials, the development of modern agriculture and storage facilities, and the machine age, brought about mass production with its resulting surplus. Mass production called for mass consumption, which called for more markets and a more unrestricted stream of trade. Mass production, being mechanical, was easily understood; but mass distribution, being of a more theoretical nature, was not so easily understood. The surplus, which for centuries had been a blessing, became a detriment. The same system of economy, which had operated successfully when the surplus was desirable, now failed miserably when conditions were reversed. When we look back upon the situation, we can very easily see why this is so. The lack of facilities for distribution has been the cause of many disastrous famines in China. We, in the Occident, have criticized the Chinese for generations because they have not solved this problem: yet have time and again deliberately China-ized the entire world in that respect by tariff barriers. If nations are denied access to markets, as they were once denied access to raw materials, the seeds of warfare, more devastating than the world has ever known will have been sown. Wars will be fought for the purpose of monopolizing the consuming ability of nations. In fact at least one such war is now in progress.

Ex-President Herbert Hoover said: "International trade is the lifeblood of civilization." So it is. It is the factor which raised mankind from the stage of savagery to the heights of civilization which we now enjoy. When primitive man learned that by exchanging those of his commodities which he could the most easily procure or fabricate for different commodities which some other man found to be surplus, he could better his mode of living, civilization was on its way. The nations, which engaged most freely in this interchange of commodities, raised the fastest in the scale of civilization. Those, which because of intention or geographical location did not or could not participate in exchange, lagged on the way. Those nations, which once had participated in world trade and for some reason or another ceased to do so, retrograded into barbarism. Trade is in obedience to the third strongest instinct of mankind—the acquisitive instinct. Modern wealth is measured in the current capacity to produce peacetime goods.

Trade, to be permanently beneficial, must not be one-sided, but must be mutually advantageous, or it will cease. To take advantage of another in a trade is not good business, as it leaves dissatisfied customers, which means a loss of markets and markets are the only solution to mass production. The idea that any permanent profit can accrue from a trade which is not mutually advantageous is false. The real, substantial, and permanent profit comes from the better standards of living brought about by the exchange of whatever commodities each party to the trade can produce the most easily. Trade is only a means to produce.

Let us not be fooled by the song of the isolationist. We cannot shut ourselves off from economic relations with the rest of the world, except to our detriment. We are a commercial nation, whether we will it or not. We produce great surpluses of wheat, corn, cotton, tobacco, fruits, and hog products. Since the price of the surplus governs the price of the product, we must sell those surpluses, and we must sell them abroad. If through exportation, we are enabled to raise and sell abroad at world prices the surpluses which we are capable of producing, the income of the farmer, upon which domestic industry is so dependent, will not be in need of artificial support in the shape of subsidies. An increase

in agricultural exports will result in a more self-reliant agriculture, which will in turn absorb a greater proportion of our manufactured products.

When we sell them abroad, we must be paid for our exports. There are only two means of making payment in the world's markets—gold or goods. Today we possess over 60 percent of the world's gold. If we are to dispose of our surplus as exports, it is easy to see that we must, in most cases, be paid in imports. If we depreciate the value of these imports by the imposition of a high tariff, it is plain to be seen that the transaction will be so one-sided that the exchange will cease. Then we have our surplus to be disposed of at home. The producers of these surpluses will then be far worse off than they were before. This has been proven by our experience with the Hawley-Smoot tariff, under which the prices of products reached the lowest point in modern times.

When goods are used in payment, productivity and distribution are stimulated, the rapidity of exchange is accelerated, exchange is facilitated, and the strain on currency is relieved. In this case the unit of currency involved becomes more of a true commodity and is less susceptible to the manipulations of a fortunate few. A stable policy is more important in maintaining the price equilibrium than any other method and is the very best defense against monetary manipulation.

Mr. Chairman, the opponents of these trade treaties claim that they admit competing farm products and are therefore detrimental to the farmer. They claim that American farm commodities cannot stand the competition of those raised with cheaper labor. It seems to me, the fact that we produce a surplus of most farm products should be so well known that it needs no discussion. Unless this surplus is exported, or unless it is disposed of artificially, it will work havoc with the price of farm commodities. This has always been true in the past and will continue to be true. Let us look at the prices of farm products 8 years ago. We were importing almost nothing and the prices of farm products were the lowest in modern times. The Hawley-Smoot tariff had shut out most of the foreign competition. It had also eliminated the most of our exports, not only of farm products but of manufactured products. Many of those depending for their livelihood on American industry were out of work and could not buy the farmers' produce. He then had a double surplus which caused the resulting debacle.

How, I ask you, can we protect our agricultural surplus with a tariff? In the natural order of business, we must export the surplus. When we do so, it must meet the competition of foreign commodities. What difference does it make whether Canadian wheat competes with American wheat in Chicago, Milwaukee, or St. Louis, or whether it competes with American wheat in London, Berlin or Baghdad? It is competition regardless of where it occurs.

Now as to the importation of cattle. In the year 1933 we imported only 83,000 head of cattle, about one-tenth of the number we imported in 1928, but what was the price of cattle? In 1933, $3.63 per hundred; in 1928, $9.15 per hundred; a drop of almost $6 per hundred, yet our imports had dropped nine-tenths; 1934, as compared to 1929, shows a condition almost identical. As a matter of fact the records of the cattle business show that there is a direct relationship between the price of cattle and the imports. The import curve goes up with the price curve and also falls with it. When our imports are high, the cattle man is getting a good price for cattle. When they are low, the sheriff is selling him out. Which condition is preferable? Certainly no cattle, or any other commodity, will be imported when the domestic price is not equal to the tariff. Undoubtedly a prohibitive tariff on one or on a few commodities would result in high prices for those commodities, at least until the condition produced a surplus. That is the aim of each supporter of a tariff, but a condition both impossible and undesirable. I come from that section of this Nation which produces fine wool. It is a fact that wool has always sold the lowest under the highest tariff; the reason for this is that the general business conditions resulting from high tariff had destroyed the market for fine clothing wool.

It is maintained by the proponents of tariffs that the importation of foreign products is ruinous to American labor. The facts do not bear out this contention, either in regard to employment or wages. Customhouse records and employment data show that employment has always been highest when imports were highest, and lowest when imports were lowest. The attempt to convince a man out of work that his condition is due to importation of foreign commodities is the cheapest kind of demagoguery. So is the cry that imports keep wages low. Records show that wages are highest in those industries not protected by a tariff. Employment and wages are, after all, more responsive to the law of supply and demand than to any other law. They rise and fall with the general demand in the Nation as a whole, and not due to any specific demand.

Those who oppose any importations endeavor to leave the impression that imported goods result in complete displacement of labor. This is not true. From the time they reach our shores until they are finally distributed to the consumer, they are handled, stored, transported, financed, insured, advertised, wholesaled, and retailed by American labor. Whenever goods move in commerce, employment is created. Then too, there is the reciprocal flow of goods to the centers from which those goods came. A vacuum has been created, in the form of a desire for goods, and the medium of exchange, either in the form of money or credit, has been supplied to make possible the fulfillment of this desire. Both parties to the transaction have been benefited. An exchange of surpluses has taken place. The standard of living of each party to the transaction has been raised. Another bulwark for progress, security, civilization, and peace has been reared.

Mr. Chairman, another reason why this legislation merits support is because of its contribution toward settled world conditions. This Nation is a democracy and naturally prefers to see a world governed by democratic philosophy. Democracy is founded upon the theory of equal rights and opportunity for all. It is founded upon the theory of nonaggression and cannot thrive in a constant atmosphere of war. Democracy feeds and grows upon commerce and especially on commerce as nearly uncontrolled by artificial means as possible. The law of supply and demand operating in an individualistic manner is consistent with the philosophy of democracy. Operating as individuals, we can compete with other nations operating in a similar manner. We cannot, however, compete industrially with states in which citizens have lost their individual identity and are only serfs of the state.

Since we are a democracy and can thrive only in a world predominantly democratic, it is incumbent upon us, as a nation, to contribute toward such an international condition. No one can deny but that international trade is a requisite to the success of democracy. Tariffs and quotas are blocks to international trade and detrimental to the economic and social system upon which democracies flourish.

We entered the World War with the avowed purpose of making the world safe for democracy. After the war, under the mesmerism of the unsound pacifism which followed in the next decade, we endeavored to bring about a premature world disarmament. We reduced our Navy and kidded ourselves into believing other nations were doing likewise. We signed pacts outlawing war, ceased fortification of outlying strategic possessions, and accepted pledges with a childlike confidence in the good faith of the other signatories; all in a vain endeavor to rid the world of its militaristic atmosphere. In which the political and social economy of democracy can flourish only with difficulty. We hypnotize ourselves into believing that we had brought about the millennium of universal peace and had abolished domestic poverty.

We were living in a fool's paradise which we ourselves had largely created. We who were individually the world's sharpest traders placed ourselves collectively at the head of the world's sucker list. Believing in democracy we deliberately began to hamper international trade by the erection of tariff

barriers. We had changed so quickly from a debtor to a creditor nation that we were almost unaware of the change and totally unprepared to function in that capacity. The same economy which had previously favored us now hampered us when the situation was reversed. Creditor nations unable to trade with us, because they could not balance their accounts, erected tariff barriers in retaliation. When we saw the threatened stagnation of trade we made the greatest sucker move in history. We solicited foreign nations to borrow money from us to buy our products. They did so gleefully. They purchased and installed American industry to furnish themselves with many of the commodities, which they had previously purchased from us. Then to cap the climax, American industry itself began to move to foreign shores in order to escape the inevitable retaliatory tariffs. The unemployment resulting from this displacement of so much American industry brought this Nation its most serious problem. The stagnation of world trade brought about either unemployment or totalitarianism in all foreign nations.

A quarter of a century after the World War, and we have again completed the cycle. The world is again at war. The struggle is to determine whether democracy with its individual rights, liberty, and justice, or autocracy with its oppression, injustice, and intolerance is to triumph. When or where it will stop no one knows. This much we do know, however, the spirit of democracy will prevail because it is the spirit of Christianity, civilization, and progress. The world will go forward after this crisis as it has gone forward following all others. As the foremost nation in the world, and as one having the most to gain from a permanent, equitable, and substantial peace, let us make our contribution toward this condition by the passage of this legislation. [Applause.]

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. THORKELSON].

A UNITED AMERICA

Mr. THORKELSON. Mr. Chairman, in this, my fourth discussion on a united America, I shall ask the reader to refer to the Appendix of the CONGRESSIONAL RECORD, page 719, in which I quote the preamble to the Constitution. It should be perfectly clear that this part of the document is not an embellishment, but is, instead, a statement of fundamental facts that must govern and modify all legislation and acts by all branches, departments, and employees of the Federal Government.

In article I, section 8, the people give orders to Congress in their own document, the Constitution of the United States. These orders, or delegated powers to Congress, are set forth in section 8. They are not vague, but are, instead, very explicit. I shall now quote the first paragraph:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

After reading this, it is evident that the founders were not entirely satisfied that we would understand the importance of the preamble, and to fortify this declaration they repeated:

> Congress shall have the power to * * * provide for the common defense and the general welfare of the United States.

We, the Members of Congress, are obligated to carry this out so that our Union may be preserved.

The powers delegated to Congress in article I, section 8, are full or complete powers, first, "to lay and collect taxes." For what purpose? Obviously "for the common defense and the general welfare of the United States." It follows, therefore, that Congress has the power to lay and collect any tax or taxes that will not disrupt justice, upset domestic tranquillity, but will, instead, secure the blessings of liberty to ourselves and our posterity. Under this provision Congress may assess taxes on income, no matter from what source derived, and Congress may also under this provision issue tax-exempt securities if it is in the "common defense and general welfare of the United States." Will anyone say that incomes could not be taxed under article I, section 8? I do not think so; but should the question arise, let those who differ state where in the Constitution the power to tax incomes is denied to Congress. It surely is just and will equalize the operative cost in maintaining the Government.

It appears from this that the sixteenth amendment was not needed, for full power to lay and collect taxes from any source is granted to Congress in the first paragraph of article I, section 8.

In the same manner, "Congress shall have the power to lay and collect duties, imposts, and excises," "for the common defense and general welfare of the United States." It is this qualification that must be considered in all acts of Congress, as well as other branches and departments of the Government. However, the Constitution does not give Congress the right to transfer its power to the Executive or any other department, but actually denies any such transfer of power, which is only proper and right, for the Congress alone is responsible to the owners of the document, the people of the United States.

An interesting problem confronts Congress today, and I wonder how it will be met by the Members. What shall we do with the trade pacts and treaties which are now up for consideration? Shall we renew or extend this power to the Executive and State Department, or shall we act like statesmen and take charge, as the Constitution provides, and as the people expect us to do? My guess is, and I hope I am wrong, that there are not enough Members in this House with a backbone rigid enough to face this issue in an upright position. It is our duty to determine and fix duties, imposts, and excises, and to set up and supervise machinery for regulation and collection, but it must be under the supervision of Congress, because it alone is responsible. Yes; we are paid by the people of the United States to safeguard and protect their interests against usurpation by political parties and the Government itself, which I believe many of us have forgotten.

Congress has the power to pay debts, and we may assume that Congress also has the power to consider whether debts should be paid, and how they should be paid. But whatever is done, it must be for the common defense and for the general welfare of the United States.

It occurs to me, however, that it is well for us to remember that while Congress pays the debts, the money is earned by the industry and business of this Nation and not by employees of the Government.

Congress shall have the power to borrow money on the credit of the United States, but it is well for Congress to remember that it must be "for the common defense and the general welfare of the United States," and not for anyone else. A national debt of $42,000,000,000, which at the end of the coming fiscal year is liable to be $48,000,000,000 or more, not including the $13,000,000,000 contingent liabilities, is not for the common defense, and certainly not for the general welfare of our people, but is instead a burden heaped upon the back of future generations, a burden for which Congress should feel ashamed.

> Congress shall have the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

What does this mean? It means that Congress may regulate trade with foreign nations, negotiate trade treaties or other pacts concerned with the flow of commerce, such as transportation, warehousing, dock space, and other maritime regulations. Under the same provision Congress may also regulate commerce with the Indian tribes by mutual agreement with the tribal chiefs, but there is no constitutional provision for treating them in any other manner than as foreign tribes. This provision should be changed, for the Indians are quite as capable of looking after themselves as other tribes we have in the United States, and being the original Americans they should be granted this right. I am sure the taxpayers of the United States would not object to having the various Indian departments, bureaus, and agencies closed for they benefit neither the Indians nor the taxpayers of the United States.

What interests me most in this paragraph is the use of the wording, "among the several States." How anyone can read into these four words the right of Congress to invade the

boundaries of the State and the capital structure of business is surely more than I can get out of it.

Let us consider the whole paragraph. Power is granted to Congress to deal directly with foreign nations and with Indian tribes, but no such power is granted to Congress in dealing with the States, for the Constitution limits Federal activities to "among the several States." In other words, it would be around the States. It must therefore be construed to mean the transportation of passengers and freight from one point to another and throughout the States, and that, for the safety of this transportation, Congress has the power to provide such measures as will protect the lives of passengers, crew, and merchandise.

When Congress or its committees invades the capital structure and prescribes regulation thereof, it is pleasing neither to the employer nor the employee, for it was such rights and regulations that business, industry, and labor reserved to themselves in articles 9 and 10 of the Bill of Rights.

Congress shall have the power to establish a uniform rule of naturalization and uniform laws on the subject of bankruptcy throughout the United States.

To establish uniform rules of naturalization does not mean that when immigration quotas from various countries remain unfilled we shall exert ourselves to fill the quota—at least, not until our own people are employed. As to bankruptcy, I believe we have sufficient laws for that, and it is possible that the United States may fall under the hammer if Congress does not begin to reduce the national debt.

Congress shall have the power to coin money, regulate the value thereof and of foreign coin, and fix the standards of weights and measures.

This paragraph in section 8 has been stretched and misinterpreted both by the Attorney General and the Supreme Court to such an extent that we are now left with a currency that cannot be regulated because all standard value has been removed.

Gold is the internationally accepted medium which establishes money value in all countries. Gold is not only valuable because of its physical qualities, but it is valuable and necessary because all nations have agreed to use it as a standard upon which to base the value of money. It follows, therefore, when gold is removed from the dollar, the inherent value is reduced, and when the last fraction of gold is removed, all value is removed and nothing is left for regulation. That is precisely the condition in which the United States finds itself today. We have a dollar devoid of all intrinsic value, and have inflated a commodity dollar that depends upon price fixing for purchasing power.

Attorney General Cummings, in arguing this case before the Supreme Court, said:

Although it may seem trite to do so, I draw attention to what, for want of a better term, may be called "presumption of constitutionality."

The Attorney General should know that the ninth amendment governs presumption of constitutionality.

After reading the Attorney General's argument before the Court, one cannot but come to the conclusion that the onus of responsibility is literally thrown in the lap of Congress; and, gentlemen, that is where it rightfully belongs, because Congress is responsible to the people of this Nation and no one else.

Had the Attorney General put these questions to himself, the answer might have been different:

First. Is it an act of justice to deprive the people of the United States of the right to be secured by gold; and is it an act of justice, after having deprived the people of this protection, to give it to foreigners and international financiers?

Second. Is it an act of justice and is it for the common defense of our Nation to allow foreign investors to hold such amount of American securities that, when negotiated, they might seriously deplete the total amount of gold in the United States Treasury?

The remainder of section 8 concerns additional powers which the Constitution grants to Congress, most of them legislative, but at the same time nontransferable. In the next 12 paragraphs of section 8, I cannot refrain from calling attention to these 3:

To declare war.

To make rules for the government and regulation of the land and naval forces.

To provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions.

I have taken the liberty to quote these 3 of the 12 paragraphs to which I referred because of the gradual divergence of opinions as to the interpretation of the Constitution and the international tenseness in which we find ourselves today. The powers to which I have referred are delegated to Congress and must be obeyed. Should any governmental branch, department, or officer violate these provisions of the Constitution, dismissal from office is in order and should be enforced by the ruling power in this Government, the Congress of the United States.

In studying article I, section 8, one cannot but come to the conclusion that the Constitution delegates specific nontransferable powers to act and to provide legislation, and the power to act, as "to declare war," not only cannot be transferred but is instead the total responsibility of Congress.

I shall now quote the last paragraph in section 8:

Congress shall have the power * * * to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

This paragraph is clear, for it gives Congress the right to make all laws as set forth in article I, section 8, but all laws must be "for the common defense and general welfare of the United States." The United States means the 48 States and not the Federal Government, so let us not labor under any delusion as to the power of these 48 States, or as to where all legislative power rests. I quote again article I, paragraph 1:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

It would be interesting to know where in the Constitution the proponents of trade pacts or treaties find an excuse to shift this power to the State Department, the reorganization plan to the executive department, Federal-owned corporations to their own heads, and the Gold Reserve Act and stabilization fund to the Executive and Secretary of the Treasury. It would also be interesting to know the meaning of "emergency" and the reason for having had a continuous "emergency" for 8 years. There is no provision in the Constitution that gives Congress the right to enact this legislation, or for the Supreme Court to hold it constitutional.

It is well to bear in mind that constitutionality of all legislation must be based upon the Constitution itself, and not upon some fantastic decision rendered by the Supreme Court of the United States. Citations of court decisions are in no sense conclusive proofs that an act is constitutional, and neither is the enactment of the legislation conclusive evidence that Congress considered the Constitution when the law was enacted. I grant it is the duty of Congress to consider constitutionality, but that seems to be a lost art. To avoid what we have today, namely, a mass of unconstitutional laws, the Supreme Court must, to honor its obligation, base its decision in each and every case squarely upon the Constitution. It is only so that justice can be done to the people of this Nation.

To make this more clear, let me quote from article VI:

This Constitution and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

The Senators and Representatives before mentioned, and the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation to support any office or public trust under the United States.

There should be no question in the mind of Congress or courts that are called upon to determine constitutionality of legislation, for this is clarified in article VI:

This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made or which shall be made under the authority of the United States, shall be the supreme law of the land.

It is clear from this that laws made in pursuance of the Constitution shall be the law of the land, which infers that laws which are not made with the Constitution in mind are not the law of the land and are, therefore, null and void, and it is in this classification we must place the present trade pacts, for Congress has no legal right to allow this power to remain at the whim and fancy of someone in the Executive or State Department.

To those who are still bent upon stretching the Constitution so as to permit prostitution of the document, let me repeat from the Appendix of the RECORD, volume 86, page 719, wherein you will find a discussion of the preamble of the Constitution:

As questions arise before the legislative, the executive, and the judiciary branches of the Government, or before any Government department or employee, it is only necessary to ask these questions: Will this act on my part perpetuate a perfect Union? Will it establish justice? Will it insure domestic tranquillity? Will it provide for the common defense? Will it promote the general welfare, and will it secure the blessings of liberty to ourselves and our posterity? If you are in doubt, or if the answer is "No" to one or more of these six questions, the matter under consideration is unconstitutional and, therefore, not allowable except by special permission of the people as set forth in article V.

It will be found that article I, section 8, delegates specific powers to Congress in legislation and regulation which appear to be clear and understandable. Should any question arise in the minds of those who serve in Congress as to interpretation or meaning, the benefit of the doubt must be given to the people, as set forth in article IX:

The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

When question arises as to the extent of power that has been delegated to Congress and to the Government of the United States, article X should prevail. And this is particularly true when attempts are made to widen or reconstruct the meaning of the Constitution, for the people reserve the unwritten power in the Constitution to the States and to themselves. I quote article X:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Inasmuch as there is no specific delegation of power to Congress to put the Federal Government in competition with private business, one cannot but assume that the Government is now engaged in illegal competition. When the Government allows imports that are destructive to our producers it has exceeded its constitutional authority. Article X is plain and states distinctly that the powers and rights not delegated to the Government are reserved to States and to the people themselves. This Nation can survive only by adhering to the Constitution. When we depart from it we have destroyed a united America. [Applause.]

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. Chairman, for several days this House has been deluged with oratory from the majority side to approve the extension of legislation authorizing the President to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930. Majority leaders of the Ways and Means Committee seek to create the impression that only partisan opposition is being directed to this indefensible delegation of tariff-making power to the executive departments. They contend that after 6 years of operation, these trade pacts have proved successful, with utter contempt not only for the statistical records of governmental bureaus dealing with exports and imports, but likewise for the frantic appeals of American farmers, who have been penalized by those who have been charged with the administration of this act.

While the administration is marshalling all of its political forces to gain extension of its authority, and while certain industrial interests are rallying to its support, I prefer to examine the record to get the realistic results of the trade pacts and their impact upon American agriculture and industry. These are more reliable than the political fulminations of bureaucrats seeking to wield their unconstitutional power in promoting free trade through tariff concessions made without congressional approval. I also prefer to rely upon the views of those who have been most vitally affected.

Producers of raw materials and agricultural commodities in this country cannot reconcile efforts of the administration to restrict production in this country with a foreign-trade policy which opens our domestic markets to imports from foreign countries having low-wage standards.

It is not necessary to refute the claims advanced by administration spokesmen, because Idaho farmers are not so much concerned with theoretical advantages of the trade pacts as they are with the practical results and their effect upon agriculture generally. Not only have their personal experiences convinced them of the fallacies of slashing tariffs, but the current depressed prices reflect the devastating results of foreign competition.

Throughout the operation of the agreements there has been a constant expansion of agricultural imports, with corresponding shrinkage in exports from this country. During 1939 the unfavorable trade balance on farm exports and imports increased almost $300,000,000. The outbreak of war in Europe last September has accentuated the situation so that the tide will now run more acutely against the United States.

The United Kingdom is now free to disregard most of the concessions granted in the agreement with this country. When Britain recently placed an import embargo on many products it was not necessary to consider the specific commitments made to the United States in the pacts. A great many items on which the United Kingdom made concessions are now forbidden entry into that country, so that actually these concessions become virtually useless during a war. This makes the agreements even more disadvantageous to our own country through shipments of British products to us to acquire dollar exchange to be used in the purchase of military supplies. This is particularly true in the flooding of this country with manufactured and raw woolens.

There already has been widespread depreciation of foreign currencies, and at the end of the war, if not sooner, there will result abnormal imports under emergency conditions, to the decided detriment of American producers.

Only recently negotiations were suspended with Argentina and Uruguay because of violent opposition from agricultural areas and an obvious effort to placate opponents until such time as the Trade Agreement Act can be renewed and other political considerations overcome.

In Idaho, and in the West generally, agricultural, lumbering, and mining industries have suffered from competition provided by imports from foreign lands under the trade-agreement program, notwithstanding the artful and alluring claims of administration leaders. The National Grange, that representative agrarian group, at the annual meeting at Peoria, Ill., last November, declared in a resolution that—

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

The Idaho State Grange, with more than 10,000 members, last October, at its annual meeting, specifically called attention to the proposed extension of trade agreements in South America, as follows:

Whereas the people of South America are seeking to export their farm products into this country; and

Whereas the United States has a sufficient supply of most of its own farm products: Therefore be it

Resolved, That since this reciprocal-trade agreement with South American countries is a benefit to the manufacturer, and a detri-

ment to the farmer, the Idaho State Grange goes on record as being opposed to a reciprocal-trade agreement with South American countries.

The livestock interests of this country have consistently opposed the negotiation of trade pacts because of their harmful effects. Characteristic of this industry is the National Wool Growers Association, which, at its seventy-fifth annual convention January 23–25, 1940, at Casper, Wyo., made this observation:

During the past year we have observed the detrimental effect on the wool-growing industry by reason of the trade agreements negotiated with Great Britain and Canada, and the proposed trade agreement with Argentina. They have deprived the citizens and taxpayers of this country of their own markets to the advantage of Great Britain, and the anticipated trade agreement with Argentina has adversely affected the demand for the coarser wools and mohair.

We again place ourselves on record as opposing the Reciprocal Trade Agreements Act and demand that it be permitted to lapse on June 12, 1940; that the terms of the Constitution of the United States be complied with wherein all acts pertaining to revenue originate in the House of Representatives, and that all treaties be approved by the Senate of the United States before becoming effective.

The Idaho Wool Growers Association, meeting January 4–6, 1940, at Boise, adopted this position relative to trade treaties:

Since our last annual meeting we have had the opportunity to observe the effects of time on the Great Britain trade treaty which admitted rags, waste, and noils at reduced tariffs, and also allowed manufactured and semimanufactured goods of lightweight class to enter at reduced duties. Anything as controversial as trade treaties deserves to be scrutinized most carefully.

Increased imports of rags and wastes in the first 8 months of 1939 were more than five times as much, or 12,000,000 pounds of this class of once-used wool as came in during the same period of 1938. Truly, the statement, "America clothed in European rags," seems to be more on its way to fulfillment since the drastic cut of 50 percent in tariff on this class of wools. Importations of lightweight materials under the same treaty showed almost a like increase. This reduction in the tariff not only lost a market for our domestic wools but it likewise took away from American manufacturers and textile workers an opportunity to make a living. One manufacturing report stated that the Great Britain trade treaty had cost 6,000 textile workers 4 months' employment.

We reaffirm our opposition to further trade treaties and to those already completed. We ask that treaty-making powers be reinvested in the Senate, where they belong, and that the authority granted the President to make such treaties be rescinded at the earliest possible moment.

The National Reclamation Association has made an exhaustive study of this problem, and directs attention to the fact that while the acreage irrigated by Federal Indian and Bureau of Reclamation projects totals 3,538,000 acres, it would have required 43,982,000 acres in the United States to produce the equivalent of farm products imported into this country during 1938.

This association, meeting November 14–16, 1939, at Denver, Colo., adopted the following resolution on the foreign-trade policy:

Whereas, under the act of Congress authorizing the Secretary of State to negotiate reciprocal-trade treaties with the different nations, there is, contrary to the usual practice, no requirement that the treaties be submitted to the Senate for ratification; and

Whereas many competitive goods and commodities are being admitted to the United States under reciprocal treaties already negotiated, and doubtless would be admitted under other treaties yet to be negotiated, much to the prejudice in many instances of goods and commodities already being produced in this country; and

Whereas the Members of the Senate of the United States should have a chance to protect the producers of the United States by passing upon the wisdom of any and all reciprocal treaties negotiated: Therefore be it

Resolved, That any act or acts permitting the negotiation of reciprocal treaties should be so amended that hereafter all such treaties shall receive, before going into effect, the confirmation of the Senate, as contemplated by the Constitution; and be it further

Resolved by the National Reclamation Association, That it is unalterably opposed to any type of reciprocal-trade treaty which will penalize western agriculture or industry;

Resolved further, That copies of this resolution be sent to the Senators and Representatives in Congress of the States which are members of this association.

The Idaho State Dairymen's Association, in annual session at Rexburg, Idaho, last December, voiced the opposition of the dairy industry to the trade-agreement program when it urged the exercise of the greatest caution and the most careful scrutiny of domestic markets and productive conditions, particularly in the field of dairy products. The association declared it was "firm in the belief that domestic markets for American products should not be endangered."

Entirely aside from the question of how the trade agreements have affected American economy is the claim that the legislation authorizing their negotiation without requiring Senate ratification is in direct conflict with the Constitution. However, it is apparent that the administration is unwilling to permit duly elected representatives of the people to pass on these treaties. This is substantiated by Henry F. Grady, Under Secretary of State, who, before the House Ways and Means Committee, recently declared:

To require Senate ratification of trade agreements would be not merely a check on the authority to be exercised by the Executive, but a complete black-out. Let there be no misunderstanding on this score, and no mincing of words—ratification is tantamount to repeal.

The foregoing indicates that administration forces are willing once more to flout constitutional safeguards and ruthlessly disregard the processes of orderly government. The theory behind our Constitution is that this instrument provides a limitation of power placed upon our governmental officials and departments, and unless such power is granted under the Constitution, said department does not have the legal right to go beyond said limitations. Therefore, we can safely assume that the writers of this immortal document specifically had in mind that the Senate, which is composed of representatives of our citizenry, should have the right to pass in review upon treaties made, negotiated, and executed by the executive branch of our Government.

Everyone knows that our Federal Government is one of checks and balances. Each branch has certain defined duties and responsibilities, separate and apart from the other, but underneath it all is an interwoven check by one upon the other. To hold otherwise would be to defeat the fundamental purposes of a democratic form of government. I believe that all authorities on political science will agree with me that in a democracy the sovereignty of the state rests in the people. They delegate certain governmental official authorities to their elected servants, but in order to safeguard that fundamental right of sovereignty, of necessity, the acts of said officials must be kept as closely as possible to the elected representatives of said citizens.

Under the existing Reciprocal Trade Agreements Act the Chief Executive relies upon the Department of State. The Department of State in turn bases its recommendations and judgment upon the findings of a Tariff Commission. The Tariff Commission in turn bases its recommendations and findings upon a bureau known as the Committee for Reciprocity Information; and, under the existing statute, the only way that the people can protest against any treaty to be negotiated is to appear, either in person or by their representatives or Congressmen, before the reciprocity committee and lay before it protests against the consummation of such a treaty. In other words, we have set up an autocratic, despotic bureau, composed of men who receive their appointments and authority by virtue of appointment by the Chief Executive. They are answerable only to their immediate superiors, and the people exercising their constitutional privilege of franchise have no immediate and expeditious way of removing said autocratic officials, even though said officials' acts may be contrary to the people's wishes and desires.

The making of trade treaties is, of necessity, a function which should be kept as closely as reasonably possible to the people, for they are primarily affected.

Trade is the life of American industry, and we, of course, are vitally concerned with the creation of both a domestic and foreign market for our raw products and manufactured

materials, but negotiations for such must be based upon the principle of equity to all industries concerned.

Many items which arise in the negotiation of a treaty, because of the intricacies, cannot be at the moment of knowledge to bureaucratic negotiators. They are, in many instances, only known to those representatives of the people who keep in close contact with the electorate at all times. It is for that reason that our courts have held that the Senate may affirm and ratify said treaties as presented to it, or it may refuse ratification, or it may even make ratification conditional upon the adoption and incorporation of certain amendments into said treaty. Fundamentally, therefore, it is to the interest of our citizenry to have said treaties affecting our trade made subject to the confirmation, ratification, or rejection of our legislative branch of government.

There can be no defense for extending, under the most-favored-nation clause, concessions to all countries not discriminating against our trade while the United States receives concessions only from the specific country with which a trade pact is consummated.

Roger W. Babson, the statistician, recently released a statement favoring the trade agreements because "they have lowered tariffs, helped business, given jobs all over the world." The farmer and laborer in America are not primarily concerned about creating jobs all over the world; they are more concerned about jobs for themselves. They know that the Hull program has been extremely beneficial to every one of the 20 countries with whom pacts have been negotiated instead of promoting the welfare and economic security of our own country.

Irreparable damage has been inflicted upon American agriculture by the reciprocal-trade agreements during the past 6 years. There can be no recovery or prosperity in this country so long as the interests of foreign countries are given precedence over domestic producers. Authority to ratify treaties and control tariff schedules should be restored to Congress at once. [Applause.]

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL.]

THE RECIPROCAL-TRADE LAW, IF EXTENDED, SHOULD REQUIRE CONGRESSIONAL APPROVAL OF AGREEMENTS EXECUTED UNDER IT

Mr. ANGELL. Mr. Chairman, as a Representative from the State of Oregon, I am opposed to the extension of the Reciprocal Trade Agreements Act unless it is modified by requiring congressional approval of all trade pacts negotiated. My opposition is based on the fact that it has brought disaster to the major industries in my State and the West generally. Oregon is an agricultural and lumber-producing State. Our pay rolls are largely based directly or indirectly on these two undertakings. Both of them have been most seriously affected by the operations of the trade agreements thus far negotiated. I sincerely feel that the underlying purpose of the legislation is being ignored in the trade treaties thus far negotiated affecting our State, as I will show by its operations in our territory. The issue is not a partisan one. It affects the welfare of our whole Nation.

As shown by its wording and as stressed by Secretary Hull at the hearings before the Ways and Means Committee, this act was passed as an emergency measure purely. Its purpose was to stimulate foreign trade and assist in lifting the United States out of the depression in which it was in 1934, at the time the act was passed. Being an emergency measure, it was proposed as a stopgap and temporarily placed this far-reaching legislative power in the hands of the President to meet the emergency. Notwithstanding this power, however, was placed in Executive control in an emergency, it seems to be the purpose now to make it permanent and to freeze it in Executive control, even though it is purely legislative.

I am opposed, in principle, to the Congress surrendering to the Executive any legislative power lodged with it by the Constitution. It is quite proper to authorize the Executive, through such agencies as he may set up, to make investigations and determine facts and data, and even make proposals for trade agreements or tariff legislation, but final action thereon should be preserved in the control of the Congress, where it is lodged by the Constitution. This act, if extended, therefore, should preserve the power to the Congress to pass on any trade agreements negotiated under it.

When the 1930 Tariff Act was being considered, the Honorable Cordell Hull, who was formerly a member of the Ways and Means Committee, and who was then a Member of the Congress, and the gentleman from North Carolina, the Honorable ROBERT L. DOUGHTON, the present distinguished chairman of the committee, vigorously opposed the flexible provision of that act as being an unwarranted surrender of legislative power to the Executive too dangerous and alarming to contemplate. The power surrendered in the 1930 act, known as the flexible-tariff provision, was much less extensive than that in the present act. Mr. Hull said:

It is clearly unsound, unwise, impracticable, subversive of the plain functions of Congress, and should be speedily repealed.

Mr. Hull also said:

The proposed enlargement and broad expansion of the provisions and functions of the flexible tariff clause is astonishing. It is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As was said on a former occasion, "This is too much power for a bad man to have or for a good man to want."

The gentleman from North Carolina [Mr. DOUGHTON] said:

In my opinion we have gone a long way too far already in the centralization of power in the Executive head of the Government. * * * And if this bill is enacted into law, he will have the power of life and death over industry, of manufacturing enterprises and complete autocratic power affecting agriculture. My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus. It is too much power and authority to lodge in any man who ever has been, is now, or ever will be President of the United States. In fact, with all the unrestricted and unlimited power, he would be in a better position to overthrow our form of Government and proclaim himself king than was the first consul of France, the great Napoleon, when he overthrew the French Government and proclaimed himself emperor.

These gentlemen are the leading advocates of the present Reciprocal Trade Act and urge its extension. This act is a complete abdication by Congress of its tariff-making power. The only power the executive department has to negotiate reciprocal-trade agreements is that vested in it by Congress. This power is purely legislative and cannot be delegated. Congress can delegate the power to administer law in accordance with the standards or rules it lays down, but it cannot delegate its power to legislate. The Reciprocal Trade Act, however, lays down no guiding rules, but attempts to delegate the whole legislative function to the executive department, reserving to itself no control or voice in the final execution of agreements which are negotiated under the provisions of the act. In exercising these functions, the executive department is merely an agency of the Congress and should be required to report to the Congress all agreements negotiated and proposed for ratification, modification, or rejection by the Congress. As a matter of fact, the executive department in administering the Reciprocal Trade Agreement Act has reduced over 1,000 rates of duty; has agreed not to increase rates on 100 additional items; and has agreed not to place a duty on some 150 products which are admitted free of duty in the United States. It has virtually repealed and set aside many acts of Congress, and has attempted to bind its hands as to future acts.

TRADE-AGREEMENTS NEGOTIATIONS—STAR-CHAMBER PROCEEDINGS

It is true the act provides in section 4:

Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the

President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce and from such other sources as he may deem appropriate.

It was believed by the framers of the act that this provision would give the public as well as Members of Congress an opportunity to be heard and have an effective voice in the enactment of tariff legislation which, as aforesaid, is a congressional function. However, in practice, the so-called opportunity to interested persons to present their views before trade pacts are entered into has proven to be only a gesture. As shown by the testimony of the many Congressmen and others who have appeared before the Committee for Reciprocity Information, which is the agency set up by the President—pursuant to section 4 of the act—the public and their Representatives in the Congress have no effective means of presenting their views or having a part in the framing of tariff legislation or of trade treaties. It is generally conceded that the time spent in appearing before this Reciprocal Trade Committee is wasted time. One of our colleagues characterized these hearings as follows:

But I have never left that committee room down there and have never met another man who ever left that committee room down there, but who left with the impression that they were a bunch of stooges sitting up there, and that they were sitting there just for the purpose of giving the American people a chance to come in and present their views; and that when they were presented, an entirely different set of committeemen take up the actual negotiation of the treaty and produce it from information not received by the Committee on Reciprocity but from information worked out by other committees that work behind the scenes, behind the velvet curtains, so to speak, and that this is just an external display of showmanship to satisfy and appease the American people and make them think they are getting a chance to be heard—shadow boxing, as comes to me from the side lines (hearings, p. 459).

The feeling prevails generally among those who have appeared before this Committee that the negotiations carried on leading to the consummation of a trade treaty is a star-chamber proceeding. Members of Congress have no voice in this proceeding. The American farmer and manufacturer directly interested is shut out. They have no voice in the proceeding and are kept in the dark until after the proposed treaty has become binding. It cannot then be changed for 3 years. This un-American procedure should be remedied. The duly elected Members of the Congress should restore to themselves the power to approve or disapprove any such agreements.

RECIPROCAL-TRADE PROGRAM AN EMERGENCY MEASURE TO EXPAND FOREIGN TRADE

Mr. Chairman, the Reciprocal Trade Act went into effect June 12, 1934, as an emergency measure, has been extended by Congress once and expires again in June. It is now proposed to extend it for an additional 3 years.

It is well at the outset to consider the original purpose of the reciprocal-trade program. The act itself provided that it was enacted for the purpose of expanding foreign markets for the products of the United States as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce. In order to accomplish this, the Congress provided that the admission of foreign goods into the United States should be regulated according to the need of American production so that foreign markets would be available to American producers affording corresponding market opportunities in the United States for foreign products which we do not produce.

I am fully in accord with these expressed purposes of the Reciprocal Trade Act, but they are not being accomplished under the administration of the law. My objection goes to the method of its administration by the State Department, resulting in serious injury to many of the agricultural and industrial sections of our country, particularly in the Northwest and my own State of Oregon. In brief, the whole theory of the reciprocal-trade law is to facilitate trade by stimulating and providing foreign markets for American products of which we have a surplus, and at the same time opening American markets for the importation of those products which we do not produce and which we need. The underlying theory is the same as that laid down by President McKinley in 1897, when he said:

The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people, but tend rather to increase their employment.

I want to stress that the purpose of the reciprocal-trade program is not to open our markets to products which we ourselves produce or can supply. It was not designed to bring about free trade but to provide foreign markets for products which we produce in excess of our own demands and furnish American markets for such imports as we ourselves do not produce. It was never contemplated, for instance, that the lumber markets of America should be thrown open to imports of foreign products from Canada and other countries, depriving our own lumber producers of a market for domestic lumber, of which we have a surplus. It was not intended that the bars should be let down for the importation of cattle and beef products from Canada and Argentina to displace our western cattle.

FOREIGN BEEF

We should not, it is true, erect trade barriers to keep out all foreign trade. We should, however, insist on the application of the policy long adhered to in maintaining equality of competition by equalizing the cost of production of competitive commodities of foreign products entering America. We should protect our home markets by preventing their use as dumping grounds for cheap competitive foreign products. One of my colleagues on the floor of the House last year exhibited a can of Argentine beef which he purchased at the commissary in the Agricultural Building in Washington, at which time he was advised that no American product could be obtained there. I recently received a letter from a gentleman in Arizona, a stock-raising State, stating that the tax rolls in his State showed that there was about one-tenth of the livestock in that State now as formerly, and he enclosed a wrapper from a can of Paraguay beef sold there, stating that he was unable to obtain any American product in his community. We will recall that our own President stated that Argentine beef was preferable to American beef, and our Government is importing such product for governmental use, while the States from which many of us come are endeavoring to maintain their herds. In my own State of Oregon herds formerly roamed the hills of the eastern and southeastern part of the State, where now in many places there are none at all.

In discussing this subject before the Committee for Reciprocity Information in Washington, D. C., Senator TOM CONNALLY said:

We don't feel so kindly toward Argentina that we want to hurt our own farmers to help the pampas cowboys. We don't want to build up industry which is already bloated and overextended. Congress appropriated $700,000,000 to help the farmers last year, and we don't want to do something now to harm them.

In the first 9 months of 1939 we imported foreign products for consumption in the amount of $794,700,000, while in the same period in 1938 we imported $711,600,000. During the same period our agricultural exports declined from $602,700,000 to $418,400,000.

Another striking effect of the operation of these agreements was brought to my attention recently. State Senator C. H. Zurcher, of Oregon, reported that in the Northwest he found a herd of 6,300 Canadian calves, weighing about 250 or 300 pounds each. These calves were being fattened for the American baby-beef market and were being fed, according to State Senator Zurcher, Argentine corn and East Indies molasses. A small duty had been paid on the calves, but the Argentine corn was delivered cheaper here than Iowa corn could be procured, and ships from the Orient brought molasses from the East Indies cheaper than our own sugar wastes could be obtained. This is a striking example of the operation of the

reciprocal-trade agreements and the havoc they are working upon agriculture. It shows the impossibility of American agriculture competing with the cheap labor and living conditions of foreign countries as long as we maintain the American wage scale both as to agricultural employees and maritime workers. The importation of these Canadian calves and the food products for fattening them, of course, deprive the American farmer of a market for a like amount of his products. In 1934 we imported 59,000 head of cattle. In 1938, under the trade agreements, we imported 424,000. In 1934 we imported 313,000 pounds of fresh beef, and in 1937, 4,600,000 pounds. The Agriculture Department recently reported that American imports of cattle and beef during 1939 totaled 440,092,000 pounds, or approximately 30 percent more than was imported in 1938. The 1939 imports represented 8.2 percent of the cattle inspected for slaughter in the United States. Under the administration of the trade-agreement law we are allowing foreign beef or cattle to come into our country from Canada, Mexico, and South America to displace American products, thus depriving our American farmer of a market and throwing American laborers out of their jobs. It is no answer that beef prices are up about parity. They will not be long under this flood of foreign competition. It brings forcibly to our attention the fact that the American market is the best market we have for our agricultural products. If we trade it away to foreign countries in order to build up the manufacturing industry in America, we are undoing the very thing that the Congress has been attempting to do in solving the farm problem.

AMERICAN SUGAR MARKET SACRIFICED

Mr. Chairman, many of our people have large investments in the sugar-beet industry. It has come to be one of major importance in many communities in the West, and particularly is this true in my own State of Oregon. Our refinery at Nyssa, Oreg., has a 112-day record of producing 750,000 bags of sugar, and the operating company has fed 8,000 head of cattle from beet pulp as a pulp-feeding demonstration. Growers in the Owyhee reclamation project in Oregon produced 16.2 tons per acre on 17,000 acres last year, the highest production in the United States, save in one area in northern California. The fly in the ointment, however, is that under the crop-control program Oregon growers, as well as those in the other districts of our sugar-beet producing States, are not permitted to place this fertile land in production.

The regulations even threaten to reduce our own acreage in Owyhee from 17,000 acres to 12,000. This plant alone has added $1,000,000 to the assessed value of Oregon and has furnished many jobs to our farmers and laborers. This is a concrete case showing how we can, by proper governmental action, bring capital out of hiding to seek investment in free enterprise, giving the unemployed jobs and merchants markets for their products. Through the operations of the trade treaty and regulations we have thrown the opportunity out the window. Notwithstanding our favored situation with reference to the production of this important domestic crop, under existing laws and regulations and trade treaties we freeze this thriving industry and refuse to permit expansion and import the most of our sugar demands from Cuba, the Philippines, and elsewhere.

AMERICAN WOOL INDUSTRY THREATENED

We in Oregon are especially interested in the wool industry. Many of you have a like interest. The reciprocal-trade agreement with Great Britain became operative on the 1st day of January 1939. Approximately 90 percent of American products on which tariff concessions are made by Great Britain are on the prohibitive list, and export license must be obtained for any of the products to be shipped. In other words, anything Britain shall ship may come to us free from quota restrictions and currency regulations. France, Belgium, and Italy benefit equally with Great Britain by this treaty, which is further enhanced by the rate of exchange. During the first 8 months of 1939, representing the period during which the reciprocal-trade agreement with Great Britain had been in effect, our imports of woolen rags totaled 5,461,292 pounds, an increase of 4,969,167 pounds, or more than 1,000 percent, compared with the corresponding months in 1938. Imports of manufactured woolen goods also showed tremendous increases, amounting to 8,749,587 square yards, during the first 8 months of 1939, or more than 100 percent over the imports for the corresponding period of 1938. The imports of these materials amounted, in the 8-month period, to over 12,000,000 pounds, which would equal approximately 25,000,000 to 30,000,000 pounds of raw material. The combined raw materials and finished products is the equivalent of 35,000,000 pounds of raw wool. It is estimated that it amounts to twice the annual wool clip of such States as Oregon, Idaho, South Dakota, Ohio, and many other wool-producing States, and more than half of the total annual raw-wool production in the great sheep-raising State of Texas.

WEST COAST LUMBER INDUSTRY SCUTTLED

In Oregon we have the largest body of standing timber of any State in the Nation. Over 50 percent of our pay rolls come from the forest industry. The Douglas fir forests of Oregon and Washington are the largest in the United States. The reciprocal-trade agreement with Canada has resulted in great injury to this industry in our State. In 1935 the total forest products and paper imported from Canada was $108,724,794, whereas in 1938 it had increased to $168,990,162, or an increase of 55 percent. We formerly supplied 75 percent of the North Pacific coast lumber used by the British nation. The Canadian agreement of 1935 lowered the American tariff wall one-half, but left the British Empire tariffs intact. American duties on Canadian lumber were cut 50 percent—all the law allowed, restricted to 250,000,000 feet annually. Under the most-favored-nation clause this reduced lumber duty was automatically extended to every other country in the world shipping lumber to the United States, including Soviet Russia. Lumber imports to the United States increased at once. Douglas fir and west-coast hemlock from British Columbia were practically doubled. In the first 11 months of 1938 Canada shipped 155,000,000 feet of Douglas fir and west-coast lumber into the United States, while west-coast shipments to the entire British Empire, Canada included, totaled only 59,000,000 board feet—a ratio of 3 to 1. In other words, American lumber exporters have been cut off from the British market, but the home market has been opened to Canadian shipments. In 1938 in the Northwest 16 percent of the sawmills worked full time, 32 percent part time, and 52 percent were idle. We paid 76.7 cents per hour to our workers for a 40-hour week and British Columbia paid 57 cents for a 48-hour week.

FOREIGN EXCHANGE CONTROL NULLIFIES TARIFF

There has been set up in Canada a foreign exchange control board, with arbitrary power over rates of exchange, foreign securities, and exports and imports. This arbitrary power lodged in this board by an order-in-council of the Dominion of Canada has given the board the absolute power to stop the sale of American goods in Canada. As a result of this arbitrary action of our northern neighbor the managed depreciation of Canadian exchange has wiped out completely the small protection for American lumber provided by the reciprocal-trade treaty with Canada. I call attention to the rates of exchange fixed by this board for the 4 months of August to November, inclusive, 1939:

Comparative rates of Canadian, British, and American exchange

	Aug. 1	Sept. 1	Oct. 2	Nov. 1	Nov. 30
New York noon buying rate:					
Canadian dollars	0.999765	0.956718	0.894453	0.896562	0.863359
Sterling (in United States dollars)	4.680694	4.21375	4.015833	3.999305	3.882500
Canadian buying rate: Sterling (in Canadian dollars)	----------	4.44¼	[1] 4.43	[1] 4.43	[1] 4.43

[1] Fixed by the Canadian Foreign Exchange Control Board at a buying rate of $4.43 and a selling rate of $4.47.

The disastrous effect of this arbitrarily managed exchange is at once apparent when we thus see that on November 30, 1939, a British pound would only buy $3.99 worth of Oregon lumber, but $4.43 worth of Canadian lumber. Likewise, the Canadian exporter of lumber to Oregon, or to its lumber

markets in the United States, would have an advantage through this favorable exchange of 13½ percent to 14 percent over Oregon lumber producers. The Canadian exporter of Douglas fir lumber selling at $18 per thousand board feet the current price, with a retained duty of $2 per thousand board feet, would have an advantage over Oregon producers under the exchange rate of 14 percent, or $2.50 per thousand board feet. This would more than offset the tariff under the treaty. This tells the story why cheap Canadian lumber undersells our Oregon lumber, and why our Oregon mills have been closed down much of the time, while the Canadian mills run full time. It also explains why many of our loggers and sawmill workers in Oregon are on the relief rolls and W. P. A. drawing from the Federal Treasury. The American lumber industry, with high wages and costs cannot, in the American markets, compete on a free basis with western Canada, with cheap labor.

Mr. Chairman, with congressional approval of trade treaties, these facts could be presented to the Congress with assurance of fair treatment. Under the present secret negotiation and consummation of trade treaties, the American producer is helpless. He not only has no voice in the procedure taken, which may ruin his industry, but, likewise, his duly elected representatives in Congress have no voice, having delegated their legislative power to the Executive. As a result of these conditions threatening to destroy our lumber industry, our lumber producers have appealed to the Secretary of State for relief from the trade treaty with Canada, saying:

1. The basis of commerce between Canada and the United States has been abrogated by the Dominion Government through formation of the foreign exchange control board, which has complete and arbitrary powers over foreign exchange, rates of exchange, imports, and exports.

2. The managed depreciation of Canadian currency has completely offset the existing $2 a thousand tariff and tax protection granted American lumber producers in the trade agreement. In this connection the American producers show that the present depreciation of about 14 percent on Canadian currency amounts to around $2.50 a thousand feet on $18 lumber, or more than the total of $2 a thousand of existing tariff and import duty.

3. Canadian lumber mills operated steadily in 1939, piling up inventories estimated at more than 330,000,000 board feet of lumber as of the middle of last December. With British ships not available to move this large accumulation of lumber, there is the threat that Canadian mills will start selling to the nearby American market.

Since 1934, following the inauguaration of the reciprocal-trade program, the Pacific Northwest has lost a billion feet of its offshore lumber trade, which means the loss of 2,000,000 days of work each year, or about $12,000,000 in wages.

TRADE-TREATY PROGRAM UNDERMINES AMERICAN LABOR

Few countries have gone as far as has the United States in protecting its wage earners. We have put a floor under wages and a ceiling over hours, and have provided minimum wages and have raised standards on a broad scale for the guaranteeing to American workmen healthful surroundings and social security. We have imposed heavy taxes on American industries and agriculture to provide these advantages to laborers and other citizens. As a result, these additional costs are reflected in the cost of American products. We cannot hope to maintain our agriculture and industries on a profitable basis, which are heavily taxed for these purposes, if we throw their products in free competition with peon, coolie, and other cheap labor of foreign countries.

A striking example of this unfair competition was evidenced in the proceedings looking toward a reciprocal-trade agreement with Argentina, where it was proposed to reduce the import duty on turkeys. It was disclosed at the hearings that turkeys could be produced and delivered from Argentina on the New York market at 10 cents per pound, whereas the cost of production in the United States was 20 cents or more per pound. It stands to reason that if the American market for turkeys, which is the best market in the world, is thrown open to Argentine importations that Oregon turkeys and other American-produced turkeys would not only be displaced to the full extent of the foreign importations, but the whole price structure of this important American product would collapse. Oregon is one of the largest turkey producing States in the Union. We enjoy an excellent east-coast trade. But it costs as much to ship turkeys from Oregon to New York as the Argentine turkeys can be sold for on the New York market duty free. It is true that the trade negotiations with Argentina have been discontinued until after the 1940 elections, but we should not deceive ourselves. They will be revived after the elections and British influence on Argentina is lessened. Argentina will then be given our turkey market, as South America and Canada have been given the beef market and Canada the lumber, shingle, and pulp market at the expense of Oregon and the other Western States.

Such trade practices are clearly beyond the underlying purpose of the reciprocal-trade agreements and it is just such practices that caused many Congressmen, Republicans and Democrats alike, to appear before the Committee for Reciprocal Information and protest against the proposed trade agreement with Argentina.

CONGRESS SHOULD RECAPTURE ITS CONTROL OVER TRADE TREATIES

Mr. Chairman, those of us in the Congress who represent the districts which are suffering from these importations should insist that suitable safeguards should be provided in the further extension of the reciprocal-trade program so that such practices will be stopped. Under the present administration of the trade program through the State Department the Congress is denied any voice in the matter. These treaties, vital to our welfare, are agreed upon by bureau employees behind closed doors. We are denied the right to know who they are. The duly elected representatives of the people most vitally affected by these unwarranted importations are without any power or authority unless we modify this law.

PROMOTE INTERNATIONAL GOOD WILL, BUT NOT BY SURRENDERING OUR AMERICAN MARKETS

We join with Secretary Hull in an earnest desire to engender international good will by removing, so far as possible, foreign trade barriers. We do not, however, feel that in justice to American citizens we should adopt a free-trade program with respect to any major products of our own country that will stifle American production, throw American laborers out of work, and trade off American markets with no compensating returns.

I want to stress again that the purpose of the reciprocal-trade program is not to open our markets to products which we ourselves produce in excess of our own demands. The real purpose is to furnish American markets for such imports as we ourselves do not produce and to provide markets for our excess production. That is reciprocal trade. It was never contemplated, for instance, that the lumber markets of America should be thrown open to imports of forest products from Canada and other countries, depriving our own lumber producers of a market for domestic lumber of which we have a surplus. Furthermore, it was not intended that the bars should be let down for the importation of cattle, and beef products from Canada and Argentina to displace like American products in the American market.

FARMERS AGAINST RECIPROCAL-TRADE PROGRAM

I call your attention to the fact that the National Grange, the outstanding farm organization in the United States, is opposed to the present reciprocal-trade program. If the farmers of America were being benefited by the program, it would have their whole-hearted support and not their opposition. They know, as we know, that the reciprocal-trade program is working havoc with the farming industry and is depriving the American producers of the best market in the world for their produce, the American market. The National Grange has adopted the following resolution:

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

Mr. L. J. Taber, master of the National Grange, testified before the Ways and Means Committee in opposing the extension of the reciprocal-trade law:

May I make a further observation before turning from this farm question? I want to say that this Congress and the Ways and Means

Committee should face the fact that, if we are going to have these reciprocal treaties, we must look forward to adding another billion dollars to farm payments because of the depressing effect of these treaties, the repercussions of even small importations, the certainty of a lowered standard of living, and world-wide poverty, which will make imports beat at our doors, so that, instead of being satisfied with what Secretary Wallace reports, I will serve notice now that, if we are going to continue the reciprocal-treaty program, the Grange is going to come here and ask not for hundreds of thousands of dollars but a billion dollars additional to bring agriculture up where it ought to be. Why? We are 22 percent below parity now after 6 years of reciprocal treaties. We have not helped the surplus problem; we have not helped the farm income. The farm dollar is 22 percent below par. We have about 22 percent unemployed. We have not solved the farm problem. We have distressed it. Until we quit distressing it, we cannot make progress.

EXPORT TRADE UNDER THE RECIPROCAL TRADE ACT

An examination of the official statistics of the Government discloses that the administration of the Reciprocal Trade Agreement Act and the trade pacts negotiated under it have not resulted in increasing our agricultural exports, but, on the other hand, have opened our local markets to many competitive agricultural products resulting in serious injury to our farmers.

During the fiscal year ending June 30, 1934, the last full year before the reciprocal-tariff program went into effect, our exports of farm commodities totaled $787,343,000. Our farm exports for the fiscal year ending June 30, 1939, amounted to $682,962,000. This shows a loss of farm exports of $104,381,000.

During the fiscal year ending June 30, 1934, our imports of farm commodities totaled $838,952,000. For the fiscal year ending June 30, 1939, farm imports amounted to $998,616,000. This shows an increase in imports of $159,664,000.

Speaking only of competitive imports, there was an increase of $67,625,000 in 1939 as compared with 1934.

The cash income of the farmers of the United States for 1937, including Government payments, was $8,574,000,000. In 1938 this income was $7,632,000,000, a decrease in farm income of $942,000,000. This effect of the lowering of import duties on competitive agricultural products is further disclosed by a comparison of the importations of these products as compared with the noncompetitive agricultural products.

The average imports of competitive agricultural products for the 5 years ending June 30, 1934, were $495,395,000. For the next 5 years, beginning July 1, 1934, they were $616,149,000, or an average increase in competitive imports in the last 5-year period compared with the first of $120,754,000. Then take the noncompetitive agricultural products for the first 5-year period. They averaged $574,143,000, and for the last period they averaged $536,933,000, or a decrease, an average decrease, of $37,210,000.

The disastrous effect of the trade treaties on agriculture is further disclosed by the statistics of the Bureau of Agricultural Economics—Ways and Means hearings, page 928. This table uses the index of 1929 as 100 and compares the income of farmers from all crops with the income of industrial workers. Thus the income of 1934 of the farmers of all crops was 56, this being the year preceding the reciprocal-trade program. In 1939 it was 56.5, showing practically no increase, whereas the increase of industrial workers for the same period shows, 1934, 61.3, and 1939, 79. It is of interest to compare the customs collected per capita in the United States and other leading countries in 1937 under the operation of the reciprocal-trade program, and also the progress made by the United States in recovery with these other nations now following such a program. The following table shows the customs collected per capita in 1937 in nations named—Ways and Means hearings, page 793:

Great Britain	$22.84
Switzerland	16.76
Australia	16.51
Canada	11.62
Norway	10.50
Finland	10.34
Venezuela	9.42
Germany	9.02
Argentina	8.22
Panama	7.51
Chile	7.19
France	6.90
Cuba	6.76
Sweden	$6.74
Belgium and Luxemburg	6.42
Spain	6.17
Union of South Africa	5.01
Netherlands	5.92
Costa Rica	4.98
Italy	3.74
United States	3.56

It is thus seen that the United States is at the bottom of the list, collecting $3.56 per capita as compared with Great Britain collecting $22.84. Turning to a comparison of recovery from the depression, we note that, taking 1927 before the depression as representing 100 percent, in 1938 the United Kingdom had a recovery of 115.5, whereas the United States had 72.3. This is a striking illustration of the operation of two trade programs. England, which formerly was a free-trade country, but now operating under a protective regime, has increased her economic recovery by 15.5 above 1929, whereas the United States, operating under a virtual free-trade program, has decreased 27.7 below 1929. While it is no doubt true that this great difference in economic recovery between Great Britain and the United States is not entirely due to the trade treaties and tariff programs, it cannot be denied that a large portion of the recovery of one and the lack of recovery of the other may be attributed directly to these causes. In fact, Mr. Henry F. Grady, Assistant Secretary of State and in charge of the administration of the reciprocal-trade program, testified before the Ways and Means Committee—Ways and Means hearings, page 773:

I have never said a tariff has not a place in the national economy. I think it has a very definite place, and I think our tariff policy has been a factor in the development of this country. I am not talking about legitimate protection. I am talking about excessive protection that unduly restricts imports.

A comparison between the exports of agricultural products and nonagricultural products to agreement countries and nonagreement countries as shown by the reports from the Foreign Commerce and Navigation Bureau of the United States Department of Commerce is of particular interest in the study of this question.

United States domestic exports to agreement and nonagreement countries of agricultural and nonagricultural products, 1935–38 (Ways and Means hearings, p. 553)

	1935	1936	1937	1938[1]
Total exports	$2,243,080	$2,418,969	$3,208,928	$3,057,169
To agreement countries	1,257,749	1,391,080	1,902,811	1,793,328
Agricultural products	446,510	452,243	524,895	573,030
Nonagricultural products	811,239	938,837	1,377,916	1,220,298
To nonagreement countries	985,331	1,027,889	1,396,117	1,263,841
Agricultural products	301,182	257,283	272,587	254,516
Nonagricultural products	684,149	770,606	1,123,530	1,009,325

[1] Preliminary.

The table discloses that there was only a slight increase in exports of agricultural products to the agreement countries, whereas there was a very heavy increase in nonagricultural products. Likewise, there was very little change in agricultural exports to the nonagreement countries, but nonagricultural products increased even greater than to the agreement countries.

SIX GOVERNORS OF NEW ENGLAND STATES OPPOSE PROGRAM

The six Governors of the New England States had a representative before the Ways and Means Committee opposing the continuation of the reciprocal-trade program. Governor Ratner, of the great agricultural State of Kansas, says this:

As trade treaties and tariff reductions bring larger imports of foreign products into competition with American farm and industrial products, will we not be forced to leave more land idle and leave more men unemployed? Secretary Wallace has recently announced that the ratio of prices received by farmers to prices paid by farmers, as of December 15, was 79 percent of the pre-war period. As foreign competition made possible by reduced tariffs on farm products keeps farm prices from rising, how can the Kansas farmer expect to compete with foreign agriculture unless reductions in tariff are accompanied by a definite movement to reduce taxes, freight rates, and those industrial products which farmers buy?

RECIPROCITY MEANS FAIR TRADE

We are all deeply concerned in the welfare of our own country. We want the United States to play its part as one

of the family of nations. We do not feel, however, that we are called upon to surrender the American markets to foreign importations of the very products which we produce and of which we have a surplus which we are now unable to sell, thus undermining American industry and putting American laborers on the relief rolls. Reciprocity means receiving compensating benefits for those we give up. We have only 7 percent of the population of the world, and we cannot, in justice to our own people, open our markets to the other 93 percent on a free-trade basis without protection for our own people.

OREGON TIMBER WORKERS AND FARMERS IN DISTRESS

The farmers of my own State of Oregon are in distress. They are not now receiving the cost of production for their products. They are entitled parity. The Congress appropriated $700,000,000 for the relief of the farms industry last year. Many loggers and sawmill workers are forced out of work in the Northwest. We have surpluses of agricultural products and lumber for sale. We want agriculture and the great forest industry of the Northwest protected from importations of products from cheap labor which are underselling and glutting the American market. We urge that the reciprocal-trade agreements require congressional approval, as under the Constitution, tariff making is a legislative power, vested in the Congress, and we have no right to delegate it. The interest of every community in America will be protected by such a provision.

Mr. BUCK. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. BURCH].

VIRGINIA—TOBACCO AND TRADE AGREEMENTS

Mr. BURCH. Mr. Chairman, few States have a greater stake in the maintenance of American foreign trade than the State of Virginia. Many of the most important products of Virginia's farms and factories are sold in markets all over the world. Virginia's producers of tobacco, apples, textiles, and lumber and paper products, to mention only a few, depend upon export outlets for the sale of a part of their output, and without these outlets they would find their incomes seriously curtailed.

In 1934 this administration embarked upon a program for the reconstruction of its foreign trade. This trade had fallen to ruinously low levels in the preceding years, largely as a result of the upward spiral of world-trade barriers and the consequent strangulation of normal interchange of goods between nations. The Hawley-Smoot Act, raising our own tariff rates to new high levels, had played an important part in accelerating this disastrous cycle. United States exports fell 68 percent from 1929 to 1933, and farm and industrial income fell with it. Virginia's trade fell with the Nation's, and her farmers and workers shared in the losses.

It was to meet this situation that Congress enacted in 1934 the Trade Agreements Act. Since that time we have been systematically chopping away at the barriers which have been blocking our export trade. In the face of a world situation which was about as discouraging as it could be, substantial progress has been made in opening and protecting export outlets for American products. Because of its accomplishments in the past, as well as for its promise in the future, Virginia and the Nation need the continuation of the reciprocal trade agreements program.

THE TOBACCO GROWER NEEDS FOREIGN MARKETS

Tobacco, one of Virginia's most important products, has been an important American export since Colonial days. During the twenties about one-third of our national production was sold annually in foreign markets and tobacco growers were enjoying relative prosperity. Tobacco prices and income were higher than in any previous period except the war years. The trend of world consumption was upward, and there seemed no reason why the tobacco farmer could not look forward to continued profitable production with stable markets for his crop.

Instead the tobacco farmer saw his price fall from 18.3 cents per pound in 1929 to 10.5 cents per pound in 1932; he saw the farm value of the American tobacco crop drop from $281,000,000 in 1929 to $107,000,000 in 1932; he saw exports decline from about 600,000,000 pounds in the year beginning July 1, 1929, to about 400,000,000 pounds in the year beginning July 1, 1932.

What was the cause of this collapse of the American tobacco farmers' market? Many factors were, of course, involved, but in no small degree the cause lay in the growth of economic nationalism and widespread rise of trade barriers which undermined the profitable growth of international trade. This disastrous tendency started after the World War, accelerated during the period from 1920 to 1929, and was carried to the extreme in depression years. The strangulation of foreign trade which followed is now all-too-painful history. Faced with declining exports and striving to protect the exchange value of its currency, nation after nation saw no issue from the dilemma but to place ever-greater restrictions on imports. International trade in almost all products fell to a fraction of its former value.

Tobacco was no exception. Long subject to high tariffs and heavy internal taxes, tobacco became the target in many countries for an intensification of efforts to curtail imports. The United States as the principal tobacco-exporting nation of the world was, of course, one of the chief sufferers from these measures. With tobacco production growing in many countries, often with governmental encouragement and aid, it was imperative that the United States take some action to protect its position in world tobacco markets. This action was undertaken with the inauguration in 1934 of the trade-agreements program, designed to increase United States foreign trade by reciprocal action with other countries for the mutual relaxation of trade restrictions.

BENEFITS FOR TOBACCO IN THE TRADE-AGREEMENTS PROGRAM

Experience under the trade-agreements program has demonstrated that it is the most effective method yet proposed for the restoration of American export trade. For tobacco it offers the only sound way of maintaining our position in foreign markets.

Trade agreements have been negotiated with 21 countries which account for about three-fifths of American foreign trade. Thousands of concessions have been obtained which improve or stabilize the export opportunities for American products. Despite the discouraging world economic conditions, United States export trade has responded to these opportunities, and in 1939 was 49 percent greater than in 1934, the year in which the Trade Agreements Act went into effect.

The dozen or so of concessions which have been obtained on tobacco and tobacco products represent a major triumph for the trade-agreements program. Faced with a maze of complicated restrictions and impediments to the movement of American tobacco into foreign markets, we have been able to secure substantial benefits for these products in 11 agreements. These accomplishments represent conclusive proof of the adaptability of this program as an instrument of American commercial policy.

Because of the special characteristics of many of the concessions which the United States has obtained on tobacco and its products, it may be well to summarize them briefly:

First. Cuba has granted a 20-percent reduction in the import duty and a 20-percent preference on leaf tobacco. The rates of duty are also reduced and a preference of 20 percent granted over other foreign countries on American manufactured tobacco—cigarettes, cigars, smoking and chewing tobacco, and snuff.

Second. Belgium has given assurance that the rates of import duty on unstemmed leaf tobacco and cigarettes will not be increased.

Third. The Netherlands has bound the import duty against increase on tobacco of the Maryland, Kentucky, and Virginia types. Netherland India has given a similar commitment on kinds of leaf tobacco.

Fourth. Colombia has granted a 50-percent reduction in the import duties on leaf tobacco and on cigarettes.

Fifth. Guatemala has agreed not to increase the existing duty on leaf tobacco.

Sixth. Haiti has guaranteed not to increase the existing import duty or internal taxes on cigarettes.

Seventh. France guaranteed that purchases of American leaf by the French tobacco monopoly during the 1936 season would not be less than the equivalent of $3,200,000 in value or less than 20,500,000 pounds in weight, representing an increase of about 10 percent over the 1935 takings.

Eighth. Czechoslovakia made a commitment to the effect that the Czechoslovakian tobacco monopoly will endeavor to increase its purchases of American leaf tobacco, especially the cigarette grades.

Ninth. Canada has reduced the import duty on American cigarettes from $4.10 per pound plus 25 percent ad valorem to $3 plus 15 percent ad valorem.

Tenth. The United Kingdom has given assurance that the existing margin of tariff preference in favor of Empire leaf tobacco will not be increased, and that after August 1942, when the law expires which guarantees the present margin of preference to certain parts of the British Empire, the United Kingdom Government will examine the position as it then stands and the possibility of reducing the margin of preference.

Eleventh. The United Kingdom Government, on behalf of Newfoundland, has given assurance that no tariff preferences in favor of Empire leaf or Empire-manufactured tobacco, including cigarettes, will be introduced in Newfoundland.

Twelfth. The United Kingdom Government, acting in behalf of the British Colonial Empire, has made the following concessions in separate British colonial dependencies on American unmanufactured tobacco and tobacco products: 19 reductions in the colonial rates of import duty on unmanufactured tobacco, 8 bindings of existing rates of duty against increase, and of these concessions 21 involve parity-with-Empire tariff treatment—abolishment or preclusion of Empire preference. With respect to manufactured tobacco, 13 tariff reductions and 19 bindings of existing rates of colonial import duties were obtained, of which 5 of the concessions involve party-with-Empire tariff treatment. The effective date of the British Colonial Empire Concessions is January 1, 1939, or as soon thereafter as practical.

Thirteenth. Venezuela has reduced its import duty on cigarettes by 40 percent and bound its internal tax against increase.

This is an impressive list of benefits and is ample evidence of the stake of the tobacco farmer and manufacturers in the continuation and vigorous promotion of the trade-agreements program. Because of blending considerations, consumer preferences, and other special factors, it cannot be expected that exports of tobacco will react immediately to these concessions. Nevertheless, it is incontrovertible that in the long run these concessions will help to protect and improve the American position in the tobacco export trade.

In June 1938, the United States Senate adopted a resolution which provided in part that—

> The Secretary of Agriculture is requested (1) to make a thorough study and investigation, immediately, of foreign markets and the possibilities of increased exports for all grades of tobacco and tobacco products; (2) to formulate and give full consideration to a plan or plans for increasing such exports and enabling such exports to be made on a subsidized basis.

THE BEST METHOD OF EXPANDING TOBACCO EXPORTS

After months of study by tobacco experts the Department of Agriculture reported on March 17, 1939, Senate Document No. 39, Seventy-sixth Congress:

> After comprehensive investigation and analysis of all the potentially practicable means of furthering the exports of American tobacco, as well as manufactured tobacco products, it is felt that the reciprocal trade agreements program, and its further extension to countries not now included therein, affords the most practicable basis for achieving the desired purpose. Moreover, that program, and its further extension, is considered to provide one of the most efficacious methods of checking the declining trend in imports registered in certain countries for particular types of American tobacco.

Here is a convincing statement of the need for the maintenance and extension of reciprocal-trade agreements as the only sound long-run method of maintaining that export trade which is so vital to welfare of the tobacco farmer.

Recently opponents of the trade-agreements program have attempted to make political capital out of the trade losses suffered due to the outbreak of war in Europe. Pointing to import restrictions adopted by Great Britain and France they purport to show that the program has been unable to protect American exports. Such charges are without foundation.

It is true that the United Kingdom and France have felt it necessary in their war effort to limit their imports of certain American products. Tobacco has been especially affected by such measures. This fact, however, in no way reflects upon the trade-agreements program. On the contrary, the existence of trade agreements with these two countries is a definite asset in obtaining as favorable treatment as possible under the circumstances. The existence of these problems underlines the need for the continuation of a program through which we may undertake the rehabilitation of our foreign trade when the war is over. It hence emphasizes, rather than diminishes, the desirability of keeping that program in force now.

SUMMARY

In summary, the reasons why the tobacco farmer demands the continuation of the trade-agreements program can be stated as follows:

First. He knows that his welfare is directly dependent upon the maintenance of export outlets for the sale of a large part of his output. The loss of these outlets could bring only ruinously low prices or drastic curtailment of production or both.

Second. He knows from experience that the trade-agreements program gives him the most effective aid possible in his effort to maintain and improve his export markets. This is not only because through trade agreements he can obtain definite improvements in the import treatment accorded his product but also because the general improvement of world trade resulting from that program lessens the danger of foreign countries applying new restrictions to imports of American tobacco. The tobacco farmer knows that trade is a two-way process.

Third. He knows that when peace comes the United States must be ready with a positive program for protecting and regaining the American position in foreign markets. The trade-agreements program has proved that it will be an effective instrument in this task.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, there were three vehicles of recovery adopted by the present administration for the purpose of bringing the country back to recovery. First came the N. R. A., which was to deal with the unemployment problem. Then came the A. A. A., which was an attempt to give the farmers parity. Both of these measures were torpedoed and sunk by the Supreme Court. The third and most unconstitutional surrender of power by Congress was the passage of the Trade Agreements Act of June 12, 1934. This act authorized the President to enter into trade agreements with foreign nations and do so without the concurrence of the Senate or House. Never under a limited monarchy and certainly not under any existing form of popular government was any such power ever delegated to the Executive. Under this power and by virtue of these treaties, the pattern of America is being changed as regards industry and agriculture. This trade-agreement law has been in effect for 6 years, having been renewed in 1937. Under the pending resolution, House Joint Resolution 407, the administration is attempting to renew this power for 3 additional years.

I shall refer later in my discussion to the character of these treaties and its effect on the country. First, however, I desire to give you a bit of history.

In the 1930 Tariff Act, as in former acts, there was a provision for a "flexible tariff" to be handled by the Executive under a fixed formula. It was a constitutional delegation of power with very limited application. At that time the present distinguished Secretary of State, and the chief proponent of

this measure, was a member of the House Ways and Means Committee. On May 13, 1929, Mr. Hull stated on this floor:

The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astonishing, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As has been said on a former occasion, "this is too much power for a bad man to have or for a good man to want."

Later Mr. Hull became a Member of the Senate from the State of Tennessee. On May 19, 1932, in the Senate, Mr. Hull said in regard to the flexible-tariff provision:

Mr. President, unless and until the executive department can make permanent the policy of the present Tariff Commission law, with its flexible provision, Congress can lay claim to some semblance of its taxing power under the Constitution, but I deny the right of the executive department practically to assume, to arrogate to itself the chief power of tariff taxation in this country, while it ignores the great lawmaking body charged with that function and duty under the language of the Constitution.

I am opposed to it, and I believe that the sober second thought of the American people will repudiate this unprecedented and unusual and wholly unjustifiable arrogation of power and authority to the President.

I cite the distinguished Secretary of State on this question because it is so completely corroborative of my own present view and the viewpoint of thinking Americans. He frothed at the mouth at the suggestion of a minor delegation of power and now modestly asks that plenary power be given him and the Executive to make the tariffs of the Nation.

FREE TRADE THE OBJECTIVE

I have a great deal of admiration for Secretary Hull and am glad, indeed, that he shows the training and characteristics which come largely from service in this body. He is, of course, the outstanding member of the administration. The sole flaw in his make-up, as I view it, is that he belongs to that race of idealistic free traders who have never seemed to realize that American standards of living, education, and economic well-being are distinct from those of the rest of the world, and that it is impossible to coordinate them by any scheme of international free trade. Nor do I have any outstanding faith in the Americanism of the Department of which he is the head.

Historically, the American people have usually been at variance with the aims and desires of the State Department in foreign affairs. For myself, I would rather confide the economic destinies of this country to this great Committee, coming directly from the people, than to the white-spotted anonymous groups in the Department of State.

STATE DEPARTMENT DISCUSSED

During our history our Department of State has rarely been outstanding or noteworthy. The foreign scene seems to denature their Americanism. Of course, we have had a few years of Andrew Jackson, Seward, Blaine, and Olney, but this Department has never been healthfully or vigorously national in its conception of the dignity and purposes of America. I say this with regret, because I have a good deal of affection for some men in the Foreign Service. From my observation they take the foreign viewpoint and know little or nothing about the real purposes and ideals of America. Yet these men are now writing our tariffs, and every one of those tariffs which they have written marks a trail of economic disaster for some phase of American production.

THE PROMISE OF PEACE

But, says the President, Secretary Hull, and his satellites, as part consideration for this vast delegation of power, "If you will but let us write the tariffs of America, we will bring universal peace to a troubled world." The proof of the pudding is in the eating and this power has been resident in the Secretary of State's office since 1933, a period of 7 long years. These gentlemen are still prating about the peace of the world and I ask the Members of the House to take a bird's-eye view of the conditions in the world today. The only place in the world for any real democracy left is here in the United States and the other major nations of the world are again in a struggle for supremacy. Despite the exercise of this vast power which you delegated in 1933, they have accomplished nothing in the peace line by giving away the American markets to the present combatants.

My own judgment is that this program is pregnant with war and dangers of war, rather than conducive to peace. In any event, a survey of the world shows that after 7 years this vast power as delegated to the President has accomplished nothing, except the lowering of the American standards of living. It has had no more effect on the peace of the world than the proverbial last year's bird's nest.

FOREIGN MARKETS

Again we hear the proponents claim that this trade-agreement procedure will get us back our foreign markets. What has 7 years of it done?

I place in the RECORD at this point a brief table showing the exports of United States merchandise from 1929 down to and including the first 10 months of 1939. It establishes the futility of this claim.

Exports

1929	$5,157,083,000
1930	3,781,172,000
1931	2,377,982,000
1932	1,576,151,000
1933	1,647,220,000
1934	2,100,135,000
1935	2,243,081,000
1936	2,418,969,000
1937	3,298,929,000
1938	3,057,169,000
1939 (10 months)	2,479,595,000

A good deal of our export is either dumping or war materials. More of it is export of goods and machinery to American plants which at this time have some one-thousand-and-nine-hundred-odd subsidiaries abroad.

If you eliminate the intercompany relations as above described, the total of our exports does not amount to more than 2 percent of our national production. In other words, we are consuming nationally approximately 98 percent of our national production. The 130,000,000 people of the United States constitute the richest cash market in the world. I have seen it stated that our buying power is greater than that of all Europe, with most of Asia thrown in. We need some things from abroad and under an intelligent bilateral dispensation our imports of these necessary articles should furnish sufficient exchange. France and England and Belgium are exporting countries. We are not, and probably never will be.

OUR MARKET IS HERE

It will interest the House to know that during the time of our greatest prosperity our home market reached the stupendous sum of $90,000,000,000, while the international trade of the entire world amounted to less than $72,000,000,000.

AMERICAN STANDARDS HIGHER

Our viewpoint on education, cultural opportunity, is tremendously in advance of the average foreign state. I read recently that more copies of an internationally famous book were sold in Kansas than in all of the British Isles. That is a good index to how far our people have gone culturally and how distinct our standards are.

It is my opinion that the effects of these trade agreements, as negotiated by the State Department, will be to break down and level American standards to the European concepts of life. Carried to their finality they will defeat what I conceive to be the higher destiny of America, where the lot of the common man, however humble, is secure.

SANITARY CONVENTIONS

Some days ago I called to the attention of the House that Argentine corn was bringing into Nashville, Tenn., that dread scourge typhus fever. At the same time I emphasized that the State Department, in negotiating these treaties, had stipulated away the power of Congress to legislate on this question. This, of course, met with a strong denial from the State Department. I do not know how many millions the State Department has spent each year on the promotion of these trade agreements. When I first came here 12 years ago departmental propaganda was not much in evidence. Today if you write the State Department and complain that

foreign cheese is taking away the market and breaking the price structure of American cheese you will get back about 10 pounds of irrelevant literature which it would take a week to read. Volume, not intelligent statement, is the procedure. The gentlemen in the State Department who are running this propaganda bureau have completely overshadowed all of the departments in their dissemination of half-truths and equivocation. Two and two make six, and blue is green, seems to be the burden of their song. They seem to think that a mere Congressman either cannot read or does not read. The fact is that in every one of these trade agreements so far consummated there has been a definite surrender of the power of the United States to adopt sanitary regulations for the protection of its own people. The State Department denies this. I am content to leave the interpretation of this provision, which is present in most of the treaties, to the judgment of the Members of the House. I read you the identical language of this stipulation:

> And if there is disagreement with respect thereto (sanitary laws and regulations), a committee of technical experts, on which each government will be represented, shall on the request of either government be established to consider the matter and to submit recommendations to the two governments.

Now, as I construe the plain English of this section, it means that the application of any sanitary law or regulation is taken away from this Congress and left to a joint board composed of experts from the two countries. Such boards might make a report after 4 or 5 years, and at that time, whether or not the joint board was in agreement, the damage would have been done. Here again the State Department group who obviously are more concerned about the peace of the world than they are about the health of the American people. It utterly ignores the sacrifices and disbursements which America has made in behalf of sanitary production.

The United States has gone far in that field, and in other countries the problem has been hardly touched. Our concept of the public health is wholly different from that of other countries. You have only to go abroad to know that. This procedure is deliberately intended to destroy the power of Congress to adopt any sanitary rules and regulations, protective of the health of its people and to give effect to the sacrifices that the country has made in that direction. This stipulation on future sanitary rules and regulations throws to the winds the American dairymen's effort to provide American childhood with a pure and healthful supply of dairy products. It should be explained that the Federal and State Governments have contributed $270,000,000, and the dairymen themselves have spent another $300,000,000, to eliminate diseased cattle and to comply with the stringent and sanitary regulations present in most of our States. As a result our infant mortality is far below that of other countries of the world and the House should remember that no other country has even made a start on sanitary regulations on dairy production.

How would a Member of this House like the idea of eating butter from Russia and some other European countries not distinguished for their hygienic standards? Yet our representatives in the State Department in writing these treaties stipulate that we can make no added sanitary regulations as to imports and the character of the product unless the other country consents. In other words, these other countries who have done nothing in this field have joint power to legislate on our sanitary requirements which are calculated to protect the health and welfare of the American people. This is internationalism gone mad. This procedure may be conceived in ignorance of what America has done and is doing, but it is none the less fatal to the well-being of our people.

The fact is that these treaties by and large have broken down the protection which was thrown around the added costs incident to production in America. The tariff has been reduced on more than a thousand articles.

It is my firm belief that the present unhappy condition of the country is due to these treaties. Industry does not know where it is going to be tomorrow nor does the farmer. This measure should be defeated and the power to make tariffs left in the hands of the House and Senate where the Constitution placed it.

Let me call the roll of who is for these treaties: First, the internationalists of the State Department; second, the importers; third, the international bankers who have largely financed the vast propaganda that has been thrown about these treaties; fourth, the foreign producer of agriculture or industrial products; fifth, a group of sincere but mistaken idealists, who believe in free trade.

Now let me call the roll of those who are against trade agreements: First, the National Grange; second, a large group in the American Federation of Labor, the most numerous body of organized workers and consumers in America; third, the Farmers' Union; fourth, the National Manufacturers' Association of the United States, representing American industry that does not manufacture abroad; fifth, the national dairymen's organizations.

Consider the opponents and proponents of this program. That tells the story. A man usually knows when his ox is gored, and the informed farmer and industrialist of the United States is today in complete opposition to this trade-agreement program that is destroying them. The fact is that this fatal program has fallen of its own weight, and has already reduced the standard of living of every citizen of America, whether he is on a farm or in a shop. If continued, it will result in permanent disaster to all the citizens of our common country. This program should be stopped in its tracks by this House, and the Congress should again exercise the powers vested in it by the Constitution. [Applause.]

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, we are fast coming to the close of this most interesting and most instructive debate. We have been here now 2 days, and I think practically every phase of this subject has been discussed and probably exhausted. It will not be my purpose to attempt to repeat anything that has been said. I have listened carefully to the debates, and in the brief time at my disposal I shall reply to one or two statements made by the gentleman from North Carolina [Mr. DOUGHTON], the distinguished chairman of the Committee on Ways and Means, and then briefly discuss one or two matters that I think have not been touched as yet.

The address delivered Monday by the gentleman from North Carolina [Mr. DOUGHTON], chairman of the Committee on Ways and Means, covered, I think, 13 pages of the RECORD. It is not to be expected, of course, that anyone could attempt to reply to all of that in the short space of time allotted me, but I may say that when you take out of that statement tables of figures and newspaper editorials there is not a great deal left. In this speech the gentleman from North Carolina makes three points, on which I shall touch briefly. The first is his statement that—

> Under the provision of the statute no agreement can be entered into until after due public notice shall have been given and all interested persons have had an opportunity to be heard and to present their views.

I want you good Republican Members, and especially those of you who are new Members, to know that this is not a true statement when we consider the methods employed in making these trade agreements. I mean by this that you cannot safely go away from here, hang your hat on this peg, and say and believe that these agreements are entered into after all persons who are interested have had an opportunity to be heard.

That is one of the most unfortunate things in connection with these trade agreements; they are not entered into with the honesty of purpose and with the candor that should accompany the execution of important undertakings of this kind. So let not your minds be deceived that these things are what they say they are. These trade agreements are fearfully and wonderfully made. Ostensibly they are supposed to be made in a fair and open manner, but actually the performance is a joke and little short of a fake.

Another proposition advanced by our distinguished chairman is his statement that the minority report—and he said this with a great deal of fervor and some evangelism—"Oh, the minority report says that notwithstanding they give hearings to all interested parties, hearings should be granted after the agreements are negotiated." He then proceeded to say that that would be an asinine policy, and that it would be ridiculous. I want to agree with the statement made in the minority report that there ought to be some hearings after an important trade agreement has been entered into. In proof of my position, I wish only to say that of all the nations with which we have trade agreements all but three require that their agreements be ratified by their respective governments. Only three small nations—Belgium, Cuba, and Ecuador—can conclude agreements without reference to their governments. Yet when we Republicans timidly suggest that it would probably be better if we had an opportunity to review these trade agreements before they are finally entered into, our action is considered as "asinine."

Mr. Chairman, I want it understood that there is something in connection with these trade agreements that really is asinine, and I throw it over to the chairman of the Committee on Ways and Means and the Members on that side of the aisle. It was brought out before our committee, and I hung my head in shame when I learned that in this great America of ours the men who really negotiate these agreements are required to be kept anonymous.

Their names are kept secret so that we do not know who they are. They are to be kept in a sort of a saintly atmosphere. Mr. Chairman, whenever the time comes that any branch of government in these United States of America must hide the identity of those who make our contracts with foreign nations, then that is the time to apply the word "asininity" to somebody. [Applause.] If those selected to do this work are not strong enough to stand the pressure, then we should get others who are strong enough. It is cowardly for any branch of our great Government to have to hide itself away from the people whom it is supposed to represent. So when a producer or interested party presents his case to the Federal Trade officials he does not see the persons who really make the contracts.

Let me go now to the next proposition. The gentleman stated:

> Secretary Hull definitely and plainly states that, through the escape clause, if any mistakes are made, the injured party may have a hearing to show wherein he is injured. Through this escape clause any injurious effect of the trade agreements is remedied.

That was an unfortunate statement by the chairman of our great Committee on Ways and Means, when he knew that there has never been a single instance where the United States of America had taken advantage of these escape clauses. But who has taken advantage of them? The British Empire took advantage of one and has slipped out from under practically the whole agreement. It is not now bound as the original contract intended. Why? Because it has an escape clause that enables it to escape in case of war. It says to the British Empire, "When war intervenes you are out." But the United States of America is in. We stand bound but they go free. That is the kind of escape we have. We escape nothing that is to our disadvantage, and they escape everything that is to their disadvantage. How does France escape? France depreciated her currency 66⅔ percent. She takes advantage of her escape clause to our disadvantage, and we remain bound. When the chairman hands out to the public the statement that there is an escape clause in these contracts, he must appreciate that that is a fallacious argument. I repeat, that from every direction the United States finds itself outwitted.

Mr. BUCK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from California.

Mr. BUCK. Did I understand the gentleman to say that there were only three foreign countries that have ratified these agreements through their legislature?

Mr. JENKINS of Ohio. That is my understanding, and it is in the testimony.

Mr. BUCK. They ratified the agreements, though, did they not?

Mr. JENKINS of Ohio. They ratified the agreements just like we did, without having to go back to their congress; but all the rest of the countries must go to their congress, parliament, or an executive official who has authority to act.

Mr. BUCK. I understand that, and it is better than our own experience in connection with agreements that we have proposed to the Senate, is it not, with reference to either the McKinley tariff or any other tariff?

Mr. JENKINS of Ohio. I am willing to take issue with the gentleman on that. The gentleman apparently is suggesting that because our United States Senate has been reluctant to ratify trade treaties that we should withdraw from them this privilege because of what three small countries do. I am not willing here or in any other place to admit that our great United States Senate should be found at fault when its work is contrasted with the work of a trade committee from Belgium or Cuba or Ecuador.

Mr. BUCK. The gentleman knows I am not trying to find fault with the Senate of the United States. There were only three reciprocity treaties ever ratified by the Senate in our history, one in 1875, one with Cuba in 1902, and with Canada in 1854.

Mr. JENKINS of Ohio. I am willing to stand on ratification by the Senate of the United States, our own Senate. Some of the Members of the Senate were Democrats at the time ratifications were rejected. Does the gentleman take the position as the Representative of a great district of a great State, that because our Senate has not done what these other countries have done it should be castigated and we are to hang our head in shame? I rise up in defense of the dignity and honor of the Senate of the United States. I stand for it and what it has done I stand for, whether it be a Republican Senate or a Democratic Senate, especially as contrasted with any other country. I think this is an unfortunate position for the distinguished gentleman from California.

Mr. BUCK. It is not an unfortunate position as far as I am concerned, because as long as I am a Member of this body I am not going to vote to yield the privileges of the House of Representatives and put them in the hands of the other body.

Mr. JENKINS of Ohio. Then will the gentleman join with me when I offer an amendment to have these trade agreements ratified by the House and Senate?

Mr. BUCK. The gentleman will look at the amendment.

Mr. JENKINS of Ohio. He will look at the amendment. That is all he promises. Mr. Chairman, that is a sample of the arguments for this measure. Here is a distinguished member of the Ways and Means Committee who is not willing to let his own fellow colleagues pass on these propositions. He says we cannot do it, but it is right for England and France and other countries to go back to their congresses, but our negotiators should not come back to our Congress. All the great nations such as England and France must go back to their governments for approval; then why should not we require the same course?

Mr. BUCK. If the gentleman from Ohio is honest—and I know he is because he is one of the most able members of our committee—he must admit that the whole purpose of our consideration of this resolution to extend the authority further is to determine whether the House of Representatives wants to act now.

Mr. JENKINS of Ohio. No; that is not what we have been talking about.

Mr. BUCK. Certainly it is.

Mr. JENKINS of Ohio. No. What the gentleman started to get into was to show his opposition to what they call logrolling in the Senate. Open, honest public logrolling is to be preferred over clandestine, secret negotiations. Now, let us proceed to something else.

Mr. Chairman, let me take up for a minute the very able and well-prepared address of my colleague the gentleman from Tennessee [Mr. COOPER], a member of the Ways and Means Committee. The gentleman from Tennessee [Mr. COOPER] assumed to discuss the constitutionality or the unconstitutionality of this act and I want to compliment him

and say that he did very well considering what he had to work with. He discussed the same arguments that have been discussed in this debate. But I want to make one or two observations with reference to the constitutionality of this act. He stated that he was going to direct his discussion to two propositions. One was whether there had been a delegation of legislative power by the Congress to the President, and another was whether the failure to provide that these agreements should be ratified by the Senate would render the act unconstitutional.

He must and we all must admit, that the trade agreements go further in the granting of legislative power to the President than any other trade agreement ever proposed in the history of the Republic. For proof of this we need go no further than to refer to the arguments of the very distinguished and very able gentleman from Oklahoma [Mr. DISNEY] on this floor this afternoon. He portrayed convincingly how the Federal trade agreements crowd down at the Secretary of State's office had reached out and included excise taxes on oil in the agreement with Venezuela. This they did in spite of the fact that nothing like that had ever been done before, and in spite of the fact that when the Federal trade-agreement law was up for consideration in the Senate the first time it was expressly brought out that excise taxes should not be included within the purview of the law. According to the claim of the gentlemen from Oklahoma this Federal agreement crew had no right to include excise taxes, and I agree with him. This crowd will take under their control anything that they can without regard to the rights of individuals or to the Constitution. If these agreements exceed all former agreements in the scope of their activities then we can reasonably presume that they might exceed their constitutional authority. They go much further in this direction than any former agreements and no court has considered their constitutionality yet.

I repeat, no court in the United States has ever passed on these trade agreements. Why? That is the question that the majority Members must answer. This is a most blatant affront to American people. Why has no court in this country passed on these trade agreements? Mark well the facts. It is because those who are responsible for this legislation took out of the law the section which gave to an aggrieved citizen recourse to the courts to secure his rights. Why do I say that? This is one point that has not been brought out yet in these debates. Do you know that this to me is the most asinine step in the whole procedure? When we had the trade-agreements bill under consideration in the Ways and Means Committee and in the House 6 years ago nothing was said about taking from the people the right to seek redress in the courts if they felt aggrieved or deprived of their rights by the trade-agreements crowd. Up to that time an aggrieved importer or an aggrieved producer could find his way into court, and they found their way into court by the hundreds. This New Deal crowd can never explain this terrible invasion of the rights of the people. Those who have watched this wrecking crew work can easily understand it.

Nothing was said about this change over in the Senate while the bill was under consideration by the Senate committee. But after the bill had been written up, and after the bill had been brought up on the floor, one individual Senator rose under the guise and I would say the pretense of offering a perfecting amendment and moved to take out section 516 (b) of the tariff law. That section went out. Nobody caught the significance of it. It was presented by Senator HARRISON at the suggestion of the State Department.

This that was thought to be an insignificant, harmless amendment took out of the bill the right of the American people to protest excessive rates of duty or discriminating rates of duty and from that day to this not a single importer or producer or anybody else who has been aggrieved has ever been able to get into court. They have tyranically throttled any and all efforts to test the law and its constitutionality.

Talk about asininity, that is almost criminal. It is so un-American as to be almost criminal to deny the people of the country the right to get into court. Then let no one stand before me and say that this law is constitutional and that the Supreme Court has so decided. No court has ever had an opportunity to pass on the constitutionality of this act. The act so far exceeds any other act in its delegation of legislative powers to the President that none of the cases heretofore decided can possibly be in point. In all other similar enactments no discretion was granted to the Executive. The Congress laid down a definite yardstick by which the President's powers were measured. He was given strict instructions and his powers were definitely set out. In this law the President has full power to make these agreements and he is responsible to nobody. I wish to read to you from the hearings before the Committee on Ways and Means. This will explain to you fully what the courts have held on these former trade agreements.

PREVIOUS RECIPROCITY TARIFFS GIVE PRESIDENT ONLY ADMINISTRATIVE, NOT LEGISLATIVE POWER

M'KINLEY TARIFF ACT OF 1890

Under the Tariff Act of 1890 certain articles (coffee, tea, hides, sugar, and molasses) were placed on the free list with a provision that if any country producing and exporting any such articles to the United States imposed unequal or unreasonable duties on the products of this country, the President might suspend the free entry of such articles and impose thereon certain specified rates of duty.

In upholding this delegation of power to the President, the Supreme Court held that his act of determining the question of discrimination against United States products and of imposing the penalty duties fixed by Congress was an administrative and not a legislative function, and hence that there was no unconstitutional delegation of the taxing power. This must clearly follow, since Congress definitely fixed the contingency upon which the free entry of the articles should be suspended, and the President merely determined as a question of fact that this contingency had occurred. He then proclaimed the rates of duty previously fixed by Congress.

DINGLEY TARIFF ACT OF 1897

The Tariff Act of 1897 gave the President the power (1) to lower the duties on certain products to a stated amount in return for reciprocal concessions by foreign countries in favor of domestic products; (2) to impose fixed penalty duties upon certain other named articles when the countries from which they were exported discriminated against domestic products; and (3) to conclude reciprocity treaties with foreign countries by granting reductions in duty of not more than 20 percent in return for equivalent concessions from such countries, such treaties to be approved by Congress.

The power granted to the President of imposing fixed-penalty duties in certain cases and of granting fixed concessions in others is exactly analogous to that given to him under the Tariff Act of 1890, which was upheld by the Supreme Court as a delegation of administrative and not legislative power.

So far as the general power to conclude reciprocity treaties is concerned, attention is called to the fact that by the terms of the act of 1897 any treaty negotiated must have been approved by Congress before becoming effective. Thus Congress gave up no legislative power over tariff duties.

PAYNE TARIFF ACT OF 1909

The Tariff Act of 1909 set up a maximum schedule of rates of general application, but gave the President the power to put into effect a fixed-minimum schedule with respect to all countries which did not discriminate against domestic goods. Thus, this act gave the President nothing more than an administrative power.

In both the maximum and minimum schedules the rates were fixed by Congress, the President's power being limited to applying the minimum duties to the goods of any country which he found did not discriminate against the products of this country.

UNDERWOOD TARIFF ACT OF 1913

The Tariff Act of 1913 authorized the President to negotiate reciprocity treaties with foreign countries, but provided that any such treaty must be submitted to Congress for ratification or rejection. Thus the negotiation of a treaty by the President under this power had no effect in and of itself. Congress retained in full its constitutional powers relating to tariff rates.

COLLIER BILL (H. R. 6662, 72D CONG.)

The bill H. R. 6662, as introduced, contained the following provision relative to reciprocal-tariff agreements:

"That the President be, and he is hereby, authorized and requested, at as early a date as may be convenient, to proceed to negotiate with foreign governments reciprocal-trade agreements under a policy of mutual trade concessions."

When the hearings were being held on the bill, Mr. Crisp, in behalf of the majority members of the Ways and Means Committee, offered a motion to strike out this language, saying that the provision was controversial, and in any event should be left to the Senate, which had jurisdiction of matters relating to treaties.

In the Senate, Senator HARRISON offered a substitute for the whole bill, which, among other things, restored the language of the House bill above referred to, with the following significant addition:

"Such agreements shall not become operative until Congress by law shall have approved them."

The Harrison substitute was adopted by the Senate, and in conference the House agreed to the Senate amendment. The bill was finally passed in that form, but President Hoover vetoed the measure and the House failed to pass it over the veto.

As I have heretofore said no person has been able to invoke the jurisdiction of any competent court to test the constitutionality of this law. In one case—and this is the only case that I know of—the aggrieved party filed a suit in a Federal court and this court declined to hear it on the ground that the court claimed that it had no jurisdiction. The reason was that the framers of this law specifically provided in the law that it could not be attacked in court. Why do you Democrats persist in upholding and defending such unfair legislation, why do you not restore to this law the provision giving the people the right to test this law in the courts; you ought not to be afraid of the Supreme Court when you have it made to order for you now. And again I would call your attention to the fact that this law was passed first in 1934 and when it was claimed that its passage was necessary because of an emergency. It was passed for 3 years. Then in 1937 it came up for renewal. Another emergency was claimed for it and it was extended for 3 years; now it is up again. Why do you ask for another 3-year renewal? If this law has been of so tremendous benefit as you say it has why do you not make it a permanent law? And if it has worked such wonders why has it not been of such great benefit as to remove the emergency which is claimed? My friends, this whole thing savors much of what I call for want of a better name—a fake. I am surprised how you Democrats can stand up and claim that this law is a benefit to the farmers when practically all the farmers in the country are crying out against it day after day. Mr. L. J. Taber, of Ohio, the head of the Grange, the great farm organization, has been very zealous in his denunciation of this measure, and farmers everywhere are complaining, although all your arguments have been directed toward showing that the farmer is benefiting. Who knows better than the farmer himself?

I have only one more proposition to present to you, I am sorry that my time is running short. It is to be regretted that the public has been so thoroughly deceived about the procedure attendant upon the preparation for the enactment of one of these trade agreements, and the procedure attendant upon the making of the agreement. I repeat these agreements are fearfully and wonderfully made. It is a travesty; no semblance of fair or cordial treatment. Interested parties meet a buffer committee but they never see these wise men who for fear of contamination from personal contact with an American citizen are kept in some sort of cloistered seclusion. Do you know of anybody that has been before that committee down there who has a fine word to say for it? If you do, he has never appeared before our Ways and Means Committee. I have never heard of him, but I have heard many men say that they went down there and perfunctorily presented their papers. And to whom? There is not a man on the Democratic side of this House, and I know there is none on the Republican side, who knows who are the real agreement makers, because Mr. Grady himself said, in effect, "We do not dare let it be known who it is that considers these matters and passes on them." I think this is child's play. It is disgraceful for men to perform public duty after such a fashion.

Certainly we ought to go into this question very thoroughly and we ought to amend this measure so that we are not ashamed of it at least, or, better yet, why not defeat it and start new along fair and just lines and with an honest purpose?

Let me say a further word. I am not the official spokesman for labor in this House, but so far as I know, none of these new dealers who frequently beat their breasts in a show of devotion to this great cause of labor have come forward to say a word for labor and its views. Labor is much interested in this matter before us today. Labor will not hold him guiltless who fails to heed its call. This measure, if carried out to its fullest extent, will nullify in effect our exclusion and restrictive immigration laws. Why keep out cheap foreign labor and buy the products of cheap foreign labor? You cannot fool the people. Our country was not made great by cheap labor. It cannot maintain a high standard of living by cheap labor. Several prominent labor leaders came before the Ways and Means Committee. One of them was Matthew Woll, of the American Federation of Labor. Probably no man in America is better posted on tariffs and trade agreements as they apply to the best interests of the working men and women of our country. Mr. Woll presented a very complete brief to our committee. I shall not have time to go into it extensively. Let me read one paragraph to you. This sets out in unequivocal language how the workingmen of the country feel toward this pending legislation.

Do they know at the State Department that trade increased from 1922 to 1929 in the face of the Fordney-McCumber tariff of 1922? Do they know that a depression began in the United States and in other countries nearly a year before the ill-starred Hawley-Smoot tariff was enacted? Do they know that trade revived after 1932 when the average duty on the dutiable items had risen to 57 percent partially because of low world prices? Do they know that imports for several years after 1932 increased more in the dutiable items than in the free-list items? Do they know that after the trade agreements were in effect, or specifically, in 1937, imports increased predominantly in the free-list commodities rather than in the dutiable articles even though the average duty on the dutiable items had dropped to 37.4 percent? Do they know that at the end of 1937 a recession in business set in and that in 1938 our imports, in spite of trade agreements and in spite of an average tariff on dutiable items lower than that of 1929, declined over 30 percent compared with 1937? Do they know that after 1932, when trade began to revive, quotas, high tariffs, exchange controls, and similar measures were not relaxed, but, if anything, made more stringent?

Resolved, That the executive council of the American Federation of Labor expresses its opposition to reciprocal-trade treaties which discriminate against American workers. We are opposed to reciprocal trade treaties' provisions which provide for importation of goods and merchandise which, because of low labor costs abroad, are sold at a lower price than the same goods and merchandise produced by workers in the United States, where wages and conditions of labor are established on a higher standard than those which prevail abroad.

I also hold in my hand a letter prepared by the labor representatives of the pottery industry in my State. That is a great industry, and it heads up in my State of Ohio. The head of this industry came before our committee and told us that the pottery industry was staggering and struggling and trying to maintain itself, but that it was very doubtful whether it could do so. The representatives of the pottery workers also came before us. They have prepared a letter which explains itself. I am proud to read it to you.

[Trades and Labor Council. Affiliated with the Ohio State Federation and the American Federation of Labor. George C. Salsberry, president. James H. Grafton, secretary-treasurer]

EAST LIVERPOOL, OHIO, *February 17, 1940.*

HONORABLE SIR: We appeal for your support against the transfer of job opportunities of American workers to workers in foreign countries. We appeal for your support against the virtual setting aside of the protective advantages of our Asiatic exclusion law, of our restrictive immigration laws, and the fair labor standards law.

History warns us that, at the conclusion of the present European and Asiatic wars, American markets will be flooded with cheaply produced products of the foreign nations, impoverished by war costs, unless the competitive products of American workers are protected by adequate tariff rates.

Our reciprocal-trade treaties, as the enclosed analysis by representative American labor demonstrates, provide that products of the excluded workers of Asia and the quota basis entry of workers of European countries are permitted entry into American markets at total costs which are less than American costs of production. What protection is accorded the jobs and the living standards of American workers through our Asiatic exclusion law, our restrictive immigration laws, our fair labor standards law, if dollar-minded foreign and American distributors can market in America foreign-made competitive products at total costs, which are less than American costs of production?

We are interested solely in protecting the job opportunities and maintaining the standards of living of our American workers now made possible, under normal conditions, for American workers. We ask your help and your legislative support.

Our city is the center of the American pottery industry. Our industry, affiliated with the American Federation of Labor, is organized 95 percent. We have the capacity to produce all the tableware needed for the American market. We have thousands of idle pottery workers seeking work. Yet, for illustration, while our American laws prohibit the entry of Asiatic workers into our country, the products of such workers, according to a survey made and published by the United States Tariff Commission, supply some 40 percent of the tableware yearly sold in the United States. Such a condition naturally transfers the badly needed job opportunities of American workers to the slave wage paid workers of Japan. That which is true of our condition is likewise, no doubt, true in many other industries.

We appeal for your support. We ask that you vote against the continued authorization for our entry into reciprocal-trade treaties unless such legislation provides that no foreign-made products competitive with products of American workers, which American-made products are commercially available, be admitted to American markets at total costs which are less than American costs of production or American wholesale selling prices of competitive American products and unless such legislation provides that such trade treaties are ratified by the United States Senate.

Trusting that we may have your support in protecting the job opportunities of American workers and your support in making effective our Asiatic exclusion law, our restrictive immigration laws, and our fair labor standards law by restricting the authorization to continue reciprocal-trade treaties as above outlined, we are,

Sincerely yours,

GEORGE C. SALSBERRY, *President.*
JAMES H. GRAFTON, *Secretary.*

In the minute I have left let me stress this proposition. We have talked a lot about the farmer. My State is a great agricultural State. It ranks about fifth as an agricultural State, and I am from the farm. But who has said a word in this debate about the industrialist? Those on the Democratic side of the aisle talk about free trade. They want reduced tariffs on all products except those produced in their own districts. What kind of a country would we have now if we had had free trade all these years? We would have been a small agricultural country. We probably would not have been much more advanced than is Mexico. That is about as far along as we would have gotten. God gave us the land and the fertility thereof. It is ours by gift. We can claim no credit for that. But what built up this industrial empire of ours? What built us into the greatest industrial nation in the world? What built us into the greatest financial nation in all the world? It was the indomitable courage and spirit of our people. It was the working out of free enterprise. It was a philosophy of government which protected and encouraged industry and which philosophy was and is a part and parcel of the Republican Party.

Free trade never built this Nation. It was the sound policy of protection for industry that built it. If it had not been for that, we would all be raising cotton and owning slaves yet, I suspect. Genius for enterprise and for building up manufacturing industries plus our great natural resources has been responsible for our wealth and power. Agriculture did not build industry, but industry, when prosperous, brings prosperity to agriculture. We need them both. When both are prosperous our people are happy.

I am one of those who believes that we stress too much the importance of our foreign trade. On the contrary, I would advocate spending more effort in building up our domestic trade. You cannot have a healthy foreign trade until you have a healthy trade at home. Let us build up our home trade, build up the 92 percent of business we do with ourselves in this country, and the foreign trade will increase. We should always be mindful that the foreign trade should be so restricted that any importation that comes into this country under these agreements shall not come in competition with or displace our labor and our own production. Ours is a great America. Let us keep it great. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, the gentleman from Ohio [Mr. JENKINS] was unable to yield time to me to ask a question of him, and in view of the fact that this is pertinent to his speech I would like to have 1 minute to discuss a matter.

Mr. REED of New York. It will be taken out of your own time.

Mr. DOUGHTON. Certainly it is out of our own time. I have yielded 1 minute to the gentleman from California.

Mr. BUCK. Mr. Chairman, again I invite the attention of the gentleman from Ohio [Mr. JENKINS] to the fact that he should realize that sections 514 and 515 of the Tariff Act give full protection to any person who has suffered injury in his legal rights. Section 516 (b), which the gentleman spoke about, on the other hand, was based on the novel theory of having domestic producers intervene in any suit between the Government and the importer.

I am not going to continue the discussion further; I merely ask leave at this point to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BUCK. In the first place, it can be said without qualification that there have always been, and there are now, well-recognized remedies in our courts for any person who has suffered injury to his legal rights. Sections 514 and 515 of the tariff act give full protection to any importer against illegal charges. Section 516 (b) on the other hand was based on the novel theory of giving domestic producers the privilege of stepping into a matter between the Government and the importer, where no legal rights of the domestic producer were involved. Section 516 (b) is emphatically not a fundamental right which has been taken away by the Trade Agreements Act. It is in fact nothing more than a very special privilege which was first created in 1922 in connection with a good many other very special privileges which were being handed out in those days. This provision was revised and reenacted under like circumstances in the Smoot-Hawley Act of 1930. The entire Nation has paid heavily for the excesses which were written into the Tariff Acts of 1922 and 1930. Those very excesses made the Trade Agreements Act necessary.

If any Member questions the characterization of section 516 (b) as being a special privilege rather than a right, let me point out to him that the United States Customs Court in *Reed and Barton* v. *United States* (63 Treas. Dec. 941) stated:

Section 516 (b) is a grant of an extraordinary privilege.

Not only is it an "extraordinary privilege," but, in fact, it was a radical departure from the procedure and precedents which had been established by the courts and Congress for well over a century. Furthermore, there should be no confusion about this "extraordinary privilege" being needed to protect anyone's legal rights. As I said previously, if any citizen's legal rights are infringed by any trade agreement, there are well-recognized procedures for securing redress in the courts. However, the privilege given by section 516 (b) to interfere in matters between the Government and an importer as to what customs duties the importer should pay is not related to any legal rights of the domestic producer. As the Supreme Court has stated in *Norwegian Nitrogen Co.* v. *United States* (288 U. S. 294):

No one has a legal right to the maintenance of an existing rate of duty.

So much for the nature of so-called rights provided in section 516 (b).

In the second place, a word might appropriately be said as to why section 516 (b) was not and should not be made applicable to trade-agreement matters. Anyone who knows anything about customs matters is familiar with the fact that section 516 (b) has been a source of great embarrassment to American businessmen. Under the law as it stood in 1934 the filing of a single protest under section 516 (b) might result in tying up the entry of thousands of items at all ports of entry throughout the United States, even though the collector and Secretary of the Treasury decided that the protest was groundless. Treasury officials testified in 1938 that the liquidation of entries was thus held up for periods of 6 months to 3½ years. Moreover, these officials testified that in every 516 (b) case arising under the 1930 act up to October 1936 on which a court decision was finally reached, the domestic producer's protest was disallowed by the courts. The record is not materially different since 1936. This record would seem to be rather conclusive evidence that even the "extraordinary privilege" of 516 (b) is not necessary to the full protection of the legitimate interests of the domestic producers. Every citizen has an interest in the enforcement of our laws and can look to the appropriate branches of our Government to see that the law is fairly enforced. This is the only true interest which the domestic producer has, along with all other citizens in the tariff laws; the record shows that this interest has been and will be protected by the law-enforcement officers of our Government.

The fact is that section 516 (b) was made inapplicable to trade-agreement items solely because of its fundamental incompatibility with the broad purposes of the Trade Agreements Act which were to free international trade from the excessive and unnecessary obstructions which were blocking a mutually profitable exchange of goods. The same fundamental incompatibility exists today and I can see no necessity nor any justification for now extending that provision and its "special privilege" to trade-agreement matters. In this connection it is well to remember that this question is solely one of whether or not an "extraordinary privilege" should be granted by Congress and that no question of constitutional or legal rights is involved.

Finally, it may be well to say that there has been a great deal of misapprehension with respect to the so-called right to test the constitutionality of this act or any other act of Congress in our courts. Every lawyer knows that there is no general right in our system of government to raise constitutional questions in our courts. Such questions can only be raised in our courts by persons who can assert that their legal rights have been invaded by an act of Congress. As I stated at the outset, if any citizen's legal rights are injured by this act, there is a clear and well-established remedy available to him in the courts to raise any legal question. On the other hand, if a claimant has no specific legal rights in these matters, as the court decisions seem clearly to indicate, then he is in exactly the same position as all other citizens in not having any standing to raise constitutional questions in court. This is a fundamental tenet of our system of government and it has been reaffirmed many, many times by the Supreme Court. Congress, if it deemed it wise, could grant the domestic producer or anyone else the privilege of protesting against the administration of the customs law, but Congress cannot confer upon the domestic producer or anyone else legal rights, which he does not otherwise possess, in order to permit him to test theoretical constitutional questions in our courts. On this proposition I can refer Members to the leading Supreme Court case of *Muskrat* v. *United States* (219 U. S. 34).

There is no merit in the contention that section 516 (b) would preserve legal rights of American producers.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield to me to answer that?

Mr. BUCK. I did not ask the gentleman any question.

Mr. REED of New York. Mr. Chairman, I yield one-half minute to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I simply want to say that the gentleman from California is in error. Section 516 (b) and the short debate had over in the Senate will prove it. The purpose of section 516 (b) was to open the courts to aggrieved producers and importers alike, and this section was omitted from the Trade Agreements Act purposely to shut out every possible complaint. This was a plan of the State Department to prevent American citizens from having their day in court.

Mr. BUCK. In the extension of my remarks I will reply to the gentleman from Ohio and I will cite the legal decisions which clearly disprove his point.

Mr. DOUGHTON. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, just as a further indication of the inaccuracies in the remarks made by the gentleman from Ohio [Mr. JENKINS], I want to call one of his witnesses to speak to him on the point that he made with respect to the procedure followed in the negotiation of the trade-agreements program.

We all remember Mr. Grundy's American Tariff League. I call the head of the American Tariff League to speak on this point. They stand today as one of the strongest opponents of the reciprocal-trade program. Let me read from the address of the president of the American Tariff League, Mr. William L. Monro, at the annual meeting in 1938:

I will also stress the fact that in carrying out the trade-agreement policy by Mr. Hull great credit should be given to the fact that there has been no suspicion of political influence regarding a reduction in duties on any article placed on the reciprocal-trading list. I believe that everybody who has had occasion to contact the staff that makes up the schedules must admit that, regardless of whether we approve of the policy or not, the agreements are prepared solely from the viewpoint of endeavoring to increase foreign trade with the least injury to domestic industries.

This is the head of the American Tariff League speaking on the point, and I call him as a witness against the gentleman from Ohio [Mr. JENKINS].

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield myself 30 seconds to say that the statement just referred to was made in a speech that was delivered before the activities with respect to doing away with the Argentine agreement.

Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I thank my colleague the gentleman from New York [Mr. CROWTHER] for yielding the time to me. He is in charge of this bill for the minority in place of the gentleman from Massachusetts [Mr. TREADWAY], temporarily ill, and I regret to state that the gentleman from New York [Mr. CROWTHER] will not be returning to the House of Representatives next year. He has decided not to be a candidate for reelection. The gentleman from New York [Mr. CROWTHER] has served with distinction in this House for 20 years. No Member of the House on either side has more knowledge of the tariff issue than he. He knows the entire history of the tariff legislation. He is the greatest student certainly on our side, and maybe in the entire House, of the complicated tariff problems. He has always been a champion of the American protective principle and the maintenance of American standard of wages and of living. When his health was good, he was the ablest speaker in the House upon tariff issues, and those who are now in the House who want to go back and get information from the old tariff debates should read Mr. CROWTHER'S speeches. I take this occasion to pay a brief tribute to one of our colleagues, one of our ablest, most honorable, and best beloved colleagues, who has decided not to return to this House, the Honorable FRANK CROWTHER, of the State of New York. [Applause.]

Mr. Chairman, no one dislikes to criticize the actions of the House of Representatives more than I do. I do not mean criticize along party or partisan lines. I welcome that. I think that is the duty of the minority, but I dislike to criticize the actions of the entire House of Representatives. I think it is a sad and sorry spectacle that we should be discussing this great tariff proposal, the most important single bill, possibly, with the exception of the repeal of the arms embargo, that has come before the House, with only 12 hours' debate. This means that many Members are limited to 5 minutes' consideration of this important issue, which involves the control of industry, of agriculture, of business, and great constitutional questions.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. FISH. For a brief question.

Mr. DOUGHTON. I hope the gentleman will place joint responsibility for the limitation of time on his own side. This is done by mutual agreement.

Mr. FISH. I am not blaming any one particular person. I do not know the facts. I say it is a sad spectacle. We ought to have at least 10 hours on each side as a minimum.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. FISH. If the gentleman will get me some time, I will yield to him.

Mr. COOPER. I call the gentleman's attention to the fact that we are considering this under unanimous consent.

Mr. FISH. I did not seek to lay the blame on either side. I am blaming the entire House. This bill, after a few days' general debate, will go over to the other body after a few hours of debate under the 5-minute rule on Friday, and in the Senate it will be discussed for 30 days or more and debated from all angles. I say to you as one who loves this House, who believes in its traditions, who believes it ought to uphold and maintain its prerogatives, its constitutional power, and its prestige, that I hate to see all of it scrapped in order to push through complicated and unconstitutional

legislation. I love this House as much as any Member. My grandfather of the same name and my father before me served in the House of Representatives. Abraham Lincoln said, "To sin by silence when we should protest makes cowards of us all."

I do not propose to remain silent and see the power and prestige of this House practically thrown out of the window and have legislation of this importance passed which involves a practical betrayal of representative and constitutional government and the literal destruction of our constitutional power to legislate. Article I, section 7, reads, "All bills for raising revenue shall originate in the House," not in the Senate, but specifically in the House of Representatives. I do not believe anyone questions the fact that a tariff bill is raising revenue. It is the duty of the House also to lay and collect taxes along with the Senate. We have heard speech after speech delivered here, and just now by my friend the gentleman from Ohio [Mr. JENKINS], that the Senate should retain the power to ratify treaties. What about the constitutional prerogatives, rights, and powers of the House of Representatives to legislate, to lay and collect taxes, to originate revenue legislation? Are they to be forgotten and ignored? We have a much greater stake and constitutional right of approval than the Senate.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield. I cannot even begin to make an argument upon the constitutional phase of the trade agreements in the time that I have. In my humble opinion, this is an absolute betrayal of the powers delegated to the House of Representatives—the power to legislate, the power to initiate revenue legislation, and the power to lay and collect taxes. We turn those powers over to the Executive, or to some subordinates in the State Department to legislate for us, to originate revenue legislation, and to lay and collect taxes. If that is not the worst delegation of power in our history, I would like to know what it is.

If that does not destroy the very essence of representative and constitutional government, I would like to know what it is; and if that does not drain the very lifeblood of the House of Representatives, its actual power to legislate, I would like to know what it is. We turn over these constitutional powers delegated to us by the people by our own votes in defiance of the Constitution. We surrender, we abdicate the greatest powers of the House, and there is practically no debate on it. Somebody says, "Oh, let the Senate protect its own rights." I agree to that. I am not concerned with the question of whether the Senate has the right to ratify these treaties or not. I am vitally concerned, as long as I am a Member of this House, to maintain the constitutional rights and powers of the House and to restore representative government in the United States of America by reserving these powers for ourselves and not to abdicate our legislative functions. [Applause.]

The only way I know to begin is to begin and to take back our constitutional powers under this bill. I hope my friend from Ohio [Mr. JENKINS] will introduce an amendment so we will have a clear-cut issue and the House will be given an opportunity to approve these trade agreements, and not put it up to the Senate alone as a treaty right, but bring it back to the House so we can, as a part of the Congress, reassert our rights to legislate as a separate and independent branch of this Government.

I am going to read a statement that some Members may not like, but I believe it is true, and it affects every Member of this House, whether Republican or Democrat. This is what Senator Henry Cabot Lodge had to say in writing about the history of our Government:

> The House of Representatives was intended by the framers of the Constitution to be the body which should initiate great policies and exercise the greatest influence in legislation. By its own mistakes it has allowed its great powers to slip through its fingers and pass into the keeping of the Senate.

And, may I add, into the keeping of the Executive. We have permitted our powers to be deliberately usurped by both the Senate and the Executive, and there is hardly a word mentioned in this debate in what should be the greatest deliberative body in this world about the usurpation of our powers. I say the time has come to take back our constitutional powers and to act as a representative and legislative body. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield to the gentleman from Illinois [Mr. JOHNSON] such time as he may desire.

Mr. JOHNSON of Illinois. Mr. Chairman, I am thoroughly convinced the Reciprocal Trade Agreements Act has done a great deal of harm to the farmers in my district, one of the finest farming sections in Illinois and the entire Midwest.

Our principal source of created wealth comes from the soil. We have industries, too, large agricultural implement manufacturing plants, the implement center of the United States, and the workers in these factories are dependent upon agricultural prosperity for their livelihood.

Our farms are family sized farms. We have to sell our produce on the open market and irrespective of price.

Mercer County in my district is generally admitted to be the premier county of the entire United States as the home of the Aberdeen-Angus breed of cattle. Thousands of head of these fine beef cattle are bred and fattened for market there every year. They are quality animals—the kind that give you those fine juicy steaks. So we are particularly interested in cattle imports.

During the crop years 1937–38 and 1938–39 a total of 1,118,000 head of live cattle were imported into this country. They mostly came from Canada and Mexico. Our exports for the same period of cattle on the hoof totaled 7,000 head. I cannot see any reciprocity there for our farmers.

We milk a lot of cows in my district, too. We would milk many more if the price were favorable. It is not favorable because foreigners imported 3,538,000 pounds of butter into this country the past 2 years, while our Surplus Commodity Corporation bought surplus butter to give to our people on relief to stabilize butter prices. At the same time they sold 110,167,000 pounds of their cheese here. Their dairy product sales to us amounted to $24,931,000. If our farmers had got that, they would not be so bad off financially as they are now.

Back in the early days of this administration 2,000,000 head of cattle were slaughtered in a futile attempt to bring prosperity to the cattlemen. Yet, during the past 2 years 174,458,000 pounds of beef and veal came into this country from foreign sources. During the same 24 months we absorbed 115,820,000 pounds of foreign fresh and processed pork. Remember when they killed off 5,000,000 young pigs and 2,000,000 sows to make the price go up?

Now just why anyone thinks that corn is a good item for trade reciprocity, I do not know. I do know that corn and corn meal in the amount of 34,854,000 bushels—the corn meal is figured on the grain basis—was imported into this country during these last 2 years, and farmers out in the Corn Belt have millions of bushels they cannot sell for what it cost them to raise it.

CORN SUBSTITUTES

In the heart of the Corn Belt of the United States at Peoria, Ill., is an alcohol plant that formerly consumed 35,000 bushels of corn daily. Today this plant uses no corn but substitutes with blackstrap molasses from Cuba, duty-free.

The last 2 fiscal years we imported 413,328,000 gallons of this substitute for corn. There are 10 pounds of molasses to the gallon. Every Corn Belt feeder knows that molasses is equal pound for pound with corn in feeding value. The imports of molasses the last 2 years replaced about 80,000,000 bushels of American corn.

MORE CORN SUBSTITUTES

Starch, a corn product, is rapidly being replaced through these agreements with foreign starches. Oriental starch importations last December were the largest monthly total of all time.

Remember that the Federal Government is spending over a million dollars at Peoria, Ill., on a new laboratory to find new industrial uses for corn.

Let us look at eggs. You find eggs on most any farm worthy of the name. Eggs have been so cheap out in my

country the past 2 or 3 years it did not hardly pay to gather them. Well, 551,000 dozen eggs in the shell were unloaded here in 1938 and 1939. That's not all. We laid out $1,915,000 for 7,144,000 pounds of eggs, egg yolks, frozen eggs, dried eggs, and canned eggs in the same 2 years.

We used to sell anywhere from 101,000,000 to 340,000,000 bushels of wheat per annum. We stayed between these two levels from 1912 to 1931. We have sold some wheat the last 2 years. The Department of Agriculture shows the total at 222,978,000 bushels. Most of it was sold under a 26- or 27-cent subsidy. In other words we had to pay foreigners to use our wheat. Did you know that while it was costing the taxpayers about 27 cents per bushel for every bushel of wheat that we sold abroad with the world market at Liverpool around 30 cents, we were actually importing wheat? Yes, sir; 13,184,000 bushels of it. They tell me this imported wheat was macaroni wheat, but I understand we can raise that kind here too.

JAPANESE POTTERY

In my district are some very fine well-equipped potteries manufacturing all sorts of plain and decorated wares. Recently in a restaurant in the city of Monmouth, Ill., I noticed the proprietor unpacking some individual teapots and upon picking up one I noticed "Made in Japan." The restaurant proprietor informed me he purchased these teapots at a local store for 4 cents less than the local pottery could sell them to him and the local pottery had almost the identical pot in stock. Upon investigation, I found Japanese pottery ware in stock in many of our retail stores and at a lower price than our own product.

LABOR STANDARDS

Our American pottery workers are paid on the American standard-of-living basis and not the 4 cents an hour paid to coolie labor.

I certainly protest such unfair competition with American labor. We cannot and will not lower the living standards of American labor to compete with the coolie and peon substandard of living.

I am going to vote against extending these trade treaties another 3 years, unless they are subject to congressional ratification. I am not doing this because I disbelieve in true trade reciprocity. The kind of trade reciprocity I favor is the kind that makes deals on noncompetitive articles. I refuse to be a party to anything which in my considered opinion is detrimental to our farmers and our workers. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield to the gentleman from Ohio [Mr. LEWIS] 5 minutes.

Mr. LEWIS of Ohio. Mr. Chairman, I rise to protest against this resolution which would extend for another period of 3 years the so-called Trade Agreements Act of 1934. I do this primarily in the interest of tens of thousands of laboring people of my district employed in the potteries, the coal mines, the glass factories, the steel works, the railroads, and for the tens of thousands of others who are employed on the farms. And because working people everywhere throughout the United States in these industries and others are similarly affected I speak for them.

I protest against the continuance of a policy which trades off the jobs of American working people in certain industries and of the farmers on our farms for speculative benefits to certain favored industries, for that is exactly what the Trade Agreements Act of 1934 has done and will continue to do if its life is extended.

It is claimed that this act provides for reciprocity between the United States and the nations with which trade agreements are negotiated. Actually and in practice there is nothing reciprocal about it. True reciprocity in foreign trade I, and practically every one of my political faith in this House, sincerely favor, and if given the opportunity shall earnestly support. The true reciprocity which we seek, however, is not the so-called reciprocity of the Reciprocal Trade Agreements Act. True reciprocity is a constructive and not a destructive agency. Its application will create jobs, not destroy them. Its operation contemplates an arrangement whereby articles which we produce in excess of our needs may find markets in foreign lands in return for importation of articles which we need and do not produce or produce in insufficient quantities. The effect of such an exchange of articles between nations cannot help but be beneficial to both. I take it that the markets of every country in the world are primarily its own possession, to be guarded in the interests of its own citizens as any other national asset, and I cannot understand the policy which bargains away the markets and the jobs of people in certain industries or occupations in order to confer a fancied benefit on certain other people in certain other industries or occupations, and yet that is exactly what the 22 reciprocal-trade agreements entered into by this Nation under authority of the so-called Reciprocal Trade Agreements Act have done to our laboring people in certain industries and to our farmers.

Whether our friends who favor the so-called reciprocal trade agreements policy like to admit it or not, America is a high-wage country—the highest in the world. We boast of this fact, and to it we have been accustomed to attribute the high standard of life which we call the American standard and to which we attribute the fact that in normal times the humblest of our citizens can by industry enjoy not only the necessities but many of the luxuries of life. This high standard has been possible in this country because through the years, from 1792 down to the present time, with varying consistency, we have protected American markets for the products of American labor against the importations of foreign products produced by pauper or peon labor abroad, but now under the Reciprocal Trade Agreements Act for 6 long years we have been bargaining away this priceless market for some of our products in order to secure advantages abroad for certain of our other products. The results of this policy with respect to the industry whose markets are bargained away and the people who labor in those industries in this country and who have a right to expect their markets to be protected for them to the same extent and by the same means as we would protect any other possession of the Nation has been tragic in the extreme. This situation, as I have indicated, arises out of the fact that the wages we pay in this country to our people who labor are incomparably higher than those paid for similar labor in any other country of the world. As a result, where protection is withdrawn or decreased, as it has been in every one of the Reciprocal Trade Agreements Acts, for the protection of some industry or industries the cheaper foreign product has invaded our markets and, as a result, our factories have closed down, our working people have been put on part time or thrown out of jobs completely, and millions of our citizens and whole sections of our country have been brought to the verge of direst poverty. I know what I am talking about, because I have seen the misery and disaster brought to our people who labor in our glass factories, in our potteries, in our steel works, in our coal mines, and on our farms, to mention a few of those who have been affected.

THE GLASS INDUSTRY

But how does the difference in the wage level, for instance, paid in our glass plants as compared with those paid abroad, produce such tragic consequences? In order to understand it, we have to realize that more than 60 percent of the total cost of production of hand-made glassware is labor cost and that the labor engaged in the manufacture of foreign glassware is paid on an average not more than 16 cents per hour. In some countries it is paid not half that much, while in America the wage scale in this industry, on an average, is 66 cents per hour, and some of it is paid a much higher price. Because of this difference in labor cost any slight reduction in the tariff in this country on hand-made glassware becomes a very serious matter indeed, and when a 10-percent reduction was made in the Czechoslovak trade agreement, that one act alone threw hundreds of glass workers out of their jobs and put hundreds more on reduced hours, and those American factories that continued to operate at all operated at a loss.

All of these facts concerning labor cost of production in the glass industry were made known to the Committee on Reciprocity Information prior to the making of the Czechoslovak agreement, and yet with those facts before them the

negotiators of that agreement reduced our protective duty from 60 percent down to 50 percent, with the disastrous results to the American glass workers I have just related.

In the fall of 1938 I visited the plant of the Imperial Glass Plant in the city of Bellaire, Ohio. It happened to be pay day, and the men with whom I talked were the most disheartened group I have ever heard, and with good cause. They showed me their pay envelopes, which contained their pay for the past 2 weeks. One envelope contained $5.24, 2 weeks' pay, and they ranged from that to a little over $13, which was the highest that I saw. These men were skilled workmen who had devoted their lives to the glass-making trade. Their daily wage was in accordance with the skilled character of their work and the customarily high level in American industry, and yet when I averaged the amounts contained in those pay envelopes over the working days of a 2-week period, their income amounted to exactly that of the average Japanese laborer in a glass factory in Osaka.

It is true that the Czechoslovak trade agreement was abrogated in April 1939 because Germany took possession of that unhappy country, and by that abrogation temporary relief was furnished to that industry, but this relief was short-lived, because in August the second Belgium trade-agreement negotiations were announced, and shortly that agreement was concluded, and again the American glass industry and American glass workers were consigned to extinction, because it should not be forgotten that when protection is reduced by any trade agreement the benefits of that reduction are extended to every country in the world, and in this instance Japan was the chief beneficiary because her glass workers on an average earned but 5 cents an hour, as compared with an average of 66 cents per hour for American glass workers.

THE POTTERY INDUSTRY

Let us take another industry, the pottery industry. More than 60 percent of the total cost of pottery is the labor cost. The average wage paid in American potteries is 75 cents per hour. The chief competitor in American markets of the American pottery industry is Japan, and the Japanese potter is paid an average wage of 4 cents per hour—4 cents as against 75 cents. How can we expect to keep our potteries going and our potters employed if we insist on reducing the tariff on pottery, as was done in the British trade agreement, by reducing the duty from 50 percent down to 30 percent ad valorem, a reduction which the Japanese had a right to and were quick to claim.

Fortunately the war in China has absorbed so much of their manpower and has temporarily so reduced their output of pottery as to have the same effect as a high protective tariff, but what will be the plight of the pottery industry, with its margin of protection destroyed by the British trade agreement, when the Japanese again begin to make pottery with 4-cents-an-hour labor and import it into our markets.

I have heard it said by those who would bargain our markets away that the disparity in wages paid in America and abroad is more than compensated by the increased efficiency of American working people. While it is true that the average American workingman is highly efficient, yet it should be understood that the Japanese and practically every other manufacturing people are now equipped with the most efficient machinery that skill can devise and that their output is just as great, if not greater, than the output of American labor in American factories, and, however valid the claim might once have been that American efficiency more than compensated for the disparity in labor costs, it is now no longer true.

In my office I have gathered together an exhibit of American-made pottery and glassware, to view which I have invited each one of you Members of Congress by personal written invitation, and many of you have accepted the invitation and have seen the exhibit. These articles are the products of American artisans in the potteries and the glass plants of my State. The men who have created them are artists and the articles are superbly beautiful. They represent the modern version of ancient crafts. It is for these artisans, whose whole lives have been devoted to their artistry and who know no other means of making a livelihood, that I appeal today. The wages which they receive and their customary standards and level of life are incomparably higher than artisans of foreign countries, with whose products they must compete in American markets. Any policy which withdraws from them or denies to them the protection of their own markets for the products of their hands and which condemns them to idleness, want, and despair cannot be a sound nor a constructive nor a truly American policy.

THE COAL INDUSTRY

Let us consider another industry—the bituminous coal industry. Sixty cents out of every dollar taken in by the producer of coal goes directly to those who labor in the mines and for each ton of coal mined in the United States the coal miner gets $1.27 in wages on an average. Last year approximately 200,000 tons of coal came into this country from Russia, mined by labor that was paid but a few cents a day, if it was paid at all, and Russian coal imported into this country robbed the American coal miners last year of more than $250,000 in wages. Every ton of it came in free of all duty and Russia is allowed to ship to this country, duty free, each year up to 400,000 tons. The duty used to be $2 a ton and as I understand it that provision still remains in the law but it is operative against importations of coal from no other country except from Germany, for the reason that the benefits of our trade agreements are not extended to Germany.

More recently, under authority of the Reciprocal Trade Agreements Act, a trade agreement has been negotiated with Venezuela, by the terms of which the excise tax of one-half cent per gallon on fuel oil was reduced to one-fourth cent per gallon. Fuel oil has been and is perhaps the greatest competitor with coal of all of the other fuels. Importations of fuel oil already amount to the equivalent of about 1,000,000 tons of coal per month in heat value, but the increased importation of fuel oil coming in as a result of the Venezuelan trade agreement has a far more damaging effect in that the low price of foreign oil drives the price of American-produced oil down and the effect of this is that millions of tons of American-produced coal are displaced annually by fuel oil, throwing thousands of coal miners out of jobs and keeping the coal industry on the verge of disaster, so that it has been thought necessary to try to save the industry by means of the price-fixing features of the Guffey Coal Act.

There is pending before the Ways and Means Committee, H. R. 12, by the gentleman from West Virginia [Mr. SMITH], which proposes to increase the excise tax on imported fuel oil to 3 cents a gallon. Instead of reducing the excise tax on fuel oil, as was done under authority of the Reciprocal Trade Agreements Act, H. R. 12 should have been adopted and the competition of cheap foreign fuel oil that is destroying the markets for American mined coal should have been eliminated, and we could then expect some measure of steady employment at an American wage for the distressed coal miners of at least a dozen States of this Union.

I speak for them and I urge this House not to continue a law under whose terms employment and a share in the good things of life is denied to thousands of American coal miners.

THE STEEL INDUSTRY

Even the great steel industry has not escaped the attention of the trade-agreement makers. In the trade agreements with Great Britain, Sweden, Switzerland, and Belgium reductions have been made on certain types and products of steel and iron, to the extent, I am told, that in certain parts of the United States certain American steel products have been almost entirely, if not entirely, driven from the market. And again the difference in the wage scale paid in the steel and iron industry here in America, as contrasted with that paid in competing foreign lands, is the key to the situation.

The average wages paid to a steel worker in Belgium, for instance, was in 1938, 19½ cents per hour, while the average wage paid to a steel worker in America in 1938 was 84 cents per hour. Is it any wonder that in spite of the tremendous efficiency of the American steel industry, American steel products have been wholly driven from certain sections of our country by Belgian steel products?

And what shall be said of the treatment of the farmers under the Reciprocal Trade Agreements Act? They have borne the brunt of this insane policy. Under the Canadian agreements, the excise tax on agricultural products has been reduced, and these reductions, through the most-favored-nation clause, have been extended to every other agricultural country in the world, and as a result there have been shipload after shipload of the things that the farmer produces, and for which he is equipped to furnish every need of the American market, imported into this country and sold at prices so low that the farmer has not been able to realize for his products what it has cost him to raise them, and as a result the farmers of America have been and still are facing disaster individually and collectively.

In my State last year the mortgage average per acre on mortgaged farms increased from $34.16 per acre in 1938 to $37.94 per acre in 1939, and the total number of mortgages increased in that period 10 percent.

What shall we say of a law that takes from the representatives of the people in Congress the authority to legislate on matters that vitally affect the lives and livelihood of great sections of our people; that refuses, contrary to the letter and the intent of the Constitution, the right to legislative review and veto through the Senate of the United States of treaties entered into by the Executive with foreign nations; and that is susceptible of being so used by the Executive in the process of trading as to bargain away the livelihood and the chance to work of thousands, perhaps millions, of our citizens? Yet, Mr. Chairman, that is the law that we are now asked to extend for another period of 3 years.

I say to you, Mr. Chairman, that the situation created in many industries by opening our markets to the products of cheap labor in foreign lands is an open invitation and subsidy to American industries to move to those foreign lands, take advantage of their cheap wage scales, and import their products into the markets of the United States. Already this movement is under way. The packing houses, denied adequate protection for their products put up in the United States by American labor, have plants in the cheap-labor and cattle fields of South America. If the policy established by this law is to become the settled policy of this country, it is inevitable that more and more American capital will be drawn from America to foreign lands in order that it may from such foreign lands supply the American markets at a profit. To this insane policy I am utterly opposed.

How can we justify a law that under the name of reciprocity bargains away American markets, not only to the country with which the bargain is struck but extends the benefits of the bargain to every other country in the world except Germany, and thus while claiming to receive reciprocal benefits in return receives them only from one country, while it opens the American markets to the pauper labor of 63 countries, 62 of whom give us no compensating benefits in return? And yet that is the law we are asked to extend today. What has become of our boasted Yankee shrewdness?

True statesmanship requires that we consult together in the framing of a law that will attain true reciprocity, a reciprocity under which no industry in America will be damaged and no American workingman will lose his job but all will be protected; a reciprocal policy that will find in foreign lands markets for our surplus commodities which we shall exchange in return for the products of those foreign lands which we do not produce, or produce in insufficient quantities for our needs. This is the only true basis of reciprocity. This is the only policy under which America can prosper. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island [Mr. SANDAGER].

Mr. SANDAGER. Mr. Chairman, it is perhaps to be expected that discussion of a subject so important as the further extension of the reciprocal-trade treaties should provoke a generous amount of dissension, but I submit, Mr. Chairman, that the debate should be confined as much as possible to the issues, and that accusations, abuse, and name calling do not contribute either to a proper presentation of the case on either side nor to a real examination of the facts.

To say that one who opposes the present type of reciprocal treaties is provincial or selfish only elicits the retort that the proponents are dreamers and blind idealists. And to accuse the Republicans of making this issue along narrow, spiteful lines is just as unfair, and it is untrue. The whole propaganda machinery of the administration seems to have been in on this battle from the start, from the Commander in Chief in the White House to the machine-gun experts and the submarine rate fixers, who from hidden depths would torpedo American industry. Nor do I think that this issue will be decided along strict party lines—there are quite a few Democrats who are not so blind and unswerving in their devotion to the New Deal nor so intimidated by threats or reprisal but that they will have the courage to vote against this policy of tariff by decree.

And, Mr. Chairman, from an academic point of view, it is only proper that the Republican Party should oppose the trade pacts as another approach to the old Democratic theory of free trade. Sixty years ago in this House of Representatives, James A. Garfield, of Ohio, who was to become President of the United States within a year, described the Democratic theory of protection for American industries as the ultimate goal to free trade. A nip at a time toward that goal was the philosophy of the Democrats when Grover Cleveland was in the White House.

Thus came the famous proposal of the Democratic Congressman, William R. Morrison, of Illinois, for a 20-percent cut in the tariff then existing, even if 20 percent meant ruin in some cases and injury to both capital and employment in more established industries then developing under protection. It died the same year it was introduced—1884—but this proposal, it might be mentioned here, was advocated by Mr. Hull in the 1932 campaign. The only difference was that his suggested figure was 10 percent.

And then we had another Democratic President who found himself with a legislative majority in the Senate and in the House, and we got the Underwood tariff which, within a year of its enactment, threatened us with soup kitchens for the unemployed. As a matter of fact, in my own city of Providence, the common council at that time actually had under consideration the establishment of feeding stations for men out of work.

But to save our jobless workers the World War came, long before we joined it, to stimulate business and to erect a temporary barrier against the influx of Europe's cheap manufactures, agricultural products, and raw materials. The Underwood tariff remained almost an inert bit of legislative mechanism throughout the course of the war. South American nations invaded our markets to some extent, but they, like ourselves, found crying markets for their wares at war prices among the countries in that great and spreading conflict.

When the armistice came and huge armies were demobilized and millions of men returned to normal peacetime pursuits, the Underwood Act came to life within a year, threatening the United States with disaster. Secretary of State Hull was one of the brain constructors of that period, and he has never apologized for it. But he saw a clear majority of the Democratic Senators vote for the Emergency Tariff Act, under Republican auspices, demanded by the country and by a Republican President. Thus ended the Underwood nightmare; and never since, despite their solemn platform promise so to do, with their huge congressional majorities, have the Democrats ever directly, by legislative process, attempted to frame a tariff that would be open to the scrutiny of the country.

So, we come to Mr. Hull and the trade treaties—I shall not call them agreements—which he fears to submit to a Senate where his political bedfellows are in control. No one doubts the high character of the Secretary of State, his fine attainments, his honest desire to see prosperity in all the land. But when we search the background for his present motives, we find him in his public life always the foe of the

protective system which built the greatest industrial empire the world has ever known, even while absorbing millions upon millions of immigrants.

Ever in his legislative efforts was he in the front of every movement to lower trade barriers, and he bitterly condemned a Republican tariff which let in 61 percent of our imports on the free list. Raymond Moley, the "kiss-and-tell" New Deal chronicler, in his book entitled "After Seven Years," published last year, says, on page 114 of his book, speaking of Mr. Hull when the latter was being considered for Secretary of State in the Roosevelt cabinet:

> I was approached in Washington by five Democratic Senators individually. They assured me, fond as they were of Hull, they couldn't see him on that job. He knew little about foreign affairs generally, and was so set on the idea of tariff reduction he couldn't ever acquire a broad view of them. "Why, it's an open secret that he's only got one string to his bow. And every time he makes his speech on tariffs he clears the floor of the Senate," one of them said.

Even if Mr. Moley's retailing of other Senator's opinions of Mr. Hull may not be entirely in accord with the facts, have we not the right to mistrust the nature of his acts which his long-time economic philosophy reconciles with his concededly honest belief that one arm of protection on the remainder of a free-trade body will bring prosperity at home while imports from low-wage nations bulk big in our harbors?

The genial Secretary of State is wearing borrowed livery. Neither he nor his political party has a shred of title to the origin of reciprocal-trade treaties among nations: Republican platforms from McKinley down supported reciprocity for the enlargement of international commerce between the United States and any other country, provided, however, that all contemplated acts be discussed by and ratified or rejected by the Senate of the United States—done in the open light of public opinion, reflected by industry and agriculture, and not in the dark, as now. The State Department and the tariff experts in the past explored the ground with the negotiating nation and then submitted the proposed pact to the Senate for consideration not only of that body but for the information of all labor and capital which might be affected. And here it might be pertinent to point out that in practically all the countries with which we have treaties it is the policy for their legislative bodies to ratify them.

But in the existing situation, what have we here? Unidentified bureaucrats, an army of them, impregnated with the Hull theory that we must have free trade, even if it comes in the products of pauperized wage workers in foreign lands, contrive the framework of the trade agreements, some of which, as in the case of the trade treaty with France, may sentence thousands of our citizens to idleness and destroy capital investments. I have already spoken in this House about what the increase had been of lace imports since the French treaty and what it has cost American workers and their employers in that particular industry.

But, say some of the propagandists, some of whom are in the pay of importers and of exporters in specialized products, Secretary Hull may, in the long run, be trusted to give reasonable consideration to the welfare of home industries, both to the wage earner and the capital investments. While there may be dislocation here and there and unforeseen disadvantages in the import status of certain commodities, Mr. Hull's vigilance and his long legislative experience will broaden our foreign trade with only incidental damage to home industry.

But even if we should forget his inbred philosophy that a protective tariff is poisonous, if he were a superman or 10 times a superman, or even the marvel that his Boswell, the gentleman from North Carolina [Mr. DOUGHTON], would make him, Mr. Hull could not possibly, with his multifarious duties, give personal supervision to the details or the important features of his trade pacts. He puts the stamp of approval upon the work of his staffs, then takes the agreement over to the White House, where, in the same automatic fashion, the Presidlent validates the instrument. Then pretty soon some American workers and capital investment or some group of farmers go into the crucible.

Now, I concede that this policy is all right in an authoritarian country. Government, by decree, has become too prominent a figure of civilization in some nations, often changing to absolute despotism, beginning as an emergency of temporary length and then insulating itself against any change in power. That form is now followed by President Roosevelt in his retention of extraordinary grants to him of legislative authority—for it is nothing else—which he asked for and won from Congress in the earlier period of his first term, in a time of conceded national business depression, with profound international elements entering into the situation.

But as in the case of these reciprocal-trade agreements we are now discussing, the President has, with hooks of steel and all the power politically of his office, opposed any weakening of the superauthority granted him in the emergency legislation that has made Congress nothing more than a "rubber stamp" in some of the most vital problems which affect the security of our country, not the least important of which, I submit to you, Mr. Chairman, is this policy of trade treaties with foreign nations without the approval of the United States Senate.

In insisting, with such tenacity, that the reciprocal trade treaties program be extended for another 3 years, Secretary Hull is following the pattern of his chief. Apparently, he distrusts returning to the Senate, in which he served so honorably, a constitutional privilege which its membership surrendered for the period of the then existing emergency of 1934. And Secretary Hull apparently does not believe that the monetary gyrations of the White House and the Treasury Department have anything to do with the ebb and flow of commerce. The gold legislation was another emergency grant that should be returned to Congress. But try and get it.

Mr. Chairman, there are many direct and concrete arguments against the extension of the treaties, but I shall leave their discussion to those distinguished gentlemen on our side, who from their knowledge and long experience as members of the Ways and Means Committee are far more qualified to debate than myself.

Much has been said as to our gains under the Reciprocal Trade Act, but I challenge the authenticity of the figures that come from Mr. Hull as to these gains. I assert that they are doctored to fit the propaganda of his agents and are as illusory as so many other promises of the New Deal. I shall not weary you with figures of our lost markets here, but rather with the methods used to make it appear that Secretary Hull is riding a winning horse.

Much has been said about the increase in our exports last year. Japan was third in our exports, for while we do not have a reciprocal treaty with her, she naturally benefited under the terms of the most-favored-nation clause. But Japan is engaged in an attempt to "civilize" China just now, and of her imports more than 50 percent last year were war materials and 25 percent were copper and machines. One-fourth of what France took from us was for war purposes and one-fifth of our exports to the United Kingdom were in that category, and, of course, this year our exports of war materials to the Allies will bulk hugely in the percentage column.

Just as misleading, for example, is the formal statement of Secretary Hull's Department that the exports for the 1938 calendar year were 800,000,000 more than the imports, creating the impression that his trade policies were ballooning our commerce. It was actually a kernel of truth wrapped in a cellophane package of deceit. The facts are that by his own and the Commerce Department figures our exports had fallen off by 230,000,000 but our imports had shrunk by almost exactly a billion, thus making the exports exceed the imports by 800,000,000.

Mr. Hull did not disclose the vital fact that in the fall in imports was a total of 340,000,000 of agricultural products which had to be imported the year before because of the New Deal economy of plowing under crops and killing livestock—an adventure which was followed by the drought and dust storms, forcing us to import for our domestic use thousands upon thousands of tons of corn from the Argentine, butter

from Denmark, Norway, Ireland, and Canada, and even cattle from the latter country.

Of course, it would be unfair to ask Secretary Hull to assume responsibility for this plunder; this rightfully falls upon the shoulders of Mr. Wallace, the Secretary of Agriculture, the gentleman who, by the way, actually had the temerity, in his statement before the Ways and Means Committee on January 12 to accuse the Smoot-Hawley Tariff Act of 1930 as the cause of the present European war. Mr. Wallace naturally knows better than that; he must know how the German people reacted to the Versailles Treaty, if only from conversation with well-posted acquaintances. Likewise, he must have heard about Adolf Hitler and his cry of "Lebensraum" for the German people. There can be no excuse for such a preposterous attempt to blame the present ills of Europe on the 1930 Tariff Act unless Mr. Wallace was endeavoring to exhibit cunning in hoping such claptrap might influence some women and some pacifists to go along with the administration program.

But to get back now to Mr. Hull and his claims of gains in our United States commerce as revealed by the 1938 figures. In showing a favorable balance of eight hundred millions he did not disclose the fact that imports of raw materials for our steel mills, automobile manufactures, and other industries had fallen off by more than three hundred millions mainly because of the nose dive taken by American industry in the days of the sit-down strikes from June 1937 to June 1938. Nor did he show that while our exports had fallen two hundred and thirty millions the shrinkage would have been much more had it not been for the purchase by Germany, Italy, Japan, and other nations of essentials for use in prevailing conflicts and those which they expected and which have since occurred.

Finally, if Secretary Hull has a keen sense of what is happening he cannot be too overjoyed as he reviews his adventures into world trade. He has been attacked by that deadly bilateral fever germ, but he does not know it. He propagandizes his reciprocal treaty with England in which duties of British imports here were reduced and then the statesmen of the United Kingdom make a bilateral treaty with Argentina to take 200,000 tons of chilled beef, 50,000 tons of chilled mutton, and millions of bushels of wheat, corn, and other products in return for the Argentine pledge to buy British products of as nearly equal value as can be arranged. A similar pact has followed with Uruguay on cattle, and then the shrewd Britons cut down our tobacco imports to them so they could help keep Turkey lined up on their side through the purchase of the Turkish weed.

While Mr. Hull is giving to all nations what he gives to one in reciprocal trades, practically all other countries take Mr. Hull in reverse and make bilateral compacts for each other's commodities, cutting our exports wherever we are in competition in the seven seas.

The place to decide on the merits of Mr. Hull's work is in the Senate, where light can be thrown upon what is meritorious and what is harmful and what is plainly foolish. The way to do that is to end the emergency powers and return the situation to the custody of the people's elected representatives. Then we shall have the real American kind of trade treaties—confirmed by legislation, not issued by decree. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. JOHNS] such time as he may desire.

POWER TO MAKE RECIPROCAL-TRADE TREATIES SHOULD BE RETURNED TO CONGRESS, WHERE IT BELONGS UNDER THE CONSTITUTION

Mr. JOHNS. Mr. Chairman, there is much to be said on the subject of reciprocal treaties, and so much that has already been said, that with the few minutes that are allotted to each Member for the discussion of this important matter only a few points can be brought to the attention of the membership.

In discussing the farm appropriation I called attention to the fact that the farmers of this country had been treated unfairly under the reciprocal-trade treaties by giving preference to industry and letting the farmer carry the load.

It is true that everybody has been taxed to death to pay the constantly increasing Federal appropriations to the farmer in order that he may exist under the present set-up. If we fail to do this, then the whole farm program will collapse, and we will have chaos in this country; so in considering the reciprocal trade agreements we must take into consideration the farm problem. If the power to enter into these agreements is extended to the President and Secretary of State, then it is going to be necessary before this Congress adjourns to provide large appropriations to take care of the farmer during the next fiscal year.

You may cite speeches delivered by William McKinley 44 years ago or longer, and you may say that the Secretary of State is the outstanding statesman of the present age; but the fact still remains that the foreign countries that we have entered into reciprocal or free-trade agreements with have taken the market of the American farmer away from him; and this is not only true with the farmer, but in many instances the manufacturer.

I will only cite a few instances. It may be extended to great length, but time does not permit, nor would people be interested, except in some facts and figures.

We are not only giving the foreign farm market to foreign countries, but we are furnishing them with farm machinery to be operated with cheap labor in order to lower their cost of production so that they may drive down the prices of farm products in the United States when they are imported here.

For instance, as an example, during the first 11 months of 1939 we exported $63,724,600 worth of agricultural machinery and implements, while we only imported $2,897,142 worth.

For the first 10 months of 1938 we imported into this country 330,653 head of cattle, and for the first 10 months of 1939, 664,339. The figures are available for 11 months of 1939, and the total amount is 724,815 head of cattle. During the month of April 1939 in 1 day 18,000 head of cattle were imported into the United States at Buffalo, N. Y.

Now, if there is anyone on the House floor who can convince me that if that large number of cattle are shipped into the United States in 1 day and does not affect the market, then I want him to explain it to me and give the reason.

The increase in shipments of cattle imported into the United States in 1939 over 1938 is over 100 percent.

We imported into this country hides and skins in 1938, 138,896,000 pounds, and in 1939, 258,889,000 pounds, or an increase of over 100 percent. Cattle hides alone in 1938, we imported 39,338,000 pounds for the first 10 months, and for the first 10 months of 1939, 104,217,000 pounds, or an increase of considerably over 200 percent.

For the first 10 months of 1938 we imported into the United States 25,496,000 pounds of sheep and lamb skins, for the first 10 months of 1939, 50,085,000 pounds, or an increase of almost 100 percent.

For the first 10 months of 1938 we imported 13,749 silver-fox skins, and in 1939, 75,067, or an increase of over 500 percent.

In the first 10 months of 1938 we imported 317,000 pounds of casein, a milk byproduct, and for the first 10 months of 1939, 6,876,000 pounds.

Now, of course, when the American farmer, especially the dairyman, reads this statement, I know he is just going to feel that he has benefited a lot through the reciprocal-trade treaties. The farmer in the grain States, who raises considerable barley, will be enthusiastic when he learns for the first 10 months of 1938 there was imported into the United States 126,000 bushels of barley, and in 1939, for the same period, 745,000 bushels, or an increase of over 600 percent.

I know the farmers in my own State are going to feel highly gratified when they learn for the first 10 months of 1938 we imported into the United States 5,258 bushels of oats, and for the same period in 1939, 2,612,000 bushels.

The wheat farmers of North and South Dakota and Minnesota are going to become very happy when they learn that for the first 10 months of 1938 we imported 2,433,000 bushels of wheat, while in 1939, for the same period, 9,310,000, or an increase of over 300 percent.

I know that some of these farmers, as they pass along the highways and see numerous farms where the homes have been closed with boards nailed over the windows, farm buildings deteriorating, no doubt wonder if the farmers of America could not have raised this 2,612,000 bushels of oats and 9,310,000 bushels of wheat, and if some 3,500 to 4,000 farm families could not now be occupying these buildings and producing the grains that have been shipped in.

I know the canneries in the State of Wisconsin will be interested in knowing that for the first 10 months in 1938, 325,000 pounds of canned peas were imported into this country, and in 1939, 1,070,000 pounds.

I know the maple-sugar producers of Maine and Vermont will be interested in knowing that for the first 10 months of 1938 there was imported into the United States 3,798,000 pounds of maple sugar, and for the same period in 1939, 12,136,000 pounds, an increase of over 250 percent. It is reasonable, of course, to expect that most of this maple sugar was just brought across the Canadian border for use in the United States.

The great sheep-producing States of Wyoming, Utah, and Idaho will also be deeply interested in knowing that there were imported into our country in the first 10 months of 1938 in wool noils, waste, and rags 3,275,000 pounds, while for the same period in 1939, 15,200,000 pounds. There is an old saying "from rags to riches," but this would seem to indicate that it is "from riches to rags."

I now want to pay my respects to my beloved Wisconsin—a State which produces over 50 percent of all cheese consumed in the United States; a State which led the Nation on January 1, 1939, with 2,179,000 head of dairy cattle; a State which produces the finest cheese produced in the world. I know how happy the dairy farmers of Wisconsin are going to be when they know just how much cheese has been imported into the United States since 1933, up to December 1, 1939, and the amount that has been exported.

The amount has increased each year. In 1933 the imports were only 45,495,000 pounds, while during the first 11 months of 1939 there were 58,071,000 pounds imported; 1,357,000 pounds were exported for the first 11 months of 1939. The total cheese imported of all kinds from 1933 up to December 1, 1939, was 374,921,000 pounds, while we exported during the same period 8,940,000 pounds.

It will not take the farmers of Wisconsin long to sit down with a pencil and piece of paper and figure out how much they have lost since the tariff on cheese was reduced from 7 cents to 4 cents a pound.

I might discuss the imports of butter, because Wisconsin is a great butter-producing State; but Minnesota produces more, and I am going to leave that for some Member of Minnesota to discuss with you. I know you will be interested in knowing, however, that from 1933 to December 1, 1939, we imported over eight times as much as we exported.

The butterfat prices on my own farms between 1922 and 1932 averaged 46 cents per pound. They reached a low of 28 cents per pound in August 1938.

Last year the Secretary of Agriculture pleaded with Congress for an appropriation of $125,000,000 to buy surplus commodities and feared if it was not granted that prices would reach as low as they did in 1932. The Secretary was justified in his fears, because in 1938 the prices did reach almost as low as in 1932. There has been imported into the United States more cheese since 1933 up to December 1, 1939, than was produced in this country in the year 1926.

Of course an argument is offered that industry has been greatly aided. I know that we have several large hosiery industries in Milwaukee and in the southern part of Wisconsin, and I know they will be especially happy to know that we imported from Japan alone in 1932 cotton hosiery, 369,000 pairs, and in 1936, 25,733,000 pairs.

I know the glove manufacturers in the United States will be glad to know that we imported from Japan alone wool knit gloves in 1932, 180 pairs; in 1936, 6,876,000 pairs.

From the same country we imported bleached cloth in 1932, 58,000 yards, and in 1936, 65,697,000 yards; and from the same source, wire rope in 1932, 610 pounds, and in 1936, 1,091,000 pounds; and also from the same source in 1932, rayon waste, 41,000 pounds, and in 1936, 7,826,000 pounds.

The imports of the following items from all countries, except Germany, increased over 500 percent from 1934 to 1938: Fir and hemlock lumber, cattle, alfalfa, alsike and sweetclover, timothy and blue-grass seeds, and cement; kraft wrapping paper, 209 percent; watches and watch movements, 159 percent; ice skates and parts, 379 percent (in value); breech-loading shotguns, 233 percent; sauerkraut, 253 percent.

After studying these figures that I have given you, which pertain not only to farming but industry as well, I am wondering if there may not be a casual connection between these figures and the 9,000,000 unemployed in the United States.

It is needless to discuss these trade treaties further or cite you any more facts or figures. The United States Department of Commerce issues a monthly survey of foreign commerce of the United States, and these facts and figures speak much louder than anything that I can say from the floor today.

It matters not whether you call these agreements with foreign countries "trade treaties" or "reciprocal treaties." They amount to nothing more or less in many instances than free trade, which we had back in 1893, and there are Members of the House here who are old enough to remember the results of free trade of 1893. There has been a great deal said of the Smoot-Hawley Tariff Act, and what a terrible thing it is, but I know that the Nation is going to be interested in knowing that the Smoot-Hawley Tariff Act has never been repealed by the present administration, although they had the power to do so at any time they wanted to.

By taking the power away from Congress and delegating it to the President of the United States and the Secretary of State, they have rendered inactive a large part of the schedules of the act, but about 58 percent of its schedules are still in effect, and it is fortunate for the country at the present time that they are. If the present power is extended to the President and the Secretary of State for another 3 years, by that time most of its schedules will be wiped out, and we will have absolute free trade, if there is any country left at that time to trade with anybody.

My only hope is that the power to enter into these treaties by the President and Secretary of State will be terminated at this time, and let us go back to a scientific way of handling tariff matters. Certainly there must be somebody with enough intelligence left in this country to figure out the cost of production in this country and foreign countries, and advise a tariff high enough so that it will protect home farm products and also industry with a cost of production plus a reasonable profit.

This has been the system that has built America, and if it is to continue in the future we must have this protection. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

LET US HAVE A RECIPROCAL-TRADE AGREEMENT FOR OUR UNEMPLOYED

Mr. VAN ZANDT. Mr. Chairman, for many weeks the question of reciprccal-trade agreements has had my close attention. With this highly controversial question now before the Congress of the United States, I welcome the opportunity to speak in behalf of the people of central Pennsylvania, who, in many ways, are affected by these agreements. In so doing, let me assure you that in voicing my opposition to the continuance of this New Deal program, I speak in good conscience, bereft of any personal or political partisanship.

When the people of the Twenty-third District of Pennsylvania selected me to represent them in the Congress of the United States, they sent me to Washington with full understanding that I should discharge the duties of my office in accordance with the Constitution of the United States. At no time have they mandated me to delegate any of my authority as a Member of this lawmaking body to the executive branch of the Government. Therefore, for me to approve the continuation of these agreements would find me guilty of delegating to the executive branch of the Government the tar-

iff, taxation, and treaty-making powers of Congress, and would, in addition, be contrary to the Constitution of the United States.

A cross section of the population of my district is composed of farmers, miners, and railroaders. For several years my people have been feeling the effects of many New Deal experiments that have destroyed thousands of jobs without any compensatory benefits to the men and women made jobless by this short-sighted policy.

If I had my way, we would be discussing today a reciprocal-trade treaty with the jobless of this Nation.

Let us take the farmer in my district. He is not the large corporation farmer who reaps a harvest annually from the New Deal's agricultural program. On the contrary, he is the small conservative farmer who has fought single-handed through this depression to maintain himself and family. Lack of income, taxes, reduced farm prices, and scarcity of market have all contributed in forcing him on the relief rolls.

When you mention potatoes, wheat and other grains, apples, fruits, dairy products, hogs, poultry, and eggs, then you speak the language of the farmer of my district.

Throughout the agreements the agricultural products just mentioned are adversely affected. Some will contradict this assertion, but, gentlemen, from the facts and figures available there can be no question as to the veracity of this statement.

On one side we have the New Deal with its array of alphabetical agencies designed to take acre after acre of agricultural products out of production; on the other side we have the reciprocal-trade agreements lowering tariffs and thus permitting the importation of foreign agricultural products to flood our American market, offering competition to the American farmer, and in destroying farm prices defeating the very purpose and design of the New Deal's farm program.

From all the material available on this subject, I have selected a set of figures concerning American agriculture which I believe is a sound analysis of the problem. The following table shows the value of the competitive agricultural imports which concerns the farmers of the Nation. For two 5-year periods, 1929 to 1933, inclusive—pretrade agreements—and 1934 to 1938, inclusive—posttrade agreements—the figures are as follows:

1929	$889,122,000
1930	512,020,000
1931	374,890,000
1932	282,428,000
1933	418,515,000
Average	495,395,000
1934	497,892,000
1935	641,622,000
1936	866,775,000
1937	588,316,000
1938	486,140,000
Average	616,149,000

Your attention is called to the fact that the average imports of competitive agricultural products for the 5-year post-trade-agreements period exceeded the average for the 5-year pre-trade agreements by $120,754,000.

Let me continue by showing the imports of noncompetitive agricultural products for the same period:

1929	$1,010,399,000
1930	649,572,000
1931	459,000,000
1932	331,309,000
1933	420,437,000
Average	574,143,000
1934	435,882,000
1935	499,569,000
1936	669,920,000
1937	566,820,000
1938	512,476,000
Average	536,933,000

From the above one finds that the annual average imports of noncompetitive agricultural products for the post-trade-agreements period were $37,210,000 less than for the pre-trade-agreements period. This fact, gentlemen, will prove that the reciprocal trade agreements program in stimulating the importation of competitive agricultural products has placed emphasis on the wrong class of imports.

Now, let us study the question of the total agricultural exports for the same two periods:

1929	$1,495,823,000
1930	1,038,018,000
1931	752,132,000
1932	589,650,000
1933	787,343,000
Average	932,593,000
1934	668,713,000
1935	766,303,000
1936	732,474,000
1937	890,771,000
1938	682,962,000
Average	748,244,000

Source of this and the two tables immediately preceding: Bureau of Foreign and Domestic Commerce.

I am sure you will agree with the fact that the average for the pre-trade-agreements period, as reflected in the above table, exceeds the average of the post-trade-agreements period by $184,349,000.

Repeating what I have previously said, these figures are based on a 5-year period from 1929 to 1934, when no trade agreements were in effect; also, on the period 1934 to 1938, when the trade agreements were in effect.

A fair study of the figures clearly reveals that the trend is exactly the reverse of what it should be if the reciprocal-trade program was a benefit to agriculture and the American farmer. This failure leads me to exclaim, "Let us have a reciprocal-trade agreement that will benefit all of the farmers of the Nation!"

On many occasions I have stressed the fact that 75 percent of the people of my district are directly or indirectly dependent upon the coal and railroad industries for a livelihood. Already I have discussed the plight of the farmer, and now wish to dwell on the problem faced by the miner and the railroad man.

At the present time, due to the war now raging in Europe, both industries have experienced a temporary revival of business. However, were the war to end in the near future, as we all pray it will, both industries would revert to their former position of inactivity—thus depriving thousands of employees of an opportunity to earn a livelihood.

The plight of the railroader and the coal miner is more readily understood when one considers the effects on both industries by the use of substitutes for coal. When the demand for coal is curtailed, naturally, the same condition is reflected in the employment of the miner, and it follows that reduced production in the coal industry means unemployment for the railroader.

For years natural gas, unregulated by law, has been a competitor of coal, and it is interesting to note that the labor cost in the production of 20,000 cubic feet of natural gas, which is equivalent to a ton of coal, is about 8 cents. The increased use of gas over coal between 1923 and 1937 eliminated a year's work for 46,732 men engaged in coal mining.

Hydroelectric power subsidized by the Government offers another form of competition from the fact that the labor cost in the production of 2,000 kilowatt-hours of hydroelectric power—energy equivalent to that produced by a ton of coal—is less than 1 cent. The increased output of electricity generated by waterpower in 1937 over the year 1923 had the effect in that single year of eliminating 18,888 men engaged in bituminous-coal mining.

As a result of the reciprocal-trade agreements fuel oil is regarded as the most conspicuous competitor to the coal and railroad industry.

When the excise tax on imports of crude, petroleum, and fuel oil was cut in half, as in the recent trade agreements with Venezuela, it was the plain intention to encourage shipment into the United States of more crude and fuel oil from Venezuela, and under the favorite-nation policy also more

crude and fuel oil from Mexico. The labor cost in the production of four barrels of fuel oil—fuel equivalent to 1 ton of coal—is about 68 cents. It is noteworthy that the increased use of fuel oil in 1937 as compared with 1923 eliminated a year's work for 38,041 men engaged in bituminous-coal mining.

In 1910 there were 555,533 men employed in the coal industry; in 1938, 435,000, or a reduction of over 100,000 miners.

The bituminous-coal industry of this country under normal conditions directly employs about 500,000 men. The average miner works about 200 days a year, and for each ton of coal mined in the United States he receives an average of $1.27.

Let us take a moment to summarize the situation confronting the coal and railroad industry. As I have already said, we have natural gas unregulated by law, which results in the dumping of industrial gas on our markets at rates that have no relation to cost. Then we have hydroelectric power making serious inroads, subsidized by our Federal Government. And equally important is the competition of foreign crude and fuel oils imported into this country under the reciprocal-trade agreements, and not only flooding our domestic markets but further aggravating the already severe competitive situation.

Keep this in mind, gentlemen: For every ton of coal displaced, in addition to the coal miner, another employee dependent on the coal industry either directly or indirectly loses a day's work. Every million tons of coal displaced strikes nearly $2,000,000 annually from the gross revenue of the coal producers, 60 percent of which goes to labor in the form of wages. Every such displacement reduces railway freight revenues by more than $2,000,000 annually, of which 44 percent is paid in wages, and in addition also represents the loss of 1,000,000 man-days to those employed in mining, transportation, and the sale of coal.

I am satisfied that the reciprocal-trade agreements have utterly failed to provide the benefits claimed, but, on the contrary, have added to the ranks of the unemployed, which no doubt explains why such a large percentage of the people of my district are jobless.

In conclusion, in place of reciprocal-trade agreements with foreign countries, let us have a reciprocal-trade treaty with the jobless in our own country. Are we to overlook the fact that here in our own back yard there are over 10,000,000 fellow citizens unemployed? These people represent the best market in the world were they possessed with a reasonable purchasing power. Thus every dollar of purchasing power placed in the hands of each member of our jobless army means that American business will receive each time a $10,000,000 stimulant toward business recovery.

Frankly, our jobless army presents to us the greatest market in the world. All we have to do to explore it is to sign a reciprocal-trade treaty with this group of fellow Americans. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I rise at this time to state my opposition to the continuation, without proper limitation, of trade-treaty negotiations which, to my mind and in the opinion of the people of my district, is detrimental to the recovery of our country from the present depression. I am opposed to a continuation of the present policy of expediting the importation of those manufactured goods, products of workers in foreign countries, which goods are competitive with the products of American labor. This policy, in reality, transfers the job opportunities of American workers to the workers in foreign countries.

Mr. Chairman, I trust the Members of this House will bear in mind that at the conclusion of the present wars in European and Asiatic countries most of those countries will be so impoverished that of a necessity the products of the fighting workers returned to their factories will be shipped into the American markets for whatever price such goods will bring. This is no idle dream. We know that in 1919, 1920, and 1921 there was a universal demand which resulted in the enactment of the Fordney-McCumber Tariff Act. There was a demand which resulted in the enactment of the antidumping legislation. To my mind, Mr. Chairman, at the conclusion of the present wars those American workers and American farmers, the products of whom compete in the American market with the products of foreign workers and farmers, will be in a like position unless we, at this time, in the extension of the authorization asked for, provide against the possibility of such dumping into American markets by the producers of foreign countries.

In June of 1938 I addressed a letter of inquiry to the Honorable Charles F. Darlington, a spokesman for the State Department, asking for a statement from him or the State Department, as to the authenticity of the contents of an address on trade treaties which he had delivered in March 1938, and which address was inserted in the CONGRESSIONAL RECORD. After applying considerable pressure I received from the State Department, under the signature of the Acting Secretary, Hon. Sumner Welles, a reply to my inquiry referred to above.

I will not attempt at this time to touch on more than one or two items of the reply sent to me which takes seven columns of the CONGRESSIONAL RECORD. Needless to say, all of us are able to understand that when a bureaucrat takes seven columns of the CONGRESSIONAL RECORD to answer an inquiry propounded by a Congressman, there is very little pertinent information in such a reply.

The district which I have the honor to represent, which borders the shores of Massachusetts Bay, made up in great part of skilled tradesmen, the products of which tradesmen compete in the American market with the products of workers in foreign countries, is interested in realities and not in theories or possibilities. For the last 10 years or more we have had a tremendous unemployment problem. In my home city of Lynn, Mass., which at one time was the center of the women's shoe industry of the country, we have found that the influx of a certain type of shoe from Czechoslovakia from 1926 through the early thirties drove out of business many of our leading shoe manufacturers. This resulted in depriving at least five or six thousand of skilled shoe workers of their opportunities for jobs because the product of American shoe workers could not compete in the American market with the product of the lower wage paid workers in Czechoslovakia.

Great stress has been laid by State Department officials on the fact that there was a limitation or implied quota in the Czechoslovakian trade treaty whereby not more than 1¼ percent of domestic production of all kinds of shoes should be admitted under the trade treaty. This is a sample of the hypocrisy which I regret to say too many of us have fallen for in listening to the proponents of reduced tariff duties through our entry into trade treaties.

Mr. Chairman, I want the Members of the House to understand that the importation of certain types of Czechoslovakian shoes into the American market represented some 15 percent of the type of shoes they compete with. I want the Congress to know that the workers in the city of Lynn, Mass., were deprived of a pay roll of possibly $10,000,000 a year, or enough to pay 10,000 workers a yearly wage of $1,000. And when anyone will contend that depriving a community like the city of Lynn of a pay roll of $10,000,000 per year does not inflict injury to the people of that community, I can only say that such people have but little interest in the welfare of American industrial workers.

True, it may be said that the trade treaty with Czechoslovakia has been canceled, but I regret to say the injury inflicted has resulted in closed factories and idle workers. And because of the inability of shoe producers to definitely know what the State Department officials will do, the result is the continued closing of these idle shoe factories.

The city of Lawrence, Mass., the great woolen manufacturing center of America, is also located in the district which I have the honor to represent. Our woolen and worsted mill workers at the present time and for some time past, when employed, secure a minimum wage in excess of 40 cents per hour. To my mind, as well as theirs, this is a much lower wage than their skill and their needs require. However, the products of their labor must compete in the

American market with the products of low-wage workers in foreign countries.

The best evidence that the lowering of tariff duties promotes imports of competitive products, and deprives a community which is dependent for its success on the employment of American workers in those industries which compete in the American market with the products of foreign workers, is found in the letter which I received from the State Department, to which I have just referred. In this letter from the State Department note the following which I quote:

> Reference is then made to those employed in service industries such as transportation, wholesale firms, retail stores, public utilities, hotels, and hospitals. They obviously are not protected from any competition by the tariffs—Mr. CONNERY inquires "Upon whom do those workers you refer to depend for their own livelihood?"

Still quoting:

> They depend for their livelihood, of course, upon the patronage of all members of the population, including their own coworkers. In a particular locality, such as Lawrence, Mass., which Mr. CONNERY mentions, where a number of industries have been developed under the shelter of tariffs, other enterprises will at the same time be more or less dependent upon the same tariffs.

The above quotation, coming as it does from a spokesman of the State Department, indicates the necessity of our placing upon the authorization which they are asking for a limitation to insure that protection will be accorded those communities which have been built up "under shelter of tariffs."

We are told that the trade-treaty program has been carried on in such a manner that no injury has been inflicted upon any American industry. I regret to say, Mr. Chairman, that weasel words never provided an American worker with an opportunity for employment at a decent wage or under decent standards of conditions of employment.

The truth is, Mr. Chairman and members of the Committee, that if it were not for the war, in which a number of large manufacturing nations are now engaged, we would find ourselves the victims of an industrial invasion by the products of workers of foreign countries which, to my mind, would have seriously embarrassed every Member of the Congress.

When our entry into trade treaties results in an increase of commodities or articles which we have the capacity to produce to the full extent of the American market to 500 percent—yes, 1,000 percent—than the preceding year, I believe it should be a warning to the Congress that we should protect ourselves against any possible abuse of the authority which is asked for and contemplated in the pending legislation.

An illustration of what a trade treaty has done is found in the increase in importations of woolen and worsted manufactured goods, taking the year 1938 and comparing it with 1939.

We find that imports of woolen noils increased in 1939 over the importations in 1938 from one and a half millions pounds to more than four and a quarter million pounds, an increase of 168 percent, while the value of such imports increased only 99 percent. We find that woolen waste imports increased from 483,000 pounds in 1938 to 2,375,000 pounds in 1939, an increase of 391 percent. We find that woolen rags increased from an importation of 492,000 pounds in 1938 to 5,461,000 pounds in 1939, an increase of more than 1,000 percent. We find that mohair yarn increased in 1939 over 1938 some 486 percent. We find that woolen worsteds under four ounces increased in imports from 225,000 in 1938 to 498,000 in 1939, an increase of 118 percent; and comparable worsteds increased from 45,000 pounds in 1938 to 131,000 pounds in 1939, an increase of 125 percent. We find that worsteds, over four ounces per square yard, increased from 356,000 square yards in 1938 to 2,300,000 square yards in 1939, or an increase of 251 percent, or, on a pound basis, from 292,000 pounds in 1938 to one and a quarter million pounds in 1939, an increase of 318 percent. We find that woolen-cloth imports increased from 3,305,000 square yards in 1938 to almost 6,000,000 square yards in 1939, an increase of some 80 percent, or, on a pound basis, from 1,900,000 pounds in 1938 to three and a half millions pounds in 1939. Thus, we find not only our American workers deprived of their jobs but American sheep raisers deprived of their market.

Mr. Chairman, it is my contention and I believe the contention of every Member of this House that one of our principal duties and obligations to the American people at the present time, insofar as we can, through legislation, is to provide jobs for those unemployed.

I do not subscribe to any theory that the present administration is wholly responsible for the unemployment of the millions of American workers unable to find work. This administration has provided justly and properly and the Congress has very properly appropriated many millions of dollars for those in need. It is my belief that had the Congress failed to appropriate these much-needed millions of dollars for relief of those in distress our country today, despite its debt, would be in a very deplorable state. However, I do believe that in following the wishes and the theories of the intellectuals without proper limitation we will, as many others have done, accumulate for ourselves a great deal of grief.

This Congress, under President Roosevelt, very properly has enacted a Fair Labor Standards Act. That act provides that the products of any workers paid less than 30 cents an hour shall not be transported in interstate commerce in America. To my mind, much of the value of such legislation is lost when we permit competitive products of workers in foreign countries to be transported in our commerce when such workers are paid wages which the Congress of the United States has by legislative action declared substandard.

It is my belief—and I believe that it is the intent of the Congress of the United States—to protect the job opportunities of American workers, to protect the markets for American farmers by precluding from America the entry of foreign manufactured goods or foreign farm products when such foreign goods are entered into American markets at total costs, tariff duties paid, which are less than the costs of production of competitive American goods when such American goods are commercially available.

It is my intention, Mr. Chairman and members of the Committee, when this bill is taken up for consideration, to offer an amendment in the form of a limitation which will provide that competitive foreign goods, articles, or commodities which are competitive with the products of American labor and American agriculture, when such products of American labor and agriculture are commercially available, shall be denied entry into American markets at total landed costs, duties paid, which are less than the cost of production of competitive American goods or the wholesale selling price of such American competitive goods or commodities.

I sincerely hope and trust that a majority of the Members of the House will support this amendment in the form of a limitation, which amendment, to my mind, is constructive and protects the Congress from any possible criticism as a result of the abuse of the authority herein provided.

I believe there are many Members of this House who realize that the theorists in actual charge of negotiating these trade treaties have but little conception of the needs of the American people. So far as I have been able to learn, the great majority of these people are the victims of book learning and few, if any, have had any practical experience in either American industry, mining, or agriculture.

Surely, if the Congress of the United States wants to protect the job opportunities of American workers, if we are to properly enforce the Fair Labor Standards Act and provide, as was the intent of the Congress, a minimum wage of 40 cents an hour for American workers, we cannot do so if the competitive products of foreign workers are permitted entry into the United States, produced under labor costs which are substandard.

Therefore I sincerely appeal to the Members of the House to study this amendment, and when the bill is up for passage to support this amendment, which I hope to have the honor of presenting.

The amendment is simple and easily understood and reads as follows:

Provided, That no commodity or article shall be included in any foreign-trade agreement entered into, which permits the entry into American markets of products of workers, farmers, or miners of foreign countries at total landed costs, all tariff duties paid, which total costs are less than the cost-of-production or wholesale selling price of competitive products of American workers, miners, or farmers where such American products are commercially available.

As a part of my remarks I include herein a copy of a resolution forwarded to me by the secretary-treasurer of the Massachusetts State Federation of Labor, which resolution reflects the official attitude of the organized workers of my State. It is my understanding that this resolution was unanimously adopted August 10, 1939. The resolution reads as follows:

Resolution 4

Opposition to reciprocal-trade pacts

Whereas the Secretary of State, Cordell Hull, has negotiated reciprocal-trade pacts with various foreign countries which have acted detrimental to the best interest of American workers; and

Whereas many American firms have lost many orders from their customers to foreign firms due to the low cost of production in these foreign countries, and the low standard of living in comparison to American standards; and

Whereas these reciprocal-trade pacts affect the textile, woolen, shoe, lumber, metal trades, and fishing industries, and, as time goes on, more and more American workmen are losing work because of these reciprocal trade pacts: Therefore be it

Resolved, That the Massachusetts State Federation of Labor hold a series of "protest day" meetings throughout the State in every city where a central labor union is established for the purpose of informing the citizens of Massachusetts of the danger of low tariff in these various industries; and be it further

Resolved, That the secretary-treasurer-legislative agent of the Massachusetts Federation of Labor notify the President of the United States, the Secretary of State, and United States Senators and Congressmen from Massachusetts of the action of this convention.

The committee recommended concurrence.

Delegate Russell moved the recommendation of the committee be adopted.

The resolution was unanimously adopted.

Also as a part of my remarks, I desire to direct the attention of the Members of the House to the official attitude of the American Federation of Labor, as set forth, so I understand, by the unanimous action of the executive council of the American Federation of Labor, May 1938, on the question of reciprocal-trade treaties. The resolution reads as follows:

Whereas the provisions of reciprocal-trade treaties negotiated by the State Department with foreign nations affect very vitally both the economic conditions of American workers and unemployment and there are many organizations, representing many thousands of workers, affiliated with the American Federation of Labor which are seriously affected by these trade treaties and for that reason are deeply interested in their provisions; and

Whereas the economic and industrial interests of these workers demand that the American Federation of Labor exercise all efforts possible to prevent the importation of goods from foreign countries, under the provisions of reciprocal-trade treaties, where lower wages, longer hours, and lower standards prevail than exist in competing industries within the United States: Therefore be it

Resolved, That the executive council of the American Federation of Labor expresses its opposition to reciprocal-trade treaties which discriminate against American workers. We are opposed to reciprocal trade treaties provisions which provide for importation of goods and merchandise which because of low labor costs abroad, are sold at a lower price than the same goods and merchandise produced by workers in the United States, where wages and conditions of labor are established on a higher standard than those which prevail abroad; and be it further

Resolved, That a committee representing the American Federation of Labor be accorded the privilege of presenting labor's point of view relating to the provisions of reciprocal-trade treaties affecting labor before said agreements are negotiated and ratified.

The above resolution expressed opposition to reciprocal-trade treaties which discriminate against American workers. Under the terms of this position of the American Federation of Labor, unless we set aside the benefits of the Fair Labor Standards Act, those competitive products of countries which pay a substandard wage would be barred from our country.

The amendment, in the form of a limitation, which I have proposed, and which I sincerely trust the House will adopt, will protect the workers of our countries from having to compete with the substandard products of other countries.

Also, as a part of my remarks, I desire to direct the attention of the House to the very statesmen-like position taken by the American Federation of Labor under conditions comparable to those which exist at the present time.

The following resolution, adopted at the annual convention of the American Federation of Labor, 1917, indicates the far-seeing ability of those who represent the organized workers of our country. The resolution reads:

Whereas we are aiding our Government in every way to win the war and we will, if necessary, make any reasonable sacrifice asked of us in order that humanity, justice, and civilization may survive; we call the attention of the delegates to this convention, the workers of the United States, especially those skilled tradesmen whose product is easily transported, to the danger that exists unless prior to the end of the present war some measures of industrial preparedness are taken by this country against a possible industrial invasion: Therefore be it

Resolved, That this convention go on record in favor of a policy of industrial preparedness and the enactment of laws by Congress that will adequately protect all wage earners of our country against the loss of employment through any industrial invasion on the part of the products of any of the other nations.

The committee reporting on this resolution stated:

We recommend that the resolution, as amended, be referred to the executive council with instructions to have the legislative committee carefully watch all legislation affecting the welfare of the wage earners and work unceasingly to secure the enactment of legislation which will safeguard the best interests of American labor.

A motion was made and seconded that the recommendation of the committee be concurred in.

Delegate Black offered the following addition to the resolution:

And that such preparedness be in harmony with the standards of labor as recognized by the American Federation of Labor.

The resolution would then read:

Resolved, That this convention go on record in favor of a policy of industrial preparedness, and that such preparedness be in harmony with the standards of labor as reconized by the American Federation of Labor, and the enactment of laws by Congress that will adequately protect all wage earners of our country against the loss of employment through any industrial invasion on the part of the product of any of the other nations.

In closing, Mr. Chairman, I want to leave the thought with every Member of the House that conditions which those representing the American Federation of Labor foresaw in 1917 came to pass in 1919 and 1920, when our country was flooded with the manufactured products of the nations of the world.

The present wars in Europe and Asia must soon come to an end—the sooner the better. When that day arrives, I believe that every Member of the House will want to know that our markets cannot be flooded with products of the lower-wage-paid war-impoverished workers of these foreign countries.

The amendment which I have proposed will give to all of us that protection. It will protect the job opportunities of American workers, those the products of our workers which compete in the American market with the competitive products of the workers of foreign countries.

The amendment, I believe, is a proper limitation and a most necessary one, in view of the many complaints which we have all heard of the destructive damage which has been already inflicted on a number of American industries.

Mr. CROWTHER. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. THILL] such time as he may desire.

Mr. THILL. Mr. Chairman, I am opposed to an extension of the present reciprocal trade agreement program. I believe it has undermined American industry, agriculture, and labor. I intend at this time to present some of my reasons for opposing the trade-agreement program sponsored by the New Deal and executed under the direction of the Secretary of State, the Honorable Cordell Hull.

The joint resolution which we are considering proposes to extend the Trade Treaty Act 3 additional years. The authority to enter into binding trade treaties was originally delegated to the Executive in 1934 for a period of 3 years, and such authority was extended in 1937 for a similar period.

Certainly there would be little to condemn if Secretary Hull had followed a proper policy of true reciprocity in

negotiating trade treaties. President William McKinley favored genuine tariff reciprocity with foreign nations along constitutional lines. This great Republican President stated:

The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people but tend rather to increase their employment.

One of the primary purposes for which a nation carries on foreign trade is to sell to other nations those goods of which it has a surplus, and to buy from abroad the goods which it needs to supply domestic requirements. We should be extremely careful in granting concessions on foreign products which we do not need, and which directly compete with and displace our own products, particularly when the domestic product is available in commercial quantities at a proper cost and where the necessary protective duty gives the American producer an equal opportunity with low-cost foreign producers in the home market.

TRADE TREATIES DO NOT GUARANTEE PEACE

Prior to the enactment of the trade-treaty law exponents of the reciprocal trade agreement program loudly professed that it would produce world peace, or, at least, be a tremendous factor in bringing about peaceful relations among all nations. However, since the Trade Agreement Act became a law, there have been more wars than at any time since 1918. We have seen Italy subdue Ethiopia; Japan has waged war on China; there has been bloody strife in Spain; Germany seized Czechoslovakia and carried on a vicious short-lived war in Poland; Russia has overrun parts of Finland after bitter fighting during the winter. At the present time Germany and France are engaged in a war, the magnitude of which the world cannot foresee.

With an unsettled state of world affairs, what compelling reason is there for having this country enter into binding trade treaties at this time? Even the Secretary of State admitted that "the scope for going forward with the program during the war is naturally restricted." When peace comes to the world, and the millions of men, now under arms or engaged in war-production activities, return to their regular occupations, what will happen to our markets? Surplus war supplies, including food, clothing, and other competitive articles, will flood our domestic market at prices which will be ruinous to American agriculture, industry, and labor. After the war, those countries engaged in reconstruction and suffering from the collapse of war-time industry will hope to find a ready market for their goods in America.

Those in charge of the New Deal trade treaty program have already reduced tariffs to such an extent that our domestic market will be flooded when peace is restored to the world. There have been 22 trade treaties entered into up to the present time, and the benefits of these treaties have been extended to all nations with the exception of Germany. Over 1,000 tariff reductions have been made affecting 42 percent of our dutiable imports which constitute those which compete with and displace like products of our own workers and our own farms, factories, mines, and forests. The average reduction in duty has been 39 percent. About one-third of the reductions were of the full 50 percent permitted by the act. We have not yet begun to feel the full impact of the reductions due to the fact that during the period the treaty program has been in operation many of the leading nations in the world have been engaged in war or preparation for war, thus diverting their energies from normal production and trade. Should the trade-treaty program still be in effect when the present war ends, our industry will be bound by the present trade treaties. These treaties, as a rule, run for a period of 3 years, after which they are terminable upon 6 months' notice. The treaties can be modified at any time by mutual consent, but we could hardly expect to obtain the assent of a foreign country adversely affected should future circumstances make it desirable for us to withdraw our concessions or to impose higher duties for protection or revenue. Knowing what chaos will be produced by the aftermath of war, we should not bind ourselves for a period of 3 years by entering into trade treaties involving drastic reductions in our tariffs on competitive foreign imports.

We have already seen what happens when treaties are entered into in times like the present. Since our trade treaty with France became effective, the French franc has depreciated 66 percent in terms of the American dollar. This makes it much easier for French producers to sell their goods in our market, and that much more difficult for American producers to sell their goods in the French market. Currencies of other treaty countries have depreciated in substantial amounts. We know that Great Britain as a war measure has withdrawn certain of her trade-treaty concessions to us, but continues to receive the full benefit of all our concessions to her. To add insult to injury, Great Britain has promised to buy a greater share of Turkey's tobacco crop. Such action will be extremely detrimental to our American tobacco growers.

RECIPROCAL-TRADE TREATIES INCONSISTENT WITH NEW DEAL FARM PROGRAM

One of the purposes of the New Deal farm program is to control the surplus agricultural commodities. The new dealers attempt to do this by limiting domestic production. Another purpose of their program is to attempt to bring about parity prices for agriculture such as will give farm products the same purchasing power with respect to industrial products as these farm products had in the pre-war period of 1909–14. In their attempt to bolster farm prices, they have had the Government buy up large quantities of surplus farm commodities. Under the trade-treaty program this administration has reduced the duties on a large number of farm products. The only effect this can have is to add to our present surpluses and undermine farm prices. And all of this is being done when the domestic farm prices are still below parity. The Federal Surplus Commodities Corporation has engaged in removing the surplus American production on over 20 different commodities on which tariffs have been reduced under the present reciprocal trade treaty program. This Government spent the sum of $30,479,112 during the fiscal years 1938 and 1939 on surplus-removal operations in certain commodities, while during the same period there were imported into the United States $92,298,000 worth of these same commodities. If the import duties on these commodities had not been reduced, perhaps this Government could have saved a large part of the money spent for surplus-commodity-removal operations.

TRADE TREATIES INJURIOUS TO LABOR

Not only have the farmers of this country been injured by the present trade-treaty program but labor has been severely affected. We have the highest standard of living and the highest standard of labor of any nation in the world. We have a law which provides for minimum wages and maximum hours in industry. The purpose of this law was to increase the wages of labor and improve working conditions. Yet, under the trade-treaty program, we encourage the importation of competitive products coming from foreign lands where wages are paid but a fraction of those received by American workers, and where there is no such thing as an 8-hour day and a minimum wage. We have laws which exclude certain foreign workers from our shores to prevent competition with American workers. But under the reduced tariffs, brought about by the trade-treaty program, the products of cheap foreign labor are admitted into this country to displace the products of American labor.

INDUSTRIAL RECOVERY HAMPERED BY TRADE-TREATY PROGRAM

American businesses have gone bankrupt and many factories stand idle today because of the reciprocal trade agreement program. Business has been badgered and harried by this administration. How can capital come out of hiding; how can businessmen be expected to invest in new plants when they do not know from one day to the next when indiscriminate tariff reductions will be made and rob them of the home market? This administration has, directly or indirectly, raised the costs of production in this country. By doing so it has increased the competitive advantage which the unhampered, unharried, unrestricted foreign producer has in the domestic market. Under these circumstances how can we

expect the American producer to hold his own in the American market? No wonder opportunities of employment have been decreasing under the New Deal regime.

NEW DEAL TRADE-TREATY PROGRAM NOT RECIPROCAL

To call the trade agreements which Secretary Hull has made "reciprocal" trade treaties is a misnomer. These treaties are not reciprocal in any sense of the word. Certainly the word "reciprocal" suggests give and take in equal proportions, but under the present trade-treaty program we are giving away much and receiving little. We are making arrangements in which the American people are getting the short end of the deal.

Under the Trade Treaty Act all of the concessions which we make under a particular trade treaty are automatically granted to every country in the world except Germany. But we have not obtained 100 percent nondiscriminatory treatment in our trade with the world. Even nations with which we have trade treaties do not give us most-favored-nation treatment. To hope and pray that the other nations in the world will give us the same treatment that we are giving them in this respect is but the hope and prayer of a dreamer. The trade-treaty program has been in operation for approximately 6 years, and the discriminations are worse than they ever have been. During the past year obstacles to foreign intercourse became more numerous and more complex than in preceding years. Restrictions have been placed by foreign governments upon the free conversion of foreign currencies into dollars. Sometimes exchange allotments must be obtained before goods are passed through customs or even before goods are ordered. Quota systems which stipulate maximum quantities of specified commodities which may be imported from all countries have become common. Trade areas and currency blocs have been formed; and through the use of extraordinary control devices the door to our goods is completely or partially closed. Imports from the United States are frequently on a different footing from shipments originating in other countries, particularly in instances in which clearing and compensating agreements are in effect or in which bilateral trade results in an excess of exports from this country.

Under the Trade Treaty Act the President is given discretionary power to deny the benefit of any concessions we give to any country, if that country discriminates against American commerce, or pursues acts or policies which, in the President's opinion, tend to defeat the purpose of the act. Certainly the President should compel fair treatment for American products. A certain nation was formerly found to discriminate against American commerce, and was temporarily denied the benefits of our treaty concessions. It did not take long for that nation to remove those discriminations. The President could withhold the benefits of our treaty concessions from those nations which discriminate against us; and he could provide for penalty duties, on imports from nations pursuing unfair practices, under sections 337 and 338 of the Tariff Act of 1930.

TRADE TREATIES SHOULD BE RATIFIED

The trade agreements negotiated under the Trade Treaty Act are intended to be such as do not require congressional approval, but need only be signed by the President. Under such circumstances the Executive exercises discretionary legislative authority. No rate-making formula has been prescribed which limits the authority of the President, nor are the articles specified, nor concessions in rates fixed in the Trade Treaty Act. If the present manner of administration of reciprocal-trade agreements is to be continued, certainly this Congress should have the opportunity of ratifying the trade treaties. At the present time our tariff rates are being determined—and American agriculture, industry, and labor is placed on the market block—by certain unnamed individuals who sit in secret proceedings with representatives of foreign governments. Under such circumstances there should be public hearings on the completed trade treaties after these secret negotiators have finished their work.

At the present time American producers and others present their grievances to the Committee on Reciprocity Information. They do not know whether their products will be affected by a treaty subsequently negotiated. Results indicate that their opinions count for little in the eyes of the unnamed treaty negotiators.

Most of the other nations with which trade treaties have been negotiated require that their legislative bodies approve the agreements made. Only 3 out of the 22 treaties entered into have been effective without prior or later ratification by the foreign legislative bodies. In 10 cases approval had to be obtained by the foreign nation before the treaties came into operation, and in 9 instances the treaties went into effect provisionally subject to subsequent confirmation by the foreign legislators. It would not have delayed matters very much for the American Congress to have had an opportunity to approve these treaties in the same way. The Brazilian treaty was held for 11 months awaiting ratification, the Colombian and Costa Rican treaties were held up for 8 months, the Nicaraguan treaty for 6½ months, and the Finnish treaty for 5½ months.

WE MUST RETAIN OUR HOME MARKET

Secretary of State Cordell Hull is known as a free-trader. It is not assuming too much to say that he and many other exponents of the present reciprocal-trade program would let down all tariff barriers if they had the power to do so. Only 8 percent of the domestic output of movable goods were shipped to foreign markets during 1939, according to the figures of the Department of Commerce. We Americans consumed at home 92 percent of what we produced. In their anxiety for foreign markets and in their theoretical desire for a free interchange of goods among all nations, the New Deal free-traders are sacrificing our rich home market for lean and unsubstantial foreign markets.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, two schools of thought or political philosophy relative to foreign trade have existed in this country from the beginning of the Republic, but in application the philosophy of both has changed to meet changing conditions.

One was formerly referred to as the free-trade policy and the other as the protective-tariff policy. The former developed into what is now referred to as a tariff for revenue. That is, customs duties are levied on goods imported from other countries primarily for the purpose of raising revenue with incidental protection to American products, there being no limit as to the amount of the tariff duty, except as provided by statute. In other words, the proponents of this policy insist that a tariff for revenue should take into consideration the revenues needed for running the Government and the maintenance of a favorable trade relation with foreign countries. They argue that higher tariff rates should be placed on imports coming in competition with American products for the reason that such imports are the best revenue-producing agents. On the other hand they say there are many articles produced in foreign countries and shipped to this country without competing with American products, because no such products are produced in America. The duty on these products should be such as not to prevent importation. The proponents of this theory take the position there should be some duty on all imports, but it should be higher on competitive goods for the reason that the revenue would be more certain and, at the same time, there would be the incidental protection to the American producer and American labor.

The protective-tariff policy of former days has been changed to what is now considered by many as a high protective tariff or embargo policy. There are now two classes of protectionists. One would say the tariff duty on imported articles should be equal to the difference between the cost of production in foreign countries and in the United States, placing the foreign and domestic article on the same footing when placed on the market in our country. The other class insists that the tariff duty on competing imported goods should be based on the cost of production of similar goods in the United States.

The difficulty under the tariff-for-revenue policy, the policy of the Democratic Party for many years, is the inability to know at what level to fix the tariff so as to result in the greatest amount of revenue and at the same time obviate the possibility of an absolute embargo on goods from foreign countries, because some countries, by reason of natural advantages, may be able to produce an article much cheaper than a neighboring or some other country, and if the tariff duty is fixed so as to apply to a condition in one country it may operate to exclude trade from others altogether, and vice versa.

The objection to the practical operation of the theory of the high protectionist, the policy of the Republican Party, is that when you place tariff duties high enough to prevent importations from other countries these same countries retaliate and enact laws that will prevent the sale or exportation of American products in their markets, resulting, according to our bitter experience within the last 10 years, in the loss of our trade with foreign countries, with an accumulated surplus of American products in our country, which, in turn, results in stagnation of business, unemployment, and economic chaos.

The resolution before us, providing for what is generally known as reciprocal-trade agreements, is an attempt to establish and maintain a new policy of trade which embodies some of the principles found in both or all of the trade policies we have referred to, the idea being to appropriate the features which have proven to be to our best interest as found in the tariff-for-revenue policy and the protective-tariff policy. The advocates of this theory argue that we can obtain the same amount of protection to American products in American markets, increase our revenues by import duties, and at the same time establish and maintain enlarged and increased markets for American products in other countries.

Some of the speeches in this debate have been rather acrimonious in their denunciation of our past foreign-trade policies. The Republicans object to the proposed program and have vilified the trade policies of the Democratic Party of the past. The Democrats have replied or retaliated by attacking the high protective-tariff policy of the Republican Party and alleging that it has been responsible for the greatest economic depression in the history of our country. It is not our purpose to be unduly critical, but we all know that neither policy has been successful enough for a fair, unselfish, and open-minded individual to defend and urge the reestablishment of either. It is appropriate, therefore, that we analyze the proposed legislation with the idea of seeing whether such a policy as proposed in this resolution will prove to be of more value to the American people than either of the other policies referred to. To do this it will be necessary, of course, to find out as nearly as possible the result obtained under the former policies and the proposed one, which has been in operation now for 5 years, so that we might be able to determine from an unselfish and intelligent standpoint which would be considered preferable and to the best interest of the great mass of our people.

The best way to measure or determine the merits or demerits of the high protective-tariff policy as contrasted with the reciprocal trade agreements program is to compare results in the way of national income during their operations. An accurate estimate of their value cannot be determined by citing the value of a particular item or industry. We might find one or a few items that grew or prospered during either period, but this will not prove the success or failure of either policy; or we might take a few items and show how they suffered or decreased during corresponding periods, but this will not prove conclusively the defects or shortcomings of either policy as a whole. To obtain a fair estimate, therefore, as to their respective values it is necessary to show, as already stated, their influence on our national income.

Government reports show that our national income in 1929, the year preceding the passage of the last Tariff Act, was $79,498,000,000 but decreased to $44,713,000,000 in 1933, the year preceding the first Reciprocal Trade Act in 1934. Now, in 1939, 5 years following the passage of the Reciprocal Trade Act, our national income had increased to $68,500,000,000. In other words, the national income during the former period under a high tariff policy decreased $34,785,000,000; whereas in the latter period, under the reciprocal trade-agreement program, our national income increased $23,787,000,000. Some will say the reciprocal-trade program was not responsible for all of the increase in our national income. This may be partially true, but it is strikingly significant that the percentage of our national income increased very much in proportion to the increase of our export trade. That is, it will be observed that the increase in our national income, as above noted, was approximately 49 percent, whereas the value of our exports increased about 46 percent in the corresponding period. Others say that the trade-agreement program had little or nothing to do with our increased foreign trade. Let us see about that. Figures from the Department of Commerce show that 62.1 percent of our increased foreign trade has been in those countries with which we have trade agreements, whereas our exports increased only 37.9 percent with nonagreement countries.

The high protectionists who, it is charged, crucified agriculture in the Tariff Act of 1930, now claiming to be the farmer's friend, are saying that the trade-agreement policy is operating to the detriment of agriculture because it permits the importation of agricultural products in competition with our farm products. This is a criticism that warrants some consideration and cannot be lightly disregarded. Upon investigation, however, we find that agricultural imports have increased to some extent, the total value for the year 1938 being $956,000,000. However, we find upon further inquiry that 60 percent or more of these imports are really noncompetitive for the reason they are on the free list and made up of products not grown in the United States or to only a limited extent. For example, $138,000,000 of the imports was for coffee, $130,000,000 for crude rubber, $89,000,000 raw silk, $29,000,000 bananas, $20,000,000 cocoa beans, $18,000,000 tea, $13,000,000 carpet wool, $130,000,000 sugar, and so forth. It appears, therefore, that agricultural imports so far have not been in competition with our farm crops to any great extent.

The high protectionists from some of the leading dairy States also seem to be very much alarmed over the possibility of being injured by the importation of dairy products. Since I am very much interested in the development of the dairy industry, I have made some inquiry as to what effect the trade agreements have had on the dairy industry. We find the importation of dairy products into this country in 1938 amounted to 431,000,000 pounds, although the average for each of the 5 years preceding 1930 amounted to 1,312,000,000 pounds, showing an enormous decrease in the importation of dairy products in 8 years. Really the trade-agreements policy has meant more to the dairy industry than any other type of agriculture. In the first place, the industry has not been materially injured by imports, because as observed from the above figures there has been a marked decrease in the imports of dairy products. In the second place, the stimulation to business with increased employment following our increase in exports has increased the purchasing power of people engaged in other activities and there has been an increased demand for dairy products, particularly in the larger cities and sections where there are increased factory pay rolls. Another indirect benefit to this industry resulting from the trade-agreement policy, particularly in heavy dairy-producing sections, is the letting up of a growing competition in the smaller dairy-producing areas where other agricultural activities have been stimulated because of increased exports, as well as increased demand for their products in our domestic markets. It is not extremely difficult for a general farm to be converted into a dairy farm, but when markets are good for crops from a general farm, a decrease in competition with the regular dairy farm usually follows.

Now, let us see what has happened to cotton, something that is dear to the heart of every southern man, whether he be farmer, laborer, or manufacturer. There was a substantial decrease in the actual number of bales exported between 1932 and 1937, but we must remember there was also an

actual reduction in the total production of cotton in our country during these 6 years, and it is interesting to observe that the reduction in production corresponds almost exactly with the reduction in exports. That is, if we take the average for 5-year periods beginning in 1921 and come on up to 1937 we find that the percentage of exports as compared with production has been practically the same. To be exact, the average annual percent of exports as compared with production was 58 percent during the 5-year period from 1921 to 1925, inclusive; 57 percent during the 5-year period 1926 to 1930; and 58 percent during the period from 1932 to 1936, inclusive, showing conclusively that while there was a reduction in exports of raw cotton for several years prior to 1938, the decrease was in proportion to the decrease in production. But we will go a little further and see what happened to our export trade with reference to products manufactured from cotton. The table below will show the value of manufactured cotton goods or cotton fabrics exported for each year from 1930 to 1939, inclusive, together with the value of semimanufactured cotton goods and the combined total of both for the same period.

United States exports of cotton products

Year	Total value, semimanufactures	Total value, manufactures	Total value, cotton products
1930	$15,006,726	$73,676,976	$88,683,702
1931	9,814,916	50,254,977	60,069,893
1932	9,276,255	36,248,341	45,524,596
1933	7,506,070	31,845,014	39,351,084
1934	9,485,972	33,975,048	43,461,010
1935	9,029,733	29,678,009	38,707,742
1936	10,674,089	33,003,974	43,678,063
1937	16,016,755	43,645,395	59,662,150
1938	11,675,094	45,311,310	56,986,404
1939	12,025,682	56,292,704	68,318,386

It will be observed that the value of exports of manufactured cotton products decreased from $73,676,976 in 1930, the year the last Tariff Act was passed, to $31,845,014 in 1933, the year prior to the passage of the Reciprocal Trade Agreements Act, a decrease of more than 50 percent. The first question the average person will ask when presented with these facts is, What caused this decrease in the sale of manufactured cotton products abroad during the first 4 years and the increase during the last 4 years? The answer comes back clean and clear, for just as soon as Congress passed the Tariff Act of 1930 increasing the duty on foreign goods to the point where they could not enter American markets foreign governments retaliated and closed the doors of their markets to American products. The sale of our manufactured products in foreign markets, therefore, naturally decreased, and our mills soon found a surplus on their hands too large for them to carry. They had to close down. Their operatives then had nothing to do, no income, and no purchasing power, and the whole country was in the middle of a depression never dreamed of before. Now, let us see what happened following the passage of the Reciprocal Trade Agreements Act in 1934? The table above shows that the value of exports of manufactured cotton products increased from $29,678,009 the next year, 1935, to $56,292,704 in 1939, or an increase of 93 percent. Both of these laws dealt with our trade relations with foreign countries. Under the former our trade decreased and unemployment increased. Under the latter our trade increased and employment increased to the point that for the past 12 months there has been more regular employment, better wages, and more business activity in our cotton-mill industry than at any time within the past two decades or longer. These facts are all fresh in our minds and they convince us that so long as our Government can maintain a trade program which insures us a preponderance of trade in our own markets with an increasing export trade with other nations we can reasonably expect a thriving business and industrial activity throughout the Nation.

On the other hand, they show that when there are no exports, business is going to be dull, and unemployment will continue to be our greatest national problem. Show me a time within the industrial history of this country when our exports were at a low ebb and business in this country flourished. On the other hand, I call upon the high protectionists or the opponents of this resolution to point to a time when exports were at high tide and business was dull and people unemployed. They cannot show it. The truth is that when exports are good business at home is good. That is, the bigger the export trade the better the business at home. Therefore, in the light of experience, the way to insure good business and keep people employed in this country is to see to it that our export trade is maintained at the maximum. Ordinarily, I do not allow myself to become excited and to make harsh statements, but I lose patience when I see a few men going around over the country deceiving and misleading people by crying, "American markets for American products only," when they should know that every time this policy has been put into operation American markets have been flooded and American labor has been put upon the streets and highways looking for employment and begging for something to eat. Of course, we all want American markets for American labor—certainly we do—but what we are really interested in is regular employment for American labor at a fair and living wage, and the only way we have ever had it was when we were selling the products of American labor in foreign markets, as well as in American markets.

The argument that we should have a tariff on everything produced in this country sufficiently high to prevent importation from foreign countries to insure American markets for American products sounds mighty well. It is really music to the ear. But we tried that to a substantial degree when you passed the Tariff Act of 1930. The proponents of the measure predicted, at the time it was passed, there would soon be an automobile in every garage and two chickens in every dinner pail, but every living man knows what happened. The manufacturer and American farmer, the supposed beneficiaries under the law, threw up their hands in holy horrow when they saw that other nations had followed our example and barred their doors and closed their markets to American products. They realized it was a game that two could play, and we soon saw millions of men, women, and children searching and begging for bread and clothing in spite of the fact there was an overabundance of both at their very doors, and when we could no longer hear the hum of the spindle or the shuttle of the loom, or see the smoke from the stack, we began to realize that there is a way that seemeth right but the end thereof is destruction. Apparently, for the first time in our history we were forced to realize the penalty of unwarranted selfishness. For the first time we saw that we could not expect abundant and continued prosperity by building a tariff wall around our country and say to the people of the earth, we will expect you to buy our surplus products, but we cannot permit you to enter our markets under any circumstance. As I have already said, we are all anxious to conserve our markets for our own people just as much as possible, but we have learned from bitter experience that you cannot expect to sell unless you plan to buy. This principle is elementary.

A never-ending row of figures and statistics could be given to show the absolute business demoralization in this country that followed the policy of trying to keep everybody else out of our markets and then expecting them to let us enter theirs with impunity. It just did not work, and it can never work. We could relate how the hundreds and thousands of industrial plants closed their doors to the laboring man's only chance for support; we could picture in pathetic terms how thousands and millions of men and women went to banks to find them closed and their earnings gone forever; we could picture how the farmers lost their homes by foreclosures and tax sales and what percentage of our total population were unemployed and without the actual necessities of life, but every man and woman 21 years of age or over remembers and can picture that situation a great deal better than figures can portray. The question is whether we shall go back and react this scene by refusing to pass this resolution. I cannot conceive of anyone being willing to do it, yet I have on my desk today a letter from a manufacturer who objects to it

and insists that the tariff law should be amended to change the tariff rates so that they no longer represent the difference between the cost of production at home and abroad but should be made to apply over and above the cost of production of American products which would insure an absolute embargo on imports from other nations. Of course, I understand he means that this is the policy that should be followed with respect to his particular manufactured product, but it need not apply to others. He loses sight of the fact that if such a policy were to be followed with reference to his occupation or industry it should also apply to the occupation or industry of any other person and that this would be absolute isolation and a reenactment of our economic tragedies of the last 10 years.

Some of those who adhere to the high-tariff theory insist that the tariff rate should be high enough to prevent the importation of products of any kind from foreign nations, and then if such nations should retaliate by levying tariff duties on their products sufficiently high to prevent American exports, our producers should then reduce their production to the point where it will only be sufficient to meet our domestic demands, their contention being that such a policy would guarantee every producer fair and just prices for his products. This sounds plausible but this policy was adopted and tried recently and we all know what happened. Conditions in the Cotton Belt well illustrate the fallacy of such a policy. As soon as the tariff act already referred to was passed and began to be enforced and our Government attempted to fix the price of our raw materials foreign countries retaliated and began to grow and buy cotton elsewhere. A policy was then inaugurated whereby we should reduce acreage so that production would be decreased to a point where we would only have enough to meet domestic requirements. In actual operation it meant reducing the acreage to nearly one-half, which resulted in eliminating about one-fourth of farm labor from the farm with nowhere to go and nothing to do, making conditions worse than ever.

Certainly, we could secure better prices for cotton if we should reduce the acreage and production 50 percent or more, but to do this you will then need only half the people now on the farm. What are you going to do with the other half? This idea does not seem to have occurred to those who suggest that we should produce only enough cotton to meet domestic requirements. It appears to me that any schoolboy would logically ask, "If you cut the acreage and production in half what is going to become of the other half of the people?" My idea is that so long as people of the world want to wear cotton cloth to cover their nakedness our people should be permitted to grow cotton, convert it into cloth, and then the Government use its constitutional rights and powers to effect markets and open channels of trade with all such people wherever they may be.

The wisdom of such a policy is supported by the Reciprocal Trade Agreements Act passed in 1934. By 1938 the President through the State Department had perfected and put into operation trade agreements with 21 foreign countries. Channels of trade were opened up and we began to ship not only raw cotton but the manufactured product to foreign markets, thereby giving increased opportunity to farm labor, the cotton manufacturer to sell cotton goods abroad, and to put idle spindles into operation and give idle hands something to do. Cotton exports increased 6 percent in 1939 and the exports of cotton goods increased 20 percent over exports of 1938.

Mr. Chairman, I am not dealing in highly technical economic theories but only referring to well-known facts in order to show that so far we have not made a mistake in adopting the reciprocal trade agreements program. There can be no question but that it has succeeded so far in helping this country increase its trade with other countries and give labor and producer increased opportunity for work, as well as increased wages and prices for the products of both. Then, why not pass this resolution and extend the operation of the program for 3 more years? If it should develop in the meantime to be unwise we will then be able to enact other legislation that observation and experience might suggest, and if it continues to prove a success we can make it a permanent policy. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 7 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, of course, I am supporting the reciprocal-trade policies of our distinguished Secretary of State, Cordell Hull, whom I consider the outstanding member of any cabinet on earth today, a man who is doing more to restore the peace of the world and the prosperity of the American people, and especially of the American farmers, than any other man who has occupied his position in your day and mine. [Applause.]

As I said before, Henry Thomas Buckle, the great English historian, once said that the great reforms of the English-speaking race have consisted in not doing something new but in undoing something old. Today Cordell Hull, through these reciprocal-trade agreements, is working one of the greatest reforms of this generation by undoing the iniquities of a former Republican regime.

I am surprised to find the tariff barons of New England and other special interests shedding tears over the farmers of the country—the very people their policies helped to ruin.

I remember when they passed the Fordney-McCumber tariff bill, from the farmers' standpoint the greatest legislative blunder of this generation.

After they had taxed the farmer in that tax or tariff bill—after they had levied a tax or tariff on everything the farmers of the country had to buy, from the swaddling clothes of infancy to the lining of the coffin in which old age is laid away—they went back and took a new start and taxed the tombstone that marked his last resting place. A Member from Kansas, Mr. Tincher, then arose and offered an amendment to put a tariff on cowhides, to give the farmers a few of the crumbs, but for fear it would raise the price of cowhides to the shoe manufacturers of New England the Republicans voted it down. The Old Guard Republicans are always willing to do something for the farmers provided it does not cost anything, and provided it does not do the farmers a darned bit of good.

When the World War closed and the Republican administration came into power, they thus transferred the burden of taxes from the purses of the rich to the shoulders of the poor by taking taxes off the big interests and off the big-income taxpayers—not by the millions, not by the hundreds of millions, but by the billions of dollars—and transferring the burden to the unprotected mass, and placed most of it on the backs and shoulders of the toiling farmers of the Nation. Not only did they reduce the taxes of the rich, but they took out of the Treasury money by the hundreds of millions that had already been collected, taxes that had already been paid, and returned it to the big taxpayers who had paid it, without requiring them to pay it back to the people from whom they had collected it, until the first thing they knew every other country in the world had retaliated by levying their town tariffs and restrictions. The map of the world became a barbed-wire entanglement of tariff barriers, behind which world trade had become stagnant and world commerce had become paralyzed, and nations were fighting each other for world trade and raw materials.

The only way we have ever found to straighten out this condition is through these reciprocal-trade agreements now being followed by our distinguished Secretary of State.

I am surprised to hear these gentlemen who have fought me at every turn on rural electrification, and opposed me every time I have attempted to electrify the farm homes of this country, now come here and shed crocodile tears on the shoulders of the farmers because, forsooth, they have lost a few pennies' tariff on a few cowhides that you would not even protect when you had the power, and try to save intact those vicious tariff laws that rob the farmer of everything he makes. But you are not fooling him.

Not only did you rob the farmers and other toiling masses of America, but you further concentrated the wealth of this country into the hands of a few men, until less than 5 percent

of our people owned more than 90 percent of the Nation's wealth.

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates, and men decay;
> Princes and lords may flourish or may fade;
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroy'd can never be supplied.

So, Mr. Chairman, if we want to restore the prosperity of the American farmer—and it is upon him that the prosperity of this country depends, not on the pay roll of a few industrial centers—if we want to restore his prosperity, if we want to open up world trade, if we want to restore the peace of mankind, we cannot afford to repudiate this policy now.

Let us carry this program forward, restore the trade of the world, lift this burden from the shoulders of the farmers of this Nation, restore the farmer's prosperity, and at the same time bring about the greatest reform of this generation—as Buckle says, not by doing something new but by undoing something old. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, the purpose of the pending resolution, House Joint Resolution 407, is to extend for another 3 years the authority given to the President under the so-called Reciprocal Trade Agreements Act to reduce the rates of duty on imports as fixed by Congress under existing law. During that period, if the resolution is adopted, the President may continue, in his own discretion and without the advice or consent of the Congress, to make trade agreements with foreign countries and by proclamation to reduce existing tariffs to any extent he may choose, not exceeding 50 percent of the rates now established by law.

I oppose the further extension of this wholly unprecedented Executive authority, an authority which, by the way, is not possessed by the executive head of any other major nation in the world, save only the dictator nations whose parliaments have been dissolved altogether.

I oppose this resolution for the same reasons that I opposed the original Trade Agreements Act when it was sent to us ready prepared and drafted from the White House with the President's demand for its immediate passage as an emergency measure in the 1934 session of the Seventy-third Congress. I oppose it now, as I opposed it then, because I believe it to be not only detrimental and ruinous to the economic, industrial, and agricultural welfare of the people of the United States but because I also believe it to be a carefully conceived and deliberate usurpation by the Executive of legislative power which is vested by the Constitution exclusively in the Congress and which no other agency of government except the Congress is competent to exercise.

In the time allotted to me in this debate, I wish first of all to call the attention of the House to the damage and suffering which the so-called trade agreements have brought to the agricultural industry, the lumber industry, and the several other industries upon which rests the economic welfare and stability of the people I represent in the Congress. I desire also to discuss briefly, if time permits, what I conceive to be the philosophy and the real purpose of the trade agreements. I would like to show why, in order to put this philosophy into practice it became necessary in 1934 for its authors to find, and how they did actually find, an effective method of evading the plain provisions of the Constitution. And, finally, I would like to explain some of the methods the administration has successfully used to persuade large numbers of our people that the exercise of the unconstitutional power given to the President under the Trade Agreements Act has redounded to the benefit of the country.

It has been contended in this debate that a great many people have expressed themselves as favoring the continuance of the Trade Agreements Act. This undoubtedly is true, and, because it is true, it is not only important but dangerous as well; for the fact is that, with the exception of those who have been directly and consciously affected by the trade agreements, there are comparatively few people in the United States outside of Congress who have any real information as to just what these agreements are or why they are made. You will find upon inquiry that the average person has no very definite opinion either as to the scope, the purpose, or the merit of any particular one of the 22 trade agreements which have been negotiated since 1934. To them the whole thing has been more or less of an academic question. And experience has shown that whenever any political or economic problem is so considered by the mass of the people, there in that mass you will find a fertile field for the effective use of governmental propaganda.

Now, the administration, knowing this, has taken full advantage of it, in the regular orthodox administration fashion, to propagandize these trade agreements in the most effective manner that has ever been known in the history of American legislation; and it is largely on account of this that we find many groups of sincere and conscientious people, including peace societies, certain civic organizations, numbers of women's clubs, and other groups which have been persistently circularized by the State Department and which have been favorably influenced by its arguments. To these groups should be added also a large number of newspaper editors who receive from the State Department a continuous and never-ending stream of press releases, information bulletins, news stories, and every other sort of propaganda, all designed to create a favorable sentiment for the trade agreements.

But you will find no such sentiment and no such academic attitude among the farmers, the dairymen, the manufacturers of articles which are obliged to meet foreign competition in American markets, lumbermen, fruit and nut growers, labor-union men of both the great national labor organizations, and all the others who know from actual experience what these trade agreements have done to them. To these people the question is no academic one. It is a question of stark reality and their reaction to it comes from actual contacts with the trade agreements themselves.

On account of the limitation of time I cannot, of course, enter into a detailed recitation of the havoc which these trade agreements have wrought upon several industries, including agriculture, which are located in the region I represent and with which, therefore, I am personally familiar. For that reason I intend to select but one; the lumber industry. May I say, however, that so far as the trade agreements are concerned the lumber industry is typical of all the other industries in the Pacific Northwest area, where I live, and that when you have had the story of what the trade agreements have done to that industry you will also have had the story of what they have done in that region to the wheat grower, the cattle raiser, the wool grower, the dairymen, the growers of fruits and nuts, and of every one of the 162 other agriculture commodities, the lawful tariff duties upon which have been reduced by Presidential proclamation under the Trade Agreements Act.

The lumber industry of the Pacific Northwest is the greatest and most important lumber industry in the world. It carries more than one-half of the industrial employment of the States of Oregon and Washington, which have a combined population of nearly 5,000,000 people. It provides the market for the only crop that can be grown on half the land of those two States and it supplies one-third of the lumber consumption of the United States.

Before the trade agreements with Canada and the United Kingdom were negotiated the lumber industry, compared with other industries, was reasonably prosperous. It had weathered the great depression of the early 1930's. It represented an investment of millions of dollars, and millions more were being invested in it every year. It had the entire American market for the kinds of lumber it produced, among the most valuable of which is Douglas fir. It paid to its workers the highest logging and sawmill wages in the world. The Columbia River, which pierces the heart of this great region, had become the largest and most important lumber port in the world. It sold its product to all who needed it, cheaply, but at the same time at a price above the cost of production, which any industry must do if it is to survive, and thus it

succeeded in keeping most of its vast army of employees at work.

Why was it able to do this when in Canada, our next-door neighbor, the same kinds of lumber were being produced by the same methods but at a cost of stumpage one-third lower than ours and at an average wage scale only two-thirds as high as ours, and with no outlay for unemployment and social-security benefits such as our workmen have under State and Federal law? The reason, of course, is that we had a tariff and an import excise duty on lumber which was fixed, as all proper tariffs are fixed, at an amount approximately equal to the difference between the cost of production of lumber in Canada and the United States. The total duty was $4 per thousand, which in this particular case was slightly less than the difference in cost of production. We also had as a part of our law a quota limitation on Canadian lumber imports of 250,000,000 board feet per year. We also had a law which required imported lumber to be marked with the name of the country of its origin.

Then came the trade agreements with Canada and the United Kingdom and the west-coast lumber industry was notified by the State Department that the agreements would involve a tariff concession to Canada on lumber. Naturally the lumber industry protested. But their protest went unheeded, as have the protests of every other citizen of the United States on every one of the 22 trade agreements made since 1934. In an effort to lull the American producers into acquiescence, they were told that in return for a tariff concession to Canada the United States would demand that Great Britain discontinue the preferential tariff rates which for years it had been giving to Canada, that the American lumber industry in its trade with the United Kingdom would have parity rates with Canada, and that American exports to Great Britain, therefore, would more than offset the imports from Canada.

But what happened? To the amazement of the west-coast lumber industry the Canadian agreement simply knocked down half the American tariff wall and left the British tariff against American lumber absolutely intact. But that was not all. By Presidential proclamation the quota limitation on Canadian lumber imports was abolished. Nor did the President stop there. He also suspended by decree the law enacted by Congress which required imported lumber to be marked. He thus stripped the west-coast lumber industry of every benefit and protection that had been given to it by the Congress after years of the most careful study and consideration and left it naked to unrestricted foreign competition.

And what has been the result? Canada now ships to the United States, without limit or restriction of any kind, all the lumber she desires to send at a flat rate of $2 per thousand, which is less than one-half the difference between the cost of production here and in that country, and she sends it here unmarked so that no American buyer may know whether he is purchasing Canadian or American lumber.

Canada now ships to the United States every year more than three times as much lumber as the United States ships to Canada. Canada sells her lumber in our markets, at her own price, and thereby fixes the price which the American producer must meet. On the other hand, the American producer can sell no lumber at all to Great Britain except a few million feet annually of certain grades which Canada does not produce in quantity. Naturally, the sale of west-coast lumber has steadily declined ever since the agreements were made. The price has been beaten down below the average cost of production. Forty-one substantial mills, some of them among the largest in the country, have been closed down and ruined. Lumber and sawmill securities have become practically worthless. Thousands of men have been thrown permanently out of employment, and the entire industry has become paralyzed.

Mr. JOHNS. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Wisconsin.

Mr. JOHNS. Does the gentleman realize, in connection with this billion-dollar business, that the lumber industry importations between 1934 and 1938 increased over 500 percent?

Mr. MOTT. Will the gentleman repeat his question?

Mr. JOHNS. Does the gentleman realize that lumber importations between 1934 and 1938 increased over 500 percent?

Mr. MOTT. I do not have the total percentage increase from all countries, but we imported from Canada in 1938 approximately 15 times as much lumber as we did in 1934. So I think the gentleman is extremely conservative in his statement.

Mr. REED of New York. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from New York.

Mr. REED of New York. I would like to inquire if the gentleman has pointed out that the depreciation in Canadian currency has resulted in a differential of about 14 percent to their advantage?

Mr. MOTT. I am glad the gentleman raised that question. My statement that the tariff protection since the trade agreements went into effect represented less than half of the difference in the cost of production did not include the additional loss we are suffering through depreciation in Canadian currency.

I have already said that the story of lumber is the story of every other industry in my State, including agriculture, which must meet foreign competition in American markets, and whose tariff protection has been undermined or destroyed by Presidential proclamation based on the negotiation of foreign-trade agreements. This is a statement of fact. The evidence sustains it and the record before the House in the printed hearings of the Ways and Means Committee on this resolution confirms it.

Why, then, it may be asked, if this is true, have so many people expressed themselves as favorable to continuance of the President's authority under the Trade Agreements Act? I repeat that the answer to that question lies in the fact that the mass of the people are uninformed and that their academic attitude toward this problem has made them ideal subjects for governmental propaganda.

Who, for example, among the average citizens living in the East or Middle West knew anything about the facts of record which I have just recited in regard to the lumber industry on the Pacific coast, and what the trade agreements with Canada and Great Britain have done to that industry? It is not reasonable to suppose they should know. There has been, and there still is, no way by which the lumber industry can effectively reach the people with those facts, but the State Department can, and does, reach them with propaganda which distorts the facts. In that way it has succeeded in molding public opinion wherever lack of real information exists.

Why, for instance, do the peace societies so enthusiastically support the proposed extension of the Trade Agreements Act? Is it because they are particularly interested in the complicated and highly technical problem of tariff making? Not at all. It is because administration propaganda has coupled the trade agreements with the slogan of world peace. And yet in the thousands of pages of testimony before the Ways and Means Committee on the pending resolution you will find not one single fact in evidence either that the trade agreements have ever had the slightest effect on world peace or that the sponsors of the Trade Agreements Act ever even supposed that it would have any such effect. This is propaganda—pure, unadulterated, and completely unsupported by fact—and yet it has attracted thousands to the support of a scheme which has not the remotest connection with world peace.

Again, for the purpose of propaganda, and propaganda alone, the administration has used the word "reciprocal" as a part of the title of the Trade Agreements Act, and they call the agreements made under it reciprocal trade agreements. The fact is that the administration, and particularly the State Department, knows that there is nothing reciprocal about these trade agreements and that they were never intended to be reciprocal. They know that the sole purpose of negotiating a trade agreement is to reduce existing tariff duties on imports—not particularly on imports from the country signing the agreement, mark you, but on imports from every other country in the world. The making of a trade agreement is nothing more or less than a handle on which the President may hang a proclamation that the duties on the commodities named in the agreement have been reduced and

that all the world may share in the benefits of that reduction. The law specifically provides that tariff concessions given to one country shall be given to all the countries alike without asking for or receiving any tariff concessions whatever from those other countries, and without making any trade agreement with them. For example, we have no trade agreement with Italy, but Italy, without making a trade agreement with us, is entitled under the Trade Agreements Act to every tariff concession that we have given to England, France, or Turkey, or any of the other 22 countries with which we have negotiated these agreements. The contention that these agreements are reciprocal is not really a contention at all. It is a pretention only.

What, then, is the philosophy behind the Trade Agreements Act and what is the real purpose of it? The answer must be plain to all serious students of this question. The philosophy, of course, is purely and simply the philosophy of free trade; and, auspiciously, it so happens that our distinguished Secretary of State, who has direct charge of the negotiation of these trade agreements, is the outstanding exponent of free trade in the United States. For 30 years, as a Member of both the House and the Senate, he has expounded the doctrine of free trade and has eagerly awaited the day when some means might be found to put it into effect.

Now, when the traditional party of free trade at last came into power in 1933, the free-trade element of that party was in position, of course, to insist that the historic doctrine be put into practice. In this, however, the free-traders were confronted by a seemingly unsurmountable obstacle, because free trade in recent years had ceased to be a tenet of the Democratic Party. No more than a handful of the majority party Members in Congress in 1933 still believed in it. The party platform of 1932 had abandoned free trade and had declared for a competitive tariff, which is practically the equivalent of the Republican doctrine of a protective tariff based on the difference between the cost of production of competitive domestic and foreign products. Furthermore, the President in his 1932 campaign had declared that he knew of no import duties on agriculture that were excessive and that he did not intend to propose to the Congress a decrease in any of them.

The efforts of the free-traders, therefore, to reduce any of the rates specified in the Republican bill of 1930 failed. No bill was offered and no bill has ever since been offered by any member of the majority party to reduce any of the rates in the 1930 act. The majority party members did not want those rates reduced, and they still do not want them reduced.

How then was this apparently irreconcilable problem to be disposed of? The majority leadership in Congress decided to dispose of it by taking the course of least resistance. They disposed of it in precisely the same manner that they have disposed of every other major problem which has ever confronted them during the present administration. They disposed of it by refusing to act upon it on their own account at all and by turning the whole problem over to the President to dispose of as he pleased.

As was to be expected, the President eagerly grasped the opportunity thus presented to him for acquiring additional discretionary authority, and he said he would submit a plan for the solution of the problem. But when the President's solution was finally prepared and submitted to the Congress in 1934 it was of a character so sweeping and unprecedented that it made even the free-traders gasp, for the bill which the President sent to Congress under the title of the Reciprocal Trade Agreements Act demanded nothing less from the Congress than the complete surrender of its whole tariff-making jurisdiction. In this bill the President asked for authority to make any changes he pleased in existing tariff rates. He asked that he be permitted to do this without further interference by the Congress and without the necessity of ratification by the Congress. He asked that he be given power to make trade agreements with foreign nations and that upon the negotiation of each trade agreement to issue a proclamation declaring what the rates and duties should be not only for the country signing the agreement but for the world.

In making this proposal the President permitted the imposition of but one restriction. That restriction was that in making tariff law by proclamation he should not increase or decrease by more than 50 percent any duty already established by law.

That this was a direct violation not merely of the spirit but of the very letter of the Constitution no one could possibly doubt, and no one since has ever seriously contended otherwise. The Constitution, by section 8 of article II, vests in the Congress the exclusive authority to fix and determine import duties and excises and to regulate commerce with foreign nations; and the Constitution, having vested that power in Congress alone, obviously denies to the President any power or authority whatever in this field, which is purely a legislative one. The "brain trusters" of the administration, however, who conceived this scheme, knew, for reasons thoroughly familiar to every lawyer in this body, that no citizen injured by law such as the President had proposed could ever raise the constitutional question in any Federal court, and that therefore the law, if enacted, could be enforced in complete defiance of the Constitution. If is for this reason that the administration has never even bothered to defend the Trade Agreements Act on constitutional grounds, and such gestures as have been made in that regard in this debate have been made with the obvious knowledge that every lawyer in the House knew they were nothing but empty gestures.

Why, Mr. Chairman, when the so-called flexible provisions of the Tariff Acts of 1922 and 1930 were under consideration by the House—a provision which, by the way, imposed upon the President nothing but a mandatory direction to adjust tariff rates in accordance with the findings of the Tariff Commission as to whether existing rates of duty accurately represented from time to time the true difference in the cost of production between foreign and domestic products—the distinguished chairman of the Ways and Means Committee, the present author of the pending resolution to continue the Trade Agreements Act, took the floor and denounced that provision as an unwarranted transfer of legislative power by the Congress to the President and a direct violation of article II of the Constitution. And yet that so-called delegation of authority obviously was as nothing compared to the complete abdication by Congress of its tariff-making power, as provided in the Trade Agreements Act.

Our present distinguished Secretary of State, also, who was a Member of Congress at that time, likewise took the floor and made one of the most brilliant speeches of his career against the comparatively innocent flexible provision of that bill, declaring that the granting of any authority whatever to the President in the field of tariff legislation was unheard of and that it was an Executive usurpation which, if put into practice, would destroy our representative system of government.

But, Mr. Chairman, it is a fact which the Congress knows and which the country also knows, that a mere violation of the Constitution has never deterred the present administration majority in Congress from giving the President any law he asked for, and that was particularly true in the hectic and hysterical days of 1934, when the Trade Agreements Act was passed. If majority party members raised a constitutional question in regard to any bill the President wanted, they were politely but firmly told by the President that they must not let their constitutional objections stand in the way of Presidential desires.

The reason the President wanted the Trade Agreements Act was because it gave him legislative authority to fix duties on imports and to regulate foreign commerce without the necessity of consulting the Congress. The reason the free-traders wanted the act, notwithstanding its unconstitutionality, was because through it they could reduce tariff rates by piecemeal and thus commence the long-awaited practical approach to free trade which they could not get through congressional action because the majority party in Congress had ceased to be a free-trade party.

And so, under Executive pressure from the White House, the Trade Agreements Act was passed, with full knowledge of its

unconstitutionality, and with its passage the Congress surrendered to the President its entire effective lawmaking jurisdiction over tariffs. To deny this is futile. The argument that Congress can still make tariff law while the Trade Agreements Act remains on the statute books is a palpable and an obvious absurdity. The President, and the President alone, now makes tariff law, and since the passage of the Trade Agreements Act not a single tariff bill has been passed by Congress, or even reported from a committee, and none ever will be enacted or reported so long as the present administration remains in power.

But it has been argued here, and the President himself has so intimated in his message on this resolution, that the Congress has not really transferred to the President the whole of its tariff-making power because there is nothing in the Trade Agreements Act which prohibits the Congress from passing a tariff law if it wants to.

Let us see about that. Suppose a majority of the Congress should decide that the import duty on certain textiles should be increased and should pass a law for that purpose. What would the President do? The President, of course, would veto the bill on the ground that under the trade agreement with Great Britain he has already fixed the duty on textiles and that the duty so fixed by him is not merely a law of the United States but is also a part of an international agreement to which the United States is a party and with which the Congress cannot interfere. What right or power has the Congress reserved to itself in such a case? And where will you find an important article of commerce upon which the President has not already fixed the rate of duty?

Suppose again that the Congress desires to place a duty on an article now upon the free list and passes a law for that purpose. Again the President vetoes the bill on the ground that in the trade agreement he made with France, for example, that article was bound by the President upon the free list, that he had the right under the Trade Agreements Act to so bind it and that its binding is not only the law of the United States but a part of an international agreement which can be altered only by the President. Again, what power has been reserved by the Congress? No power has been reserved either in these cases or in any other cases that can possibly arise under the Trade Agreements Act. The President has seen to that.

Mr. Chairman, for the reason that it is unconstitutional; for the reason that it has stripped the Congress of its power to legislate in one of the most important fields of lawmaking; for the reason that it was conceived in deceit and has been administered in reckless disregard for the rights of American industry as a whole; for the reason that its purpose is to put into practice a thinly disguised policy of free trade, in which Americans do not believe, and to continue that policy until free trade is actually accomplished; for the reason that it has injured agriculture and its allied industries by turning over the American market to whatever foreign countries can produce and sell their commodities here the cheapest; for the reason that if carried to its ultimate conclusion it must inevitably bring down the American standard of living at least as low as the average standard of the rest of the world; for the reason that it is unsound, unsafe, and un-American, the Trade Agreements Act should be permitted to pass out of existence on June 12 of this year, the expiration date provided in the act itself, and the pending resolution to extend the life of that act for another 3 years ought to be defeated. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. KERR].

AN ACT TO INCREASE OUR FOREIGN AND DOMESTIC BUSINESS

Mr. KERR. Mr. Chairman, the world's scientific and material progress in the last 40 years has transcended that of 3,000 years before A. D. 1900. Distance has been eliminated. The earth has been explored and is yielding material which has revolutionized commerce and made a contribution to mankind's welfare never dreamed of before. Electricity has been controlled until it is now the slave of 50 percent of the earth's inhabitants, who wonder how they ever did without it. We have learned so much within the last 40 years about our human mechanism that we are able to prolong life and mitigate bodily pain. We look into the world which surrounds us, measure the stars, compute the tides, and locate the earth's seismic disturbances. The whole world is now our neighbor, and old ways in respect to our business relations cannot be justified.

The tariff was doubtless necessary once to protect our infant industry, and it was easy for the United States to pursue its policy of nationalism. These days are gone forever.

Nature has so endowed this Nation with natural wealth and equipped its manhood with such indefinable human initiative and spirit that, although this country's flag only waves over 7.3 percent of the area of the world, in which area is only 6.5 percent of the inhabitants of the world, yet this political subdivision, this Republic of the United States, does about one-half of the foreign and domestic business of the civilized world, and we are fully equipped to do this business. For many years, when the world or a greater part thereof was pursuing its normal life, we could then pursue a policy of high protection and keep out the products of other nations and monopolize our own great domestic markets, and send our surplus materials to foreign markets and sell our products there at a low price in competition with the foreign low-labor products and even undersell our competitors at their homes. We were, until the World War, indebted to several European countries because of the large sums of money they loaned us in the development of our natural resources and building our transcontinental railroads, and with our surplus commodities we were paying our debts, and our creditors were glad to take our products.

Since the World War the economic situation in Europe and Asia has experienced a marked change. European nations now owe the United States more than $13,000,000,000, which with one exception they have not attempted to pay, and, besides this, four of the largest of these nations are again engaged in a war unprecedented in history, and they have consumed a major part of their wealth and income for the last 10 years in the preparation for this conflict. In the Orient, Japan and China are engaged in a bitter warfare, and these countries are consuming their income and living at home as the Europeans are doing insofar as possible.

This world condition has demoralized the economic condition of the United States, and unless our overcapitalized organization of industry and farmers can break down the tariff trade barriers of the Republican Party through reciprocal-trade agreements with other nations in both hemispheres, we might just as well go to work at once and reorganize all of our business and confine our dealings exclusively to our own domestic markets and surrender our business supremacy that we have heretofore held in the world.

I am ready to concede that there are many able and conscientious men in the Republican Party. I am sure that those men are as much interested in the welfare and destiny of this country as those men of the same type in the Democratic Party, but there still remains in the Republican Party the idea that a protective tariff is the panacea for all economic ailments; tariff legislation has been this party's only remedy for business depression, low prices, or for financial panics for the last 70 years, and the leadership of the Republican Party is chained to this idol, and the picture of present world conditions does not seem to shake them from their faith or remove their blindness.

In the administration of the proposed extension of the reciprocal-trade agreements, the country is indeed fortunate in having as its administrator the present Secretary of State, Hon. Cordell Hull. I hazard nothing when I say that he is one of the great statesmen of this generation and, in my opinion, he knows more about international war, tariff problems, and trade agreements than any other man in this country or any other. I can well say of him as one great Englishman said of another, "That he would not do an unjust thing for any earthly prize or motive." Partisanship cannot blind Mr. Hull; the love of his country and its welfare is the keystone of his life. If you will read the RECORD and

careful hearings on the proposed legislation now being considered by the House, and view with an impartial mind the evidence of both the proponents and opponents of this measure, and study the reaction of the press of this country, and the ablest economists, you will irresistibly conclude that in the light of present world problems, and our own economic supremacy, that this is the most constructive and beneficial legislation that has ever been passed in this generation.

I will not take the time to discuss the various trade transactions made possible by our reciprocal-trade agreements. These have been discussed by the able membership of the committee and others, and are so convincing that no one should hesitate to recognize the great advantage that this Nation has received by the facilitation of trade and commerce between this Nation and the 22 nations who agreed with us to remove trade barriers upon a basis of mutual help and good business and thereby allow free and unrestricted trade between these nations. Dealings of this kind not only help economically those nations concerned, but it creates a spirit of interdependency, breaks down political prejudice, and builds up a friendship which is an equation that must be cultivated if civilization on this earth is to be made secure.

The opponents of the extension of reciprocal trade agreements resolution insist that we adopt price standards reached in 1929 as a comparative data for our business activities. I do not understand why they should be proud of that business era which was brought about by fictitious speculation and overt shameless gambling, and which almost wrecked every business in the United States. I should think we all should like to forget the aftermath of that year and that era.

The Democratic Party is responsible for our reciprocal-trade agreements. The record of its successful achievements is sufficient to justify the continuation of this program. If we fail, it is the Democratic Party which must assume the responsibility of the failure. I insert at this point a table which discloses the percentage of our increased export trade with 16 countries with which we have trade agreements, showing an increase of our exports to these countries of 37 percent since the inauguration of these agreements and only an increase of 14 percent with all other nations, from June 30, 1935, to June 30, 1936; June 30, 1938, to June 30, 1939; and during the same period showing a decrease of our agricultural imports from the said 16 nations of 13 percent. Certainly these facts disclose that our agricultural industry has not suffered by these agreements.

United States foreign trade with trade-agreement countries[1] and with other countries

[In millions of dollars]

	Year ended June 30—			
	1935–36	1938–39[2]	Increase (+) or decrease (−) 1938–39 over 1935–36	
			Amount	Percent
United States (domestic) exports:				
Of all commodities:				
To the 16 countries	805	1,099	+294	+37
To all other countries	1,570	1,786	+216	+14
Of farm products:				
To the 16 countries	186	214	+28	+15
To all other countries	580	469	−111	−19
Of farm products other than cotton:				
To the 16 countries	98	166	+68	+69
To all other countries	269	339	+70	+26
United States imports (for consumption):				
Of all commodities:				
From the 16 countries	934	911	−23	−2
From all other countries	1,274	1,168	−106	−8
Of agricultural commodities:				
From the 16 countries	468	408	−60	−13
From Canada and Cuba	204	115	−89	−44
From the 14 others	264	293	+29	+11
From all other countries	673	591	−82	−12

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

[2] Preliminary.

The greatest complaint lodged against the reciprocal-trade agreements comes from the cattle industry and the dairy-products industry. In 1932 the gross income of the cattle industry in the United States was $635,000,000, and in 1938 had increased to $1,165,000,000. In 1932 the cash income from the dairy-products industry was $991,000,000, and it had increased to $1,355,000,000 in 1939. It appears strange to some of us that the Representatives from the areas of these two great industries could ever be hostile to the Democratic Party.

Finally, let me repeat, unless we buy from the nations of this earth we cannot sell to them, and unless we can sell to them we might just as well begin to make arrangements to adjust our production of both industrial and agricultural industries to our own domestic market. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, the Ways and Means Committee has done another outstanding piece of work. I congratulate the distinguished chairman and every member of that great committee. No one can read the hearings and the report on this resolution with an open mind, without becoming convinced that this measure should be adopted. They demonstrate that the reciprocal-trade agreements have been beneficent and that their blessings have been shared by agriculture, labor, industry, commerce, and the consuming public. Another conclusion is inescapable: That the 22 reciprocal-trade agreements have been negotiated by statesmen, and that the performance of our Chief Executive and the Department of State, in accordance with the provisions of the Reciprocal Trade Agreements Act, has established another high-water mark of brilliant and devoted service.

Opponents still challenge the constitutionality of the act which we are about to extend for the second time. This same challenge has been flung at every such act since 1794, without success. Even if it were an open question—which it is not—and even were we to forget the cardinal rule of construction that every act of Congress must be presumed to be constitutional unless the contrary clearly appears, the Reciprocal Trade Agreements Act of 1934 would be clearly constitutional. For more than half a century the decision of the Supreme Court in the case of *Field* v. *Clark* (143 U. S. 649) has stood the test of time and has withstood many attacks. That case dealt with the reciprocal-trade problem arising out of the act of October 1, 1890. The holding of *Field* v. *Clark, supra,* is thus summarized in the case of *Hampton & Co.* v. *United States* (276 U. S. 394, 410).

> After an examination of all the authorities the Court said that while Congress could not delegate legislative power to the President, this act did not in any real sense invest the President with the power of legislation, because nothing involving the expediency or just operation of such legislation was left to the determination of the President; that the legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was merely in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect.

The line of authorities upholding similar delegations of power to the Executive culminate in the recent decisions of *United States* v. *Curtiss-Wright Corporation* (299 U. S. 304), and *United States* v. *Belmont* (301 U. S. 324). I defy any person whose mind is not closed by bias to read the four cases I have just cited and the cases referred to in those decisions and then contend that the Reciprocal Trade Agreements Act is unconstitutional.

There is another contention as to the constitutionality of the act, which, at first glance, seems to have far more merit than the contention which the Supreme Court has so thoroughly and so often disposed of, that such delegations of power to the Executive are an abdication of the legislative power granted Congress, and therefore improper. That contention, which on casual examination seems meritorious, is that the reciprocal-trade agreements authorized by the act are essentially treaties and must be made by the Executive with the advice and consent of the Senate, and only so. But when

we come to examine the question thus presented, we find that the authorities are harmonious and clear in holding agreements such as those contemplated by the Reciprocal Trade Agreements Act are not treaties. *Edye* v. *Robertson* (112 U. S. 580, 12 L. R. A. 589); *Four Packages of Cut Diamonds* v. *United States* (256 Fed. 305, 306; Fifth Moore's Internationl Law Digest, pp. 210–221); *Holmes* v. *Jennison* (39 U. S. (14 Peters) 540, 571); *United States* v. *Belmont* (301 U. S. 324); *United States* v. *Curtiss-Wright Corporation* (299 U. S. 304).

On yesterday the distinguished gentleman from Nebraska [Mr. COFFEE] gave us notice in his speech on this floor that he would propose an amendment requiring each of the reciprocal-trade agreements to be made only with the advice and consent of the Senate.

This amendment presents a different and more important question than the contention that these agreements are treaties and therefore required by the Constitution to be ratified by the Senate.

This amendment invites the House of Representatives to abdicate to this extent as a legislative body.

The right of the Senate to ratify a treaty is self-limiting. It grows out of article II of the Constitution of the United States, which defines Executive power—not legislative. It is a limitation upon the preexisting and otherwise absolute power of the President as the sole organ of the Nation in foreign affairs. I quote from the Curtiss-Wright case, supra:

It will contribute to the elucidation of the question if we first consider the differences between the powers of the Federal Government in respect of foreign or external affairs and those in respect of domestic or internal affairs. That there are differences between them, and that these differences are fundamental, may not be doubted.

The two classes of powers are different, both in respect of their origin and their nature. The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs. In that field, the primary purpose of the Constitution was to carve from the general mass of legislative powers then possessed by the States such portions as it was thought desirable to vest in the Federal Government, leaving those not included in the enumeration still in the States (*Carter v. Carter Coal Co.*, 298 U. S. 238, 294). That this doctrine applies only to powers which the States had, is self-evident. And since the States severally never possessed international powers, such powers could not have been carved from the mass of State powers but obviously were transmitted to the United States from some other source. During the colonial period, those powers were possessed exclusively by and were entirely under the control of the Crown. By the Declaration of Independence, "the Representatives of the United States of America" declared the United (not the several) Colonies to be free and independent States, and as such to have "full power to levy war, conclude peace, contract alliances, establish commerce, and to do all other acts and things which independent States may of right do."

As a result of the separation from Great Britain by the Colonies acting as a unit, the powers of external sovereignty passed from the Crown not to the Colonies severally, but to the Colonies in their collective and corporate capacity as the United States of America. Even before the Declaration, the Colonies were a unit in foreign affairs, acting through a common agency, namely, the Continental Congress, composed of Delegates from the Thirteen Colonies. That agency exercised the powers of war and peace, raised an army, created a navy, and finally adopted the Declaration of Independence. Rulers come and go; governments end and forms of government change; but sovereignty survives. A political society cannot endure without a supreme will somewhere. Sovereignty is never held in suspense. When, therefore, the external sovereignty of Great Britain in respect of the Colonies ceased, it immediately passed to the Union. (See *Penhallow* v. *Doane* (3 Dall. 54, 80–81).) That fact was given practical application almost at once. The treaty of peace, made on September 23, 1783, was concluded between His Brittanic Majesty and the United States of America (8 Stat., European treaties, 80).

The Union existed before the Constitution, which was ordained and established among other things to form "a more perfect Union." Prior to that event, it is clear that the Union, declared by the Articles of Confederation to be perpetual, was the sole possessor of external sovereignty and in the Union it remained without change save insofar as the Constitution in express terms qualified its exercise. The Framers' Convention was called and exerted its powers upon the irrefutable postulate that though the States were several their people in respect of foreign affairs were one.

It results that the investment of the Federal Government with the powers of external sovereignty did not depend upon the affirmative grants of the Constitution. The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the Constitution, would have vested in the Federal Government as necessary concomitants of nationality.

Not only, as we have shown, is the Federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited. In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it. As Marshall said in his great argument of March 7, 1800, in the House of Representatives, "The President is the sole organ of the Nation in its external relations, and its sole representative with foreign nations."

It should be borne in mind that the legislative branch of the Government has only those powers granted by the Constitution. Section 1 of article I of the Constitution reads: "All legislative powers herein granted shall be vested in a Congress of the United States, which shall include a Senate and House of Representatives." But all executive power, whether specified in the Constitution or not, is vested in the President. The pertinent part of section 1 of article II of the Constitution reads: "The executive power shall be vested in a President of the United States of America." Similarly the pertinent part of section 1 of article III of the Constitution reads: "The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish." From these quotations it is manifest that Congress has only such power as the Constitution gives it. The Constitution gives it no power to deal with foreign affairs except that the Senate advises and consents to the making of treaties.

Clearly, since the power of the Executive in foreign affairs is exclusive, absolute, and preexistent, unless expressly limited by the Constitution—which it is not, except as to treaties—Congress has no power to prescribe and create an additional sphere of Senate advisory action.

Congress has only such power as is granted in and by the Constitution. The Constitution says:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives. (Art. I, sec. 1.)

The Executive power shall be vested in a President of the United States of America. (Art. II, sec. 1.)

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. (Art. III, sec. 1.)

Therefore, unless reciprocal-trade agreements be "treaties," the Coffee amendment is beyond the power of Congress to enact—and is unconstitutional and void.

Treaties have certain differentiating characteristics:

1. DIGNITY

The Constitution says:

This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land. (Art. VI.)

2. FORMALITY

Not only are treaties formal per se but they are always signed, sealed, and delivered by the plenipotentiaries negotiating them amid all the pomp and circumstance possible. Gold seals and ribbons typify the importance attaching to such negotiations. Agreements on the other hand require no formality and may not even be in writing.

3. BREADTH AND SCOPE

Treaties declare policies and principles. They provide for "open doors" and similar rights of public law known to the law of nations. Agreements deal with minutiae under and within the sphere marked out by treaties.

Protocols, postal conventions, modii vivendi, and agreements have never been considered treaties (5th Moore's International Law Digest, 210–221).

4. PERPETUITY OR LONG-TIME ENDURANCE

Whereas agreements are usually adopted for a short time and are readily changeable by the consent of either party on short notice.

From the foregoing contrasts between treaties and agreements and from consideration of the authorities cited supra, it is manifest that the reciprocal-trade agreements are not treaties.

Consequently the Coffee amendment would, if adopted, constitute an abdication by this House of a part of its legislative power. It would constitute the Senate within the sphere of

the legislation contemplated, the Nation's sole legislative body.

If the House of Representatives can thus abdicate in one field, it could in another, and another. It could just as constitutionally abdicate in toto.

So much has been said on the subject of the benefits which have been derived and which may be expected from the reciprocal-trade agreements that I shall not go into any detail. Suffice it to say that it is safe for us to depend upon the expressed judgment of those men of outstanding ability, superior judgment, and most intimate familiarity with the subject. The President of the United States, in his messages to Congress, has advocated the extension of the Reciprocal Trade Agreements Act. Secretaries Hull and Wallace, Commissioner Fox, of the Tariff Commission, President Edward O'Neal, of the American Farm Bureau Federation, Dr. Schultz, of Iowa State College, all have studied the effect of these agreements upon agriculture and say that they have been beneficent and that they will, in their judgment, prove more so as time goes on. The testimony of President O'Neal in the hearings should be read by every intelligent person who would be well posted on this vital subject.

Isador Lubin, Commissioner of Labor Statistics in the United States Department of Labor, certifies to their beneficent result as far as labor is concerned, and states these conclusions in his testimony in the hearings:

1. Trade agreements have opened the way for a very considerable increase of exports of manufactured goods, thereby providing additional employment in the production of these goods.
2. The additional employment created in export industries by the trade agreements has exceeded any displacement of labor in other industries which might conceivably have resulted from concessions made by the United States to foreign countries.
3. Concessions granted by the United States on the products of foreign countries have displaced far less labor in this country than is often claimed.
4. Wage rates in the export industries which have benefited from trade agreements are, by and large, considerably higher than the wages in those industries which have claimed injury as a result of trade agreements.

There is one other important point which must be taken into account in forming a balanced judgment regarding the trade-agreements program but which is sufficiently self-evident as not to require elaboration at this time, namely, the fact that additional employment and additional wages in the export industries create additional purchasing power for a wide variety of goods and services which do not enter directly into international trade, so that the total additional employment resulting from trade agreements is undoubtedly much greater than that involved in the production and transportation of exported goods.

Charlton Ogburn, counsel for the American Federation of Labor, says:

In 1929 a survey showed that annual wages paid average worker in 36 typical tariff-protected industries were $595 less than wages to worker in 36 typical export industries.

AMERICAN LUMBER INDUSTRY AND THE TRADE-AGREEMENTS PROGRAM

During recent months there has been much verbal debate and all types of asertions made concerning so-called adverse effects of the reciprocal trade agreements program in its relationship to the American lumber industry. Usually, conclusions are hastily drawn from incomplete information that the American lumberman has been "sold down the river."

Mr. Axel H. Oxholm, managing director of the Pacific Forest Industries, has for many years given unstintingly of his efforts to promote the welfare of the American lumberman. In an article carefully analyzing the relationship between the trade-agreements program and the lumber industry, particularly the lumber industry in the Great Pacific Northwest, he stated:

[From the Timberman for December 1938]

RESULTS OF OUR TREATY NEGOTIATIONS

Pacific Northwest export industries as a whole undoubtedly feel disappointed in regard to the results of the United Kingdom trade agreement, and naturally everybody is looking for the proverbial goat. Few people take the trouble of studying the agreement as a whole, but are considering the value of the treaty, based on the effect on their particular industry, or, at best, on their particular region. Neither do they take a long-range viewpoint. This is natural and inevitable in a large country where most industries are organized on the basis of watertight compartments and have little relations with each other. Everybody agrees that closer commercial relations with the United Kingdom and the British Empire will be of the greatest importance also from the point of view of international politics.

The greatest achievement of the trade agreement is, unquestionably, that it caused a reversal of the strong tendency to build up preferences within the British Empire. While the treaty, in its present form, may not have broken down Empire preferences to the extent hoped for by certain groups, it does leave "the foot in the door," and subsequent agreements and a possible revision of the present agreement may lead to better direct results for the American export industries involved, especially those in the Northwest. Unquestionably, the treaty will have indirect benefits to practically every industry in the United States. If, for instance, our wheat farmers should succeed in disposing of their surplus crops of wheat in the United Kingdom under the duty-free arrangement secured by the agreement, the economic effects will be felt by every branch of industry catering to our farmers' needs. The same reasoning applies to all other of our industries directly benefited by the agreement.

For once has the American Government taken the lead in an intelligent and consistent foreign tariff policy. If, as majority of experts agree, we must maintain a foreign trade, it is obvious that our foreign policy, which is largely concerned with trade and commerce, must be conducted on a sensible and consistent basis. The industries catering to foreign markets cannot possibly exist on the basis of a temporary advantage gained at the expense of some foreign country during times of stress because such agreements and advantages are of short duration. Likewise an export industry cannot afford to be tied up with a political party so far as the tariff question is concerned. A glance at our tariff schedules for the past 25 to 30 years will clearly show the abrupt changes in our own import tariff, and the retaliatory steps taken by foreign countries against us, all of which has led to a disruption of our trade relations with foreign countries. Particularly during the last few years it has been evident that our representatives in both Houses of Congress are overworked. For this reason alone it should be evident that a highly technical and intricate matter such as our foreign policy cannot possibly be handled by Congress because very few men in political life today have even a superficial knowledge of international trade, tariffs, and related matters. Happily, Congress relieved itself of this work, placing it in the hands of the most competent men available for the purpose. Business leaders, who have studied the present set-up in Washington, are convinced that our negotiators are capable, impartial, and free from political bias. The mere fact that the results of the United Kingdom trade agreement came as a complete surprise to even the largest of our industries is in itself a tribute to the manner in which politics were kept out of this tariff question. The reciprocal trade agreement matter is neither an original idea of the New Deal nor is it a political issue, since it has strong supporters among keymen in both parties.

In conclusion let it be said that it is no easy task for our negotiators to achieve favorable results. Foreign nations, rightly or wrongly, charge this country with having started the tariff war and that the barriers which they have placed in the way of American merchandise are merely in the nature of retaliation. We should also remember that in international trade relations the same principle applies as in any other business deal—unless an agreement is fair and equitable to both parties, it cannot be of lasting value. The countries of the world today are keyed up to the maintenance of an export trade. Our negotiators are not dealing with impractical theorists but with men in the closest position possible with business interests in their respective countries. Our Northwest export industries, therefore, should continue the close relations with our negotiators, and sooner or later this part of the country will receive valuable direct benefits. If anyone should be of the opinion that it would be better to take a chance on the spoils of war and have the tariff question revert to politics, they should first make a simple calculation and ascertain the relative number of voters in the Northwest compared to other districts in the country, often having foreign-trade interests opposed to ours. There is no important country in the world today where the foreign-tariff matter is handled by politicians, and in our own country it is more and more realized by responsible interests that important questions of a technical nature should be handled by experts and divorced from politics. The handling of the foreign-tariff matter is a case in point.

The record of the hearings is replete with testimony showing multiple benefits to industry and commerce, both domestic and foreign, as having resulted from these agreements and many witnesses have spoken of their blessings to the consuming public. But to my mind and above all of the blessings born of these agreements, the final argument in favor of the extension of the act authorizing them is that this policy and practice constitutes the only hope of the United States and of the world for prosperity and peace.

There can be no lasting world peace if narrow nationalism and monopolies shut off other nations from necessities of life. International trade is, therefore, the highway to peace. Many, if not all wars, are the product of economic causes. There is, of course, no cure-all for the hydrophobia of war. But reciprocal-trade agreements constitute at least one powerful antidote. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, "faith in lethargy is pernicious when action can budge a nation toward an ideal."

These words were used by one of our colleagues on another occasion, but they apply equally well in this discussion concerning the reciprocal trade agreements program.

OPPOSING PRINCIPLES

Here we are faced with two opposing principles—inaction versus action as applied to foreign commerce. Shall we try to raise our national income by the negative means of keeping out foreign products or by the positive means of selling our own products abroad? The former is the inactive way; the latter requires action. Which will be our policy? Maybe the experience of the past can be our guide for the future.

But what is this experience of the past? It is the record at which we have been advised so often to look. But in looking at it we must not take out a part, and by that part judge the whole. That procedure involves looking at the trees but failing to see the forest. I do not mean that it is wrong to examine particular aspects of the problem, but only that our first and final judgments must be based on the whole picture.

So first let us examine the economic condition of our Nation. In 1922 the Fordney-McCumber Tariff Act was passed, so let us go back to those gay days and see what progress has been made. The following chart sets forth the annual national income:

Current income

1922	$57,171,000,000
1923	65,662,000,000
1924	67,003,000,000
1925	70,051,000,000
1926	73,523,000,000
1927	73,966,000,000
1928	75,904,000,000
1929	79,498,000,000
1930	72,398,000,000
1931	60,203,000,000
1932	46,708,000,000
1933	44,713,000,000
1934	51,560,000,000
1935	56,254,000,000
1936	65,246,000,000
1937	69,419,000,000
1938	64,000,000,000
1939 (estimate)	68,500,000,000

That is not a very pretty picture when one realizes the suffering and want behind each downward sweep from 1929 to 1933. However, this recovery that has been accomplished during the past 6 years is certainly encouraging. But we are not here today to dwell on the accomplishments of the present administration; rather, it is our duty to determine whether a particular policy is meritorious or iniquitous.

The policy to which I refer is, of course, the reciprocal trade agreements program. Once more let us return to somber statistics. Since this matter concerns our foreign commerce, an examination of the value of our exports and imports is herewith set forth:

Year	Total exports	Total imports	
1922	$3,831,777,000	$3,112,747,000	Fordney-McCumber Act.
1923	4,167,493,000	3,792,066,000	Do.
1924	4,590,984,000	3,609,963,000	Do.
1925	4,909,848,000	4,226,589,000	Do.
1926	4,808,660,000	4,430,888,000	Do.
1927	4,865,375,000	4,184,742,000	Do.
1928	5,128,356,000	4,091,444,000	Do.
1929	5,240,995,000	4,399,361,000	Do.
1930	3,843,181,000	3,060,908,000	Hawley-Smoot Act.
1931	2,424,289,000	2,090,635,000	Do.
1932	1,611,016,000	1,322,774,000	Do.
1933	1,674,994,000	1,449,559,000	Do.
1934	2,132,800,000	1,655,055,000	Trade Agreements Act.
1935	2,282,874,000	2,047,485,000	Do.
1936	2,455,978,000	2,422,592,000	Do.
1937	3,349,167,000	3,083,668,000	Do.
1938	3,094,440,000	1,960,428,000	Do.
1939	3,177,344,000	2,318,258,000	Do.

THE OLD PROTECTIVE METHOD

The figures here given cover the period from 1922 to the present. However, during those years there were three distinct phases. Each of these relate to the specific tariff act covering that particular period. In reality, however, the first two phases were the practical applications of the principle which I mentioned at the outset—the theory of protection rather than aggression in an effort to build up our national economy. The two phases, or rather the two tariff acts, to which I refer will be noted on the chart as follows: The Fordney-McCumber Act of 1922, and the Hawley-Smoot Act of 1930. These two measures both sought to raise the tariff on goods being imported by the United States, but did little to promote the export of goods out of the United States. This apathy or indifference to the importance of our exports is reflected in the downward trend. Memory is kind and few of us realize today how tremendous the drop actually was from the lush days of 1929 to the grim days of 1932. Four short years, but during that period the highest tariff rates in the history of our country were in effect. That was following the principle of lethargy.

THE NEW TRADE-AGREEMENTS METHOD

In 1934, the Reciprocal Trade Agreements Act was passed. It was essentially different from the two preceding acts insofar as it was based on a theory of action—increase our exports, not decrease our imports—action against lethargy; positive against negative.

This program is based on the theory that more can be accomplished to increase our foreign trade by negotiating a possible tariff reduction than by threatening a stronger barrier.

This is not a new theory in principle, but it is a new theory in practice. In 1930 the Hawley-Smoot Act, to which we have referred, was established. The principle behind that legislation was that it is better for the prosperity of the Nation not to buy foreign products than it is to sell American products abroad. We have some knowledge of the results of that policy. Joseph M. Jones, Jr., in his able study on Tariff Retaliation, published by the University of Pennsylvania Press, tells us that "the world depression and the Hawley-Smoot tariff are inextricably bound up one with the other, the latter being not only the first manifestation of but a principal cause of the deepening and aggravating of the former."

From the figures cited it would appear that the policy of inaction was a complete failure, while the policy of action at least is leading us out of the chaos of which the former was one of the causes.

This is neither the time nor the place to cite further proof regarding the lack of success of the former policy. It is enough to state that in the domestic field it was a financial failure, while in the international field it made us the most hated nation in the world.

This, then, is the general picture: Our national income dropped to a drastic level, but our foreign trade dropped even more—out of all proportion to either the drop in world trade or our own national income. Since the Reciprocal Trade Agreements Act was adopted in 1934 that foreign trade was raised approximately as our national income increased, but in a ratio greater than world trade increased. This fact is true aside from the extraordinary trade in war materials.

We have examined the whole picture and discovered that the policy of inaction was found wanting, while the policy of action has been beneficial. Now, let us examine certain parts of that picture.

INDUSTRIAL RESULTS

Our Nation is united not only by the legal binding of the Constitution but by such physical binding as the ribbons of steel and highways which join city to city, State to State, and section to section. That the progress made by the United States during the last several decades is due in no small part to better transportation facilities is axiomatic.

The automobile has played a major part in this progress. But the automobile industry is only a single unit of a great economic whole which is composed of thousands of such units. A strengthening of any or many of these units is reflected in the whole economic picture of the Nation.

I do not overlook the benefits to the whole country when I stress the value of this policy to my particular section. But

as a Representative from Michigan I am especially interested in the result there.

The Detroit industrial area is the largest producer of manufactured products for export in the United States. Six hundred industries in Michigan are engaged in this business. In fact, one out of every $7 spent in the area is derived from foreign trade. With this background in mind, it is easy to understand the vital stake which these industries have in trading with other countries. Nor is it hard to understand that persons dependent on those products of Michigan which are so exported are also aided by any concessions made by foreign countries and are anxious to continue the present profitable arrangement. Automobiles, refrigerators, chemicals, office equipment, pharmaceuticals, fresh and canned fruits, and many other Michigan products are important exports.

Since the most important single industry in the area is the manufacture of automobiles, it might be well to examine the results of the trade-agreements program on this industry. In 1929 Michigan exported automobiles and accessories valued at more than one-quarter of a billion dollars. In 1932 that figure dropped 90 percent. By 1937 most of this loss had been regained. And why? Because economic restrictions such as quotas, exchange control, and high duties imposed by foreign countries greatly limited the exportation of automobiles in past years. But now, under the trade-agreement program, these restrictions have been reduced.

This is the reason why Mr. B. C. Budd, chairman of the export committee of the Automobile Manufacturers' Association and vice president of the Packard Motors Export Corporation, endorsed the Reciprocal Trade Agreements Act before the House Ways and Means Committee. He presented the official position of the Automobile Manufacturers' Association when he said:

Believing export trade an element essential to our domestic prosperity, the Trade Agreements Act has, in our opinion, contributed substantially to both.

AGRICULTURAL RESULTS

Now, let us turn to another part of the whole picture in an effort to discover the value of the Reciprocal Trade Agreements Act.

Apparently, it was very beneficial to the automobile manufacturer, but has it helped the farmer, or has he been "sold down the river"?

In 1933 United States exports of crude foodstuffs dropped 74 percent from the 1929 level and were the lowest in 59 years. It was expected that the Hull program would help to revive our export markets by tariff bargaining for agriculture as well as industry. Despite crop curtailment and droughts, exports of crude foodstuffs in 1938 reached $249,041,000, the highest level since 1929 and within 8 percent of that 1929 level. The increase was 418 percent over 1933. The increase of the export of finished manufactures was only 144 percent.

The charge has been brought that the American farmer is suffering because of imports. But the fact is that the imports of grains and preparations, in spite of increased world trade, were in 1938 only 40 percent of the 1929 level and only 26 percent of what they were when the program began. Meat and dairy product imports show similar decreases.

But even if there were an increase in the imports, it is compensated by the increase in the exports of agricultural products. It is true, as shown on the chart below, that the total amount of agricultural imports is greater than the amount of exports. But this fact is not a result of the trade-agreements policy, for a similar condition existed before the program was adopted.

Total agricultural exports and imports

Year	Total exports	Total imports
1932-33	$590,000,000	$614,000,000
1933-34	787,000,000	839,000,000
1934-35	669,000,000	934,000,000
1935-36	766,000,000	1,141,000,000
1936-37	732,000,000	1,537,000,000
1937-38	891,000,000	1,155,000,000
1938-39	683,000,000	999,000,000

In order to be fair, let us examine the result of the program in its relation both to the countries with which the United States has entered into trade agreements and with all other countries. The chart below shows this result:

Exports of United States agricultural products to trade-agreement and other countries

Year ended June 30—	To 16 trade-agreement countries		To all other countries	
	Million dollars	Percent of 1935-36	Million dollars	Percent of 1935-36
1935-36	186	100	580	100
1936-37	207	111	525	91
1937-38	288	155	600	103
1938-39	214	115	469	81

Apparently the trade-agreement policy has been beneficial to agriculture. Why, then, is there any opposition from certain farm groups? Perhaps it is because certain industries have prospered under the act to a greater extent than agriculture. The fallacy of this reasoning is the assumption that what benefits one unit of our economic system is necessarily detrimental to other units.

RELATED BENEFITS

Let us examine the interrelation between agriculture and industry. We find that 15,000,000 pounds of wool, 10½ percent of our cotton, and 65 percent of our leather is consumed by the automobile industry. Furthermore, other farm products used in considerable quantities are sugarcane, soybeans, corn, flaxseed, turpentine, beeswax, wood pulp, mohair, and cellulose materials. That is one definite relation between agriculture and the automobile industry.

But there are many indirect relations. For example, the automobile industry last year had an average weekly pay roll of $12,226,000. A large part of that went for agriculture's foodstuffs. If the automobile production were cut, wages would be cut. If wages were cut, the farmer would feel the result. And production would be cut if discriminatory tariff walls against American automobiles were not reduced through the reciprocal trade agreements program.

Another indirect relation between agriculture and the automobile industry is in our highway system. Earlier I spoke of our highways as ribbons binding our Nation together, but they also provide an easy access for the farmer to the market. The expansion of the highway system is due in no small part to the expansion of the automobile industry.

So, the farmer's life has been made easier by the automobile he drives over roads thus made necessary by that automobile. Each year he sells to the industry and to the employees of the industry millions of dollars worth of agricultural products. As shown previously, he is helped to sell more exports. But, in addition, because an industry has been helped through similar exports, that same farmer is able to sell more products, both directly to the industry and indirectly to the employees. Hence, the farmer should be one of the first to back any program which so helps him.

But this interrelation can be extended to other units of our economic system. What helps the automobile industry likewise helps other industries. For example, 17 percent of all steel, 53 percent of malleable iron, 90 percent of gasoline, 80 percent of rubber, 69 percent of plate glass, 65 percent of aluminum, 29 percent of nickel, 35 percent of lead, and 40 percent of mohair are purchased by the automobile industry. It is the largest purchaser of these commodities.

Hence, when the automobile industry prospers, hundreds of dependent industries likewise are benefited.

PRESS COMMENT

This interrelation has been recognized by the press, which, although predominantly opposed to the present administration, nevertheless views the reciprocal trade agreements program as follows:

	Percent
Favorable	82
Noncommittal or mixed	9
Unfavorable	9

This trend is well expressed in an editorial which appeared in the Detroit News on January 23 of this year:

The Michigan farmer should be for a program which benefits Michigan industrial areas, because in these areas he finds his chief market; if tariffs are not to be thrown back to the mercies of the dicker and trade system in Congress, it is essential that the defense of the reciprocal system have expression on a scale and with determination meeting the vigor and intensity characterizing the concerted drive being made to do away with the trade bargains.

It is not difficult to summarize the benefits of this positive, aggressive method of promoting exports as opposed to the negative, lethargic method of barring imports. Logically and statistically it has been shown that it has been beneficial to the Nation as a whole, as well as to agriculture and the automobile industry in particular.

But more than this mere material gain has been the spiritual gain which has been achieved by this policy. Truly it is a reasonable and unselfish policy recognizing the fact that goods exchanged have engaged in their moving and development the hands of toil. The grim spectacle of unemployment has attracted the attention of the world. The discord of Europe owes its present condition partially to unemployment. The trade-agreements idea attunes itself to American thought. There is satisfaction in the plan of remaking a world economy based upon a spirit of unselfishness—void of hate—imbued with humanitarian devotion and brilliant in the hope of glorious peace. Truly, this is the American ideal. It is approached by the active, positive, aggressive reciprocal trade agreements policy.

Faith in lethargy is pernicious when action can budge a nation toward an ideal.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, it seems to me that the whole of the debate today has rather badly missed the point. If I understand the reciprocal trade agreement program, this is not a question which places in opposition to one another on the one hand a philosophy of complete protection of American industry and on the other a philosophy of no protection at all. The attempt here is being made in this program to arrive at a proper balance between such protection against the competition of low-wage labor as may be desirable on the one hand, and the gaining of a maximum amount of mutually advantageous trade on the other.

The ideal situation in regard to foreign trade would be one where the American people were able to consume the full production of their farms and industries and where they would import such essential commodities as they needed and where they would export other commodities in order to make that trade possible. If we would export, we must import; and if we would import, we must export. This is a central principle. I do not see how a proper balancing of all these factors can ever be arrived at by the old-fashioned log-rolling method. If we want to have a scientific dealing with our problems of foreign trade, it appears to me that a method such as the reciprocal trade agreement program is absolutely necessary. The old method inevitably leads to the raising of many tariff barriers far beyond what is justified, and will have the consequence of retaliatory duties being levied by other nations, which cannot but lead to the most serious consequences from the standpoint of American employment and peace, namely, the literal migration of American capital out of America into foreign countries in order to jump those retaliatory duties. This has happened in the case of automobile companies and a number of others, and not only does it mean that American interests will be set up in these foreign countries to offer a menace to our peace and the easiest possible chance of involvement in war but also it means a net loss in employment and in production in the United States.

THE CENTRAL QUESTION

It seems to me this whole matter has to rest on the proposition of whether the total results of this program add more to the production, pay rolls, and employment of America than is lost. This can happen if we secure fuller markets for goods that we can produce easily and cheaply and well, even though we may lose to some degree a market for goods which cost us more than is justified to produce. It can happen if as a result of the agreements more of our own people go to work in industry or in agriculture and obtain a larger increase in buying power than is lost as a result of all concessions made to foreign countries.

I am of the opinion that with our present faulty machinery for the distribution of buying power in the country it would be bad policy for concessions to be granted to foreign countries where the only advantage they enjoy is the advantage of a lower labor cost. The situation is different where natural advantages such as special natural resources are enjoyed by these foreign nations.

There are a number of points I should like to speak of this afternoon, but obviously I cannot. The one thing I want to try to press home in the brief moment left to me is that it is perfectly foolish to think that by shipping valuable commodities out of the country and getting money or promises to pay back you are making your people rich. Obviously, you cannot just stack that money up for them. Some day, if the people are to be benefited, it must be used in some constructive manner, and they must get the actual goods they need for their living. If you are to export goods at all, then the only way worth while to the American people of making that possible is to import other goods of value to them. The purpose of this program, as I understand it, is to enable us to export the right things and import the right things. A constant excess of exports over imports is obviously impossible. Such a situation will have to be dealt with in one of five different ways. One, never to receive payment for the excess at all. That has happened to us. It happened to us during the twenties. Two, if you do receive payment for your excess of exports, then you can take the money and pile it up, but never use it to purchase any goods—at the same time that you are exhausting your own resources. Three, you can buy gold or silver, and thus give foreign countries some of your exchange, so they can buy more exports. We have been doing this for a good many years and there has been a lot of complaint about it, for we have as yet made no constructive use of that gold. But if we do not want to use this method, we have got to find another one. Four, you can loan money to foreign countries to the amount of your excess of exports or you can invest money in those countries. But if you do this, then you must upset the balance still further; for you will be receiving interest. We tried this method, too, and it finally resulted in our getting none of our money back, and in part it caused the collapse of 1929.

The only other method of dealing with this problem is to have a decent balance between exports and imports—a mutually advantageous trade, which is what we are trying to get through these agreements.

AN INFLUENCE FOR PEACE

Perhaps the most important argument, however, is that by promoting a mutually advantageous trade it is, without question, possible to increase good will among nations. This is specially important in the case of the American republics at the present time, when so much of the world is at war and when our Western Hemisphere peace and understanding is so important.

If we could increase our trade in the goods of peace, would it not make us somewhat less eager to engage in trade in materials of war? If we can increase our trade with nations at peace, will not the pressure for trade with belligerents be less acute? I believe it will.

I know we shall not solve our problem until our people can consume in proportion to their power to produce. But in a decent world a nation like our own should trade its real surpluses with other nations which need them for things they can produce but which we lack. To see to it that we export the right things and import the right things—that, it seems to me, should be the aim of our foreign-trade program. I know no better method of trying to achieve that objective than the reciprocal trade agreement method, and I shall therefore support the resolution.

Mr. CROWTHER. Mr. Chairman, I yield 15 minutes to the gentleman from Wyoming [Mr. HORTON].

Mr. HORTON. Mr. Chairman, House Joint Resolution 407, which we are considering, extends the President's authority to enter into foreign-trade agreements for another 3 years from June 12, 1940.

Search this resolution as you will, you will not find the word "reciprocal," therefore we certainly are justified in believing that these agreements will continue to be made as heretofore, and that, because of the favored-nation clause, the United States will continue to be made the sucker, Santa Claus, and wet nurse for the entire world. A boob nation is like a boob individual, no one has any respect for such a one, rather, enjoys taking a kick at him. For that reason, boob policies are more apt to draw us into war than to keep us out.

We believe in world reciprocal trade, in trading those things which we produce in abundance for those things which we need. But we do not believe in trading what we have in abundance for other things we have in abundance, when such trade destroys great fundamental industries and great community economics. Largely the farmer and rancher is paying the bill for any benefit which certain industrialists may derive under these trade agreements.

I will confine my remarks largely to the livestock interests, and I will not burden you with a lot of statistics, for already your head like mine is chock full of figures and counter figures. All one has to do is to first determine where you want to go, and figures can be dug up and juggled in such a way as to land you there safely.

But through all this maze one fact stands out clearly—that during the entire trade-agreement period agricultural exports have declined $104,000,000 while competitive farm imports have increased $63,000,000. This startling fact cracks out like a pistol shot in the dead of night to stop dead in its tracks any attempt by the proponents of this act to convince the farmer-rancher of this country that these agreements are of any possible benefit to them. On the contrary, and as I shall prove later on, they have proven to be a curse and are directly responsible for the loss of many millions of dollars to the livestock interests.

Try as you will, juggle your figures as you may, use all the cunning of your New Deal methods, you will never convince a single hard-headed cattleman that the lowering of the duty on cattle, which made possible ever-increasing imports—which in 1939 reached 753,570 live head—has done him anything but dirt. Seven hundred and fifty-three thousand five hundred and seventy head of cattle, that figure closely approaches the cattle census of either Wyoming, Arizona, Florida, or Washington, and is in excess of the census of either North Carolina, West Virginia, Vermont, Utah, Nevada, South Carolina, Maryland, Maine, and a half dozen remaining Eastern States. Seven hundred and fifty-three thousand five hundred and seventy head of cattle; that figure exceeds the total receipts for more than 100 days at the great Chicago stockyards. But despite these facts, some of you have risen on this floor or before the Ways and Means Committee and have had the nerve to attempt to tell the cattlemen that these imports benefited them.

Well, it has only been an attempt. These stockmen, if anything, are practical, what they know they have gained in the hard school of experience, and better than anyone else—not even excepting the Ways and Means Committee and the Tariff Commission or even Secretary Hull—they understand that unfair competition, brought about by an inadequate tariff creates a glutted market which inevitably means lower prices.

The livestock man also knows, and there are apparently those in high office who do not know that the low bids at any market on any day sets the price on all markets for that day.

Our livestock markets are very similar to the stock exchange, and subject to the same influences. They are as sensitive and temperamental as a prima donna. Lack of confidence, lack of faith in government or man, creates a psychological condition of mind that makes anything possible. Such a lack of faith in those responsible for the administration of the Trade Agreements Act has been created by such conflicting statements as the following:

Raymond Moley in his recently published volume, After Seven Years, recites the history of the formation of the tariff policy during the campaign of 1932. Sometime in August of that year Mr. Hull was consulted on this problem, and says Mr. Moley:

> While it would have been idiotic to expect anything but the advocacy of tariff reductions in the light of Hull's free-trade congressional record and southern royalties * * * we were stunned by the extremity of his major recommendation—that Roosevelt come out for cutting all tariffs by a flat 10 percent.

Hugh Johnson at once offered to prepare an alternative draft which provided for the gradual reopening of the channels of commerce by skillful bilateral negotiation. When the two drafts were placed before Mr. Roosevelt early in September, he read the two through and then astounded Mr. Moley by directing him to "weave the two together." Blend day and night and you usually get—and certainly did in this case—a cold, gray dawn of the morning after.

When the tariff speech was finally delivered at Sioux City, Mr. Roosevelt referred to the "outrageously excessive" rates under the Smoot-Hawley tariff and said that some would have to come down. At once he was bombarded with telegrams from farmers and processors asking to just what articles he referred. He decided to temper his views on the Smoot-Hawley tariff and, accordingly, in his speech at Baltimore he made the statement, "I know of no effective, excessively high tariff duties on farm products. I do not intend that such duties shall be lowered." In Boston he said, "I favor—and do not let the false statements of my opponents deceive you—continued protection for American agriculture as well as American industry." It has been said that Roosevelt sincerely believed that this viewpoint represented a compromise with the Hull idea, but whatever it was, that is the history of the formulating of our present tariff policy, and so began 7 years of evasions and cross-purposes in relation to it.

Small wonder that there is no faith in anyone charged with the making of these trade agreements. Definitely there is no set plan or policy that can possibly create confidence in the entire country. A Tennessee tobacco grower is O. K. for his constituents, a coal miner is satisfactory for West Virginia, a steel puddler fills the bill for Pennsylvania, and a sheepherder is "hunky dory" for Wyoming—but just listen to the howl that would go up if a Wyoming sheepherder was given the job of administrating and manipulating the tariff for the entire country.

What I am trying to say is that your own constituents have confidence in you, else you would not be here. And they are expecting you to look after their interests. I am trying to compliment you and to bring you to a realization of your responsibility.

To me that situation spells congressional review of all proposed trade agreements before they become operative, as well as the review of existing ones.

Let us see what these trade agreements have done to the livestock interests:

Early in 1936 a trade agreement was made with Canada that reduced the duty on 175,000 heavy cattle from 3 to 2 cents, and later reduced it to 1½ cents with the quota increased to 225,000. No provision limiting the number or time when these cattle could be marketed was made. As a result, starting on March 28, 1936, and continuing through June 15, 1936, we find at the St. Paul market total receipt of 233,342 head of cattle, of which 42,575, or 18.27 percent, were Canadian. During this period, on an average, cattle prices were off $2 per head, which, applied to the total receipt of 233,342, approaches a loss of $500,000 for the St. Paul market alone. Since the low bid at one market sets the price at all markets, and applying this same loss of $2 a head to the combined receipt at all of our great markets, we find that during the first 3 months after the Canadian agreements became operative the livestock interests, because of these agreements, took a loss of $25,000,000. During all of that period you read in the St. Paul livestock reports every day such statements as 80 cars of Canadians, 55 cars of Canadians, 60 cars of Canadians, 125 cars of Canadians, and so forth, as well as the continuous daily restatement that trading was dull, that the market was

off, that there was a big carry-over, and the convincing part of the proof lies in the fact that daily the great Chicago market faithfully followed the lead of St. Paul. The receipt of Canadians oversupplied and broke the St. Paul market, and that break was reflected in every other market and definitely caused the loss of the millions referred to above. You cannot tell any informed livestock man, who necessarily knows how these markets react, that the statements made above are not correct.

That is not all. The conditions that existed in 1936 can and will continue during any normal period. Further losses will occur. The psychological conditions existing in the minds of the stockmen of the Northwest is best illustrated by the use of the stock phrase, "better get your cattle on market, the Canadians are coming." And they get them in and the market breaks, and you, because you refuse to review these agreements, thereby establishing confidence, are responsible. Yes; and there is another cold fact that should be recorded. A great percentage of Canadians are bought by the packers on the farm and left on the farm. Great possibility there in being able to land these cattle in either St. Paul or Buffalo in such quantities and at such times as to break and control the market.

May I note in passing that the cattle associations of every State west of the Missouri and also of the State of Louisiana have by strong resolutions expressed their opposition to these trade agreements? Every one of these State organizations, as well as 2,000 outstanding cattlemen from these States, make up the American National Livestock Association and recognize the same as their mouthpiece. At the annual convention of this organization in January last, at which the presidents of 15, the vice presidents of 16, and the secretaries of the remaining 2 of these State associations were on hand, the following resolution was passed:

Whereas a large majority of our people, and particularly of our agriculturists, are unalterably opposed to reciprocal-trade agreements: Therefore be it

Resolved, (a) That we are definitely opposed to an extension of the Reciprocal Trade Act;

(b) That if said act is extended, it be only on the condition that all new agreements thereunder and extensions of existing agreements be ratified by the Senate in the manner provided by the Constitution.

Without the shadow of a doubt, 99.99 percent of the cattlemen of this country are unalterably opposed to these agreements.

Yesterday I received a wire from President O'Neal of the American Farm Bureau, stating that 39 States were in favor of the continuance of this authority to make agreements, and asking my support. Wyoming was one of those 39 States, but as the Wyoming president said, "We had to ride along with them."

I want to read Wyoming's later action on these agreements, as well as that of the Farm Bureau Association of the Western States.

The statement of the Wyoming Farm Bureau follows:

Whereas this trade-agreements project has so entirely broken away from the original expressed intent that it threatens the complete dissolution of our tariff barrier, and

Whereas these barriers have been carefully builded through many years as a means by which the American standard of life might be protected, perfected, or perpetuated: Therefore, be it

Resolved, That we, the Wyoming Farm Bureau, in convention assembled, hereby pledge ourselves to use our utmost endeavors to this end, and urge our Representatives in the Congress to do whatever lies within their power to prevent the negotiation of any more trade treaties until the United States Senate regains its constitutional right to confirm or reject such treaties.

In June 1939 the Farm Bureau Regional Conference of 12 Western States passed the following resolution:

Resolved, That we recommend the passage of legislation which would provide that no foreign-trade agreements under the Tariff Act of 1930 shall take effect without ratification by the majority of the United States Senate;

Resolved, That we shall support the action of the American Farm Bureau Federation in requesting a 50-percent increase of the duty on all canned meats.

Mr. O'Neal, take notice.

At the convention in Denver last November of the National Reclamation Association, an address was made by that grand Democrat from Montana, President O. S. Warden, of the National Reclamation Association, in which he stated:

The present Canadian treaty does not have the approval of the western half of the United States. American businessmen, if they build canneries in Argentina, are likely to bring about the same situation that developed when financial interests put their money into Cuban sugar plantations and refineries. They may be helping a foreign country, but they are not particularly good neighbors of the American farmer.

THE ARGENTINE CANNED MEAT

No discussions of the cattleman's problems would be complete that did not inquire into the proposed trade agreements with the Argentine and Uruguay which will undoubtedly be concluded just as soon as possible after this sought-for authority to extend this act has been secured.

About 95 percent of the items in the Argentine agreements, upon which tariff reductions up to 50 percent are proposed, are competitive farm and ranch products. That fact alone should be sufficient to cause all who are interested in the farmer's welfare to stop, look, and listen. No wonder that those charged with cramming this indigestible thing down the farmers' throats thought best to lay off until Congress could be sent home.

There is no authority given to change excise taxes under the Trade Agreements Act, still excise taxes have been changed by Secretary Hull in these trade agreements, notably on oil in the Venezuelan agreement. In the hearings before the Ways and Means Committee, Secretary Hull, upon the insistence of the gentleman from California [Mr. GEARHART], refused to answer the question whether he felt himself limited by the provisions of the Trade Agreements Act in making these trade agreements, except to say he never answers any question yes or no. Apparently he does not feel himself bound, and will do as he jolly well feels like doing. After all, why not? It is true New Deal philosophy to utterly disregard the Constitution, and that they have done from the start.

FOOT-AND-MOUTH DISEASE

What Argentina really wants is to ship live cattle and fresh beef into the United States, and there may be those who do not believe that Secretary Hull wants to do the same thing. If he can, without authority, change excise taxes, if he is not bound by the limitations of the Reciprocal Trade Act in making these agreements, what is to prevent him from disregarding the provision of the Tariff Act of 1930 in this respect? He may absolutely ignore the fact that a sanitary convention pact is pigeonholed in the Senate. Let me warn you that such procedure, if not actually contemplated, is being considered. I just happen to know that recently statements, "feelers" perhaps is a better word, have been put out that Patagonia, at least certain provinces of Patagonia, were free of foot-and-mouth disease and should not be discriminated against. Patagonia is a part of Argentina, just as is the Corn Belt or the Texas Panhandle a part of the United States, and its boundaries are just as definite, but no more so.

Let me remind you that the tariff act specifically designates entire countries, and that under that provision no shipments of live cattle or fresh beef can enter this country until the exporting country has rid itself of foot and mouth, the most loathsome and deadly disease known to cattle. Let me remind you that every outbreak of foot-and-mouth disease that has occurred in this country has been directly traced to Argentina. It is hardly necessary to remind you of the terrific losses sustained by the finest dairy cattle in this country during the last outbreak, or of the fact that thousands of beef cattle and many thousands of deer had to be destroyed at one time in order to control this dread disease, and that foot and mouth, which must inevitably start if we lower the bars on Argentine cattle, is a threat to every cloven-hoofed animal, both domestic and game. This veiled threat is just another nightmare to the cattleman.

CANNED MEAT—HOW I HATE TO TALK ABOUT CANNED MEAT

Why lower the tariff on canned meat? Already the tariff is out of line with the fair rate of 6 cents on fresh meat, because it takes 100 pounds of dressed meat to make 40 pounds of canned. Therefore the tariff should be at least doubled. Press dispatches carried the information that Secretary Hull favored a lower tariff on this item. Scientific

attempts to handle the tariff have apparently been cast to the four winds. Small wonder that the farmer feels himself utterly abandoned, a stepchild, if you will, of this administration.

Under the existing tariff, 85,862,876 pounds of canned beef entered the United States during 1939, an increase of 7,265,896 pounds over 1938. I wonder if you really realize what that figure means. Translated into terms of cattle on the hoof, roughly 143,000 wild-eyed, long-horned, tin-can cows stampeded through the 6-cent tariff wall to our shores during the past year. For good luck and for good measure, you can add another 10,000 head in the forms of smoked, pickled, cured, and dressed.

Again I ask, Why lower the tariff? Not only canned beef, but hides, dog food, fertilizer, and practically all other remaining parts of the blooming critter are to be admitted under the pending agreement with Argentina.

Perhaps we do need more canned beef in this country but, if so, it is because of the President's superb sales talk for the foreign product. It is interesting to note the effect of his pronouncement that "Argentine canned beef was superior to the American brand" and suggesting that you take a can along so that your family could see for itself on the next picnic. Here is the story:

In June 1939 Argentina exported 2,440,202 pounds of canned beef. This was about the time of the President's sales talk. In July, 500,000 additional pounds were exported, and during August Argentina's exports reached an all-time high of 3,418,566 pounds—more than a million pounds increase in 2 months because of a few kind words by the President.

What happened to Uruguay? During the same period her exports fell off nearly 1,000,000 pounds, and that is exactly what happened in Brazil and Paraguay also. Talk about these trade agreements preventing war! Not in this case. We may have established friendly relations with Argentina by boosting her products; but if so, we made enemies of Brazil, Uruguay, and Paraguay.

What this country needs now is a supersalesman who will do for America and American products what is now being done for foreign countries and foreign products. We want a wagon boss, a round-up foreman who is 100 percent for our outfit, one who believes and will broadcast to the world the superiority of the American product, no matter what it is.

WOOL

Several months ago I ran afoul of Assistant Secretary of State Grady during a broadcast over the Government-controlled Department of the Interior station in the Department of Interior Building. This man Grady questioned my statements regarding wool. So, in all fairness, I give you the same statement and figures.

In 1937 we in Wyoming were receiving a nice price for our wool—32 cents to 33 cents per pound in the grease. Early in 1938 we heard rumors of a possible trade agreement with Great Britain, which, of course, meant wool. Recalling that Secretary Hull, the great free-trader, was still in the saddle, and that all other agreements had meant a substantial tariff reduction, the trade, naturally, assuming that wool tariffs would be lowered, became so jittery that prices fell, and we took a loss of at least 10 cents a pound on our 1938 clip. All this before the new trade agreement became operative. So here you see the psychology of the thing in full bloom. This jittery condition would not exist under congressional review, because the fellows back home would know that you were on the job and protecting their interests.

Wyoming produces some 30,000,000 pounds of wool, on which we took at least a $3,000,000 loss. The Nation as a whole produces some 425,000,000 pounds of wool, including pulled, so that the entire loss approached $45,000,000. This loss was occasioned entirely because of a proposed agreement with Great Britain.

Despite definite assurances to the contrary, a reduction of 50 percent was made on a certain type of wool, with the result that imports of this one item alone increased 785 percent in 1939 over 1938. True, this item is called wool rags over there and comes into the United States under that classification, but once here it goes through a garnetting machine, where it is broken down into its fiber and comes out wool and does replace just that amount of American wool which otherwise would be used. True, the fiber is broken and the wool is none too good—as you will learn when we discuss truth in fabrics—but, nevertheless, it becomes a part of that inferior wool which has replaced virgin wool to such an extent that today less than 50 percent virgin wool is contained in materials sold as 100-percent virgin wool.

Yes; they are wool rags over there, because as such they can take advantage of a tricky tariff provision; but once here and with a little doctoring they become wool—and the wool grower takes a double loss. First he sees his 18-cent wool protective tariff cut in two; and once cut in two, he sees the ragged things show up here all shiny and bright to compete with and take the place of the virgin wool which he produces. Woolen rags are only part of the story. Other wool items are juggled in the same way—tariff greatly reduced and increases of 164 percent to 434 percent in imports in 1939 over the 1938 figure for these products, all of which compete with our products.

Yes; the American farmer and rancher feels himself to be the stepchild of this administration. He is being robbed of his home market through unfair tariff reductions and asked to content himself with an all-day sugar-coated sucker in the form of certain benefit payments. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, let me first lay at rest two fallacies promulgated by the gentleman who has just taken his seat and who declined to yield for a correction, the claim that the reciprocal treaties are responsible for a decline in our exports and the even more untenable charge that the trade-agreement program has brought about a reduction in the income of the cattle industry.

First, the fact that exports have declined and the citation of statistics showing that decline is no more reason to conclude that the decline is brought about by the trade treaties than any other contemporary event. The gentleman's attempt to correlate the two is one of those common errors classified by Bacon more than 300 years ago in his Idols of the Market Place. The real test of the effect of the trade treaties on exports is easily demonstrated, however, when you compare the volume of exports, first, to countries with which trade treaties have been negotiated and, second, to countries with which trade treaties have not been negotiated. That is the real criterion, and not merely the question as to whether there has been a decline, which may have been caused by any number of coincidental factors.

Let us compare the volume and trend of exports; first, to the trade-agreement countries with the export volume and trend of exports, second, to the rest of the countries with which we have no trade agreements. Fortunately, this data is reported by the Bureau of Agricultural Economics, February 1, 1940, quoting the agricultural situation, issued by the United States Department of Agriculture, volume 22, No. 12, contrasting the export situation in the 16 countries in which agreements were in effect by August 1937, as follows:

United States foreign trade with trade-agreement countries and with other countries [1]

	Year ended June 30—			
	1935–36	1938–39 [2]	Increase (+) or decrease (−)	
			1938–39 over 1935–36	
United States (domestic) exports:	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
Of all commodities:				
To the 16 countries	805	1,099	+294	+37
To all other countries	1,570	1,786	+216	+14
Of farm products:				
To the 16 countries	186	214	+28	+15
To all other countries	580	469	−111	−19

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

[2] Preliminary.

In other words, our farm exports to those countries with which we had trade agreements increased 15 percent, while our farm exports to all countries with which we did not have trade agreements decreased by 19 percent. It is so plain that even the wayfaring man may read.

Now, as to the oft-repeated calumny that the trade agreements have reduced returns from the cattle industry. In 1929, just before the Hawley-Smoot tariff was imposed, the income—cash income—to the cattle industry was, in round figures, $1,500,000,000. What was the effect of the Hawley-Smoot duties on the industry? Under the restrictive rates of Hawley-Smoot Act and the retaliatory measures it provoked, the cash income from cattle shrunk from $1,500,000,000 in 1930 to less than half a billion dollars in 1933. And what has been the effect of the reciprocal treaties on the income from the cattle industry? It has risen from less than half a billion dollars in 1933 to $1,144,000,000 in 1938. Under excessive tariffs the income from cattle dropped from approximately one and a half billion dollars to half a billion dollars. And under the trade agreements the income from cattle rose from half a billion dollars to $1,144,000,000. Could anything be more conclusive and convincing than the actual experience of the cattle industry under the two systems at issue here today? "The proof of the pudding is the eating thereof."

And, more pertinent still, the price of cattle has been above parity every month in 1939. It is the only agricultural product that even reached parity in 1939, and it stayed above parity every month in the year. Why, the goal of the entire agricultural program of the Congress and the Department of Agriculture and all the farm organizations is only three-fourths of parity, and here is an industry that not only attained the goal of three-fourths of parity, but, alone of all the agricultural industries, actually exceeded parity every month in the year. And yet these gentlemen have the assurance to come in here and complain that the treaty agreements are ruining the cattle industry. They would do the very same thing if cattle were bringing 10 times parity and they thought there was any political capital to be made out of it.

Let us go a little further into this situation.

BEEF-CATTLE PRODUCERS AND THE TRADE-AGREEMENTS PROGRAM

American cattle producers, since the reciprocal trade agreements program was inaugurated in 1934, have seen their annual farm cash income from cattle go from less than half a billion dollars in 1933 to $1,144,000,000 in 1938. Estimates based upon receipts at public markets and federally inspected slaughter indicate that the 1939 income will be in the neighborhood of $1,250,000,000, the highest since 1929.

The United States average farm price of beef cattle has risen from $3.63 per hundred pounds in 1933 to $6.87 per hundred pounds in 1939. In only 1 year, 1937, since 1929 have prices been higher. Throughout 1939 the prices of beef cattle have been at or above parity.

Reciprocal-trade agreements, by strengthening foreign-market opportunities for American products, have played a large part in this improvement of American cattlemen's incomes and prices. When American industrial workers and city dwellers have jobs and incomes they are customers for beef. American beef prices and income depend more upon the buying power of consumers than upon any other one factor.

In 1939, 5 years after the trade-agreements program was inaugurated, the total exports of merchandise from the United States had risen from the 1932 level of $1,611,000,000 to $3,177,000,000. Some five and one-half million more nonagricultural workers had jobs, and the index of the income of industrial workers had risen from 46 percent of the 1924–29 level to more than 80 percent of that level.

Trade agreements helped to create employment in producing and handling goods for export and in providing the buying power for American customers in the domestic market for beef.

In 1939 there were relatively large imports of cattle from foreign countries and of canned beef. This fact has been misrepresented as a threat to the American cattle industry, brought about by the lowering of American tariffs through trade agreements. There is no truth in such an assertion. Imports of cattle have been attracted into the United States by favorable demand and price conditions, and have not depressed the price that American cattle producers have obtained for their beef nor deprived them of any part of the domestic market. The facts about prices and incomes already given prove that.

Tariff reductions on live cattle, made under the trade agreement with Canada, apply only to limited quotas of certain classes of cattle. These quotas are too small to permit imports under them, at the reduced rates of duty, to affect the United States price of beef cattle.

Well over half of the live cattle imported into the United States in 1939 were not eligible for the reduced duties and paid the tariffs imposed under the Tariff Act of 1930. These are cattle weighing from 200 to 700 pounds each, on which no duty reduction has been granted. They make up the greater part of the increase in imports over 1938 and came principally from Mexico, whereas most of the cattle admitted at reduced duties came from Canada.

No tariff on fresh, chilled, or canned beef has been reduced in any trade agreement. There is practically no production of canned beef in the United States and this product does not compete with American fresh beef.

Cattlemen of the United States have benefited throughout the life of the trade-agreements program, from the improvement in their domestic market which it has brought about by contributing to greater industrial activity, employment, and buying power among American consumers. They have not been injured by imports of cattle from other countries which have been attracted into the United States—principally over the 1930 tariff wall—by favorable market conditions in this country.

Let us turn now to another phase of the question that has been the subject of discussion in this debate:

CORN-HOG FARMERS AND THE TRADE-AGREEMENTS PROGRAM

Corn Belt farmers occupy a foremost place among the economic groups in the United States who benefit by reciprocal-trade agreements. Because droughts in 1934 and 1936 cut down American supplies of hog products, these benefits did not immediately show up in the form of larger volumes of exports. But with recovery in hog production to a record level in 1939, the foreign-market opportunities which had been improved through the trade agreements became doubly important.

Corn-hog farmers in 1933, the year before the inauguration of the trade-agreements program, saw the United States average farm price of corn drop to 36.5 cents a bushel and that of hogs to $3.53 per hundred pounds. In 1939 the average United States price on the farm of hogs was $6.37 and that of corn was 47.6 cents a bushel.

Since 1934, 18 trade-agreement countries have either reduced or abolished their tariffs and other restrictions on American pork and lard. The United Kingdom abolished entirely its preferential duty of 10 percent ad valorem on lard from the United States, and greatly increased its quotas for imports of ham, bacon, and shoulders from the United States. Canada made sweeping reductions in its duties on American hog products. Cuba, among other important customers for American lard, made wide reductions in her tariffs and taxes on that product.

The effect of the concessions is unmistakable. United States exports of pork, bacon, and hams in 1939 totaled 129,542,000 pounds, or 34,000,000 pounds more than in 1938. In spite of the wartime restrictions imposed by the British toward the end of 1939, their imports of American hams and shoulders were three and one-half million pounds higher than in 1938, before the United Kingdom agreement went into effect. They increased their purchases of American fresh and frozen pork by 300,000 pounds and their takings of American bacon nearly a million pounds. They more than doubled their imports of Cumberland and Wiltshire sides and increased their purchases of all other forms of American pork products.

Canada took 303,000 pounds of fresh and frozen pork from the United States in 1935, the year before the first Canadian agreement went into effect, in which she made concessions on

American pork products. In 1939, after making even more substantial concessions in the new agreement, she imported from the United States 21,066,000 pounds of fresh and frozen pork, nearly 70 times as much as in 1935. She imported 10 times as great a volume of ham and shoulders in 1939 as in 1935, and raised her bacon imports from 41,000 pounds in 1935 to 1,317,000 pounds in 1939.

Cuba imported 24,295,000 pounds of American lard in 1935, the first year after the signing of the Cuban agreement. In 1939 she had increased her takings to 55,431,000 pounds. Belgium took more than 8,000,000 pounds of American lard in 1939 as against preagreement imports of less than a million. Sweden jumped her imports of American lard from 91,000 pounds in 1935, the year the agreement with that country was signed, to more than three and three-quarters million pounds in 1939.

Largely as a direct result of concessions obtained through the trade agreements, United States total exports of lard rose from 97,360,000 pounds in 1935 to 277,271,000 pounds in 1939.

HOW PROTECTIVE TARIFF SYSTEM PENALIZED AMERICAN FARMERS

Opponents of the trade-agreements program repeatedly have charged that this program has "sold American farmers down the river." Nothing could be further from the truth. Not only have they utterly failed to substantiate this charge, but the facts show impressively that agriculture has been helped and not injured by this program, as I expect to show later.

The truth of the matter is that American agriculture was really "sold down the river" under the old protective tariff system. For a long time farmers were led to believe that the protective tariff system was their salvation. Farmers saw how industry used the protective tariff to maintain their domestic prices above the world level and they quite naturally wanted some similar help to improve farm prices. So they tried out the tariff—and they went the limit—they tried it to the *n*th degree, only to be bitterly disillusioned.

When the World War closed American farmers suffered a terrific blow from which they have not yet fully recovered. Within a comparatively few months farm prices were cut in half by the terrible deflation of agriculture. The tariff was held out to them by the Harding administration as the way of salvation. Farmers tried it in the Emergency Tariff Act of 1921 and again in the Tariff Act of 1922, but for every increased rate that farmers got, industry got many, many fold.

Farmers soon found that these increased tariffs did not solve their fundamental problem. Indeed it made it worse. The producers of our great basic farm commodities began to see that the protective-tariff rates on the crops produced for export were largely "paper" tariffs; they were of little or no effect so far as their influence on the farmers' prices were concerned. Why? Because farmers were not organized as industry was in giant corporate monopolies which could control the production and control the price of their products behind the tariff wall and dump their surpluses abroad at lower prices. Agriculture could not do this; farmers producing these products had to sell their products at the world price. They had no sheltered market. They still had to sell their products in competition with the whole world. They now began to see hollowness of the old protective-tariff slogans, the barrenness of the political promises that American farmers were going to be protected against foreign competition.

The farmers' tariffs on these export commodities, especially, were of little or no effect, yet the farmer had to buy the goods of industry at prices highly subsidized by protective tariffs. The farmer sold his goods in a free market but bought the goods of industry in an administered, protected market.

Angered by this indefensible situation American farmers got behind the McNary-Haugen bill. That is why farmers fought so intensely for this legislation. They said, "Tariffs for all or tariffs for none." That was the rallying cry of the American farmers back in the 1920's under the Fordney-McCumber Tariff Act and during the era of Coolidge prosperity.

The American farmers have not forgotten the suffering they endured during that period, which crucified American agriculture upon the altar of a false industrialism. They have not forgotten that this battle was made necessary because of the penalty of the American protective system upon the farmer. Had it not been for the injustice and inequity of this tariff system for agriculture, there would have been no McNary-Haugen bill. Had the tariff been the salvation of the farmers' troubles, had it protected the farmers' prices in the domestic market as its advocates promised the farmers, there would have been no McNary-Haugen bill.

Farmers have not forgotten the terrific struggle that it took to break down the shackles of the protective tariff system to such an extent that Congress would enact the McNary-Haugen bill, which sought to equalize the position of agriculture under the tariff system. Many of the same people who are today fighting the trade-agreement program are those who were bitter opponents of this legislation during the 1920's.

Farmers have not forgotten either how Congress twice passed the McNary-Haugen bill to offset the penalty of the tariff system on agriculture only to have the bill vetoed by President Coolidge. It was all right for industry to be subsidized by enormous tariff subsidies paid for by consumers, but it was all wrong to give American farmers compensating assistance through the equalization-fee tax of the McNary-Haugen bill. That was the philosophy of the days of "Coolidge prosperity" to which some Members of this House would proudly point back to as a "golden era."

American farmers have not forgotten what they suffered during that period. All during that period they were exchanging their products for industrial goods on an unequal basis. This gradually sapped away the purchasing power of the 30,000,000 people living on farms and the 22,000,000 people living in rural towns and villages, until it at last reached into the great citadels of American industry, closing factories and offices and throwing millions of workers out of employment.

After the McNary-Haugen bill was vetoed twice by President Coolidge, farmers carried their fight to the national political conventions in 1928. They will not soon forget how they were humiliated and rebuffed at the Republican convention in 1928 when Herbert Hoover was nominated. The McNary-Haugen bill was rejected by the Republican Party, yet all it sought to do was to bring the American farmers within the protective tariff system on an equal basis with industry. The arch proponents of the protective tariff system for industry were the arch enemies of the McNary-Haugen bill.

The distinguished Member, the gentleman from New York [Mr. CROWTHER] recently had the courage to admit during the hearings before the Ways and Means Committee that it was inconsistent for a protectionist to oppose this bill. He said:

> And they say open confession is good for the soul. I think I made a serious mistake back there in the McNary-Haugen days, and I failed to live up to my policy of being a consistent protectionist when I voted against the McNary-Haugen bill, and I have always regretted that vote. I simply let my prejudice get the better of my judgment, and I voted against that bill.

Today we are witnessing a similar tragic mistake being made by many Members of this House in opposing the trade-agreements program which is seeking to bring order out of chaos in world trade, to restore our foreign outlets for farm and industrial products, to improve the purchasing power of farmers and industrial workers, to save the country from the extremes of regimentation into which other nations have been forced by extreme nationalistic policies. Again they are blind to the economic consequences that their extreme policies of nationalism would bring to farmers and to the country, blind to the tragic consequences that would result if farmers were to be restricted to the home market alone, blind to the extreme regimentation that would be necessary to enforce some of the substitute proposals that are being advocated here—the barter schemes, and so forth, would ultimately require the most extreme forms of governmental controls over industry and agriculture.

But again, I want to resume the story of how the American farmers were led up the blind alley of protectionism. In 1928, farmers were denied their own remedy, the McNary-Haugen bill, and were offered instead another upward revision of the tariff and the Federal Farm Board plan.

Again farmers tried out the protective tariff system to solve their price problem—to give them an American price in the American market. President Hoover called Congress into special session to enact limited revision of the tariff and the Agricultural Marketing Act. In his call President Hoover asked for a limited revision primarily to aid agriculture. But what happened? Was it a limited revision to aid agriculture? No; Congress swung wide the doors and opened up the act to a sweeping revision. Hundreds of lobbyists swarmed to Washington. The hearings of the Ways and Means Committee alone occupied 17 volumes of testimony. Every special interest group in the country seemingly wanted to get in on the tariff gravy while the getting was good.

America, like so many of the other nations of the world, was swept by a wave of intense nationalism, raising tariff barriers to dizzy heights, which paralyzed world trade.

What were the results? For every increase agriculture got industry got many times as much, just as she always did in such bills. But that is not the worst of it by any means. A great many of the rates on farm products had little or no effect on farm prices and were therefore meaningless.

But our action in boosting our tariffs on hundreds of foreign commodities to such excessively high levels caused a world-wide resentment. Foreign nations retaliated against our exports. No group in America suffered more than the farmers. Some of our best customers put up their tariffs against our farm exports and imposed quota restrictions which greatly reduced our farm exports.

How could American farmers sell wheat to Germany, France, and Italy, who formerly were among our best customers, when these nations boosted their tariffs to more than $1.50 per bushel? How could American hog producers sell lard to Cuba when that country, angered by our higher tariff on sugar, retaliated by raising the duty against our lard to more than $9 per hundred and levied a consumption tax of 10 percent in addition. She also raised her tariffs against our wheat flour and other products. We used to sell substantial quantities of eggs to Cuba and Argentina, but due to their tariffs and other restrictions we lost these markets almost entirely. Our exports of lard dropped to 10,000,000 pounds in 1934, due to these trade barriers. We lost heavily in our exports of flour to Cuba and to European nations.

The worst blow came when Canada, Australia, and New Zealand, also angered by our 1930 Tariff Act, persuaded Britain to adopt the system of Empire preference in 1931, under which Britain, our principal market for food products, levied tariffs against our farm exports while admitting competitive products from her dominions free of duty or at lower rates. This dealt a severe blow to our exports of wheat and flour, beef, lard and pork, apples, tobacco, and other American farm products.

As a result of these increased trade barriers abroad, American farmers lost their foreign outlets for large surpluses of farm products to a very large extent. The total value of our farm exports dropped from $1,495,000,000 in 1929 before the Hawley-Smoot tariff to the lowest point in over a quarter of a century, $589,000,000 in 1932; and our farm exports continued at a low level through 1934 before the trade-agreements program was inaugurated, when they totalled only $668,000,000. Our farm exports not only dropped terrifically in dollar value but also in actual quantities sold—the index of quantities of our principal agricultural exports dropped from 117 percent of pre-war in 1928 and 97 percent in 1929 to a low of 54 percent in 1934, the year when Congress decided to try the trade-agreements program.

These enormous quantities, formerly sold in export markets, then backed up in our domestic markets until in 1932 and 1933 American farmers were buried under the weight of enormous surpluses which could not be sold even at ruinously low prices—a record carry-over of over 400,000,000 bushels of wheat, and 2-year supply of cotton. These enormous surpulses wrecked the prices of farmers in the domestic market.

What good did the tariff of 42 cents per bushel on wheat do the American wheat grower then, when his wheat was only selling for 20 to 30 cents per bushel in the Wheat Belt? What good did the tariff of 25 cents per bushel on corn do the American corn grower when he was only getting 10 to 15 cents per bushel for corn, and some farmers were burning their corn for fuel because it was so cheap and they had too much of it that could not be disposed of except at such ruinous prices? What good did the tariff of $3 per hundredweight on hogs do the hog grower when hogs were only bringing him $2.60 and he had lost the markets abroad for the equivalent of millions of hogs?

Even the producers of deficit crops—those having no exportable surpluses—came to grief, too, under the protective-tariff system. The dairymen, the cattlemen, the sheepmen—all had been led to believe that the protective tariff would protect their domestic market and safeguard their price structure. But did it save them in the hour of their greatest need? What good was the 14-cent tariff on butter when dairymen were only getting 15 cents per pound for butter? What good was the 34-cent tariff on raw wool when the wool grower was getting only about 9 cents per pound?

Such were the tragic consequences to American farmers who put their trust in the protective tariff system. If ever a group was "sold down the river," if ever a group was flimflammed and led up a blind alley, it was the American farmer under the old protective system, as it was preached and practiced in the "golden age" of Coolidge-Hoover prosperity which exalted industry at the expense of agriculture.

It was no wonder that farmers revolted by the millions in 1932 and threw off the shackles of economic tyranny which had been forged upon American agriculture by this false protective system. It was a movement above party and beyond party. It was a movement to save the Nation from utter economic collapse and bankruptcy.

Farmers were told in 1921 and again in 1922 that the tariff would save them. Then again in 1930 they were told the tariff would save them and save the Nation—put a chicken in every pot, a car in every garage, a full dinner pail for the workingman, and so forth. But instead it shut farmers out of export markets, piled up enormous surpluses which wrecked domestic prices, and played a major part in bringing agriculture and the Nation to the brink of ruin.

The farmer had been told that his home market would be protected, but the result of these policies was to wreck his home market.

That is what the opponents of the trade-agreements program are getting ready to do again, if they have their way. They are again promising the American farmer that if he will follow their lead, they will protect his home market. They will shut out these alleged floods of imports from abroad and give the American farmer the benefit of the home market. What they would really do, if their policy is carried out, would be to again wreck the farmers' home market. Their restrictive-trade policies would again invite retaliations against our farm products, wipe out the hundreds of concessions we have gained through trade agreements, and again our surpluses would back up in our home markets to wreck farmers' prices in the home market.

They advocate shutting out imports of farm products. Suppose we did this, what would be the result? If we shut out all competitive agricultural imports in 1938–39, we would make a domestic market for the equivalent of only 7,564,000 acres of land in the United States to produce this equivalent amount of farm products. But in order to do this, we would risk losing the equivalent of 28,375,000 acres of land devoted to the production of export crops during that year. Which is more important to farmers, the 28,000,000 acres devoted to exports or the 7½ million acres represented by agricultural imports?

Would it be good business or common sense for farmers to lose markets for 28,000,000 acres in order to shut out the products of 7,500,000 acres?

Farmers have already had a bitter dose of what that kind of policy meant under the Hawley-Smoot Act. They were told that that act would protect their domestic market, but what did it do? From 1928–29 to 1933–34, under that act, the United States reduced competitive agricultural imports in an amount equivalent to the production of 2,900,000 acres, but we lost during that same period farm exports which were equivalent to 21,000,000 acres. In other words, under the Hawley-Smoot protectionist policy, the American farmers lost more than seven times as much as they gained.

Despite the relief that has been afforded under the trade-agreement program, farmers are still paying a heavy penalty under the tariff system. The Department of Agriculture recently estimated that the total cost of the tariff duties on 1935 imports of products the farmer consumes would have cost American farmers $681,000,000 or $108 per farm family, if the tariff duties were fully effective.

The gentleman from Texas, Congressman MARVIN JONES, placed in the record of the hearings of the Agricultural Committee the other day some data obtained from the United States Tariff Commission which showed that the total value of manufactured goods enjoying tariff duties amounts to about $50,000,000,000 and that the average ad valorem equivalent duty is about 36 percent. Assuming, he said, that the duties, on the average, are only 50 percent effective, this would mean a total annual cost to farmers and other American consumers of $9,000,000,000—that is what the protective-tariff system costs consumers.

If farmers only pay 12 percent of that cost, it amounts to an annual cost to agriculture of more than $1,000,000,000. Yet when the farmers come to Congress and ask for appropriations for parity payments to bring farmers up even part way to parity—to equalize even part of this disparity caused by the tariff and other monopolistic instruments—they are opposed by the very people who want to perpetuate this subsidy to industry at the expense of American agriculture.

Yet these same leaders are posing as the friends of the American farmer. They are inviting the American farmer to follow their leadership, promising him the same old shibboleths that wrecked the farmers' prices and his incomes in 1932. They are calling upon the American farmer to walk up the same old blind alley that he did in the 1920's and early 30's. They are repeating the old slogans of those bitter days when American agriculture representing one-fourth of our people and producing the basic wealth of the Nation, had to come to pick up the crumbs from the table like the beggar Lazarus of old.

I do not believe the American farmer is going to be so easily fooled today. He has suffered too much, and the memory of those terrible days is still too fresh in his mind.

The farmers of America have their eyes opened at last to the inequities of the tariff system as it was formerly operated. They know that the trade-agreements program, instead of hurting them, has helped them by restoring some of their foreign outlets, that it offers the opportunity to regain further exports outlets, that it has safeguarded their domestic markets from excessive imports that would injure their prices, that it has given them a better domestic market by removing the pressure of surpluses on these markets, and by increasing the purchasing power of industrial workers for farm products. They would rather have 90 percent of a good home market than 100 percent of a bad home market.

TRADE-AGREEMENTS PROGRAM HAS HELPED RATHER THAN HURT AGRICULTURE

In a desperate effort to discredit, if possible, the beneficial effects of the trade-agreements program, and to prejudice, if possible, American farmers and the public against this program, its opponents have engaged in a persistent and most astounding campaign of misinformation, half-truths, partial truths, and some of the most absurd conclusions.

The fact is they have yet failed to make out a case for a single branch of agriculture that has been hurt by this program. All they have been able to do is to issue charges that this industry has been hurt and that industry has been hurt, but when pressed for the evidence it cannot be successfully produced. It will not stand the light of factual analysis and impartial study.

The opponents of this program continually harp upon the "floods of imports," but upon actual examination of the facts, they often prove to be but a mere trickle instead of a flood. Taking agriculture as a whole, let us see first what the facts show. The American farmer enjoys the same percentage of the American market today that he enjoyed in 1933 and 1934, when imports were at a record low level—the same percentage he enjoyed before the trade agreements were inaugurated. He enjoys a larger percentage of the domestic market than he did in 1924–29, during the so-called Coolidge prosperity. United States Department of Agriculture figures show that the percentage of the American market enjoyed by farmers in 1938 was 93 percent, compared with 93 percent in 1933 and 1933 and 90 percent in 1924–29.

The Department's statement also shows that during the past 15 years our domestic agricultural exports have averaged $1,346,000,000, whereas competitive imports have averaged $718,000,000. If we had gone on a strictly nationalistic basis during this period, it would have cost the American farmer $528,000,000 per year.

What is the truth about the effect of the trade-agreements program upon American agriculture?

The American Farm Bureau Federation, the largest and most representative farm organization in the United States set out recently to get the facts to answer this question. They wanted facts and not political propaganda or personal prejudices. So they went to one of the leading agricultural colleges in the United States, in the heart of agricultural America, the Iowa State College. They asked the college to have its economics department make a thorough study to get the facts about this program.

Such a study was made by this department under the direction of the distinguished economist, Prof. T. W. Schultz. It is printed in the hearings of the Ways and Means Committee. What did this study show?

It showed that the net effect of this program had been helpful rather than harmful to agriculture. The supporting data for this conclusion is given in great detail in the reports submitted by Dr. Schultz, analyzing the various agreements.

On the basis of this careful, factual study and other data available to it, this large organization of farmers at its annual meeting in Chicago in December 1939, attended by voting delegates representing farmers in 39 States, about 1,800 county farm bureaus, and about 15,000 community units, and representing approximately 1,500,000 individuals in its membership, went on record without a dissenting vote favoring the continuance of the Trade Agreements Act. I quote the resolution adopted, as follows:

TRADE-AGREEMENTS POLICY

Recognizing the fact that our tariff policies had failed to protect the domestic price of basic farm commodities generally produced in surplus volume in this country, and further that such policies had contributed to the disparity that had developed between farm prices on the one hand and industrial prices and wages on the other, the American Farm Bureau Federation in 1934 authorized its board of directors to support legislation permitting the negotiation and consummation of reciprocal-trade agreements with other nations; insisting, however, that in negotiating such agreements no concessions be made which might have the effect of reducing or holding the domestic price of any agricultural commodity below the parity level.

The federation recently sponsored a study by recognized economists of the economic effects of all important existing trade agreements. This study seems to reveal that there has been a substantially larger increase in exports to agreement than to nonagreement countries, and that there has not been any appreciable difference in the percentage of increase in imports from agreement and nonagreement countries.

Many factors have no doubt contributed to this increased trade, including our gold policy and a general upturn in world business. From all facts thus far available, it appears that while the greatest portion of increased exports has been in industrial products, from which agriculture has only indirectly benefited, yet this study, together with other information available to the federation, reveals that the net effect of the agreements has been helpful rather than hurtful.

In giving our support to the continuance of reciprocal-trade agreements we renew, with increased emphasis, our demand that no agreement be consummated the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of and opposition to such agreement by all agricultural groups.

We further insist that in the negotiation of trade agreements economic factors be given consideration equivalent to the weight accorded to the factors of diplomacy and statecraft. To this end we urge that the Reciprocal Trade Act be amended to provide that no agreement be consummated unless unanimously approved by the Secretaries of State, Commerce, and Agriculture.

Not only did the Farm Bureau convention have the benefit of these factual studies, but on its program it listened to both sides as it was presented by Secretary of State Cordell Hull, who defended the program, and Senator ARTHUR CAPPER, who criticized the program.

The farmers then, in the light of all the facts, made up their minds. The farmers are doing their own thinking. They are not going to be hoodwinked by false propaganda and distorted statistics.

Furthermore, the farmers in the main, are convinced, I believe, that they have much more to gain through trade agreements than by going back to the old logrolling tariff methods under which they got traded out of their shirts.

Six years of trial of this program has convinced the rank and file of farmers that the farmers' welfare is going to be safeguarded and promoted under this program. In this connection, I want to quote from the testimony of Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, before the Ways and Means Committee:

What are the facts on which the position of the American Farm Bureau Federation is based?

Have American farmers been hurt by increased imports? The facts show that the volume of agricultural commodities from trade-agreement countries has not increased to any greater extent than the volume of such imports from nonagreement countries. Furthermore, the total volume of all competitive farm imports is substantially less under the present trade-agreement program than it was during the period 1924–29. Careful analysis fails to disclose any measurable injury to American agriculture chargeable to trade agreements.

The State Department has wisely pursued a cautious policy in making concessions to other nations, frequently resorting to quota restrictions to protect our domestic markets against excessive supplies of imported commodities. Furthermore, Secretary Hull, in his address at the American Farm Bureau annual meeting, gave his own personal assurance of his deep concern in the welfare of farmers and his intention to safeguard and promote their welfare. He said:

"Let me say to you in perfectly plain language that if there were the slightest suspicion in my own mind that farmers in this country were being hurt rather than helped by the trade-agreements program I would be the first to favor dropping it. But the facts tell a different story."

Subsequently President Roosevelt, responding to my letter transmitting our resolutions on the trade-agreements program and the Argentine agreement, also gave definite assurance that the welfare of agriculture would continue to be zealously safeguarded. His letter reads as follows:

"Thank you for your letter of December 15, 1939, enclosing the summary of a study made by Dr. Schultz, of Iowa State College, of the effects of the trade-agreements program upon agriculture.

"The results of this careful and unbiased study afford a perfect illustration of what happens when the reckless and irresponsible charges that have been made against the trade-agreements program are properly sifted and exposed to the test of facts. Every effort has been made, and will continue to be made, to safeguard the interests of agriculture.

"The evidence that agriculture has been helped rather than hurt by this program seems unanswerable; and I congratulate you and the American Farm Bureau Federation for the splendid stand which you took on this vital question at your recent annual meeting in Chicago."

Since these assurances were given an announcement has been made of the abandonment of the proposed agreements with Argentina and Uruguay, due to the insistence of our Government upon adequate safeguards to protect our farmers, especially on flaxseed and canned beef, and the refusal of Argentina to accept an agreement containing such safeguards. The willingness of our Government to scrap these agreements rather than sacrifice the welfare of our farmers is greatly appreciated and is ample evidence of the good faith of both President Roosevelt and Secretary Hull.

Have American farmers been helped by increased exports of their farm products? The facts show that exports of farm products to trade-agreement countries from 1935–36 to 1938–39 increased 15 percent, while exports of farm products to other countries decreased 19 percent. Important concessions were made by Great Britain, France, and other countries on American wheat, American pork and lard, and a wide range of fruits, vegetables, and other products. This certainly is strong evidence of the effectiveness of these agreements in restoring our export trade.

Despite the conclusive evidence to the contrary, we continue to hear these repeated charges by enemies of this program that it has injured American farmers. I challenge them to demonstrate any measurable injury to any branch of American agriculture that has resulted from this program.

Oh, yes; they can make reckless charges that this program is responsible for the price of hogs today, as one Member did here a few days ago, even quoting my speech on the floor of the House which I made during the consideration of the agricultural appropriations, as constituting proof of the damage wrought by the present program. It is not the trade-agreement program which is responsible for the present price of hogs; it is the surplus of hogs. The truth is that the trade-agreement program has helped relieve this situation.

For example, under the Cuban trade agreement the duty against our lard was reduced from more than $9 per hundred to about $1.50 and the 10-percent consumption tax was removed. As a result our sales of lard, which had been reduced to about 10,000,000 pounds by the previously high duties, were increased to about 45,000,000 pounds—more than four times as much as we were previously selling. Cuba is our best customer for lard. That is a practical example of how the trade-agreements program has helped rather than hurt the hog farmer.

Likewise the wheat farmer has benefited from the reductions secured in Cuban tariffs on our flour, the concessions obtained from the Netherland agreement, the concessions in the British agreement, in the Brazilian agreement, and others. The wheat farmer had almost lost his export outlets entirely. Under this program he is getting them back, assisted also by the temporary export subsidy. The wheat farmer has a great deal at stake in the continuance of the trade-agreements program. What will the wheat farmer do when the European war ends, if he does not have this program to safeguard his foreign outlets for his surpluses? Yet there are Members of this House, who are sent down here to represent the welfare of wheat farmers who elect them, who are opposing this program which is so vital to their welfare.

Likewise the corn-hog producer has a great deal at stake. I have already cited the benefits gained by hog producers in the Cuban agreement. Corn growers have also gained increased outlets for corn as well as increased outlets for corn in the form of pork and lard. Yet corn growers have been fully protected in domestic markets. Back during the unprecedented droughts of 1934 and 1936, when we had a shortage of corn, the enemies of this program tried to make a great deal of capital over the increased imports of corn from Argentina. Farmers in the main did not get excited about it because corn was selling above parity prices. Farmers needed this corn and they were not worried about a little dab of imports—about as much as the production of one good Iowa corn county—so long as they were getting parity prices and more.

Someone made a speech on the floor here the other day bewailing the enormous, stupendous, colossal imports of tapioca starch and how that was hurting the corn farmer. Again let us examine the facts. It sounds like a huge amount to say that 600,000,000 pounds of tropical starches flooded our markets. The fact is that this would only provide a market for 20,000,000 bushels of corn—3 bushels of corn equal 100 pounds of starch—even if all imports were excluded and if cornstarch were substituted entirely.

Such would not be the case, as corn starch and tapioca starch are not fully interchangeable and each has some specialized uses. But in order to accomplish the substitution of corn starch for tapioca starch we would have to embargo tapioca starch from the Netherlands. The imports of wheat and wheat flour from the United States into the Netherlands during 1936 and 1937 amounted to nearly three times more in quantity and four times more in value than in 1934 and 1935. The proportion of the total value of Netherland imports of

wheat and wheat flour supplied by the United States increased from 10 percent in 1934–35 to 25 percent in 1936–37. Furthermore, Netherlands greatly increased her purchases of American corn; she also increased her purchases of our soybean cake, barley, and raw cotton from the United States. All of these gains would be jeopardized if we embargoed tapioca starch. American corn growers would lose more than they would gain.

What about the dairy farmer? Where has he been hurt? The imports of cream and fluid milk have been inconsequential. The imports of cheese have not been sufficient to injure domestic cheese prices.

What about the cattleman? His prices are now above parity. The imports of cattle from Canada are not hurting his price or his income.

What about the wool grower? His price is also at or near parity. He has not been hurt.

On the other hand, what are the positive gains to agriculture from the trade-agreements program?

Department of Agriculture data shows that exports of farm products to trade-agreement countries increased 15 percent, while farm exports to all other countries decreased 19 percent from 1935–36 to 1938–39. This is positive and definite proof that the trade-agreements program is working, and that it is bringing definite gains to American agriculture.

Secretary Wallace recently estimated that before the European war started, the trade-agreements program had brought about a net increase in the sale abroad of the products of 5,000,000 acres of American farm land.

Another positive gain to American farmers is the reduction of our excessive industrial tariffs which penalize farmers. Farmers and other consumers are definitely aided by these reductions.

Increased industrial exports have likewise provided increased employment for industrial workers and this in turn has provided a greater home market for farm products. This has especially helped the dairymen, fruit and vegetable producers, and livestock producers. Their incomes rise and fall very closely with factory pay rolls.

Mr. Chairman, in conclusion let me emphasize that the great market of the American farmer is at home, and the reciprocal-trade treaties have supplied employment for workmen in automobile, typewriter, and other factories which provided buying power to purchase farm products in the domestic market.

This service will become increasingly important with the close of the war when foreign nations will have neither money nor credit. They can buy only as they can sell their own products. Unless provision is made by trade treaties to meet this situation a paralysis will develop which will hold commerce immobile, and stagnation will spread again throughout America and the world. We must buy if we would sell. We must import if we would export. We must negotiate trade agreements or suffer again the economic collapse of 1932. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, the workers in the industries in my district have been very much hurt by these reciprocal-trade treaties, and I believe that the constituents of every Member of Congress, if they do not do so today, in the future are going to disapprove bitterly of Members further delegating powers away from themselves to the detriment of industry and agriculture. The Congress is the open forum for the voice of the people. I, as the Representative and the voice of my district, should have the right to vote and to fix tariff rates to protect the employment and the general welfare of my constituency.

Under these reciprocal trade treaties the tariff rates are adjusted in secret conference with agents of foreign countries by a Department of State official instead of in our open forum of Congress, where the voice of the people is represented and may be heard.

Mr. CROWTHER. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I shall vote against the extension of the reciprocal trade agreement law. When this law was passed in 1934 I stated that it was sponsored by the international bankers—those bankers who clipped coupons from foreign bonds—and the international manufacturers. These two groups are interested in clipping coupons and selling manufactured products to foreign nations. This at the expense of the American farmer and the American laborer. They are internationalists. They are more concerned with getting the almighty dollar than they are in the welfare of their own people.

I came to this conclusion in 1934 because of the lobbying of this international group. That same group is again lobbying here. It is flooding us with literature. It has made some converts among some farm leaders. But let me assure you that these farm leaders do not represent the farmers but do represent the Department of Agriculture. They are the pawns used by the Department of Agriculture to bolster up the Department of State in its horse trading with foreign nations.

I know that I represent the overwhelming majority of farmers and laborers of this Nation when I state that I am opposed to any reduction of the tariff on any agricultural or manufactured product that we ourselves can produce. Why should we make agriculture and labor the goat? Are not our farmers to be preferred to the landed barons of South America and other nations? Are not our laboring people to be preferred to the peon labor of South America or the coolie of China or Japan? Are not our people as a whole to be preferred to a few international bankers and manufacturers?

We have heard a great deal about logrolling, but I prefer that the Members of Congress representing the people of different sections of our country—different industries—roll logs in order to get justice for all sections and for all industries in the making of a tariff law than to have the Secretary of State, who believes that it is necessary to preserve Christianity and peace, sell our farmer and laborer in foreign market places.

I prefer logrolling to horse trading with foreign high jacking diplomats. This especially since our Department of State is now and always has been the poorest horse trader of them all. It generally trades off two or three good young colts and gets an old worthless nag in exchange. This in the name of peace and Christianity, but in reality for mass murder and destruction as far as Europe is concerned.

When did it become necessary for this Nation to buy or bribe other nations' Christianity or peace? Such a doctrine is not only lunacy but an insult to our intelligence and our dignity. It is on a par with the statements made here recently that we exacted a promise from Russia that she would not overthrow our Government if we would recognize her. When the day comes that such a promise is necessary in order that we may continue as a Nation then we had better fold our tent. Then as a Nation we are through no matter what the promise may be.

Secretary of State Hull has repeatedly made the statement that there were lobbyists against his so-called reciprocal trade agreements. I know that the Secretary is sincere but he is mistaken in the kind of lobbyists. The only kind of lobbyists I know of are those who are in favor of this resolution continuing this law. They are the international bankers and manufacturers who are willing to sell the American farmer and the American laborer for the almighty dollar, because of profits for themselves at the expense of the Nation.

One of these lobbyists is Norman Davis—the Secretary's ambassador at large—the sugar lobbyist. Norman Davis is the representative of the Chase National Bank, the Guaranty Bank & Trust Co., the Chemical National Bank, and the House of Morgan—should be the House of London. This is the same Morgan banking institution that by its financial juggling sold us into the last World War and is trying to sell us into this one. All of these institutions are located in the

city of New York. All make profits out of juggling and dealing in international debts, trade, and credit.

The law giving to the President the sole power of entering into reciprocal-trade agreements with foreign nations was passed in 1934, largely because the American Manufacturers' Export Association, financed by the Chase and City national banks of New York and by the international manufacturers, such as General Motors, the International Harvester Co., and others, through a well-organized lobby and publicity machine, succeeded in misleading the majority in Congress. These international bankers and manufacturers are more interested in their own selfish gain than in the welfare of this Nation.

The American Manufacturers' Association, the principal lobbyist for this law, was organized in 1905 and is located at 330 West Forty-second Street, New York City. This association told us in 1934 that foreign nations owed us $26,000,000,000 and that this would never be paid unless we permitted the balance of trade to go against us to that amount. But it forgot to tell us just how these foreign nations happened to owe us $26,000,000,000.

This association forgot to tell us that about $14,000,000,000 of that $26,000,000,000 was borrowed from our Government by "dead-beat" nations that refuse to pay. One of these nations boasts that it never broke a promise. But we have $4,500,000,000 of their broken promises in the United States Treasury. Let the State Department collect that $14,000,000,000 rather than to sell our domestic markets to nations of this class. The other $12,000,000,000 of that $26,000,000,000 consists largely of foreign bonds and debts that the members of the American Manufacturers' Association and the international bankers hold, and which they now expect the American farmer and the American laborer to pay indirectly.

Ninety-four percent of our trade is with ourselves. Our boundary line to this 94 percent is the Atlantic on the east, the Pacific on the west, the Canadian boundary on the north, and the Gulf of Mexico and Mexico on the south. Out of the 6 percent foreign trade between 2 or 3 percent consists of trading in international money and credit—stocks and bonds. Why should we give part of our domestic agricultural market away so that the international banker can collect on stocks and bonds and the international manufacturer sell his ware at the expense of the American farmer?

Why not develop our own market—the 94 percent? There are still millions among us in want and without purchasing power. It has been foolishly suggested that we loan the Latin American republics money to buy our manufactured products. Such a policy is unsound and irrational.

If we want to loan any money let us loan it to our own people. Then we will at least be dealing with ourselves. Our people will make better use of the loans and consume more of our products than Latin Americans. Why sell our farmer's market and our laborer's energy to foreign nations who are unable or unwilling to pay unless we give them credit? That policy should be a policy of the past, not of the future.

Because of mechanical inventions and chemical discoveries all nations have become more and more self-sufficient. This is especially true of the United States. Foreign trade is no longer essential to our welfare. There are still a few things that we cannot successfully produce, but we can always buy them in the world's open market, as long as we have the cash.

Why sell our farmer's market and our laborer's energy to foreign nations who are unable or unwilling to pay unless we give them credit or part of our domestic agricultural market? Is not that policy just as insane as the policy of destroying agricultural wealth in order to bring about the "abundant life?" Let us forget it. That policy should be a policy of the past, not of the future.

I am not opposed to trading with foreign nations—but rather as a matter of friendship than as a matter of diplomacy. Let us buy the few things we need from other nations in the open markets of the world without trade agreements. Likewise, let other nations buy what they need from us in the open markets. Let them buy what they need on the same terms and conditions that our own people buy. Let them pay with their own money. We ought to be through with financing other nations. The more than $14,500,000,000 of broken promises at the United States Treasury should be sufficient education for us.

Let us see what the facts are. During the last 7 years we imported from foreign nations $8,373,652,981 of agricultural products, substitutes, and manufactured products thereof. That is the foreign valuation. The domestic valuation would be over $16,750,000,000. That is what the consumer paid. That is what our own people should have received instead of foreigners. In place of the stupid curtailment and destruction of agricultural wealth it would require an additional 87,237,280 acres to produce sufficient agricultural products for our own people.

This would have been sufficient to have handed to every head of our 6,000,000 farm families a check for $2,790. That money would have done billions of dollars' worth of business in our own country. It would have kept the idle employed. It would have given buying power to the Nation.

During the 5 years that this reciprocal trade agreement law has been in effect we imported $6,189,997,000 worth of agricultural products and substitutes from foreign nations. Again, that is the foreign valuation. The domestic valuation would be $12,379,994,000—equal to a check of $2,063 for every one of our 6,000,000 farm families.

During the last 5 years we imported 2,335,273 head of cattle and 758,466,496 pounds of meat and meat products. This was equivalent to another 1,896,166 head of cattle—making the total importation of meat equivalent to 4,235,439 head of cattle in 5 years. These, our own people, should have raised, not foreigners.

Again, during the last 5 years, we imported $72,226,039 worth of dairy products. This was the foreign valuation. The domestic valuation was $144,452,077. Then, during these same 5 years, we invaded the poultry yards of the farmers' wives and imported $7,278,047 worth of eggs, mostly from China. These importations would have been far larger if it had not been that the Japs got in between us and China during the last 2 years. This again is the foreign valuation. The domestic valuation would be $14,556,093.

In 1939 we imported 753,570 head of cattle, 150,794,086 pounds of meat and meat products, 59,071,059 pounds of cheese, and 346,222,445 pounds of fish. The same is true of most other agricultural products. Again, in 1939, the imports of agricultural products were $450,000,000 greater than in 1932 and $300,000,000 more than in 1934—the year that this trade-agreement program was inaugurated—while our exports of farm products in 1939 dropped below that of 1932, or any intervening year. This in spite of our export subsidies.

When we get tired of figures, then, let us fortify ourselves by using our common horse sense, with pepper and salt added. Why should we insist upon trading with foreign nations just for the sake of trading? Why should we be foolish enough to loan money to foreign nations—money with which they promise to buy our goods but do not. Our experience tells us that in the end these nations will have both our goods and our money. Then the taxpayers will have to foot the bill.

These nations owed us $26,000,000,000 when this law was passed. That has now grown to $32,000,000,000. This in spite of the fact that the Secretary sold them our domestic markets through reciprocal-trade agreements. The Secretary now says that if we will continue this law, these nations will then be able to pay the $32,000,000,000. But this is a vain hope. Under the present policy of the State Department that $32,000,000,000 will grow to $40,000,000,000 or $50,000,000,000. Then when we stop being made fools of there will be real danger of our losing not only our peace but our Christianity as well.

In 1934 I opposed the bill giving to the President sole authority to enter into trade agreements with foreign nations because of apprehensions. I felt then that the so-called reciprocal trade agreements bill was unconstitutional. The Constitution provides that the President—

> Shall have power, by and with the advice and consent of the Senate, to make treaties, providing two-thirds of the Senators present concur. * * *

The law gives the President the right, by agreements with foreign nations, to reduce tariffs 50 percent. It attempts to take the power to advise and consent from the Senate and lodge the entire power with the President. I stated at that time on the floor that the result of passing the bill would be that our domestic agricultural markets would be traded or sold to foreign nations.

I now oppose the resolution extending the provisions of that law and continuing the sole authority in the hands of the President—the power to reduce tariffs 50 percent—because my apprehensions have been confirmed. The domestic agricultural markets of this Nation have to a large extent been bartered away or sold to foreign nations.

The so-called reciprocal trade agreements made under the provisions of this act would never have been entered into if the advice and consent of the Senators had been required. They have been entered into by the Secretary of State secretly and in star-chamber proceedings with foreign diplomats. No real opportunity to protest was afforded those who were opposed to trading away the American domestic markets to other nations in exchange for foreign importations.

A trade agreement is a treaty, and any attempt to deprive the Senate of the power to advise and consent to such an agreement is in violation of the plain English language of the Constitution. Even if we should attempt to ignore the plain mandate of the Constitution, I doubt the wisdom of this kind of legislation. I do not believe it will serve the best interest of the American people. After all, the 96 Senators, coming from 48 States, are in a better position to protect and safeguard the people of this entire Nation than is the President, who comes from one State—from a State whose industrial life largely depends upon and is devoted to trading in international merchandise and international finance.

The tariff in all of these agreements has been reduced at the expense of the American farmer and the American laborer. The American domestic market has been opened to the peasants, serfs, and peons of other lands. The products of the Tropics have been substituted for those of our Temperate Zone. We were told that the people knew nothing about the tariff—that their chosen representatives in Congress would not act as wisely as the President and the Secretary of State.

Our experience now convinces us that the people knew how to better protect their domestic markets than the Secretary of State. We now know that Congress more truly reflects the sentiment of the people and more truly protects their interest than does the executive branch of the Government.

Under this policy our Department of Agriculture is still engaged in destroying and restricting American agricultural production in the midst of hunger, want, and rags. That Department still believes that we should sell our agricultural markets to foreign nations so as "to service the foreign debt." It still believes that there is overproduction, while every intelligent person knows that our problem is underconsumption and maldistribution; that, in fact, there is a scarcity. There never was overproduction, but there have been overimportations. The trouble is that we are getting altogether too internationally minded. We are suffering with an inferior foreign complex.

While our Department of Agriculture talks about overproduction and of servicing the foreign debt and curtailing our people from producing all the things we need, the Department of State has been busy selling the farmer and laborer in foreign market places. That Department is still seeking foreign concessions, still chasing the illusive rainbow, the will-o'-the-wisp of international trade. It is selling our domestic agricultural markets to foreign horse traders.

This is done by means of the so-called reciprocal-trade agreements. These agreements are largely suggested by the international bankers, who gambled and speculated in foreign debts and who now desire that the American people should pay their foreign investments indirectly. These agreements are also suggested by the international manufacturers, who wish to sell their manufactured products to foreign people at the expense of American agriculture and labor.

So that under this policy we have one department of government engaged in curtailing American production and the other one entering into trade agreements with other nations, trading our domestic markets for the benefit of a few international bankers and manufacturers, entering into agreements in which the best interests of this Nation and its people are entirely forgotten.

As a result of this un-American policy our country is now being flooded with foreign agricultural and manufactured products as never before in its history—products produced and manufactured in foreign countries with the lowest possible standard of living. At present we have restricted the immigration of European races in order to protect our American standard of living. But now we import, under trade agreements and otherwise, hundreds of millions of dollars' worth of manufactured articles from Asiatic nations, articles produced by human slavery and human misery.

We exclude the Asiatic because of his low standard of living, and at the same time we permit the articles that his labor produces under unsanitary, brutal, and inhuman conditions to be sold in competition with articles manufactured by labor under the American standard of living. In fact, by importing these goods we invite, we import, the oriental, the lowest standard of living, for Americans.

We still have millions on Federal relief and millions more out of employment, and yet we import the very things that these men and women should be producing under an American standard of living—not under an Asiatic standard. Why prevent our own people, who are in want and misery, from producing and manufacturing these articles in order to enrich a few importers and international dealers?

We submit that this is the work of madmen. It is the work of men who know not what they are doing and do not understand or know the foundation upon which the greatness of this Nation was built. It is the work of bureaucrats who lack vision and of incompetents. We challenge not only the fallacy of this policy but we challenge its continuation.

So that the Secretary may know who the lobbyists are who are in favor of the reciprocal-trade agreements I give below the officers and directors of the American Manufacturers Export Association that I have referred to on this floor:

OFFICERS AND DIRECTORS OF THE AMERICAN MANUFACTURERS EXPORT ASSOCIATION

James D. Mooney, General Motors Export Co., president.

F. W. Nichol, International Business Machines Co., first vice president.

P. S. Duryee, Chase National Bank, treasurer.

L. O. Bergh, Marvin & Bergh, general counsel.

Regional vice presidents: L. C. Stowell, Dictaphone Corporation, New York; W. J. Shortreed, H. J. Heinz Co., Pittsburgh; George W. Koenig, International Harvester Co., Chicago; Col. H. R. Horsey, Coca-Cola Co., Atlanta.

Operating staff: Francis T. Cole, vice president and general manager; Harry Tipper, executive vice president; Oliver J. Abell, vice president.

Directors: George F. Bauer, National Automobile Chamber of Commerce, New York; Henry S. Beal, Sullivan Machinery Co., Chicago; Willis H. Booth, Guaranty Trust Co., New York; Walter S. Brewster, Pacific Mills, New York; Mason Britton, McGraw-Hill Publishing Co., Inc., New York; Walter P. Chrysler, Chrysler Corporation, Detroit; C. K. Davis, Remington Arms Co., New York; D. E. Delgado, Eastman Kodak Co., Rochester; James L. Donnelly, Illinois Manufacturers Association, Chicago; W. J. Edmonds, International General Electric Co., New York; E. A. Emerson, Armco International Corporation, Middletown, Ohio; James A. Farrell, New York; E. V. Finch, United States Alkali Export Association, Inc., New York; Harvey Firestone, Jr., Firestone Tire & Rubber Co., Akron; P. A. S. Franklin, United States Lines, New York; Charles J. Hardy, American Car & Foundry Co., New York; Cornelius F. Kelley, Anaconda Copper Mining Co., New York; H. J. Leisenheimer, the Cleveland Tractor Co., Cleveland; C. W. Linscheid, Fairbanks, Morse & Co., Inc., New York; John L. Merrill, All-America Cables, Inc., New York; Thomas A. Morgan, Curtiss-Wright Corporation, New York; W. W. Nichols, Allis-Chalmers Manufacturing Co., New York; L. A. Osborne, Westinghouse Electric International Co., New York; Robert H. Patchin, W. R. Grace & Co., New York; C. M. Peter, Black & Decker Manufacturing Co., Towson; F. W. Pickard, E. I. du Pont de Nemours & Co., Wilmington; Edward V. Rickenbacker, North American Aviation Corporation, New York; George B. Roberts, National City Bank of New York, New York; G. Arthur Schieren, Charles A. Schieren Co., New York; George C. Scott, United States Steel Products Co., New York; Harold B. Scott, Denver Chemical Manufacturing Co., New York; Robert H. Sexton, Business Council Associates; A. P. Sloan, General Motors Corporation, New York;

Edgar W. Smith, General Motors Export Co., New York; James L. Walsh, National Bank of Detroit, Detroit; Thomas J. Watson, International Business Machines Co., New York; John N. Willys, Willys-Overland Co., Toledo; Clarence M. Woolley, American Radiator Co., New York.

I also add here a list of imports during 1938:

[Prepared by Raw Materials National Council, Sioux City, Iowa, for National Reclamation Association, Washington, D. C.]

Commodity	1938	Foreign values	United States displacement	United States acres to produce
Corn imports bushels	403,871	$257,000	$463,450	16,155
Wheat and flour M bushels	4,700	3,341,477	7,285,477	500,000
Cotton M pounds	106,000	9,614,000	9,000,000	530,000
Cotton manufactures		33,278,000	99,000,000	1,250,000
Jute, hemp, sisal M pounds	1,109,000	91,000,000	270,000,000	5,545,000
Tobacco do	71,000	36,000,000	101,000,000	100,000
Tobacco manufactures		3,182,000	9,000,000	6,000
Barley M bushels	2,130	2,824,000	5,412,000	70,000
Sugar and molasses M pounds	7,468,101	141,000,000	423,000,000	2,500,000
Cattle number	433,653	9,383,297	27,000,000	2,168,265
Pork M pounds	58,394	14,294,000	42,000,000	583,000
Canned beef do	78,000	8,396,000	25,000,000	1,257,600
Casings do	11,784	7,087,000	21,000,000	117,840
Animal fats do	4,696	336,000	1,080,000	46,960
Tallow imports do	1,229	49,000	150,000	12,290
Butter do	1,623	425,000	850,000	31,000
Milk, condensed and dried do	920	97,000	194,000	7,000
Cheese do	54,500	11,500,000	23,000,000	720,000
Eggs (dried) do	6,069	2,160,000	6,480,000	102,000
Hides and skins do	181,951	29,880,000	78,000,000	2,000,000
Wool and mohair do	104,274	22,602,000	52,000,000	7,500,000
Wool manufactures do	28,356	23,798,000	69,000,000	1,800,000
Vegetable oils and fats do	1,898,000	60,000,000	180,000,000	10,000,000
Leather and manufactures do	31,168	7,205,000	21,000,000	320,000
Whisky and wines		59,000,000	150,000,000	88,300
Sago M pounds	11,000	149,000	300,000	12,000
Tapioca do	230,000	3,880,000	7,760,000	230,000
Hay and feeds tons	19,000	3,800,000	10,000,000	19,000
Grass seeds M pounds	70,000	5,900,000	16,000,000	700,000
Vegetables do		12,000,000	24,000,000	750,000
Fruits and preparations		41,000,000	120,000,000	1,500,000
Fish M pounds	302,623	28,348,000	84,000,000	
Petroleum M barrels		76,000,000	96,000,000	35,000,000
Wood pulp		317,000,000	952,000,000	
Chemicals, fertilizer		78,000,000	156,000,000	3,500,000
Metals (nonferrous)		170,000,000	520,000,000	
Total		1,312,785,774	3,606,974,927	78,982,410
Less the above nonagricultural products which total		591,348,000	1,652,000,000	35,000,000
Total		721,437,774	1,954,974,927	43,982,410

Mr. CROWTHER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I am opposed to the continuation of the reciprocal-trade treaties. First, because they involve a delegation to the Executive of powers which the Constitution specifically places in the hands of Congress. Second, there is not a scintilla of evidence that the trade treaties are having any beneficial effect. On the contrary, there is considerable indication that they have the reverse effect.

Powers granted here are unquestionably being used beyond their ostensible purpose, the regulation of tariff rates. They are used to make treaties, properly so called, which the Constitution provides can be done only with the consent of the Senate.

If the advocates of continuation of the trade agreements do not regard the treaties as the only factor which might have to do with any foreign trade gains that we might be experiencing, they certainly stress the importance of this factor far beyond anything that may be proper.

All sorts of figures are being presented by the proponents of the treaties to prove their point. None which I have seen have even the slightest merit.

The simplest and only correct formula for determining whether there has been any gain in dollars and, if any, the amount is as follows: Take a large number of years preceding the effectiveness of the trade treaties. Find the percentage of exports of the agreement countries of the total exports. Strike an average for the years calculated. Get the same percentage for 1939 for the nonagreement countries. Follow the same procedure for imports. Compare the two percentages and two sets of figures which will show the amount of loss or gain. But this does not show what has caused the change. To attribute any gain to the trade treaties from any result of such a study is, however, puerile, to say the least. There are entirely too many other factors involved to attribute it to this one alone.

I have made some preliminary calculations in accordance with this formula, but not sufficiently to warrant any final conclusion. So far as I have gone, however, I have not found the gains in dollars claimed by the treaty proponents. But whatever may be the results of such a study they can prove nothing to justify any claims made for the continuation of the treaties.

It seems rather remarkable that the most important factor which now has to do with our foreign trade has received no consideration whatever from the advocates of extension. I refer to the wild gold-buying program.

Of the countries with which trade treaties were concluded by the State Department up to 1939, excluding Turkey—agreement with Turkey May 5, 1939—eight countries in 1939 represented more than 80 percent of the export trade. These eight countries were France—and its colonies, dependents, and protectorates, other than Morocco—Sweden, Switzerland, the kingdom of the Netherlands—Netherlands in Europe, Netherlands Indies, Surinam, and Curacao—Belgium, Colombia, Brazil, and Canada.

We increased our export trade to France from $111,561,000 in 1932 to $181,825,000, or 56 percent, in 1939. The United States Treasury has bought from France, at $35 an ounce, $1,839,900,000 of gold.

Did the buying of this enormous amount of gold at the arbitrary high figure of $35 an ounce have anything to do with increasing our export trade to France?

We increased our export trade to Sweden from $17,457,000 in 1932 to $96,661,000 in 1939. This was an increase of 455 percent in the 7-year period.

During this period we bought from Sweden about $90,000,000 worth of gold at $35 an ounce. Did that have anything to do with increasing our export trade to Sweden?

We increased our exports to Switzerland from $7,300,000 in 1932 to $18,609,000 in 1939. That was an increase of $11,309,000, or 154 percent.

We have bought from Switzerland $154,000,000 worth of gold at the high price of $35 an ounce. Who will say that did not have something to do with increasing our exports to Switzerland?

We increased our exports to the Netherlands from $45,254,000 in 1932 to $96,809,000 in 1939. That was an increase of $51,555,000, or 113 percent.

We bought from the Netherlands the enormous amount of $863,200,000 worth of gold at the high price of $35 an ounce. Will the advocates of the reciprocal-trade treaties assert that this had nothing to do with our increase of exports to the Netherlands?

We increased our exports to Belgium from $40,278,000 in 1932 to $64,567,000 in 1939. That was an increase of $24,289,000, or 60 percent. Herewith it should be noted that in 1937 our exports to Belgium amounted to $95,341,000.

We bought from Belgium $283,900,000 worth of gold at the artificially high price of $35 an ounce. Under these circumstances, do the advocates of the reciprocal trade treaties claim for their program all the credit for this increase?

We increased our export trade to Colombia from $10,670,000 in 1932 to $51,295,000 in 1939. That was an increase of $40,615,000, or 380 percent.

We bought from Colombia, at the artificially high price of $35 an ounce, $85,500,000 worth of gold.

Do the advocates of reciprocal-trade treaties claim for their program all the credit for this increase and deny any to this gold transaction?

We exported to Canada in 1939, $272,000,000 worth more merchandise than in 1932.

We have bought from Canada at the high price of $35 an ounce $1,000,000,000 worth of gold.

Will the advocates of extension contend this has not affected our export trade to Canada?

Who will stand up here today and say that the purchase of that gold had nothing to do with our increase in exports? I see no one rising.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Only for an answer to my question; not otherwise.

Does the buying of this gold, or has the purchase of this gold had anything to do with increasing our exports to those countries?

Mr. VOORHIS of California. Certainly it has and, furthermore, the only substitute for that method would be for us to purchase their commodities in order, in that manner, to get American exchange in their hands so they can pay us for what we export to them.

Mr. SMITH of Ohio. I think there is some truth in that.

We increased our export trade to Brazil from $28,600,000 in 1932 to $80,441,000 in 1939. This was an increase of $51,841,000, or 181 percent. Did we buy any gold from Brazil during this time? I have seen no record of any, but we did something else which amounted to the same thing.

In 1936 our shippers and exporters to Brazil were in trouble. They had sold $27,750,000 worth of goods to Brazil, and were having difficulty getting their money. The Export-Import Bank came to the rescue. It entered into an arrangement with the Bank of Brazil to finance this amount. This bank set up what was known as "blocked balances" for the full amount of $27,750,000. It issued notes to the shippers which were discounted by the Export-Import Bank at 4 percent. In this case the shippers were made liable for any losses that the Export-Import Bank might suffer.

Along about March 1939, our shippers again found themselves in difficulty with Brazilian purchasers, this time to the tune of $19,200,000. The Export-Import Bank again came to the rescue; this time, however, with an entirely different proposition. It advanced to the Bank of Brazil the amount, with no security whatever except the assurance of this bank that it had satisfied itself as to the credit rating of the Brazilian buyers involved.

Has the lending of all this money to Brazil had anything to do with our increase of exports to that country? Some of our manufacturers should be interested in this question; those who have advocated a continuance of the reciprocal-trade treaties, believing they have been benefited by them. But have they been benefited by them? Here is a good place for them to do a little studying to see whether it has been the reciprocal-trade treaties that has helped them, or whether it has been something else.

With these facts staring us boldly in the face, how possibly can anyone still claim any merit for the reciprocal-trade treaties?

Suppose the Treasury should stop buying gold. What do you suppose would happen to our export trade? We might as well face the facts, because they will not be eluded forever. If our manufacturers want to continue their foreign sales, they should at least know what is making them possible. They should not give credit to the wrong thing. Then, having learned that it is our gold-buying program and our lending policy that are holding up their export trade, perhaps we will have made some headway in clearing up what is, to say the least, a bad situation. Or will an attempt to convey this ugly information to them only cause them to dig their heads into the sand a little deeper? [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I have asked for this time for the simple purpose of keeping the RECORD straight. It appears that on page 1664 of the CONGRESSIONAL RECORD, under date of Monday, February 19, the gentleman from Michigan [Mr. DINGELL] addressed the House on the subject of reciprocal-trade agreements, and in that address he referred to some testimony which was given before the Ways and Means Committee by a gentleman from Wisconsin, from my district, named Maurice Fitzsimmons. He referred to the fact that Mr. Fitzsimmons represented 90 percent of the fur-farming industry of the Nation, and quoted at length from the testimony of Mr. Fitzsimmons in support of the reciprocal trade-agreement program. I say to the members of the committee that I happen to be well and personally acquainted with Mr. Fitzsimmons, and when I heard that he had appeared before the Ways and Means Committee and made that statement that he was representing 90 percent of the fur farmers of this country, and that they were all in favor of reciprocal-trade agreements, I was astonished, because not more than 2 weeks before his appearance before the committee he sat in conference after conference with the entire Wisconsin delegation and very definitely and clearly expressed himself as being opposed to this reciprocal trade agreement program. Because I might be mistaken, I wrote to the two largest fur farmers in the State of Wisconsin, and they are the largest fur farms in the entire United States and are located in my congressional district. I shall at the proper time ask leave to insert as a part of my remarks the responses to my letters and shall quote briefly from those two letters. In a letter from Mr. Langenfeld, president of the Associated Fur Farms, Inc., he states:

ASSOCIATED FUR FARMS, INC.,
New Holstein, Wis., February 10, 1940.

Hon. FRANK B. KEEFE,
House of Representatives, Washington, D. C.

DEAR MR. KEEFE: Although I was in Washington twice within the past several months to appear before committees, it was more or less between trains and between business in New York City, and for that reason I did not get an opportunity to visit you, much as I wanted to.

I note that Mr. Fifzsimmons claims to be representing 95 percent of the Wisconsin fur farmers and their opinions when he stated that he favored the reciprocal trade agreements program. He should have said "95 percent of the Wisconsin fur farmers who favor the retention of the program." Those few who are in favor are New Deal Democrats who apparently think more of their politics than their fur farms.

In this section of the country, there is not a single fur farmer in favor of the program, and I know them all. Undoubtedly some oppose it for selfish reasons, and they may have altered their opinions somewhat since the imposition of the silver-fox quota.

I have always been, and continue to be, unreservedly opposed to the program. I feel that it has worked hardships on the farmers for the benefit of industry. At the same time I do not favor extremely high tariffs. The objective of any tariff program, I believe, should be the protection of American agriculture and industry against foreign lower cost of production and state-controlled foreign industrial practices.

The whole matter is so complex that I feel it best to follow Senator Taft in his arguments.

Yours very truly,

A. L. LANGENFELD.

A letter received from Mr. John F. Nieman, the head of the largest fur-farming industry in Wisconsin, states as follows:

HERBERT A. NIEMAN & CO.,
Thiensville, Wis., February 10, 1940.

Hon. FRANK B. KEEFE,
Member of Congress,
House Office Building, Washington, D. C.

DEAR SIR: This will acknowledge receipt of your letter of February 7.

In reply, wish to state that I as well as my associates are fully aware of the fact that the congressional delegation from Wisconsin worked vigorously in conjunction with our committee, composed of Dr. L. J. O'Reilley, Mr. Maurice Fitzsimons, and Mr. A. H. Crow, in an effort to secure a revision in the Canadian trade agreement; and we wish to assure you that your efforts in behalf of the fur farmers are highly appreciated.

Now, just why Mr. Fitzsimons should go on record before the House Ways and Means Committee with a statement to the effect that 95 percent of the fur farmers of Wisconsin were in favor of the reciprocal trade agreement program is, of course, hard to understand; and the only reason that I can think of would be that he, being a member of the Democratic Party, wishes to adhere to the party's New Deal policies. As to myself and my business associates, not only in our large fur-farming interests but in our other business enterprises, I can assure you that we are all very much opposed to the entire reciprocal trade agreement program of this administration as it is being handled by the State Department. We are opposed to it because we are convinced that, due to the higher wages paid and the high standard of living prevailing in this country, American business and industry is unable to compete with cheap foreign importations, with the result that production decreases and workers lose their jobs, thereby adding to the number of unemployed. From my own experience, I know that in our county here more than 100 workers have been laid off on the fox ranches due entirely to the reduction of the tariff on

silver-fox pelts; also that all expansion on the ranches here has been discontinued.

In view of our own experience, it is therefore very unlikely that 95 percent of the fur farms of Wisconsin are in favor of the reciprocal trade agreement program.

I would suggest that you also write for information on this subject to Fromm Bros., Inc., of Hamburg, Wis., as they are also large operators in fur farming and besides represent many of the smaller ranchers who are shippers to their fur auctions.

Thanking you very kindly for your interest in this matter, I am,

Yours very truly,

JOHN F. NIEMAN.

I want the RECORD to show that here are statements not from the legislative representative who comes here as a new dealer purporting to speak for the fur-farming industry of my State, but here are the words of the men who have their money invested in the fur-farm business and who tell you that they are almost unanimously opposed to this reciprocal trade agreement program.

Just one word further. I listened with a great deal of attention and sympathy and consideration to the statements that have been made on the floor of the House for and against this program. I am wondering, however, just how some of the gentlemen on the Democratic side are going to vote when this matter comes to a vote. I wonder if they will vote the same type of conviction which they so eloquently expressed when a large number of Democratic Congressmen appeared before the reciprocity committee urging that no reciprocal-trade agreement be entered into with the Argentine. I have in my hand the testimony given by the gentleman from Texas, the Honorable MILTON H. WEST, a member of the Committee on Ways and Means, to the Committee on Reciprocity Information, and it will be found on page 86, volume 1, of the hearings before that committee. I am wondering if the gentleman from Texas [Mr. WEST] will make to this House the same type of statement which he made to that committee when he was seeking to block the adoption of a reciprocal-trade agreement with Argentina. I am wondering if in the consideration of this question, it depends on whose ox is being gored. I am wondering if it is a situation where the reciprocal-trade agreements are good for everybody so long as we have our specific interest taken care of.

Mr. DINGELL. Will the gentleman yield?

Mr. KEEFE. I do not yield at this time.

Mr. DINGELL. I was just asking the gentleman a question. I was merely asking whether the gentleman would yield.

Mr. KEEFE. For a question, surely.

Mr. DINGELL. The gentleman did not take me to task for any misquotation?

Mr. KEEFE. No; I did not. I did not take the gentleman to task at all.

Mr. DINGELL. I would like to have the gentleman before he is through with his discourse explain away the telegram which was received from the Wisconsin Fox and Fur Producers Association, and not talk about two fur producers in his State.

Mr. KEEFE. I would just say that I am familiar with that, too. I am familiar with who that organization is, and Mr. Fitzsimmons, who happens to be Democratic assemblyman from my district and a new dealer, is perhaps secretary of that organization.

Mr. DINGELL. No. Mr. Wittig is secretary and Mr. O'Reilly is a member.

Mr. KEEFE. Yes. Mr. O'Reilly and Mr. Fitzsimmons were here. We spent nearly 2 weeks with them, fighting for a change in the Canadian agreement, and they got a quota put into the Canadian agreement, and as soon as that quota was put in——

Mr. DINGELL. Which saved the industry.

Mr. KEEFE. It will not save the industry as soon as the emergency is over. Let me tell you something, that this very change provides that as soon as conditions are restored we will go right back to the old rate. That is why the fur-farming industry of my State opposes the whole thing. Mr. Fitzsimmons in no way represents them. Just bear that in mind.

Mr. DINGELL. And neither do you.

Mr. KEEFE. Well, I at least have letters from two men who represent financially the largest fur farm interest in the country.

Mr. DINGELL. This is a unanimous expression of the producers' association of Wisconsin—unanimous; not a dissenting vote.

Mr. KEEFE. That is what I want to say. All of this testimony is apparently based on this sort of stuff.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. No; not at this time.

I want to put into the RECORD at the proper time the statement made by my friend the gentleman from Oregon [Mr. PIERCE]. I think he will oppose these reciprocal-trade agreements. I want to see whether he is going to vote the same way that he talked when he appeared before the Committee on Reciprocity Information.

The statement referred to is as follows:

STATEMENT OF HON. WALTER M. PIERCE

[October 16, 1939, p. 90, vol. 1, the Committee for Reciprocity Information in Connection With the Negotiations of a Reciprocal-Trade Agreement With Argentina]

I was a Member of the Congress when the bill was proposed under which you are acting. I was rather caught by the word "reciprocity." I knew the Secretary of State fairly well and a few members of his technical staff. I supported the bill with some reluctace, made a speech for it, pointed out, as I thought, the good that could come from a real law allowing reciprocal-trade agreements, where we were getting something from the one with whom we were trading—where there was some value moving from each party.

I was still a Member of the Congress when it came on for renewal in 1937. All the suspicions that I had had in 1934 had been confirmed by what I had seen—the effect of the law as it was being operated upon the agricultural community that I have the honor to represent here in the Congress. So I voted for all of the amendments that I thought would curtail the activities, and I was one of the 10 Democrats that took the party whip and voted "no" on the bill.

* * * * * * *

I remember, when I was Governor of the State of Oregon, I did my best to start a flax industry. I have been struggling hard since and we have got quite an industry going in our State now, both flax for the fiber and the seed. You now propose to reduce the tariff and let in the farm products from Argentina and at the same time take money out of the Treasury to help the farmers of Texas and Oregon. It seems to me the utmost folly. I cannot see how you can find facts upon which the Secretary of State and his technical advisers can base an agreement. The whole theory of it may be right, but in practice it has worked to the ruination of the people who are supposed to have benefited.

* * * * * * *

I am protesting as vigorously as I know how. I am a Democrat. I generally support the administration, but not a blind folly. I believe the Secretary of State has endeavored to do a good job, but he has been mistaken.

Mr. KEEFE. I want to put in the statement of the gentleman from Montana, Hon. JAMES F. O'CONNOR, when the matter was before this committee, in which he was involved, seeking protection for himself and for the interests which he represents.

The statement referred to is as follows:

STATEMENT OF HON. JAMES F. O'CONNOR

[October 16, 1939, p. 121, vol. 1, the Committee for Reciprocity Information in Connection With the Negotiations of a Reciprocal-Trade Agreement With Argentina]

I was raised on a farm in Iowa, if you will permit me to be personal, and running sort of true to my first love, I never really got away from farming. As somebody once said, while my business is that of a lawyer, I am a lawyer among farmers, and a farmer among lawyers.

* * * * * * *

But while I am speaking about that, I want to call your attention to this fact also, that the platforms of both the Democratic and Republican Parties in 1932 and in 1936 told the farmers and the producers of the country in substance that the American market should be reserved for the American producer.

They believed us then, but it seems that we have sort of been getting away from that policy in the last few years. My district, as the chairman knows, borders on Canada. We see there first hand the tremendous effect on the livestock market at St. Paul of the hundreds of thousands of cattle coming in the last trade agreement. We fellows out there feel that. I don't say that we have been sold down the river, but at the same time our market has been scattered and the farmers and livestock producers of our country need that market.

* * * * * * *

Now, it is all right, this good-neighbor policy is a fine thing if you don't have to give up your shirt to be a good neighbor. I like to do all I can for my neighbor, but I don't want to give away my property in doing it, and we shouldn't give away the American market to those foreign people just to be good neighbors.

Mr. KEEFE. I also want to put in the RECORD the statement of the gentleman from Texas, Hon. RICHARD M. KLEBERG.

The statement referred to is as follows:

STATEMENT OF HON. RICHARD M. KLEBERG

[October 16, 1939, p. 73, vol. 1, the Committee for Reciprocity Information in Connection With the Negotiations of a Reciprocal-Trade Agreement With Argentina]

I have been very much interested this morning, particularly interested in the approach to this difficult question as presented by Senator O'MAHONEY, and one angle which he presented had been a part of my own mental reaction to the suggested trade pact or reciprocal-trade agreement now being discussed before your committee, and that was that when you trade the same commodity for a like commodity with the Argentine—in other words, trade the same for the same—there would be no gain. That is perfectly patent.

* * * * * * *

First of all, in this picture we have before us, we better analyze the facts we are dealing with. We have in this country what we are proud to call an American standard of living. I understand the people of the United States, organized into minority groups, if you please, but generally are of the opinion that we would not like to trade the American standard of living for the standard of living, forsooth, to be found in any other land, and when we find ourselves now considering a trade pact or agreement which strikes directly at the standard of living of a lot of folks that I represent in my district, the cotton farmers who, under the process of the present Agricultural Adjustment Act in limiting cotton production, have been told in recent regulation issued by the Department that flax could be planted on these Government acres, they have gone into that business.

Mr. KEEFE. I believe these gentlemen will vote against the continuance of the reciprocal-trade programs. [Applause.]

I also want to put in the statement of Hon. PHIL FERGUSON before the Committee on Reciprocity Information.

The statement referred to is as follows:

STATEMENT OF HON. PHIL FERGUSON

[April 4, 1938, p. 56, vol. 1, Committee for Reciprocity Information in Connection With the Negotiations of a Reciprocal-Trade Agreement with Canada]

Mr. Chairman and gentlemen of the committee, I was chosen as one of this committee of three to speak for the States interested in the production of livestock, probably because I am interested in the production of livestock and market several thousand beef steers every year.

It is my opinion that the livestock industry is opposed to making further concessions in trade agreements with foreign countries. The very fact that the increase in quotas on both heavy and little cattle and the possible further reduction of the tariff on quotas of heavy cattle below $2, and a consideration of reduction of the present tariff on light cattle has had a bad psychological effect on our already weakened cattle market.

The livestock industry is opposed to increasing the present quota of 155,000 cattle weighing over 700 pounds or granting tariff reductions on a quota of cattle below this weight. I believe this statement is the view of a distinct majority of the representatives of the livestock-producing States, who at present and at a recent meeting selected me as one of a committee to present their views.

* * * * * * *

As a Representative from a Western State, I am certainly concerned with the feeding operations in the Corn Belt, because the Corn Belt feeder determines the price of western stock cattle that are marketed in the fall of the year. Undoubtedly a Corn Belt feeder will be very hesitant about restocking this fall after suffering losses of $15 to $25 per head on this year's operations. Certainly if the feeder has suffered a capital loss of his own capital he will be cautious, and if he has been operating on borrowed capital the credit for next year's operation will be very hard to get. Those who favor increasing our quotas may say the limited number and inferior quality of the Canadian cattle cannot affect our market. Allow me to quote from a letter I have received from Mr. H. A. Powell, the secretary of the St. Louis Livestock Exchange:

"On numerous occasions during the past 8 to 10 weeks, the writer has noted that when there are available for sale on the market around 20 loads of steers, the packer buyers are generally alert and we have steadier or stronger markets. An increase the following day of only 10 or 15 loads of steers, making a total offering from 30 to 35 cars, frequently means a draggy market and prices 15 cents to 25 cents lower. Thus, the matter of from two to three hundred head of steers added to the supply means the difference between a lower and a higher market."

* * * * * * *

I would like to leave these letters. As I say, I wrote to all of the exchanges. I think that was a notable exception of St. Paul and Denver, where most of the cattle are marketed, and where the commission companies who make up the exchanges naturally benefit from the commissions. The other markets all felt like the presence of those cattle was an adverse factor and had an adverse effect on our market.

I spoke a minute ago about the Department of Agriculture estimates which set out that in 1937 the imports of live cattle, plus the live weight equivalent of the canned beef, equal 6 percent of all the slaughter under Federal inspection. Sixteen million cattle were slaughtered under Federal inspection; so, from the Government figures, we can say an equivalent of 960,000 head was imported. This would figure 600,000 grown cattle, or two-thirds of a month's supply, and 360,000 calves, or three-fifths of a month's supply. So while 6 percent sounds like a small figure, when you realize our markets are run almost a month by foreign importation it gains importance.

Mr. KEEFE. Also the statement of the gentleman from Texas [Mr. WEST].

The statement referred to is as follows:

STATEMENT OF HON. MILTON H. WEST

[October 16, 1939, p. 86, vol. 1, the Committee for Reciprocity Information, in Connection With the Negotiations of a Reciprocal-Trade Agreement with Argentina]

Mr. Chairman and gentlemen of the committee, I shall be very brief. I do want to join in the protest though of the other members, because if this agreement is negotiated, frankly I think it will mean that the standard of living of the farmer in this country will necessarily have to be lowered.

As we all know, the backbone of the country is the farmer. If his standard of living goes down, necessarily everybody else's standard of living must fall.

The congressional district that I have the honor to represent is along the Mexican border. It covers some four or five hundred miles, and consequently I know something of conditions in Mexico and the competition that the American livestock raisers will have to meet in the event this agreement is negotiated.

On the Mexican side of the river they pay their help somewhere between $4 and $6 a month. The tax on the land over there is nil. I have a friend that has a ranch, some seven or eight hundred thousand acres, and he told me his property tax amounted to about $2,700 a year. With that ranch situated on this side of the river, the tax would run around $100,000. So the tax on this side of the river, on identical land on this side of the Rio Grande, is about two or three times as much per annum as is the value of the land on the other side of the river. In other words, the ranchman on this side of the river pays in dollars and cents per acre tax on land in Texas about three or four times what he could go over the river and purchase land for, and that is the kind of competition he would have to face if this agreement is negotiated. Well, necessarily, if it is, he is going to have to reduce his standard of living, reduce the pay of his employees, and that will affect the entire United States.

I know that you gentlemen are sincere, that you are animated by the same purposes that the Members of Congress are, that you really and sincerely want to do something to help agriculture and increase commerce. I am in accord with those reciprocal-trade agreements, but not generally. If it is going to put the American farmer out of business, then we better not adopt it.

* * * * * * *

Yes, let us trade with them the excess commodities that we have to export and buy from them things that we do not produce, but let us not put the farmer out of business altogether. Many of them are already on relief. Millions of farmers have been bought in by the landowners, the Government, and so forth. If this trade agreement is negotiated, we will have another influx of farmers moving into town and going on relief.

Mr. KEEFE. We will wait and watch the vote on this bill when it comes to a final vote, to see whether it is in accord with what was stated before this Committee. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. HULL] such time as he may desire.

Mr. HULL. Mr. Chairman, at this particular time, much credit is being given to reciprocal-trade treaties for improvement in general business conditions over what they were in 1932, and a vast array of figures shows how increase of exports and imports have had a bearing upon the improvement. Some interesting charts have been published to prove that, as foreign trade has increased, there has been material industrial gains and also gains in employment. That the increase of imports is due to the gains in industrial activities, and that improved conditions in foreign countries have served to increase our exports is lost sight of in the propaganda so widely circulated in support of the reciprocal-trade policy.

There are other reasons alleged for the gain in business under other circumstances. Conditions in 1932 were about

as bad as could be, but they were not confined to our country alone. In European and South American countries, and in Canada in particular, business, industry, and agriculture were at the lowest ebb. As other factors contributed to our recovery, so also in foreign lands recovery was accomplished regardless of our particular reciprocal-trade program. The treaties were not completed with some of those countries, Great Britain for instance, until their recovery has been greater than our own. To ascribe all world progress in the past 7 years to our reciprocal-trade policy is as misleading as it would be to assume that our own improvement was solely due to that same policy. Many influences were at work in foreign countries to aid in their situation just as we have had many other contributions to the gains accomplished in our own country.

It would not be fair to thus assert that all other endeavors of this administration to restore prosperity as having failed and confine the credit to the gains in foreign trade. To do so would brand as failures all that was done by P. W. A. to prime the business pump, put men at work, and give prosperity a boost at the cost of a billion dollars or more. Billions more have been spent for relief and unemployment primarily, but also to assist toward business recovery. An agricultural program has expended billions in loans, grants, and subsidies to further agricultural recovery. More billions will continue to go out for these and numerous other programs devised to improve general conditions, while housing programs, naval expansion, and vast public works continue to be pointed to as the way out of depression into prosperity. The advocates of a continuance of our reciprocal-trade policy apparently would disregard all these activities and expenditures as at all influential in order to stress gains in foreign trade.

Considering the fact that less than 7 percent of the production of our country is exported, the relative importance of our foreign trade to that of our domestic commerce is not so great. Fancy statements are made about the extent of our exports of automobiles, trucks, tractors, and farm and other machinery and the added employment afforded by such industries. Were farm income to be restored to its proper basis, adding $5,000,000,000 to agricultural income and the national income, there would be such a home demand for such products that there would be none to export. The loss of farm buying power is greater than the entire value of our exports, including such agricultural products as may be included.

Coming from the Nation's greatest dairy State, Wisconsin, I am concerned, as are most farmers in my State, as to the effect of the trade treaties upon our own welfare and progress. We sell the most of our dairy product in manufactured form. We must seek our markets in the industrial centers. It is generally recognized that we cannot compete in those markets with importations from countries where cost of production is less than one-fourth our own. We must have adequate protection as to prices as well as against the flooding of our principal markets with foreign products when circumstances serve to increase prices which permit such importations.

Not all our trouble with foreign competition should be ascribed to the trade treaties. They have merely served to lower rates which were already too low under the much criticized Hawley-Smoot Tariff Act. I was a Member of the House when that act was passed and among those from farming sections who sought adequate tariff rates under its provisions. Our pleas were unavailing. The Hawley-Smoot law greatly advanced the rates upon industrial products, based upon the theory of the difference in the cost of production in our country and that of foreign lands, but utterly failed to apply the same rule or theory to farm products. Although testimony backed by studies made by Government agencies, for instance, made plain that newer dairy countries like New Zealand and Australia were producing dairy products at less than one-third the cost of production in the dairy land of the Northwest, and were flooding the world markets with hundreds of millions of pounds of butter and cheese, our farmers were denied rates on butter which would stop that unfair competition, and the rates on cheese importations in that bill, and as still further reduced by trade treaties, continue to limit our production by such competition. I voted against the Hawley-Smoot Act when it passed, because of its unfair discrimination against the farmers of the Middle West. I am opposed to a reciprocal-trade program which serves to further increase our competition from foreign lands, and at the same time provides no lessening in costs to farmers of the products which of necessity they are compelled to buy.

The claim that the importation of dairy products is too small to be detrimental is simply a case of putting the cart before the horse. Importations are in comparatively small amounts at present because the prices of dairy products are far too low for profit to our farmers. It is only necessary to refer to the comparatively small holdings of butter and cheese in storage to point out that it is not our own production but that of other countries which is holding down prices when circumstances here at home would seem to warrant an increase of butter prices to at least 38 cents, and cheese at 18 cents, the levels reached in 1937. Were butter prices to return to a level of 40 cents and cheese to 20 cents, neither of which would be excessive and neither of which would more than cover actual costs of production to the farmers, there would be such a flood of dairy products flowing in from New Zealand, Australia, Argentina, and even from Russia and Cape Colony that our markets would be demoralized, and prices would bound back to even lower levels than the present, just as they did in 1937, when the decline continued until butter was marketed at 22 cents. In 1938 the Surplus Commodity Corporation purchased 152,000,000 pounds of butter and dairy products to a total of $46,000,000 for free distribution to prevent dairy prices from again striking the low levels of 1933. Our American dairy farmers cannot have their home markets at profitable prices as long as it is possible for dairy monopolies and speculators to reach out to foreign lands where costs and prices are much lower and bring in butter, cheese, condensed milk in any quantities needed to control the markets to their own profit. The possibility of such competition fixes the lower levels of prices which now are obtained. Freed from that competitoin or dangers of it, higher price levels might be obtained, and, under the policy of the purchase and distribution of such small surpluses as might occur, they could be maintained.

Whether higher duties or embargoes should be applied to the situation is a matter of opinion. Were it in my power I should forbid importations of any agricultural product which would serve to lower the level of domestic prices below parity or cost of production in case parity prices would not suffice. The claim that the trade treaties serve to broaden the farmers' markets by increasing employment in industry is substantiated only in a limited degree.

Increased consumption at prices below cost of production adds but little to farm income and none to the farmers' profits.

Our western dairymen have not only the threat of foreign competition to prevent progress. Under a Government policy, milk prices are fixed in larger eastern cities to the benefit of groups of farmers in nearby territories. But the western farmer has no reciprocity under that policy. An embargo regulation prevents his shipping his milk and cream to New York City, Philadelphia, and even the city of Washington, and other large markets. If reciprocal-trade treaties are good for the Canadian dairymen to supply our eastern markets with butter, cheese, and cream, certainly Congress should provide a policy which will enable the western dairymen to share in the benefits of our home trade. It has not done so—and every attempt to obtain it has been withheld in the committee rooms.

I am not alone concerned with the situation as it applies to dairymen. The farm income of 1939 was lower than the farm income of 1937 or 1938. The percentage of the farmers' share in the national income was also lower than in those years. Still in 1939, our importation of foreign farm products amounted to more than $897,000,000. Not all such products were competitive, but in the main they were, directly or indirectly. That our prices for farm commodities were lowered

to a still larger amount by such competition can scarcely be questioned. But adding $897,000,000 to our farm income instead of sending it abroad would mean increasing the general farm income by about 20 percent. Such an increase would be very welcome to most farming sections. Why should we buy abroad what we could and should be producing on our own farms? Why try to advance industrial progress in foreign lands when the opportunity is so much greater in our own?

We have a farm program covering cotton, corn, wheat, rice, and tobacco. Under it and the soil-conservation program, our Treasury disbursed over $700,000,000 in farm subsidies last year. Restriction of production is a large part of the policy and millions of acres have been taken out of production. The program endeavors to reduce or abolish the surpluses of the particular crops mentioned and to provide parity-price subsidies to the farmers who comply with the rules and regulations.

I have been among those who believe that a parity-price policy should not apply only to certain crops and certain farmers. If the policy is good, surely it should be broadened to bring dairying, the largest branch of agriculture, within its provisions. To that end I and others here and thousands of farmers in the Middle West are demanding action on H. R. 6500. We demand that dairy products shall be included among the basic agricultural commodities.

Notwithstanding the A. A. A. program, reducing acreage, restricting and controlling production, expending $450,000,000 in soil-conservation payments, $212,000,000 in parity payments, and another $50,000,000 in bounties to sugar producers not to produce sugar, and crop loans on cotton, corn, and wheat in an endeavor to peg their prices, we turn to other lands for products which required millions of acres of land to produce.

I append a table of the importations of such products for the first 10 months of 1939 which has already been quoted by the gentleman from Indiana [Mr. LANDIS] in his able discussion. The table is not complete as to all imported commodities, as it does not include the 1,158,000 tons of sugar imported from Cuba nor the billions of pounds of imported coconut and other vegetable oils. It serves, however, to forcibly call attention to the displacement of products from our own farms by those of foreign countries by cheaper production. It is as follows:

Farm imports—United States imports of agricultural products, 10 months, 1938 and 1939

[U. S. Department of Commerce figures]

Import items	Unit	1938	1939
Cattle	Head	330,653	664,339
Meat products (total)	Pound	123,732,000	136,552,000
Canned beef	Pound	65,833,000	78,073,000
Cheese	Pound	44,423,000	49,249,000
Eggs (in shell)	Dozen	182,844	267,326
Hides and skins (total)	Pound	131,896,000	258,889,000
Cattle hides	Pound	39,338,000	104,217,000
Sheep and lamb skins	Pound	25,496,000	50,085,000
Silver fox fur skins	Number	13,749	75,067
Casein	Pound	317,000	6,876,000
Barley	Bushel	126,000	745,000
Oats	Bushel	5,258	2,612,000
Wheat (all)	Bushel	2,433,000	9,310,000
Wheat flour	Pound	12,237,000	16,929,000
Barley malt	Pound	84,752,000	90,626,000
Hay	Ton	13,505	35,550
Wheat byproduct feeds	Ton	27,173	372,951
Chickpeas, dried	Pound	6,390,000	7,507,000
Potatoes, white or Irish	Pound	36,315,000	48,072,000
Sago	Pound	8,695,000	21,252,000
Tapioca	Pound	183,322,000	295,088,000
Arrowroot	Pound	4,799,000	7,681,000
Peas, canned	Pound	325,000	1,070,000
Tomatoes, canned	Pound	45,096,000	47,773,000
Pineapples, prepared or preserved	Pound	25,918,000	67,632,000
Apples	Bushel	8,004	24,661
Wool, unmanufactured	Pound	69,810,000	197,026,000
Cotton, unmanufactured	Pound	93,107,000	84,443,000
Tobacco, unmanufactured	Pound	60,968,000	64,544,000
Flaxseed	Bushel	12,324,000	14,724,000
Castor beans	Pound	90,570,000	116,555,000
Potato starch	Pound	4,939,000	7,316,000
Maple sugar and sirup	Pound	3,798,000	12,136,000
Wool noils, wastes, and rags	Pound	3,275,000	15,200,000

Estimates of the acreage required for the production of some of these commodities are not available, but from the yields quoted in the 1939 volume of Agricultural Statistics, I have computed the acreage of production on our own farms displaced by some of the products so imported and listed. The total acres which our farmers might have devoted to such production under a different and proper policy is 14,897,919 for the importations for only 10 months.

Add to that acreage displacement that required for the remainder of the $897,000,000 of importations, including vegetable oils and many other items, it will be found that from foreign lands we imported an acreage production greater than that which our farmers have devoted to the growing of cotton, rice, tobacco, and sugar.

My computations are as follows:

	Importations	Acres displaced
Cattle	664,339	3,986,034
Meat—pounds	[1] 136,552,000	3,000,000
Barley—bushels	745,000	37,000
Oats—do	2,612,000	100,000
Wheat—do	9,310,000	660,000
Barley malt—do	1,510,000	65,671
Hay	35,550	18,000
Tapioca—pounds	295,088,000	202,670
Tobacco	64,544,000	64,544
Flaxseed	14,724,000	1,646,000
Cotton	84,443,000	168,000
Wool	197,000,000	3,700,000
Sugar—tons	1,158,000	1,250,000
Total		14,897,919

[1] 500,000 head more.

It does not seem sensible to me to continue policies which expand agricultural production in foreign lands while we are paying out hundreds of millions of dollars to restrict and reduce production here at home. Nor does it seem sensible to me to add to the farm income of other lands as our own farm income continues to decline. Give our own farmers parity or cost-of-production prices and they will provide a wider, better, and more certain market for our industries than all the rest of the world combined.

The press reports that the International Harvester Co. made a net profit of $12,980,000 last year. In the report of the company it is stated its total sales in this country were $188,778,000, a falling off of about $12,000,000 from the previous year's net returns. Its total foreign sales were $79,249,000, or $5,800,000 less than in 1938. Its average sales to the 6,800,000 farmers in this country were less than $28. Given the power to buy, our farms would have had to increase their machinery purchases by an average of $11 per farm to have absorbed the entire products exported by the company.

The report further states that the company's foreign business—

> Has frequently been subject to uncertainties, and at times severe losses have actually occurred. However, the operating profits of this business have absorbed these losses.

To what extent the home sales have absorbed the losses in foreign business is not stated. It would be interesting to know how much of the losses sustained by many companies in foreign trade have been absorbed by their domestic business. The American farmer is the best and safest purchaser of farm machinery, and adding to his income the amounts which are being paid to foreign farmers for imported products would result in greater sales of farm equipment than can be made abroad.

I shall vote against continuing the trade-treaty policies. I believe that they are proving detrimental to our farmers, and that whatever advantages claimed for them are more than offset by that detriment. I am convinced that the rehabilitation of agriculture is the only way to a permanent prosperity, and any policy which serves to lessen that recovery is not sound, in my opinion. I am not concerned with the partisanship involved in the discussion. I am concerned with the principles involved. [Applause.]

Mr. CROWTHER. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I share the concern of all our friends for a recovery that shall put 10,000,000 unemployed back to work. Six years of New Deal trade agreements

have not measurably reduced the unemployed. The farm problem is still with us.

I am in favor of reciprocal-trade agreements, but I am not in favor of the most-favored-nation clause, which to me is simply dressing a Christmas tree for all the other commercial nations of the earth.

I am also in favor of following the policy, adopted by all democratic nations of the earth other than ourselves, requiring ratification of any such agreements by our legislative body in accordance with the plain spirit and intent of our Constitution. Such ratification in other countries has been required in practically every agreement we have adopted in recent years, including in particular the Canadian agreement. Why in our country alone must democracy be denied?

However, I want to address myself more particularly here to one point which was raised very forcefully by the distinguished chairman of the great Committee on Ways and Means regarding the relationship between political contributions and tariff payments. As he said very forcefully, it seemed to him to be a very interesting coincidence that—

> Those who had responded most liberally when the campaign hat was passed had the loudest and most effective voices in the distribution of the pie.

The doughty chairman of this great committee should bear in mind the old adage that "People who live in glass houses shouldn't throw stones."

A few days ago there was revealed on this floor a most amazing administrative action, originating in the State Department, allowing free entry of Newfoundland fish into our American markets under a monopolistic arrangement with a great American corporation that will be practically the sole beneficiary of this Treasury decision.

By precisely the same logic the gentleman employs of contributory cause and effect, it is possible to demonstrate that a campaign contribution of $21,500 purchased this concession.

I was at some pains to avoid placing any responsibility on the parties most immediately involved, but the gentleman in his discussion seems to have established a different set of rules. Certainly sauce for the Republican goose is sauce for the Democratic gander.

The chairman denounces the inside track afforded special interests in determining tariff rates—the desks in the outer office.

Here we have a gentleman not merely with a desk in an outer office, but with an entire suite of corner offices and a corps of secretaries in the State Department, from which this proposal first emerged.

Here is one of the "60 families" contributing $21,500 to the Democratic campaign fund and here is a corporation in which this family owns 500,000 shares securing free entry for Newfoundland fish to the almost certain destruction of the fishing interests of New England and to the almost certain profit of this corporation to the tune of millions of dollars in the years to come. Under the logic of the distinguished chairman, this would certainly be pronounced a good investment.

I charge no impropriety. The gentleman should be equally considerate of others whom he does not hesitate to denounce on exactly the same evidence.

I might also mention sugar. As a result of the concession made by the administration under the legislation urged upon the House by the gentleman, the American people have seen certain interests profit to the extent of over $40,000,000 a year. It has not benefited the American consumer in any way, according to the testimony of the Tariff Commission. It has not materially benefited the poor people of Cuba, while American interests were benefiting to the amount of $40,000,000.

Contributions, I assume, are unquestionably made.

We have heard from the gentleman from Oklahoma where American interests profited by importing foreign oil as a result of tariff concessions to the tune of $3,000,000 a year, and surely the oil interests will recognize their benefactors in proper ways.

But I am more particularly interested in a matter discussed here the other day regarding fish, that means something to New England. In this instance it does not involve a tariff regulation but an administrative interpretation coming after 10 long years, when suddenly the Treasury Department discovers, after being approached by the State Department and after lengthy briefs and extended secret argument by private interests, that there should be no tariff imposed upon millions of pounds of Newfoundland fish that might be brought free of duty into this country. By the very logic which the gentleman so persuasively employs I would call attention—as I did not on the floor the other day when I expressly declined to charge certain individuals with responsibility—to a contribution by this family of $21,500 to the Democratic campaign fund. This family has an interest of 500,000 shares in the benefits accruing to this corporation by the monopolistic practice they enjoy under this Newfoundland agreement and Treasury decision. I would say that people who live in glass houses should be very careful that they do not cast stones. I still refrain from charges of any character. I simply follow the example of the gentleman in calling attention to the facts. Before the gentleman denounces the tariff barons of other years he should invite attention not only to tariff concessions but to administrative rulings favoring individuals very intimately associated with the administration of which the gentleman is a part. [Applause.]

THE GOLD RACKET

Let us also keep in mind the gold racket of this administration and look about for the beneficiaries.

Last year Uncle Sam gave Europe over $3,000,000,000 in goods on credits in return for 100,000,000 ounces of perfectly useless gold. No wonder the gold mines of the world are being worked overtime. This may be the last year of the greatest racket yet practiced upon a gullible America. Russia is feverishly producing gold at a cost of $11 an ounce to sell to the United States at $35 an ounce. By the end of this year we shall have given Russia $1,000,000,000 for gold we neither want nor need on which Russia will make a clean profit of over $600,000,000.

Curiously enough the amount we paid Europe for gold last year approximated our budgetary deficit.

Assistant Secretary of State Adolf Berle has already proposed that a little later we shall give this gold back to Europe. Presumably this will be accomplished through an international bank that the United States will be permitted and expected to finance with the $18,000,000,000 in gold we have now accumulated—over 60 percent of all the gold in the world.

This policy is justified as a means of building up our export trade. If this theory is sound why could we not double our export business and further reduce our surpluses and also make a further bookkeeping profit of $18,000,000,000 by doubling the price we pay for gold? This would provide for our Budget for the next 2 years or reduce our national debt nearly to the point at which it started to climb some 7 years ago.

Certainly foreign countries would much prefer to get $70 an ounce for their gold instead of $35 an ounce and would be entirely willing we should value our holdings on any basis that we should choose. Eventually the gold racket will collapse like the Mississippi bubble and the American people will have had one more lesson in the chicanery of international finance. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty Members are present—a quorum.

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Massachusetts [Mr. McCORMACK].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 35 minutes.

Mr. McCORMACK. Mr. Chairman, from the outset of the hearings conducted by the Committee on Ways and Means the minority members, the Republican members, have deliberately made it a political issue. The speeches made on the floor by most of the Republican members, particularly of the Ways and Means Committee, have clearly shown that so far as this bill is concerned, the leadership of the Republican Party in the House is making it a political issue. Utterances have been made which have amazed me. Members have made statements that are not only erroneous but are inconsistent with the true facts. Appeal has been made to emotions and fear. The gentleman from Maine [Mr. BREWSTER], who just left the floor, and I, together with other Members, the gentleman from Maine [Mr. OLIVER], the gentleman from Massachusetts [Mr. BATES], and the gentleman from Massachusetts [Mr. CONNERY], cooperated in a nonpartisan effort to correct the situation of which he has just complained, and he knows that situation arises as a result of provisions of the Hawley-Smoot Act.

He knows that paragraph 1730 of the act of 1930 contains the provisions upon which the Treasury Department made the decision of which he complains. In other words, the gentleman from Maine [Mr. BREWSTER] injects as a political issue into this fight something that, first, has nothing to do with reciprocal-trade agreements; and second, tries to create the impression that the Democratic Party is responsible for something that lies at the doorstep of the Republican Members of the Congress which drafted the Smoot-Hawley bill of 1930.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes; having mentioned the gentleman by name, I will yield.

Mr. BREWSTER. Will the gentleman also make it clear to this body and the country that it took 10 years to discover that any such thing was possible?

Mr. McCORMACK. Let us not confuse the issue. The origin of the Treasury's decision lies in the 1930 act. The gentleman himself, or any other Member, no matter how partisan he is, knows that no department would take any action until the matter was called to its attention by some person, firm, or corporation who was interested. About 2 years ago the General Sea Foods Co. went up to Newfoundland and made some kind of a deal with the Government of Newfoundland, which I do not personally approve. As a result of that deal, the American consul called the matter to the attention of the State Department. He was simply doing his duty. The State Department in turn called it to the attention of the Treasury Department. It was a question, therefore, of the interpretation of paragraph 1730 of the 1930 act. That paragraph could have been there for 100 years more, or any period it was law, without action under it unless some American concern went up to Canada and sought to obtain the advantages of the provisions of paragraph 1730 of the Tariff Act of 1930, which was drafted and passed by a Republican Congress.

I am not going to criticize the Republicans of 1930 because of that particular provision, although they are to blame. We all make mistakes. I do not refer to it in a critical sense, but simply in a historical sense, to see that the RECORD contains the truth. My friend, the gentleman from Maine, and I have worked together on this matter. I talked with him earlier this afternoon. I said, "Let us keep this nonpartisan and let us try and get results; let us work together. Play politics all you want to, but keep it out of this issue." When my friend takes the floor and then tries to blame the Democratic administration, I submit in all fairness without regard to party it is improper and it is not fair, when the truth is that his own party is to blame.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. If the gentleman disputes anything I have said, I will yield; yes. Did I not talk with the gentleman this afternoon?

Mr. BREWSTER. The gentleman did.

Mr. McCORMACK. Did I not talk with the gentleman on this subject?

Mr. BREWSTER. Yes.

Mr. McCORMACK. Did I not ask the gentleman to keep it out of partisan politics?

Mr. BREWSTER. I want to say in justice to the gentleman that he has cooperated to the fullest extent in our attempt to remedy this situation.

Mr. McCORMACK. I will cooperate with anyone to remedy something that I think should be corrected.

Mr. BREWSTER. My remarks were addressed exclusively to the statements of the gentleman from North Carolina, and I expressly stated on the floor of this House that I exculpated Mr. Joseph Davies from responsibility.

Mr. McCORMACK. The gentleman brought it into the debate from the angle of criticism of the Trade Agreements Act when the fact is that this situation is traceable to the 1930 Tariff Act. That is where the legal authority exists for the action taken. Whether it is right or not I do not know. My opinion is that it is not. But that is where the authority is found. A company went up to Newfoundland and entered into negotiations with the Government of Newfoundland, and the result was that the situation was formally called to the attention of the State Department and referred to the Treasury Department. Even if your administration had been in power the same thing would have happened. No action had been taken before that, and there might have been no action taken for a hundred years unless an American company wanted to take advantage of the provisions of paragraph 1730 of the Tariff Act of 1930. There would be no necessity for interpreting it until someone went up there. That is what happened, and the present situation developed. We now come back to the 1930 act. The whole action was the result of provisions contained in paragraph 1730 of that act.

We talk about politics. I do not know what you call that, but I call it unadulterated politics, and it is not politics consistent with the true facts.

I like the gentleman from Maine [Mr. BREWSTER]. What I have said—the truth, as he admits—is purely impersonal. The gentleman from Wisconsin [Mr. KEEFE] made a very powerful argument about some Members on the Democratic side going down and appearing before the Committee on Reciprocity Information, and I can see the reason for his argument. But what is wrong with that? I remember when the 1930 act was up for consideration; Republican Members voted against specific items of the bill; Republican Members tried to have a lower or a higher tariff put on certain items or commodities. That was perfectly all right. They were acting within their rights. Yet when they were defeated in their efforts to amend a specific item they voted for the passage of the bill. They were consistent.

The gentleman from Oregon [Mr. PIERCE] and the gentleman from Texas [Mr. WEST], as well as others named by the gentleman from Wisconsin [Mr. KEEFE], were doing what they had a right to do and what they should do. This does not necessarily mean they are opposed to the program any more than a Republican in 1930 who voted against some particular provision of the Tariff Act, or tried to amend it, and later voted for the passage of the bill, was against that act.

Mr. KEEFE. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. May I suggest to the gentleman that he read these statements in tomorrow's RECORD. He will find that the statements were a great deal broader than the gentleman indicates. Read those statements.

Mr. McCORMACK. The gentleman from New York [Mr. FISH] talked about the dignity of the House. He talked about the 13 hours' debate constituting destruction of representative government or something of that kind. I do not want to criticize him, but let us get the record straight. This procedure in the House has been going on for 150 years, and it is in accordance with proper procedure. There is nothing new in it. The father and grandfather of the distinguished gentleman from New York [Mr. FISH] were great men in their day, but the same procedure was going on then when they were Members of the Congress. I am not criticizing the gentleman, but if he did not want the agreement of 12 hours

debate adopted he could have objected to the unanimous-consent request. Everyone knows you cannot have the same rules in a body consisting of 435 Members that you have in a body consisting of 90 members. I am not saying that the rules should not be made a little more liberal.

I am not saying that the Senate does not abuse unlimited debate. I am not entering into that subject. But it is a good thing that we have the two Houses constructed and set up the way they are. The business of the people must be done. If we had unlimited debate here, we would never get through any business or any legislation, as you all know. The larger a legislative body the more necessary it is that in order to function there must be a limitation on the right of complete individual action among the members of such body. Furthermore, we are operating under the same rules that existed when the Republicans were in control of the House.

Let us look at the political background of this type of legislation. Let us see from where it emanates.

In 1892 in the platform of the Republican Party there was the following plank:

> We point to the success of the Republican policy of reciprocity, under which our export trade has vastly increased and new and enlarged markets have been opened for the products of our farms and workshops. We remind the people of the bitter opposition of the Democratic Party to this practical business measure, and claim that, executed by a Republican administration, our present laws will eventually give us control of the trade of the world.

In 1896 there was this plank:

> We believe the repeal of the reciprocity arrangements negotiated by the last Republican administration was a national calamity, and we demand their renewal and extension on such terms as will equalize our trade with other nations, remove the restrictions which now obstruct the sale of American products in the ports of other countries, and secure enlarged markets for the products of our farms, forests, and factories.

Again, in 1904 the Republican national platform included the following plank:

> We have extended widely our foreign markets, and we believe in the adoption of all practicable methods for their further extension, including commercial reciprocity wherever reciprocal arrangements can be effected consistent with the principles of protection and without injury to American agriculture, American labor, or any American industry.

In this statement of the Republican Party, we concur. We also favor reciprocal arrangements without injury to American agriculture, American labor, or any American industry. And, through trade agreements we are now carrying out that very program which the Republican leadership in the House now attempts to defeat for purely political reasons.

The legislative history also shows that President McKinley recommended and received the power to make certain bilateral agreements with senatorial approval. We find that 11 were made and submitted to the Senate, but not one was confirmed. The twelfth agreement, requiring senatorial confirmation, was not even submitted to the Senate because the President and the Secretary of State knew it would be useless—that it would not be confirmed. We know of the message of President McKinley, which is carried, verbatim, in the minority report of the Republican Members. As a result of the legislation then enacted, which required senatorial approval of certain bilateral agreements, although 11 were submitted, none were approved by the Senate. Shortly before the unfortunate and regrettable assassination of President McKinley, in a speech at Buffalo, he stated his views, which, as I interpret them, were different from those contained in his inaugural message.

He had had the sad and disappointing experience of 12 agreements entered into, none consummated; 11 submitted to the Senate, but with no senatorial action. He saw his noble, constructive, and progressive efforts defeated by the log-rolling of the high protectionists of those days.

He stated shortly before his unfortunate assassination:

> We have a vast and intricate business, built up through years of toil and struggle, in which every part of the country has its stake, which will not permit either neglect, or of undue selfishness. No narrow, sordid policy will subserve it. The greatest skill and wisdom on the part of the manufacturers and producers will be required to hold and increase it. Our industrial enterprises which have grown to such great proportions affect the homes and occupations of the people and the welfare of the country. Our capacity to produce has developed so enormously, and our products have so multiplied that the problem of more markets requires urgent and immediate attention. Only a broad and enlightened policy will keep what we have. No other policy will get more. In these times of marvelous business energy and gain we ought to be looking into the future, strengthening the weak places in our industrial and commercial systems, that we may be ready for any storm or strain.
>
> By sensible trade arrangements, which will not interrupt our home production, we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible, it would not be best for us or for those with whom we deal. We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our wonderful industrial development under the domestic policy now firmly established. What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can, and buy wherever the buying will enlarge our sales and production, thereby making a greater demand for home labor.
>
> The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

The experience of President McKinley shows that reciprocal-trade agreements cannot be successfully consummated if senatorial or congressional approval is required. This is legislation confined to an emergency. We are not considering permanent legislation. It would be unwise and detrimental to the best interests of our country, having in mind the experiences of President McKinley, to provide for senatorial or congressional approval while the present world emergency exists.

The circumstances which confronted McKinley were identical with those which confront us today. Our farms, our industry, our workers can only be served now by adopting the same reciprocity policy which he recommended then. That was the policy recommended in 1934 by President Roosevelt, and which we seek to extend now.

Again we find President Taft writing a confidential letter to former President Roosevelt under date of January 10, 1911, in which he said:

[Confidential]

THE WHITE HOUSE,
Washington, January 10, 1911.

MY DEAR THEODORE: Just at present I am in the midst of reciprocity matters and it would gratify me a great deal to talk over with you this issue. I have, as you have known, always been a low-tariff and downward-revision man, and the reason why I favored the last tariff bill and praised it as the best one we had ever had was: That the consideration of it on its passage and the efforts of those who defended it afterward to show that it was a downward revision were all a concession by the Republican Party that downward revision was necessary, and that the rule upheld by Shaw and Cannon and other stand-patters of the orthodox type that no tariff could be too high, because what you needed was a Chinese wall, had been departed from. Now, the probability is that we shall reach an agreement with out Canadian friends by which all natural products—cereals, lumber, dairy products, fruits, meats, and cattle—shall enter both countries, free, and that we shall get a revision—not as heavy a one as I would like but a substantial one, and equivalent certainly to the French reciprocity treaty and probably more—on manufactures.

The truth is that the minute we adopt in convention the proposal that our tariff should be measured by the difference in the cost of production we necessarily adopt a rule which would lead us straight to reciprocity in natural products with Canada, because the conditions of the two countries are so similar that there is substantially no difference in the cost of production. Possibly labor is slightly lower in some parts of Canada than in the United States, but it is also higher in some parts, and the adoption of free trade would rapidly increase the cost of labor in those parts where it is cheaper in Canada, so that the conditions would be the same.

It might at first have a tendency to reduce the cost of food products somewhat; it would certainly make the reservoir much greater and prevent fluctuations. Meantime the amount of Canadian products we would take would produce a current of business between western Canada and the United States that would make Canada only an adjunct of the United States. It would transfer all their important business to Chicago and New York, with their bank credits and everything else, and it would increase greatly the demand

of Canada for our manufactures. I see this is an argument against reciprocity made in Canada, and I think it is a good one.

The proposition is to make an arrangement by which we shall present to both Houses of Congress an identical bill and pass it as an agreement for joint legislation. In this way we would avoid the necessity for two-thirds in the Senate and would secure at once the consent of the House, which in tariff matters is generally regarded as necessary, at any rate. This will cause a great commotion, I presume. It will be unpopular in New York because of certain lumber-manufacturing interests and the dairy interests. It will be unpopular in Minnesota because of wheat; but, on the other hand, free lumber will be popular in some places, and as it includes free paper and free wood pulp we may count on the fairly good support of the press.

This letter, of course, I must ask you to regard as confidential, though I would be glad to have you discuss with your colleagues on the outlook for such a proposition and should be glad to hear from you as to your judgment of it.

I think it may break the Republican Party for a while. As Elihu Root said when I talked with him yesterday, it may be an entering wedge against protection, although it is not inconsistent with the principle of protection as we laid it down in Chicago. Of course, it will be said against it that we are taking agriculture and making it suffer first because we tackle wool and cotton. The bill is not likely to pass the present Congress, and before the new Congress comes together I think I shall be able to make some recommendations as to the wool and cotton schedules and present a problem to the Democrats which they are not likely to find an easy one. At least it will show the hypocrisy of some people. Of course, this is not ground whatever for introducing and pressing such a measure. I believe it to be right, and if it leads, on the other hand, to a reduction in wool and cotton manufactures to the lowest figures and to what is a real measure of the difference in the cost of production, so much the better.

I shall be glad to hear from you as soon as you conveniently can write on this subject, because the matter is just at hand, and it is quite likely that within 10 days we shall reach an agreement.

Sincerely,

WILLIAM H. TAFT.

President Taft received a reply from that great American who in life was condemned by the reactionaries of his day who could not control him, but after death was a political saint, as he should be, the late President Theodore Roosevelt. The answer was dated January 12, 1911, and read as follows:

OFFICE OF THEODORE ROOSEVELT,
THE OUTLOOK, 284 FOURTH AVENUE,
New York, January 12, 1911.

DEAR MR. PRESIDENT: I at once took in your letter and went over it with the Outlook editors.

It seems to me that what you propose to do with Canada is admirable from every standpoint. I firmly believe in free trade with Canada for both economic and political reasons. As you say, labor cost is substantially the same in the two countries, so that you are amply justified by the platform. Whether Canada will accept such reciprocity I do not know, but it is greatly to your credit to make the effort. It may damage the Republican Party for a while, but it will surely benefit the party in the end, especially if you tackle wool, cotton, etc., as you propose.

Ever yours,

THEODORE ROOSEVELT.

It is rather a marked coincidence, to say the least, that the very interests which both of those great Americans knew would oppose President Taft's reciprocity program with Canada are the same opponents which aline themselves against the legislation we are debating today.

Yet we Democrats do not go as far as Presidents Taft and Roosevelt did in recommending free trade with Canada. This legislation does not produce that result—free trade. It only removes unnecessary and restrictive trade barriers. It goes in the direction of the leadership of the Republican Party, as stated by Presidents McKinley, Taft, and Roosevelt, in trying to remove unreasonable trade barriers in their days. In trying to reduce prohibitive tariffs that are destructive of our general welfare, and which are costing the consumers of America hundreds and hundreds of millions of dollars each year, we Democrats are carrying out in this emergency the farsighted and wise program of the Republican Presidents I have mentioned.

In the House the Republican leadership—and I say not all the Republican Members, but the Republican leadership—is making this a political fight. I challenge the Republican Party to put in its platform in its next convention a plank stating they stand for the repeal of the emergency reciprocal trade agreements legislation which we are now undertaking to extend.

The Republican leadership here is opposing it, but the leadership throughout the country, the leadership of the Republican Party throughout the country, are practically unanimous in the support of this program and the beneficent results that have flowed therefrom. If there should be any support of this legislation in this body, it certainly should come from the Republican side of this Chamber.

Now, let us go a step further. Tariff? Oh, I remember not so long ago when the favorite appeal of the high protectionists, those who wanted this "Chinese wall," to which former President Taft so well referred, when they appeared before the committee was that, "We have to have this to preserve the American standard of living." That was in the days when labor was unorganized.

The same men who hurled labor to the front, the workingmen, would not dare say, "We want high tariffs, unnecessary tariffs, for our profits," so they said, "We want it to preserve the American standard of living." Yes; labor was unorganized, and those same high protectionists fought the right of labor to organize. The same men who fought for the high prohibitive tariffs, using American labor as the front through which they covered up what they were really doing with the public, were at the same time trying to prevent labor from organizing so it could get some of the rights to which it was properly entitled. But now labor is organized; collective bargaining is recognized by law; and they cannot "pull the wool" over labor any more. Labor has its own fact-finding bodies. Labor hires its own trained personnel. Labor is not responding to the appeal that was made before, when labor was deliberately exploited not for protection but for unreasonable profits and for the purpose of obtaining monopoly, all at the expense of the consumers, of whom labor and the farmer are the main elements.

The day of exploiting labor is over, in the main, but now the farmer is the one they are substituting. They say now they are trying to protect the farmer. Labor has caught up with them. The farmer has not, so they think; I wonder if the farmer is going to be fooled and deceived for three or four decades by the high protectionists the same as labor was in its unorganized status—used and exploited by the same groups, the high protectionists of the past.

I wonder if they think they can fool the farmer. I wonder if the farmer is going to permit himself to be fooled or deceived by this appeal, where they are stuck out in front and the legislator responds to the appeal of helping the farmer when, as a matter of fact, the farmer is the cover-up for their real objective, the obtaining of high duties and high tariffs for the purpose of milking the American consumers, of whom the farmer and his family are a very powerful and important element.

I wonder if the farmer will remember when President Hoover sent his message to Congress in 1928 or 1929 calling for a limited revision of the tariff for the purpose of aiding agriculture, and not aiding anyone else. He kept his campaign pledge. I respect President Hoover, and I admire him. I admire all Presidents, but I respect him personally, in addition to the admiration I have for any man who has been or is or will be President of the United States. He kept his promise, but the Republicans in Congress then did not keep the promise they made. The high-tariff interests, those who wanted to exploit the consumer, came down, and out of that recommendation of a limited revision for the purpose of aiding agriculture came the iniquitous Smoot-Hawley Tariff Act which practically everyone condemned and which President Hoover himself signed only after great hesitancy. His message given to the public at the time of signing clearly showed that he expected the abuses to be corrected by the use of the flexible provisions of the Tariff Act. Under the present Reciprocal Trade Agreements Act, the Democrats have and will continue to correct the abuses of that iniquitous piece of legislation.

I wonder if the farmers are going to forget that the promises made to them in 1928 were not kept by the Republican Members of Congress who were then in control. Instead, the Republicans gave to the farmers and to the people of the

country the iniquitous Smoot-Hawley tariff bill, which everyone knows was written by Joe Grundy, representing the powerful vested interests of the country, particularly those located in and emanating from the State of Pennsylvania.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am sorry; I only have a few minutes. I know the gentleman will not misunderstand my not yielding to him. It is nothing personal.

Now, let me give another reference of the insincerity of the opposition. On page 23 of the minority report will be found these words:

The attitude of labor in general toward the trade-treaty program was fully brought out during the hearings in the statement of Mr. Matthew Woll, vice president of the American Federation of Labor and president of the American Wage Earners Protective Conference.

Matthew Woll did not appear as vice president of the American Federation of Labor. Matthew Woll specifically testified he was not appearing in his capacity as a member of labor, or as an official of the American Federation of Labor, but he was specifically appearing as the representative of the American Wage Earners Protective Conference, and yet the innuendo, if not the direct statement, is contained in the minority report which conveys only one thought and one impression, that Matthew Woll, the vice president of the American Federation of Labor, was putting the American Federation of Labor on record against the pending bill.

Now, what do the Republicans offer?

We believe Congress should immediately authorize an investigation of the whole question with a view to working out a combined tariff and reciprocity policy—

Why, they agree in their minority report to a reciprocity policy. That is why they recommend an investigation with a view to a combined tariff and reciprocity policy—

(a) that protects our vital interests; (b) one that is truly flexible—

Is the present law not flexible, and truly so?—

(c) one that is geared to deal with foreign trade upon a realistic basis along constitutional lines. Consideration should be given to the creation of some independent agency to deal with both matters.

Some independent agency. Is not that what we have now? What would they do? What is an illustration of what they probably have in mind? Here is a bill, S. 3238, introduced by a distinguished Member of the other body, a man whom I respect, and a potential candidate of the Republican Party for President, Senator VANDENBERG, entitled, "A bill to abolish the United States Tariff Commission, to create a Foreign Trade Board, and for other purposes."

This is what they offer. This carries out the general suggestions of the minority, even though in their report they use the old idea that when you are going to propagandize, never particularize, never propose anything specific, because you are open to criticism. If you are going to be a propagandist, just say general things, because then anyone can place his own interpretation on what you say.

But here we have a bill introduced which pretty nearly fits in with the recommendations of the minority except along the lines of congressional approval. This is the most far-reaching bill ever introduced in any Congress of the United States.

It is a bill which delegates extraordinary power. It gives this board the power to destroy business. It gives this board complete control of all foreign commercial matters, all foreign activities relating to commerce, and if a board has complete power to control our foreign commercial activities and business transactions, of necessity it must have the power to control domestic transactions. This is what Germany did. Germany started on this journey and then realized they could not control their foreign exchange or control their foreign business without also controlling their domestic business.

There is only one way this bill could be carried out if it became law and that would be to have the United States become a dictatorship; not to continue under democratic and constitutional processes of government. I recommend to all Members the reading of this bill. This bill is the same, insofar as its general purposes are concerned, as the Trade Agreements Act and the foreign trade board which it creates will perform exactly the same functions as those now carried on by Interdepartmental Trade Agreements Committee and the Executive Committee on Commercial Policy.

This bill would not give to this country any benefits which it does not now enjoy under the Reciprocal Trade Agreements Act but it does so extend the powers which have been granted under section 350 of the Tariff Act of 1930 as to make the foreign trade board an all-powerful agency which could regulate every phase of our economic life under the guise of promoting our foreign trade.

Section 4 establishes a board similar to the Tariff Commission which the bill destroys and merely makes the board a substitute for the Interdepartmental Trade Agreements Committee established under Executive order to carry out the workings of the trade-agreements program. The provisions of this section pertaining to the publication of statistical and other trade information simply call for the continuance of the policy which is now in effect, of publishing data pertaining to items included in trade agreements. To the extent that other trade data might be published, the Department of Commerce, the Department of Agriculture, the Tariff Commission, and other Government agencies now make such information available. And, we should not overlook the fact that this section also limits this function of making information available by the proviso:

That any such information, statistics, or data may be made available in confidence, if, in the judgment of the President, it is incompatible with the public interest to have them made public.

Section 5, which deals with the general powers and duties of the board, provides nothing new except that when read in light of sections 11 and 13 it so broadens any existing powers as to give to the board the rights to regulate all of our trade and all of our commerce.

Section 11 gives the board the right to compel—

Every person within the United States engaged in any of the following transactions—

And then it lists several types of foreign-exchange transactions—

to furnish under oath to the board complete information relative thereto, in such form and in such detail as the board may require, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after the transaction is completed.

Now, do not misunderstand me, I would not object to the delegation of such powers if the general powers given to the board were not so sweeping. Whether or not Senator VANDENBERG realizes it, the board, under a broad interpretation of its powers, could control every kind of financial transaction which crosses the borders of this country. And every country which has ever attempted to enforce such a control found that the very nature of the commercial and financial process forced it to control not only transactions directly relating to foreign business but also all transactions of a domestic nature.

And, as if this was not enough, section 13 provides:

After its investigation with respect to any article, the board shall recommend to the President such * * * additional duties and import restrictions with respect to such an article as it deems necessary to prevent the importation of such an article—

Under conditions set forth in the bill. But where is the limitation on this delegation? Where is the 50-percent limitation which the Democrats saw fit to impose under the Trade Agreements Act? Further down in section 13 we find:

The President shall, by proclamation, approve and make effective the modifications * * * recommended by the board.

Where is the requirement for congressional or senatorial approval? We do not find it in section 13 or any other section of the bill. Can this mean that the Republican opposition is not sincere in its request for such congressional action and

uses this argument against the Trade Agreements Act only because it cannot find any solid basis for opposing this wise and sound emergency legislation?

This bill confers all of the powers now contained under this law, under the laws that we have passed, but it confers also additional power. It gives unlimited power that no act of Congress has ever granted to any President or agency of the Federal Government. In their desire to offer something as a substitute for what the present law contains, being passed by a Democratic administration, a bill is offered by the Republicans that is a hundred times more far reaching in its delegation of power than the law under which we are operating which the pending bill undertakes to extend.

A few days ago in an article by Walter Lippmann there was given an interpretation of the proposed bill, and it called to the attention of the country the dangerous provisions of the bill if it ever should become enacted into law. Numerous papers in their editorials have called attention to this dangerous and extensive delegation of power. And yet that is the bill of a potential candidate for the Presidency of the United States, offered as a substitute for the present law. If this bill ever became a law it would require a dictatorship, a dictatorial form of government in order to enforce its provisions. Mr. Chairman, the Republican leadership and the people of the country are behind this trade-agreements bill. I refer to the "Republicans of the country." The national leadership of the party, in the main, are behind the bill. The leadership in the House here are opposed to it, because they are opposed to anything that the Democrats may propose. Is that the duty and function of a minority party? No.

A prominent Republican from Massachusetts was in my office yesterday. He said to me:

> Congressman McCORMACK, you would be surprised at the number of Republicans who lack confidence in the leadership of the Republican Party in Congress on foreign affairs. The people of the country and particularly the Republicans are practically unanimously behind the President on his foreign-affairs policy, under present world conditions.

That gentleman is a strong Republican. He told me the Republicans of the country have a "lack of confidence." Not the Republicans in the House but the Republicans in the country, in the leadership in Congress of the Republican Party, in their blind opposition to the foreign policy of the present Democratic administration.

The minority Members made this a political issue. The leadership of the Republicans in the House have made it a political question. We on the Democratic side accept the challenge. There is nothing that we need fear. [Applause on the Democratic side.] In 1936 Governor Landon made a speech condemning this legislation and the bottom dropped out of what campaign strength he had up to that time. You all remember that "babassu nut" speech. That is one speech that he regretted making.

The people of the country are behind this bill. The Republican leadership for partisan purposes might possibly expect to have some Democrats join with them. I hope they will not. I hope the Democrats will do as I did 2 years ago when I said that if the amendment that I offered to strike the "third basket" out of the tax bill was defeated, I would nevertheless vote for the bill.

Make your fight, if you are interested in a particular amendment, and I particularly refer to my friend from Oklahoma, if he is going to offer his amendment. Make your fight and make your record, but vote for the passage of the bill. It is one of the greatest measures ever proposed for dealing with emergency conditions, and one of which we Democrats might well feel proud. Let us defeat all amendments. I refer to all amendments, and particularly to the one requiring congressional approval and the so-called import excise tax amendment. If this bill is amended to provide for congressional approval, you do not need the power given the President. He can make the agreement under existing law. If that amendment is adopted, you would not need any legislation. The President has that power under the Constitution. Defeat that amendment. Defeat the amendment of the gentleman from Oklahoma on excise taxes.

If you are going to eliminate excise taxes on imports, why should we not eliminate any particular item on which a straight duty is now imposed. If you adopt that, why not an amendment to eliminate the duty on anything else that at present is on the dutiable list. Say, on gloves. These excise taxes are tariff duties and the courts have so ruled. The effect is the same. They apply to imports. Let us defeat all amendments. Let us put the bill through as reported by the committee, as recommended by President Roosevelt, and as so ably supported by one of the greatest Secretaries of State that our Government has ever had, the Honorable Cordell Hull. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Resolved, etc., That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended by the act (Public, No. 316, 73d Cong.) approved June 12, 1934, is hereby extended for a further period of 3 years from June 12, 1940.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. COOPER having resumed the chair as Speaker pro tempore, Mr. WOODRUM of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the resolution, House Joint Resolution 407, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks by including therewith an excerpt from the opinion of Justice Taney in the case of Holmes against Denison, in which he draws a distinction between a treaty and an agreement.

The SPEAKER pro tempore (Mr. COOPER). Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend their remarks on the subject matter of the bill we have had under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. WOODRUFF] may have permission to insert in connection with his remarks that he made today in Committee of the Whole certain official tables and statements, including excerpts from the hearings before the Ways and Means Committee.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. WHITE] may have the privilege of extending his own remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that I may include in the remarks I made in Committee of the Whole certain letters to which I referred, and also statements of certain testimony referred to in the Committee.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a speech by Col. Louis Johnson.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to incorporate certain brief newspaper clippings in my address made in Committee of the Whole House today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

RECIPROCAL-TRADE AGREEMENTS

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a proposed amendment I shall offer to House Joint Resolution 407.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, ladies, and gentlemen of the House, at the proper time I intend to offer to House Joint Resolution 407 an amendment to assist in protecting agriculture and in order that the membership of the House may be thoroughly familiar with it, I have asked that it be printed in the RECORD. I urge at the time it is offered that you give it your support. The amendment is as follows:

Amendment offered by Mr. PETERSON of Florida: Page 1, at the end of the joint resolution, strike out the period and insert a comma and the following wording: "that in the negotiation of any new agreement or agreements under the authority of section 350 of the Tariff Act of 1930 as amended by the act, Public, No. 316, Seventy-third Congress, or under the authority granted by the extension of the act under this joint resolution or in the renewal or extension of any existing agreement under authority of said act or any extension or renewal thereof, the tariff or import duty upon all agricultural or horticultural products shall be maintained at a point which will at least equalize the difference in cost of production thereof in the country or countries dealt with and the United States as determined by the United States Tariff Commission as of the date any such new or extended agreement becomes effective."

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks on the pending bill and include therein a definition of reciprocity and reciprocal from Webster's dictionary, and certain brief excerpts of testimony on the Hawley-Smoot bill and speeches delivered on the floor of the House on that bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MASSINGALE. Mr. Speaker, at the request of my colleague, the gentleman from Oklahoma [Mr. JOHNSON], I ask unanimous consent that his remarks on the pending bill may be extended in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to include in the remarks I made in Committee of the Whole certain excerpts from the hearings before the Ways and Means Committee.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend my remarks on the pending bill and to include therein certain excerpts from statements made by the National Cotton Council of America and other excerpts pertaining to the bill.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein a letter from the East Liverpool, Ohio, Trades and Labor Assembly.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RABAUT. Mr. Speaker I ask unanimous consent to include in my remarks made in Committee of the Whole today some short tables and some extracts.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE LATE FREDERICK MURPHY

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, on February 15 Minnesota and the United States lost a great citizen in the person of Frederick Murphy, editor of the Minneapolis Tribune.

To give the Members an idea of the breadth of vision of Mr. Murphy, I want to read a paragraph from an editorial from the Minneapolis Tribune regarding Mr. Murphy, which is relevant to this discussion we are having here today.

This editorial is as follows:

[From the Minneapolis Times-Tribune]

FREDERICK E. MURPHY

In the life of Minneapolis and the Northwest, which he loved with a fine constancy and served with tireless devotion, Frederick E. Murphy built solidly and well.

He built not alone for the present but for the future. He built for the general welfare, and not alone for any special group or interest. His plans were unselfishly conceived and dedicated to the broad interests of the city and the region in which his life was deeply rooted, and they were executed in the spirit of one who finds, in the challenging problems of the day, an irresistible summons to the public service.

Mr. Murphy answered that summons with a relish and a will. When he became publisher of the Minneapolis Tribune in 1921 he accurately gaged the opportunities for service which were his, and faced with unflinching courage the task of helping to create for the Northwest a new and better order.

How wisely he planned, how ruggedly he built, how patiently he applied himself to vital details—these evidences lie on every hand and remain, on his death, as an enduring memorial. In a sense Mr. Murphy's work was preeminently one of regional statesmanship. He conceived of the Northwest as a great economic and social unit, one predominantly agricultural, and yet a unit whose vast and varied interests demanded a close and farsighted integration. That the well-being of the farmer was fundamental to the well-being of the entire Northwest, that it underlaid the prosperity of industry, and that Minneapolis could only grow and flourish as agriculture received its just due he believed with an unfaltering conviction. Mr. Murphy had observed the tragic consequences of one-crop farming. He had observed the harsh impact on the Northwest of an agricultural economy based on high costs and low returns. He was convinced that the salvation of the Northwest lay in low costs and high returns for the farmer, and toward that end he labored unceasingly.

It was with this goal in view that he initiated the Tribune's far-reaching program to encourage diversified and scientific farming. It was with this in mind that he sought to expand the Northwest's dairy industry on a sound basis, and that he launched his pure-bred sire campaign. It was to this purpose that he established an experimental farm near Breckenridge, that he interested himself in parity prices for the farmer, that he embraced every movement devoted to crop improvement and the betterment of farm methods. This same conviction took him often to Washington, where he was a forthright pleader for the rights and interests of the Northwest's farmers, and where he was deeply respected as an authority on agricultural problems.

The fight which Mr. Murphy led against the Smoot-Hawley tariff bill in 1929 and 1930 was typical, in a way, of the firmness and determination with which he always met a challenge to the farmers' interests. He perceived in that bill a grave menace to northwest agriculture. Believing it to be the source of disastrous inequities which threatened the Nation's whole economy, he made a tremendous and unforgettable fight against it—a fight the repercussions of which were felt from one end of the United States to the other.

This same firmness and determination were evidenced again in Mr. Murphy's labors in London, where he was America's delegate to the World Wheat Conference at the World Economic Conference of 1933. Chosen by President Roosevelt for that high responsibility because of his standing as an agricultural leader, Mr. Murphy brought to that conference, a broad knowledge of the problems confronting it, and an infinite amount of tact and patience. In no small degree it was through his genius for conciliation that its premature adjournment was avoided, and in that council of world statesmen he proved himself to be the strongest single force for understanding, good will, and cooperative action.

But it was not as regional statesman, nor yet as one whose influence extended far in world affairs, that Mr. Murphy will be best remembered by those who knew him as friend, associate, and counselor. To them his death will mean the passing of a man of infinite kindliness, of warm sympathies, of a gentle and sensitive nature. Mr. Murphy's ideals were built of granite, and his purposes were made of steel, but neither steel nor granite suggests the tenderness which was an inseparable part of him—the compassion for others which marked the fullness of his life. Mr. Murphy won loyalty because he gave it in brimming measure. He won devotion because he was always the devoted friend, considerate in all things, and unselfish in all circumstances.

Perhaps no one sensed less than he the veneration in which those who knew him intimately held him, for his was a modesty which verged on shyness, and self-effacement was as natural to him as the impulse for self-sacrificing service. For the Tribune and Times-Tribune family, Mr. Murphy's death leaves a great void. The relationship was not coldly impersonal and institutionalized; it was a warm and living thing, and at the heart of it was the loyalty and affection which he gave to his employees, and which they returned spontaneously, as to an understanding and devoted father.

Mr. Murphy was ever patient. He took pride in the Tribune organization, and watched over it with a deep personal concern that reached down to the smallest details. That organization will miss him sorely, as will Minneapolis and the great Northwest region whose destinies he helped to guide and fashion. But the life he lived so richly, the leadership he gave so freely, the example of a public-spirited citizen who built so wisely and well for his community, will remain for all of us an inspiration which death can never dim.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting this editorial.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SOUTHERN LIZARDS

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PATRICK. Mr. Speaker, it has been called to my attention that on page 344 of the World Almanac, Alabama is referred to as the Lizard State. Because of the attention the World Almanac commands in the life of America, I feel that something ought to be done about this.

Alabama is called the Cotton State and may be called by other names in other parts of the country, but so far as I am able to ascertain—and I was born and raised there—we do not have any more lizards, and they do not crawl any more lowly or any more peculiarly, and we take no greater pride in them than they do in some of the adjoining States. Now, I understand that in Texas, for instance, and in Arizona, they have lizards they take pride in, and Alabama certainly would not want to take away from either of those States anything of this sort they may lay claim to. I just thought I would take advantage of this opportunity to make these few remarks as a Representative from Alabama hoping they will in some way reach the publishers of the World Almanac, and that Alabama will no further be acclaimed as being the Lizard State. [Laughter.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BRADLEY of Michigan asked and was given permission to extend his own remarks in the RECORD.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole this afternoon by including excerpts from letters.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech made by my distinguished colleague the gentleman from Pennsylvania [Mr. BOLAND] on the subject of reciprocal-trade agreements.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein several brief resolutions adopted by farm organizations.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by President D. Ormonde Walker, of the Wilberforce University on the subject, Third-Term Myths.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to include at the end of the remarks I made in the Committee of the Whole this afternoon a list of the officers and directors of the American Manufacturers' Export Association, and also a list of imports during the year 1938.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

HOUR OF MEETING ON FRIDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet at 11 a. m. on Friday.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under the special order of the House heretofore entered the gentleman from Wisconsin [Mr. MURRAY] is recognized for 15 minutes.

THE RECIPROCAL-TRADE TREATIES AND THE DAIRY FARMER

Mr. MURRAY. Mr. Speaker, in opening this discussion today, I wish to state that reciprocal-trade treaties can mean the McKinley kind, whereby we exchange our domestic surpluses for necessary products not produced in our country, and the kind, like the present reciprocal-trade treaties, where we lower tariffs, even on competitive products which are produced in abundance in our own country. The question of the tariff appears to be just a matter of "whose ox is being gored."

I have contended, since their inception, that the New Deal trade treaties were injurious to American agriculture. In the Seventh Wisconsin District, which I have the honor to represent, we have 493,000 head of dairy cattle and 1 out of every hundred dairy cows in the United States. The Seventh District produces over 63,000,000 pounds of cheddar cheese annually or over one-tenth of the national production of cheddar cheese. The district also produces over 20,000,000 pounds of butter annually.

With this volume of milk and with the hundreds of capable cheese and butter makers employed in this industry, it is fitting that the dairy interests of the district be carefully guarded. As livestock and livestock products represent 90 percent of the farm income, livestock and dairy prices are the lifeblood of the district. In the United States over 58 percent of the national farm income of seven and one-half billion dollars is from livestock and livestock products.

TWO STATEMENTS

Mr. Speaker, I propose to prove today, beyond question, first, that the New Deal trade treaties have been injurious to the dairymen of this country, and second, that the New Deal trade treaties have been detrimental to the general agriculture of the Nation. [Applause.]

WHAT HAS HAPPENED TO THE CHEESE INDUSTRY

First. When each of the two Canadian trade treaties were put into effect there was a very marked reduction in the price of cheese. This was accompanied by a very marked increase in imports.

Cheese was 17 cents per pound on January 1, 1936, when the first Canadian treaty went into effect. This treaty reduced the tariff 2 cents per pound and the price of cheese immediately dropped to 15 cents per pound or an amount equal to the 2 cents reduction in the tariff. The price kept going down due to tariff reduction and seasonal influence until it reached 12.5 cents per pound, right in the face of declining storage stocks. There were 99,000,000 pounds in storage on January 1, 1936, and only 85,000,000 pounds in storage on July 1, 1936. The drought in 1936 caused prices to advance in midsummer; prices rose from 12.5 cents low and the imports increased from 116,122 pounds in July, August, and September 1935 to 5,428,939 pounds in the same 3 months of 1936, and there was an increase of 4,675 percent in imports or 46 times as much. This importation was followed by a marked price decline.

There were 768,932 pounds of cheddar cheese imported in 1935. The price of cheese had been gradually rising each year up until December 1935 when it was 17 cents per pound. Then along came the New Deal reciprocal-trade treaty and we find in 1936 that instead of anything like the 768,932 pounds import of 1935 we had an import of 10,844,681 pounds of cheddar cheese or an increase of 1,410 percent in the imports and a marked reduction in price.

In 1938, when the average price of cheese was only 12.6 cents per pound for the year and much below parity, the second treaty was made with Canada and the tariff was reduced another cent per pound. While the price was 12.8 cents per pound in December 1938 it immediately dropped to 11.8 cents per pound in January 1939, or 1 cent, the exact amount of the reduction in the tariff.

IMPORTATIONS IN 1938 AND 1939

Now, let us look at the importations for the 2 years of 1938 and 1939. Due to low prices, there were only 1,815,333 pounds of cheddar cheese imported in 1938, while in 1939, after the reduction in the tariff of an additional 1 cent per pound, there was an immedate rise in imports which totaled 6,351,785 pounds in 1939, or an increase of 349 percent in imports. In August 1939, due to the drought in the milk-producing area of the United States, prices advanced in dairy products, and in October alone we imported 3,259,467 pounds, or over one-half the imports for the whole year during this 1 month. The result was that cheese prices never did reach the 1935 peak, which existed before the days of the treaties. This importation of three and one-fourth million pounds in the one month of October 1939 is nearly twice the total imports of 1938—1,815,333 pounds. This was the largest amount imported in any one month for many years. This importation of three and one-fourth million pounds in 1 month may not mean much to officeholders with assured salaries, nor would-be professors who have read a book or two on economics and thus qualified for expert opinions, but it truly has a meaning to the thousands of dairy farmers who have been fighting to keep their farms with a 7-year New Deal average of 13.2 cents per pound for cheese and 26 cents for butter.

Year	Imports of cheddar cheese	Tariff	Percent increase in imports due to tariff reduction
	Pounds		
1935	[1] 768,932	7 cents per pound	1,410
1936	[1] 10,844,681	5 cents per pound	
1938	[1] 1,815,333	do	349
1939	[1] 6,351,785	4 cents per pound	

[1] Source: U. S. Tariff Commission.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. The gentleman maintains that these excessive imports under the New Deal American sell-out agreements, which they have disguised as reciprocal-trade agreements, are responsible for the present deplorable condition of the dairy farmer?

Mr. MURRAY. I firmly believe they are a contributing cause. The price of cheese during the last 7 years has been 13.2 cents.

Mr. SCHAFER of Wisconsin. In order to confirm the gentleman's statement, let us take a New Deal authority. The gentleman remembers that a New Deal leader, a member of the Ways and Means Committee, which reported this bill, the distinguished gentleman from the Seventh Congressional District of Virginia, Mr. ROBERTSON, appeared before the Committee for Reciprocity Information on October 17, 1939, in favor of maintaining a 10-cent-per-pound tariff on imported turkeys which was put into effect under the Smoot-Hawley Tariff Act. This distinguished New Deal leader made one of the finest high protective tariff speeches which was ever made in or out of the Halls of Congress. He claimed that the importation of 100,000 turkeys from foreign countries would depress and wreck our whole American turkey market, although our American annual production was 32,000,000 turkeys. This New Deal leader's own position applied to dairy products positively proves that the imports of dairy products, which the gentleman from Wisconsin has mentioned, has depressed and wrecked our whole American dairy market.

Mr. MURRAY. I think that is true. The above facts are sufficient evidence to prove to any fair-minded man in this world that these New Deal trade treaties have cost the dairy farmers of America untold millions of dollars.

Just as soon as dairy prices get anywhere near the cost of production, the imports start pouring in to such an extent that the farmer does not have a possible chance of getting parity price or the cost of production.

COMPARISONS OF CHEESE PRICES

Cheddar-cheese prices, during the last 4 pre-New Deal years when economic conditions in the world were at their lowest point, averaged higher—14.7 cents per pound—than have the prices of cheese the 4 years of the reciprocal-trade treaties—14.1 cents per pound (source: U. S. Tariff Commission). In addition, things the farmer buys have materially advanced in price.

The average price of cheese for the 7 pre-New Deal years was 17.5 cents per pound, and the average price for the 7 New Deal years was 13.2 cents per pound. Each cheese farmer can compute his personal loss by adding 30 percent onto the milk checks which he has received during the past 7 years.

No living individual, regardless of the position he holds in the Department of Agriculture, can, in face of the above facts, prove that the reciprocal-trade treaties have done anything but harm to the dairy farmers of this Nation. It is well to note that there was not one farm organization which endorsed these trade treaties without a "stinger" on the end of the endorsement. They were for the treaty unless the tariff was reduced on a product which was below parity, or they were for the treaty as long as it did not affect the products raised by their members. The tariff was even reduced so that $90,000,000 worth of competitive farm products were imported at the same time $30,000,000 was taken from the taxpayers of this country to purchase the same surplus commodities.

ADDITIONAL FACTS

According to Bulletin 200, United States Department of Agriculture and Wisconsin State Department of Agriculture, page 41, the United States farm price for butter for the 7 pre-New Deal years was 36 cents per pound. The average price of butter the last 4 pre-New Deal years was 32 cents per pound. The average price for butter for the 7 New Deal years was 26 cents per pound, or 23 percent less than the last 4 pre-New Deal years and 38 percent less than the 7 pre-New Deal years. In 1939, after 6 years of the New

Deal, butter averaged only 25.8 cents per pound. There were 6,954,000 pounds of butter exported the past 7 years, and 45,524,000 pounds of butter imported during the same period. This shows six and a half times more imports than exports.

From the above-entitled bulletin, page 33, I find that the average price for milk received by farmers in the United States averaged $2.12 per hundredweight the last 6 pre-New Deal years and only $1.68 per hundredweight the first 6 New Deal years, or 26 percent less per hundredweight.

The 42 percent reduction in the tariff on cheese—from 7 cents down to 4 cents—not only had an injurious effect on the price of cheese but was also indirectly detrimental to the prices of butter. Many milk prices have been based on the combined price of cheese and butter. This reduction of 3 cents in the tariff on cheese is equal to a 6 cent per pound reduction of the tariff on butter. Any reduction of the tariff on butter would meet a national objection as it has a national production. It would take political courage to reduce the tariff on butter as it would be certain to have universal opposition. Cheese is produced in comparatively small areas and about half of the national production is in Wisconsin.

PROOF THAT THE NEW DEAL TRADE TREATIES HAVE BEEN DETRIMENTAL TO GENERAL AGRICULTURE

The following tables show the imports and exports since March 1, 1933, to December 1, 1939.

TABLE I.—*Total value of United States foreign trade*

Year	Exports including reexports	General imports
1933	[1] $1,457,000,000	[1] $1,270,188,000
1934	2,133,000,000	1,655,000,000
1935	2,283,000,000	2,047,000,000
1936	2,456,000,000	2,423,000,000
1937	3,349,000,000	3,084,000,000
1938	3,049,000,000	1,961,000,000
1939	[2] 2,810,000,000	[2] 2,071,000,000
Total	17,537,000,000	14,511,188,000

[1] All imports and exports for January and February 1933 subtracted from total figures for 1933. January and February 1933 imports and exports obtained from State Department.
[2] For first 11 months of 1939.
Source: State Department, Jan. 16 and 29, 1940.

By studying the above figures, first we find in table No. I a favorable trade balance of all foreign business of 20 percent ($17,537,000,000—$14,511,188,000=$3,025,812,000). By favorable trade balance, I mean we exported 20 percent more dollars worth of products than we imported.

TABLE II.—*Total value of United States foreign trade in agricultural products*

Year	Exports	Imports	
		Not produced at all in the United States	Supplementary agricultural imports
1933	[1] $604,325,000	[1] $316,496,000	[1] $316,341,000
1934	733,000,000	408,000,000	413,000,000
1935	747,000,000	483,000,000	589,000,000
1936	709,000,000	547,000,000	695,000,000
1937	797,000,000	711,000,000	868,000,000
1938	828,000,000	479,000,000	477,000,000
1939	[2] 578,000,000	[2] 522,000,000	[2] 476,000,000
Total	4,996,325,000	3,466,496,000	3,834,341,000

[1] All imports and exports for January and February 1933 subtracted from total figures for 1933. January and February 1933 imports and exports obtained from State Department.
[2] For first 11 months of 1939.
Source: State Department, Jan. 16 and 29, 1940.

Second. We find in table II that we have an unfavorable agricultural trade balance of 46 percent for the first 7 New Deal years ($3,834,341,000+$3,466,496,000=$7,300,837,000) ($7,300,837,000—$4,996,325,000=$2,304,512,000), 46 percent.

TABLE III

Year	All exports	All imports
1936	$2,456,000,000	$2,423,000,000
1937	3,349,000,000	3,084,000,000
1938	3,049,000,000	1,961,000,000
1939	2,810,000,000	2,071,000,000
Total	11,664,000,000	9,549,000,000

Third. Now, let us look and see what has happened the last 4 years with the reciprocal-trade treaties in effect. From chart No. III for the 4 reciprocal-trade-treaty years we find a favorable trade balance of $2,115,000,000, or 22 percent in our total world trade.

TABLE IV.—*Agriculture in treaty years*

Year	Agricultural exports	Imports	
		Not produced in United States	Supplementary agricultural products
1936	$709,000,000	$547,000,000	$695,000,000
1937	797,000,000	711,000,000	868,000,000
1938	828,000,000	479,000,000	477,000,000
1939	578,000,000	522,000,000	476,000,000
Total	2,912,000,000	2,259,000,000	2,516,000,000

$2,259,000,000+$2,516,000,000=$4,775,000,000.
$4,775,000,000—$2,912,000,000=$1,863,000,000, or 63 percent.

The imports of competing crops nearly equal our total agricultural exports.

Fourth. The foregoing figures in table IV show that we had agricultural imports of $4,775,000,000 and agricultural exports of only $2,912,000,000, or an unfavorable agricultural trade balance of $1,863,000,000, or 63 percent.

TABLE V.—*For years of 1936, 1937, 1938, and 1939*

Total exports	$11,664,000,000
Total agricultural exports	2,912,000,000
Total nonagricultural exports	8,752,000,000
Total imports	9,549,000,000
Total agricultural imports	4,775,000,000
Total nonagricultural imports	4,774,000,000

Fifth. Let us look at table V. When we deduct the agricultural exports and imports from the total exports and imports, we find that we have a total of $8,752,000,000 in nonagricultural exports and $4,774,000,000 in nonagricultural imports. This gives a favorable trade balance of $3,978,000,000 in our foreign business with agricultural products eliminated from the computations as shown in table V.

I would like to ask my colleague the gentleman from Illinois [Mr. KELLER] to say what would happen to the present administration if it reduced the tariff on butter 6 cents per pound. I doubt if the present administration has the political courage to take the tariff off of butter.

I yield to the gentleman from Illinois.

Mr. KELLER. Will the gentleman give me the price of cheese and butter immediately following the enactment of the Smoot-Hawley tariff up to the administration of Franklin D. Roosevelt, not for the 7 years prior?

Mr. MURRAY. I can give the gentleman these figures.

Mr. KELLER. I want all of them.

Mr. MURRAY. I cannot remember the exact figures, but I can furnish the gentleman with them.

Mr. KELLER. I mean 1930, following the Smoot-Hawley Act.

Mr. MURRAY. The gentleman is getting into political matters. I may say that in 1930 the Democrats took over the House of Representatives and butter was 36 cents a pound. It has never been 30 cents a pound any year since. There is a question whether it was the Smoot-Hawley bill or

the Democratic control of the House of Representatives that caused it.

Mr. KELLER. I would like to know about that.

Mr. MURRAY. I have the book here. It is Bulletin No. 200, U. S. D. A. and W. D. A. I will be glad to show the gentleman this book. The 1932–33 price of butter was 24 cents and the 1933–34 price was 21.45 cents, and 1939 price estimate is 25 cents per pound.

Mr. KELLER. Put it in the RECORD.

Mr. SCHAFER of Wisconsin. In order to keep the record straight, the Democrats have vitriolically denounced the Smoot-Hawley tariff bill. At the 1930 elections, the Democrats or new dealers obtained control of the House and elected Mr. GARNER Speaker. The Republicans obtained a paper majority of one in the Senate, but the New Deal had a working majority. Under the Constitution, tariff legislation must originate in the House of Representatives. In the Congress elected in 1930 they did not even bring out of the committee a bill or a resolution, a line or a syllable, to reduce one rate of the Hawley-Smoot bill—not even to reduce the tariff rates on aluminum pants buttons one-half of 1 percent—although they demagoged and denounced the Hawley-Smoot tariff bill and included in their denunciation a bitter attack on alleged tariff protection extended to Andy Mellon and the Aluminum Trust.

Mr. MURRAY. I thank the gentleman for the information. It seems all individuals like to have protection of the Smoot-Hawley tariff for their own districts but like to reduce the tariff on products from other sections, like the 42-percent reduction of the tariff on cheese.

[Here the gavel fell.]

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin be permitted to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MURRAY. I just want to leave one more message here. Not any number of these sidewalk farmers around here will change my opinion any about the New Deal trade treaties, because I have lived right where their damage was most evident to farmers, businessmen, and labor.

Mr. KELLER. I will read the answers the gentleman puts in his remarks to my questions.

Mr. MURRAY. I will answer them, I may say to the gentleman.

I just want you to take this home with you. The fellow who said the New Deal with these treaties was selling the farmer down the river is one of the most modest men I have ever met, because they have not only sold the farmer down the river, they have sold him right out in the middle of the ocean. There is not a Member of this House who can stand here and defend the policy as far as the dairy industry is concerned.

During the 7 years of the New Deal we have had 46 percent more imports than we have had exports of agricultural products. During the last 4 years, with the reciprocal-trade treaties, we have had over 60 percent more imports than we have had exports of agricultural products, while during this same time we jumped our nonagricultural exports up to over 80 percent. In other words, the nonagricultural groups are getting the benefits of it, and the farmer is getting traded off so that industry can sell a few more automobiles and a few more trucks. These are facts that no one can deny.

Mr. KELLER. I observe that the gentlemen who represent the districts that sell the automobiles are, nevertheless, agreeing with the gentleman on this, are they not?

Mr. MURRAY. I would not think so from what I have heard here.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I do not know what the gentleman from Illinois means by his reference to the automobile districts, but in my home town I have some 22,000 or 23,000 employees on the automobile pay roll, and I have not supported any reciprocal trade agreements program.

Mr. MURRAY. I understood the gentleman from Michigan to say he does not care to sell the farmers out for what particular benefit might be given to nine counties in the United States. I thank you for your opinion.

Mr. KELLER. What I meant, if I did not say it, was simply this, that I understand that the gentlemen who represent the industrial districts that the gentleman says are getting all the benefits of this program are nevertheless with him in his contention against the present treaties. I believe that is true.

Mr. MURRAY. May I ask the gentleman from Michigan if he believes that is true?

Mr. CRAWFORD. I still do not understand the gentleman from Illinois, for some of those who have spoken today from automobile Detroit, we will say, are very much in favor of the reciprocal trade agreement program. I believe the industries of Detroit are in favor of the reciprocal trade agreement program, based on the presentations their spokesmen have made before the Committee on Ways and Means, but there are Members of the House who represent segments of the automobile industry who have not supported the reciprocal trade agreement program because, in their judgment, the treaties run so contrary to the interests of the people engaged in agricultural pursuits.

Mr. MURRAY. I thank the gentleman.

Labor rightly protests the imports of cheap foreign manufactured goods and the farmer who also is a laborer can rightly protest cheaply produced foreign crops. With as high as 50 percent of the farm loans delinquent in many sections, this is an important question.

If the farmer today has a 79-cent dollar and industry a $1.22 dollar, does it not appear that these trade treaties, which give a 63-percent unfavorable trade balance to agriculture and an 83-percent favorable nonagricultural trade balance, are factors in helping to create this situation?

On page 7, February 16, 1940, issue of the United States News we find the well-known New Deal Attorney General, Robert Jackson, quoted as follows:

> The unvarnished truth is that the Government's recovery program has succeeded nowhere else so effectively as in restoring the profits of big business. Labor has had no such advance. The small merchant has had no such prosperity. The small manufacturer has had no such advantage.

I would like to say that the Attorney General should have added the farm people, who represent 25 percent of our people and who have less than 10 percent of our national income and have nearly 50 percent of the buying power of our country, to his list. The reciprocal-trade treaties may be a part of the recovery program for big business, but they bring a hardship to the farmers of this country.

OTHER ANGLES OF THE TRADE TREATIES

I have tried to refrain from being partisan in this study of the effect of the trade treaties. I have not pointed out how the totals of agricultural exports are encouraged by a 30-cents-per-bushel export bounty on wheat, which is 50 percent or more of its farm value in many instances. Neither have I pointed out how this present wheat program would be carried on without the benefit of a protective tariff. If I were partisan, I would say that the reason I oppose the Canadian reciprocal trade treaties is for the same fundamental reason that 15 Democrats appeared before the State Department to oppose the trade treaties. They thought the Argentine treaty would work a hardship to the farmers in their district. They were correct in their conclusion. I think that the Canadian treaty has worked, and is working, a hardship to the farmers, cheese makers, butter makers, and businessmen of my district. If the Canadian treaty was of benefit to the dairymen of this country, I am sure the Argentine treaty would have been good for the turkey raisers, the beef producers, and

other farm groups which opposed it strongly. It is a matter of general knowledge that 15-cent butter and 8-cent cheese can be profitably produced in the Argentine, so we should all be thankful that this treaty was not made this year.

If I were partisan, I would also call your attention to the fact that when this tariff was reduced by 42 percent not one dairy group in America asked for the reduction. It is said that experts furnished this information. It looks like high-handed proceedings, and I surely would like to find out who the experts were that recommended the 42-percent reduction in the tariff on cheese.

THE DAIRY EXPERTS

I have been particularly anxious to find out why the so-called dairy experts recommended a further reduction of 1 cent a pound in the tariff on cheese in the second Canadian treaty, which went into effect January 1, 1939. The results of the first Canadian treaty showed that the price of cheese had already been reduced to ruinous levels and the imports were increased by 1,410 percent when this first Canadian treaty went into effect January 1, 1936. Cheese in 1938 was only 12.6 cents per pound, not over two-thirds of parity or cost of production, and a valid reason for a further reduction in the tariff at that time would be interesting to hear related but difficult to conceive.

I have not been able to find out who the experts were, and I personally question their interest in the dairy farmers of America.

THE POWER

A rubber-stamp Congress may delegate this power to make treaties. The treaties may, or may not be, legal. There is one thing certain, and that is, that no Congress has the moral right to delegate its powers to any one man to have direct control of every milk check of every farmer in America, and the grocery bill of every citizen of our country.

It surely takes a person with imagination to conclude that Congress is capable of making laws to regulate—and in many cases in much detail—the domestic business of our country which attained an estimated volume of $375,000,000,000 in 1939, and then conclude this same Congress incapable of regulating four or five billions worth of foreign business.

If the leaders of this country want to make this country an industrial country and then import cheap foreign products from countries where labor gets as low as 5 and 10 cents an hour, they should frankly so state, and the American farmer can farm accordingly. He should not be deceived by highly praised trade treaties that ruin his business.

WHO PAYS FOR THE PROPAGANDA?

I would also like to know what department is paying the salaries and expenses of the emissaries who are traveling around from State to State to preach the doctrine of giving the farmers' market away through the reciprocal-trade treaties and putting him in competition with the peasants of Europe and the peons of South America. If cheese farmers had received parity, Wisconsin cheese farmers alone would have been enriched by over $100,000,000 the past 7 years, to say nothing about the losses of the butter and condensed-milk producers.

On January 26, 1940, I received a letter from Mr. Raymond B. Stevens, Chairman of the United States Tariff Commission, in answer to my inquiry as to the percentage of tariff reductions. Quote:

> There have been numerous reclassifications brought about through trade agreements. Therefore it is not possible to say with exactness just how many articles are still dutiable at rates provided for in the Tariff Act of 1930. Roughly speaking, it appears that the rates on about 25 to 30 percent of the articles in the act of 1930 have been changed by trade agreements. In other words, 70 to 75 percent of our import items are still dutiable at the rates provided for in the Tariff Act of 1930.

One question naturally arises, and that is, If the Tariff Act of 1930 was so injurious to the people of this country, why is it not repealed and openly replaced by a fairer tariff? Why make a mixed-up cross-purpose program in trying to solve the problem, such as reducing the tariff on cheese 42 percent and not taking off any tariff on butter. One thing is certain, and that is, if agriculture can suffer as much as it has with 25 to 30 percent of the tariff schedules reduced, what is going to be the situation when the other 70 to 75 percent of the schedules are reduced? How about the Argentine treaty of the future?

It takes political courage to meet this problem, but it should be met in such a way that no competitive agricultural products are imported to ruin United States producers, whose products are not bringing parity prices. There is certainly no reason to continue to sell 6,000,000 farmers "down the river" so that a few can have the "more abundant life."

The first step to follow in order to solve the farm problem is to obtain parity price for the farmers' products, and if this is going to be attained by lowering his tariff, then black is white and the world is flat. [Applause.]

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2773. An act to authorize the payment of compensation to recess appointees in certain cases; to the Committee on Expenditures in the Executive Departments.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 112. An act to facilitate control of soil erosion and flood damage on lands within the Ozark and Ouachita National Forests in Arkansas;

H. R. 1456. An act for the relief of Maj. Herbert A. Jacob;

H. R. 2860. An act for the relief of Ben Willie Jones, as legal representative of Thelma Jones, a deceased minor;

H. R. 3391. An act providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles;

H. R. 3794. An act to establish the Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes;

H. R. 4198. An act for the relief of M. L. Parish;

H. R. 6084. An act for the relief of Katheryn S. Anderson;

H. R. 7050. An act for the relief of certain former disbursing officers for the Civil Works Administration; and

H. J. Res. 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriation acts.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1850. An act to aid the States and Territories in making provisions for the retirement of employees of the land-grant colleges;

S. 2867. An act to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the Pennsylvania Railroad Co., for right-of-way purposes, a small strip of land at Veterans' Administration facility, Coatesville, Pa.;

S. 2868. An act to facilitate the procurement of aircraft for the national defense; and

S. 2876. An act to amend the Annual and Sick Leave Acts of March 14, 1936.

ADJOURNMENT

Mr. KELLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, February 22, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Thursday, February 22, 1940, at 10 a. m., before the petroleum subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

COMMITTEE ON ROADS

The Committee on Roads will resume hearings at 10 a. m. Monday, February 26, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings at 10 a. m. in room 213, Old House Office Building, on the reapportionment of Representatives in Congress.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 28, 1940, at 10 a. m. there will be continued before Subcommittee No. I of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes; and

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m. on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CELLER: Committee on the Judiciary. H. R. 6324. A bill to provide for the more expeditious settlement of disputes with the United States, and for other purposes (Minority Rept. No. 1149, pt. 2). Referred to the Committee of the Whole House on the state of the Union.

Mr. BATES of Massachusetts: Committee on Naval Affairs. S. 2992. An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States, at Quantico, Va.; without amendment (Rept. No. 1654). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 8350. A bill permitting official mail of the Pan American Sanitary Bureau to be transmitted in penalty envelopes; without amendment (Rept. No. 1655). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 8398. A bill amending acts extending the franking privilege to widows of ex-Presidents of the United States; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 8446. A bill to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended; without amendment (Rept. No. 1657). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. S. 1935. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with amendment (Rept. No. 1658). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KEOGH: Committee on Claims. H. R. 2161. A bill for the relief of the Pacific Airmotive Corporation, Burbank, Calif.; with amendment (Rept. No. 1633). Referred to the Committee of the Whole House.

Mr. MACIEJEWSKI: Committee on Claims. H. R. 3769. A bill for the relief of the Keuffel & Esser Co., of New York; with amendment (Rept. No. 1634). Referred to the Committee of the Whole House.

Mr. LEONARD W. HALL: Committee on Claims. H. R. 4615. A bill for the relief of Sallie Barr; with amendment (Rept. No. 1635). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 4724. A bill for the relief of Charles F. Martin; with amendment (Rept. No. 1636). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 5295. A bill for the relief of the Priest Lumber Co., Inc., with amendment (Rept. No. 1637). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on Claims. H. R. 5459. A bill for the relief of George F. Lewis, administrator of the estate of Margaret R. Lewis; with amendment (Rept. No. 1638). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 6334. A bill for the relief of the estate of Clarence Waldrep; with amendment (Rept. No. 1639). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 6552. A bill for the relief of Mrs. Gottlieb Metzger; with amendment (Rept. No. 1640). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 6964. A bill for the relief of Mr. and Mrs. Nathan Kaplan; with amendment (Rept. No. 1641). Referred to the Committee of the Whole House.

Mr. GATHINGS: Committee on Claims. H. R. 7306. A bill for the relief of John R. Elliott; without amendment (Rept. No. 1642). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7853. A bill for the relief of the Gallup Mercantile Co., of Gallup, N. Mex.; without amendment (Rept. No. 1643). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on Claims. H. R. 7857. A bill for the relief of O'Brien Bros., Inc., New York City, N. Y.; without amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8317. A bill for the relief of the Hermosa-Redondo Hospital, C. Max Anderson, Julian O. Wilke, Curtis A. Wherry, Hollie B. Murray, Ruth M. Laird, Sigrid I. Olsen, and Stella S. Guy; with amendment (Rept. No. 1645). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1372. An act for the relief of W. B. Tucker, Helen W. Tucker, Lonie Meadows, and Susie Meadows; with amendment (Rept. No. 1646). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1442. An act for the relief of Max J. Mobley; without amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. MACIEJEWSKI: Committee on Claims. S. 1856. An act conferring jurisdiction upon the United States District Court for the District of Rhode Island to hear, determine, and render judgment upon the claim of George Lancellotta; without amendment (Rept. No. 1648). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on Claims. S. 1962. An act granting jurisdiction to the Court of Claims to reopen and readjudicate the case of Carrie Howard Steedman and Eugenia Howard Edmunds; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. FENTON: Committee on Claims. S. 2252. An act for the relief of Louis Simons; without amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. GATHINGS: Committee on Claims. S. 2491. An act for the relief of Edward J. Gebhart; without amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 2531. An act for the relief of Stanley Falk, Howard Franklin, Mrs. Nathan Falk, and Rose Winter; without amendment (Rept. No. 1652). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 3068. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the Marine Barracks, Quantico, Va., on October 27, 1938," approved June 19, 1939; without amendment (Rept. No. 1653). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Naval Affairs was discharged from the consideration of the bill (H. R. 8518) for the relief of Joseph F. Hollingshead, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURCH:

H. R. 8582. A bill to adjust the salaries of rural letter carriers; to the Committee on the Post Office and Post Roads.

By Mr. KNUTSON:

H. R. 8583. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Little Falls, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. LUDLOW:

H. R. 8584. A bill to authorize the construction of a Marine Corps Reserve armory at Indianapolis, Ind.; to the Committee on Naval Affairs.

By Mr. McLEOD:

H. R. 8585. A bill to extend certain benefits of the Canal Zone Retirement Act of March 2, 1931, as amended, to certain employees covered by the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on the Civil Service.

By Mr. WHELCHEL:

H. R. 8586. A bill to make permanent the reduced rates of interest on Federal land bank and land bank commissioner loans; to the Committee on Agriculture.

By Mr. KENNEDY of Maryland:

H. R. 8587. A bill to provide for the reorganization of the government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAY:

H. R. 8588 (by request). A bill to provide that certain chiefs of branches of the Regular Army shall be selected from among the brigadier generals of the line, and for other purposes; to the Committee on Military Affairs.

By Mr. STEFAN:

H. R. 8589. A bill to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON of Georgia:

H. R. 8590. A bill providing for the rank of commanders of special naval units afloat; to the Committee on Naval Affairs.

By Mr. WHITE of Idaho:

H. R. 8591. A bill to amend the civil-service law to permit certain employees of the legislative branch of the Government to be transferred to positions under the competitive classified civil service; to the Committee on the Civil Service.

H. R. 8592. A bill to provide for the employment of unemployed miners in prospecting areas on the public lands; to the Committee on Appropriations.

By Mr. DIMOND:

H. R. 8593. A bill to amend the act relating to manifests in Alaskan and insular trade; to the Committee on Ways and Means.

By Mr. ROBERTSON:

H. R. 8594. A bill to authorize the setting aside of an area within the Canal Zone to preserve and conserve its natural features for scientific study, for providing and maintaining facilities for such study, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITE of Ohio:

H. J. Res. 462. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GEARHART:

H. J. Res. 463. Joint resolution to provide for reciprocal-trade agreements to expand foreign commerce of the United States; to the Committee on Ways and Means.

By Mr. SMITH of Virginia:

H. Res. 387. Resolution authorizing an additional appropriation for the special committee authorized under House

Resolution 258 of the Seventy-sixth Congress; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLUETT:

H. R. 8595. A bill granting an increase of pension to Nellie H. Knapp; to the Committee on Invalid Pensions.

H. R. 8596. A bill granting an increase of pension to Mary Elizabeth Beaver; to the Committee on Invalid Pensions.

H. R. 8597. A bill granting a pension to Marion R. Beecher; to the Committee on Pensions.

By Mr. BATES of Kentucky:

H. R. 8598. A bill for the relief of Samuel Pelfrey; to the Committee on Military Affairs.

By Mr. DEMPSEY:

H. R. 8599. A bill for the relief of Lloyd S. Harris; to the Committee on Claims.

By Mr. DIRKSEN:

H. R. 8600. A bill for the relief of Yone T. Park; to the Committee on Immigration and Naturalization.

By Mr. HAVENNER:

H. R. 8601. A bill for the relief of the Associated Indemnity Corporation and/or Associated Fire & Marine Insurance Co., of San Francisco, Calif.; to the Committee on Claims.

H. R. 8602. A bill for the relief of the Fireman's Fund Insurance Co., of San Francisco, Calif.; to the Committee on Claims.

By Mr. JOHNSON of Oklahoma:

H. R. 8603. A bill for the relief of Charles W. Ruckman; to the Committee on Claims.

By Mr. LESINSKI:

H. R. 8604. A bill to authorize cancelation of deportation in the case of Carmen Guiseppi Charles Spadafore; to the Committee on Immigration and Naturalization.

By Mr. SEGER:

H. R. 8605. A bill for the relief of the estate of Adam Janiec; to the Committee on Claims.

By Mr. SCHUETZ:

H. R. 8606. A bill for the relief of Arthur M. Conroy; to the Committee on Claims.

By Mr. WEAVER:

H. R. 8607. A bill for the relief of L. H. Martin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6623. By Mr. FLAHERTY: Petition of the Board of Aldermen of Chelsea, Mass., endorsing the increase of the old-age pension from $30 to $40; to the Committee on Ways and Means.

6624. By Mr. PFEIFER: Petition of the American Farm Bureau Federation, Edward A. O'Neal, president, Washington, D. C., urging support of House Joint Resolution 407; to the Committee on Ways and Means.

6625. Also, petition of the International Longshoremen's Association, Local No. 1476, Brooklyn, N. Y., opposing the shipment of refined sugar from the Tropics; to the Committee on Foreign Affairs.

6626. Also, petition of the Maritime Association of the Port of New York, concerning sugar legislation; to the Committee on Foreign Affairs.

6627. Also, petition of William H. Hubbell Camp, No. 4, United Spanish War Veterans, Brooklyn, N. Y., opposing the shipment of refined sugar from the Tropics, thereby protecting jobs of American men and women of Brooklyn; to the Committee on Foreign Affairs.

6628. Also, petition of the New York State Asscciation of Letter Carriers, Newark, N. Y., favoring the enactment of the Keogh longevity bill (H. R. 991) and the Rogers court of appeals bill (H. R. 2569); to the Committee on the Civil Service.

6629. Also, petition of the Kiwanis Club of Williamsburgh, Brooklyn, N. Y., opposing the importation of refined sugar from the Tropics; to the Committee on Foreign Affairs.

6630. By Mr. TALLE: Petition of W. J. Zbornik, of Cresco, Iowa, and others, supporting the Patman chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

SENATE

THURSDAY, FEBRUARY 22, 1940

Rev. John K. Cartwright, D. D., Pastor, Immaculate Conception Roman Catholic Church, of Washington, D. C., offered the following prayer:

O Father Almighty, from Thee comes every good and perfect gift. We thank Thee for that which today we commemorate: the leadership of the great patriot who showed us the way to freedom under Thy providence.

Today our country is the wonder of the world and the hope of the nations. Elsewhere justice gives place to violence and wisdom to hatred. To us Thou hast given quietness and light amidst the darkness.

Quietness and light are ours today, but quietness and light can abide only in the observance of Thy righteousness. We who have long thrown off earthly tyrannies have never denied Thy sovereignty nor repudiated the Kingship of Thy Son from Heaven, who is Christ the Lord.

Grant that the darkness of the peoples may soon be bright and that freedom may heal their wounds. Grant that they, with us, may always seek peace not in the accidents of casual circumstances but in the very source of peace. For them and us grant abiding enjoyment of the peace of Christ in the Kingdom of Christ. In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 19, 1940, was dispensed with, and the Journal was approved.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under a standing order of the Senate, the Farewell Address of General Washington will now be read. The Chair has heretofore designated the Senator from Nebraska [Mr. BURKE] to perform that duty. The Senator from Nebraska will kindly come forward.

Mr. BURKE advanced to the desk and read the Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a

uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end, but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold

this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern and southern—Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however spacious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despqtism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted

by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be. I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
19th September, 1796.

TRIBUTE TO THE LATE SENATOR BORAH

Mr. HOLT presented resolutions adopted by citizens of Glen Easton, W. Va., as a tribute to the memory of Hon. William E. Borah, late a Senator from the State of Idaho, which were ordered to lie on the table.

JOINT COMMITTEE ON ARRANGEMENTS FOR INAUGURATION OF THE PRESIDENT-ELECT

The VICE PRESIDENT. The Chair appoints the Senator from West Virginia [Mr. NEELY], the Senator from Kentucky [Mr. BARKLEY], and the Senator from Oregon [Mr. MCNARY] members on the part of the Senate of the Joint Committee on Arrangements for the Inauguration of the President-elect of the United States on January 20, 1941, authorized by Senate Concurrent Resolution 32.

OPERATIONS UNDER THE SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, 1937

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report showing the name, address, and amount of payment of each person receiving $1,000 or more under the 1937 programs administered under the provisions of the Soil Conservation and Domestic Allotment Act, as amended, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

FOREST LAND IN LINCOLN COUNTY, OREG.

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Agriculture, which was ordered to lie on the table and to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, February 20, 1940.

Hon. EDWIN A. HALSEY,
Secretary, United States Senate, Washington, D. C.

DEAR MR. HALSEY: Receipt is acknowledged of a signed copy of Senate Resolution 225, which this Department interprets as formal notice to undertake the tasks outlined in the above resolution.

The survey of the land controlled by the United States Spruce Production Corporation in Lincoln County, Oreg., would be undertaken by the Forest Service of this Department. While the Forest Service would be glad to undertake the survey and submit a report to the Senate, it does not have funds available which can legally be used for the purposes outlined in the resolution; neither does any other agency in this Department. In the absence of an appropriation which can legally be used for this purpose, it is necessary to report that no action can be taken on the resolution at this time. The estimated cost of the survey and the preparation of a report is $3,000.

Sincerely,

GROVER B. HILL, *Acting Secretary.*

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of California, which was referred to the Committee on Appropriations:

Senate Joint Resolution 3, relative to increased contributions by the Federal Government for relief in California

Whereas, in view of the fact that we live in a Christian nation and a civilized community, it is incumbent on the citizens of California to be concerned for the welfare of their neighbors who find themselves in the humble position of requiring aid to meet the necessities of life; and

Whereas to add to our responsibilities for the care of poor persons have come many thousands of immigrants to California from the cold of the North, the drought and Dust Bowl areas of the Middle West, and the flooded areas of the South; and

Whereas the taxpayers of the State of California have been called upon to aid and assist in assimilating this influx of unfortunate American citizens who have migrated to our State in desperation and are in dire need; and

Whereas we feel that this obligation is a responsibility of the State from which these people came; and

Whereas the taxpayers of the State of California have uncomplainingly up to the present time taken care of this situation as best they know how and to the limit of their ability, at a cost of many millions of dollars annually; and

Whereas the State of California paid to the Federal Government between the years of 1933 and 1938, inclusive, more than $1,131,000,000 in taxes; and

Whereas the State of California received from the Federal Government from all sources in return $952,000,000, California having paid nearly $200,000,000 more in taxes than it received from the Federal Government during that period; and

Whereas during that same period Oregon paid to the Federal Government approximately $50,000,000 in taxes and received more than $228,000,000 in return from the Federal Government, receiving over four and one-half times what it paid in; and

Whereas Nevada paid approximately $15,000,000 to the Federal Government during that same period and received in excess of $98,000,000 in return, or in excess of six and one-half times its payment to the Federal Government, and neither of these States received an appreciable amount of immigrants nor are they carrying the local load that California is carrying on account of the large number of persons receiving old-age assistance in our State: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the President of the United States, the Congress of the United States, the Federal Security Administrator, and the Commissioner of the Work Projects Administration are hereby respectfully urged and implored to come to the aid of California and give immediate attention and favorable action to our just cause at this crucial moment when it is necessary to call an extraordinary session of the legislature to appropriate additional funds for relief; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President of the United States, the Congress of the United States, the Federal Security Administrator, and the Commissioner of the Work Projects Administration; and be it further

Resolved, That the Governor of the State of California and the State relief administrator are requested immediately to take steps to prosecute this resolution to a successful conclusion.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of California, which was referred to the Committee on Interstate Commerce:

Senate Joint Resolution 5, relative to House bill 7372, relating to Federal control of oil and gas production in California

Whereas the State of California is one of the States of the Union wherein oil and gas are produced, refined, and made available for the uses of mankind; and

Whereas the production of said natural resources is obtained in this State from three classes of lands: (1) Public lands owned by the United States of America as an incident of national sovereignty; (2) lands owned by the State of California by virtue of its sovereignty as a State; and (3) lands owned in fee by private persons and other private entities; and

Whereas the right to regulate the method and manner of such production from national lands is solely within the jurisdiction of the Government of the United States; and

Whereas the right to regulate the method and manner of such production from State lands is solely within the jurisdiction of the government of the State of California; and

Whereas the State of California in its sovereign capacity as a State has assumed and asserted jurisdiction over the method and manner

of such production from privately owned lands in the State of California by passage of laws calculated and designed to prevent waste of oil and gas in the exploration for and production and refining thereof, to the extent deemed best in the wisdom of the legislature of the State and subject to the will of the people of this State, expressed in accordance with our constitution; and

Whereas there has been introduced into the Congress of the United States a bill known as H. R. 7372, providing for exercise of jurisdiction by the Government of the United States over all production of crude oil and gas in the State of California and in other States; and

Whereas said bill, if passed, would infringe upon the sovereignty of the State of California: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the State of California hereby respectfully protests the assertion of jurisdiction evidenced by the pendency of H. R. 7372, in the belief that the passage thereof would be an infringement of the sovereignty of the State of California as one of the United States of America; and be it further

Resolved, That the secretary of the senate is hereby instructed to transmit copies of this resolution to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, to the Honorable CLARENCE F. LEA, chairman of the Interstate and Foreign Commerce Committee of the House of Representatives, and to the Honorable WILLIAM P. COLE, chairman of the subcommittee thereof.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from Alfred M. Kunze, president of the Taxpayers Protective League of New Rochelle, N. Y., praying that Federal welfare accounts be stated in detail and that the names of all persons receiving relief during the year, together with the amounts distributed, be made available to the public, which was referred to the Committee on Appropriations.

He also laid before the Senate a letter in the nature of a petition from the Building and Construction Trades Council of Jacksonville, Fla., signed by R. R. Bridgewood, secretary, favoring prompt completion of the Florida ship canal project, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by the board of directors of the Central Mercantile Association of New York City, N. Y., protesting against ratification of the Great Lakes-St. Lawrence Seaway Treaty, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions of the National Farm Loan Associations of Devine, Kerrville, New Braunfels, and Vernon, all in the State of Texas, favoring the restoration of the Farm Credit Administration to the status of an independent bureau and the placing of the operations of the Federal land banks, national farm-loan associations, and other units of the Administration under the supervision of a bipartisan board appointed by the President, by and with the advice and consent of the Senate, which were referred to the Select Committee on Government Organization.

Mr. HOLT presented a resolution of the West Virginia State Horticultural Society, favoring amendment of the wage and hour law so as to exempt agriculture from the operations thereof, which was referred to the Committee on Education and Labor.

He also presented a resolution of the board of directors of the Princeton (W. Va.) Chamber of Commerce, protesting against ratification of the Great Lakes-St. Lawrence Seaway Treaty, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Elkview and Falling Rock, Kanawha County, W. Va., praying for the enactment of the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table.

SAFEGUARDING THE UNITED STATES FROM WAR

Mr. CAPPER. Mr. President, I desire to call attention to a letter I have just received from the Reverend M. R. Starbuck, secretary of the Central Kansas Conference of the Methodist Church, urging the Congress to help keep the United States out of war.

Mr. President, I call the attention of the Senate to the recommendations embodied in the letter because they appeal to me as sound, sensible, and Christian in character. The Central Kansas Conference asks us to maintain neutrality, to avoid steps tending to draw this Nation into war. The Central Kansas Conference asks that we make no loans to belligerent nations and not select certain nations to be favored with loans and certain other nations to be punished by embargoes. I think the position taken by the Central Kansas Conference is one that the United States can well maintain.

I felt compelled last week to vote against the measure proposing a loan to Finland because I could look ahead and see a United States Government loan to a belligerent nation as being the seed which might propagate loans to other belligerent nations and as constituting a step making easier our own involvement.

I may add that, in all my twenty-odd years in the Senate, I do not believe I have ever received such a flood of letters, and of propaganda of all kinds, as is coming to me this session.

What disturbs me is that so many of these letters, and so much of this propaganda, urge that the United States take action for or against the governments of some other nations.

We are urged to make loans to Finland. We are urged to embargo exports of munitions and war materials to Japan. There are letters urging that the United States break off diplomatic relations with Russia.

Much as I sympathize with the feelings of those who are writing these letters, much as I abhor and detest the ruthless and unprovoked attack upon Finland by Russia and the wanton and barbarous invasion of China by Japan, I do not believe that the United States Government should take action along any of the lines suggested.

Back of these campaigns to force the United States to take sides in Finland and China, I can see coming the big propaganda drive for us to take part in the major European war.

True, the steps urged are what might be called "steps short of war."

But, Mr. President, in the light of history, we must recognize that "steps short of war" too often have been "steps toward war."

Will it not be logical, if we take sides in these minor wars, if they may be so called, that when the time comes we must follow the precedent established and take part in the major war?

Once we start taking part in little wars which are not our wars, how can we resist the stronger urge that will come later to take sides in the major conflict—a war that also is not our war, unless we choose to make it so?

I think this is a very serious matter and that it is going to become more serious.

I am opposing all loans to all warring nations.

I will vote to shut off the export of all war materials to all warring nations, including Japan and the nations of the Old World. But I do not consider it a sound foreign policy for the United States Government to embargo exports to selected nations.

It will not be easy for us to remain neutral in the coming months. Our remaining neutral in the big conflict will not be made easier if we start making loans to good governments and establishing embargoes against bad governments. That is not the policy calculated to keep us on the paths of peace; it is the policy calculated to start us on the road to war.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, the letter from the Reverend Starbuck, secretary of the Central Kansas Conference of the Methodist Church.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CLAFLIN, KANS., *February 8, 1940.*

Hon. ARTHUR CAPPER, M. C.,
Kansas Senator, Washington, D. C.

DEAR MR. CAPPER: The Central Kansas Conference of the Methodist Church sends greetings.

We deeply appreciate the fine work you are doing in Congress, and note with pleasure the influence and interest you are expressing on questions of peace, neutrality, and the determination of Congress to keep the United States out of war.

The conference above named, one of the large constituencies of Kansas, urges the excellent powers of your office, to wit:

1. In helping to keep the United States of America out of war.
2. In maintaining a strict neutrality.

3. In no loans to belligerent nations, and a cash-and-carry program among the same.

4. In the avoidance of steps or influences propagated to draw this Nation into war.

5. In using the graces and good will of this Government in seeking to help find a true way to a just and neighborly peace among nations.

If in any way the above-named conference may be of service, we shall be glad to be advised.

With best wishes to you personally, I am,

Cordially yours,

M. R. STARBUCK,
Secretary, Central Kansas Conference.

REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2717. A bill for the relief of Edward J. Broggi (Rept. No. 1222); and

H. R. 3477. A bill for the relief of Francisco R. Acosta (Rept. No. 1223).

Mr. CAPPER also, from the Committee on Claims, to which was referred the bill (H. R. 4256) for the relief of the estate of George B. Spearin, deceased, reported it without amendment and submitted a report (No. 1224) thereon.

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 3039) for the relief of Twila Snyder, reported it with an amendment and submitted a report (No. 1227) thereon.

Mr. BURKE, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3111. A bill for the relief of Thomas L. Gardner (Rept. No. 1228); and

S. 3308. A bill authorizing the Comptroller General of the United States to settle and adjust the claim of Robert E. Newton (Rept. No. 1229).

Mr. BROWN, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 349. A bill for the relief of C. F. Cooley, administrator of the estate of Charles F. Cooley, Jr. (Rept. No. 1230); and

S. 3092. A bill for the relief of Maj. John R. Holt (Rept. No. 1231).

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2686. A bill authorizing the reenlistment of John Mudry in the United States Army (Rept. No. 1225); and

S. 3150. A bill to authorize certain officers of the Army of the United States to accept such medals, orders, and decorations as have been tendered them by foreign governments (Rept. No. 1226).

Mr. PEPPER, from the Committee on Commerce, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 2661. A bill to create a board of inspectors, Bureau of Marine Inspection and Navigation, at Miami, Fla. (Rept. No. 1232); and

S. J. Res. 198. Joint resolution to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla. (Rept. No. 1233).

Mr. BARKLEY, from the Committee on the Library, submitted a report (No. 1234) to accompany the bill (S. 3325) to provide for the transfer of the duplicates of certain books in the Library of Congress to the Beaufort Library of Beaufort, S. C., heretofore reported by him from that committee without amendment.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. THOMAS of Utah, from the Committee on Education and Labor, reported favorably the nomination of James J. McEntee, of New Jersey, to be Director of the Civilian Conservation Corps.

Mr. BAILEY, from the Committee on Commerce, reported favorably the nomination of Maj. Robert C. Hunter, Corps of Engineers, United States Army, for appointment as a member of the California Debris Commission, as provided for by law, vice Maj. Frank M. S. Johnson, Corps of Engineers, relieved.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several general officers and chiefs of branches or bureaus of the War Department.

He also, from the same committee, reported favorably the nomination of Capt. Charles Carlton, Infantry, to be major from December 16, 1939.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

S. 3409. A bill for the relief of the Consolidated Shipbuilding Corporation of New York, successors to the Gas Engine & Power Co. and Charles L. Seabury & Co., Consolidated; to the Committee on Claims.

Mr. WAGNER introduced Senate bill 3410, which was referred to the Committee on Education and Labor, and appears under a separate heading.

By Mr. McNARY:

S. 3411. A bill to amend section 17 of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. HARRISON:

S. 3412. A bill for the relief of John Nicholas Chicouras; to the Committee on Immigration.

By Mr. BYRNES:

S. 3413. A bill to provide for the relief of the Catawba Indians in South Carolina; to the Committee on Indian Affairs.

By Mr. SCHWELLENBACH:

S. 3414. A bill for the relief of certain Work Projects Administration project workers whose employment status was terminated prior to the date when required to be terminated; to the Committee on Appropriations.

S. 3415. A bill authorizing the Secretary of the Interior to establish, construct, equip, and operate a hospital for the legally adjudged insane of Alaska, and for other purposes; to the Committee on Territories and Insular Affairs.

By Mr. ANDREWS:

S. 3416. A bill to amend the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. BURKE:

S. 3417. A bill for the relief of Robert P. Sick; and

S. 3418. A bill for the relief of the estate of Mary E. Philpot, Sandra G. Philpot, and Mrs. R. L. Keckler; to the Committee on Claims.

S. 3419. A bill authorizing the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.; to the Committee on Commerce.

S. 3420. A bill granting a pension to Herman Diers; and

S. 3421. A bill granting a pension to Charles J. Fuhrer; to the Committee on Pensions.

S. 3422. A bill to amend the Railroad Retirement Act of 1937; to the Committee on Interstate Commerce.

By Mr. SHEPPARD:

S. 3423. A bill to provide that certain chiefs of branches of the Regular Army shall be selected from among the brigadier generals of the line, and for other purposes; to the Committee on Military Affairs.

By Mr. KING:

S. 3424. A bill for the relief of George O. Elliott and Winslow Farr Smith; to the Committee on Claims.

S. 3425. A bill to provide for the reorganization of the government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. GILLETTE:

S. 3426. A bill to amend the Agricultural Adjustment Act, as amended, and as reenacted by the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture and Forestry.

UNITED STATES MEDIATION BOARD

Mr. WAGNER. I introduce, for appropriate reference, a bill the purpose of which is to create a United States Mediation Board. I ask unanimous consent that the bill, together with an explanatory statement, may be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection? The Chair hears none; and the bill will be properly referred, and the bill and statement will be printed in the RECORD.

The bill (S. 3410) to create a United States Mediation Board, and for other purposes, was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

A bill (S. 3410) to create a United States Mediation Board, and for other purposes

Be it enacted, etc.—

UNITED STATES MEDIATION BOARD

SECTION 1. (a) There is hereby created in the Department of Labor a Board to be known as the United States Mediation Board (hereinafter called the Board) composed of three members, who shall be appointed by the President, by and with the advice and consent of the Senate. One of the original members of the Board shall be appointed for a term of 1 year, one for a term of 3 years, and one for a term of 5 years. Their successors shall be appointed for terms of 5 years, except that any person chosen to fill a vacancy occurring prior to the expiration of any member's term shall be appointed only for the unexpired term of his predecessor. The Board shall annually designate a member to act as chairman. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

(b) A vacancy in the Board shall not impair the authority of the remaining members to exercise all the functions of the Board, and two members shall at all times constitute a quorum for the transaction of business. The Board shall have an official seal, which shall be judicially noticed.

(c) The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its functions at any other place.

(d) Each member of the Board shall receive a salary at the rate of $10,000 a year, together with necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while away from the principal office of the Board on official business. Members of the Board shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment.

(e) The Board shall make a written report to Congress in January of each year, stating in detail its operations pursuant to this act, the names, salaries, and duties of all persons in its employ, and an account of all moneys it has disbursed.

SEC. 2. (a) The Board may (1) appoint such experts, mediators, and confidential assistants and, subject to the provisions of the civil-service laws, such other officers and employees as are essential to the effective transaction of its business; (2) in accordance with the Classification Act of 1923, as amended, fix the salaries of such experts, mediators, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for lawbooks, periodicals, and books of reference, and for printing and binding, and including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of the Board) as may be necessary for the execution of the functions vested in the Board and as may be provided for by Congress from time to time. All expenditures of the Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman or by any employee designated by the Board for that purpose.

(b) The Board may establish such regional or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. The Board may by order, subject to revocation at any time, assign or refer any part of its functions under this act to any member, agency, or employee of the Board. The Board may establish suitable procedures for cooperation with State and local mediation agencies.

(c) Upon the appointment of the three original members of the Board and the designation of its Chairman, all officers, commissioners of conciliation, and employees of the Department of Labor engaged in carrying out the conciliation functions vested in the Secretary of Labor under section 8 of the act of March 4, 1913 (37 Stat. 738), commonly known as the United States Conciliation Service, shall be transferred to and become employees of the Board, without reduction in classification or compensation: *Provided*, That such transfer shall not operate after the end of the fiscal year during which it is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned: *Provided further*, That such of the transferred personnel as do not already possess a classified civil-service status shall not acquire such status by reason of such transfer except (1) upon recommendation of the Board within 1 year after such personnel have been so transferred and certification within such period by the Board to the Civil Service Commission that such personnel have served with merit for not less than 6 months prior to the transfer, and (2) upon passing such suitable noncompetitive examinations as the Civil Service Commission may prescribe: *And provided further*, That no officer or employee taking such examination shall be discharged or reduced in grade or compensation pending the result thereof, except for cause in the manner provided by law. All records, papers, and property of the Department of Labor in carrying out these functions shall become records, papers, and property of the Board, and all unexpended funds and appropriations for such purposes shall become funds and appropriations available to be expended by the Board pursuant to this act. All conciliation proceedings pending before the Department and undisposed of at the time of such transfer shall be handled to conclusion by the Board.

DEFINITIONS

SEC. 3. When used in this act—

(1) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory or between points in the same State, but through any other State or any Territory or the District of Columbia or any foreign country.

(2) The term "affecting commerce" means in commerce, or burdening or obstructing commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

(3) The term "labor controversy" includes any disagreement, and the term "labor dispute" includes any dispute, concerning terms, tenure or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the contestants or disputants stand in the proximate relation of employer and employee; but neither term shall include any matter subject to the provisions of the Railway Labor Act, as amended (44 Stat. 577, 48 Stat. 1185, 49 Stat. 1189), or title X of the Merchant Marine Act of 1936, as amended (52 Stat. 965), or any question concerning the representation of employees or any unfair labor practice by employers as defined in and subject to the provisions of the National Labor Relations Act (49 Stat. 449).

GENERAL DUTIES

SEC. 4. It shall be the duty of the Board, in order to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, to encourage employers and employees to exert every reasonable effort, through their lawfully designated representatives—

(1) To make and maintain agreements concerning rates of pay, hours, and working conditions, including, wherever possible, provision for the final adjustment of grievances or questions regarding the application or interpretation of such agreements; and

(2) To settle all differences, whether arising out of the negotiation, interpretation, or application of such agreements or otherwise with all expedition, wherever possible, in conference in the first instance.

MEDIATION

SEC. 5. The services of the Board may be invoked by the parties, or by either party, to any labor controversy affecting commerce and not adjusted by the parties in conference in the first instance. The Board may proffer its services whenever there arises a labor dispute involving or threatening an immediate and very substantial interruption to the free flow of commerce. In either event it shall be the duty of the Board promptly to put itself in communication with the parties and use its best efforts by mediation to bring them to agreement.

VOLUNTARY ARBITRATION

SEC. 6. Whenever the efforts of the Board to bring about an amicable settlement through mediation prove unsuccessful it shall be the duty of the Board to use its best efforts to induce the parties to agree to submit their controversy to arbitration: *Provided*, That the failure or refusal of either party to agree to arbitration shall not be construed as a violation of any legal duty or other obligation imposed by this act.

FILE OF AGREEMENTS

SEC. 7. For the guidance and information of interested representatives of employers, employees, and the general public, the Board shall maintain a file of copies of (1) all agreements reached as a result of mediation pursuant to this act; (2) all arbitration agreements made and awards rendered pursuant to this act; and (3) any other collective labor agreements submitted for such purposes by any of the parties thereto. Such file shall be open to inspection under appropriate conditions prescribed by the Board.

LIMITATIONS

SEC. 8. Nothing in this act shall be construed so as to interfere with or impede or diminish in any way the right to strike, or to amend or modify the provisions of the National Labor Relations Act (49 Stat. 449), or the act of March 23, 1932, to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes (47 Stat. 70).

SHORT TITLE

SEC. 9. This act may be cited as the "United States Mediation Act of 1940."

The explanatory statement submitted by Mr. WAGNER is as follows:

NEW FEDERAL MEDIATION LEGISLATION

The United States mediation bill is an essential step in the fullest development of Federal machinery to achieve a maximum of industrial peace within the framework of the American system.

Very substantial progress has already been made in minimizing industrial strife, with its burden on the general public and its tragic human and economic losses for workers and employers alike. In 1938, the first full year after the National Labor Relations Act was upheld by the Supreme Court, there were only about half as many strikes as in 1937. In 1939 the number of strikes declined still further, notwithstanding the upward movement of the business cycle. In this 2-year period 15,000,000 fewer working days were lost through strikes than in the 2 preceding years. In December 1939, with industrial production (adjusted index) at an all-time high, less working time was lost in strikes than in any month since February 1933.

The vast increase in the number of collective agreements, the more rapid decline of strife in interstate industries than in intrastate industries, and the increasing tendency of workers to vindicate their organization rights through peaceful resort to the Labor Board, amply support the conclusion that the principles of industrial freedom guaranteed by the Labor Act are an essential basis for industrial peace in a democracy. Only about 20 percent of the workers who went on strike in 1939 (first 11 months) in all lines of employment were concerned with issues within the purview of the Labor Act, and of these a large proportion were in intrastate industry and hence barred from resort to the peaceful processes of the Federal law. If the basic principles of the law remain unimpaired, we may look forward confidently to the ultimate elimination of the wasteful, bitter, and often bloody struggles over the fundamental right to organize and bargain collectively, struggles which so often disgraced our industrial life in the past.

OBJECTIVE OF MEDIATION MACHINERY

The Labor Act operates within a comparatively narrow sphere. It is complied with when freely chosen representatives are brought to the council table, there to bargain in good faith. But the overwhelming majority of workers who went on strike last year were concerned with issues beyond the purview of the act, such as the actual terms of the labor bargain—wages, hours, working conditions, grievances, the closed shop—and miscellaneous matters. Many of these strikes, e. g., the Chrysler and bituminous-coal disputes, have sometimes been mistakenly laid at the door of the Labor Act. Many others are mistakenly brought to the Labor Board, which is neither authorized nor equipped to resolve them. Apart from such basic controls as the Fair Labor Standards Act, labor disputes in these broad areas of conflict can never be wholly eliminated under any government predicated on industrial liberty and free enterprise. I am unalterably opposed to compulsory arbitration in any guise. What we can and should do, however, is to help the parties themselves to settle and minimize these controversies through a better development of voluntary mediation machinery. That is the purpose of the United States mediation bill, which I offer for consideration at this time, while our national labor policy is under careful scrutiny by various congressional committees.

UNITED STATES MEDIATION BOARD

The bill establishes in the Department of Labor the United States Mediation Board, composed of three full-time members appointed by the President with the advice and consent of the Senate. The Board may establish necessary regional and other agencies, and utilize per diem or voluntary and uncompensated services; as, for example, panels of employer and employee representatives assisting a mediation staff permanently stationed in the various localities.

It is not generally realized that the present Conciliation Service has no statutory authorization except a single phase in the organic law establishing the Department of Labor over 25 years ago. Notwithstanding a limited field staff and meager appropriations, the Service has done splendid work in settling strikes, adjusting differences, counseling with employers and employees, assisting in drafting agreements, and arranging voluntary arbitration proceedings. In all, the Service has intervened in about 19,500 cases involving about 20,000,000 workers, and has achieved satisfactory adjustments in a large majority of instances.

Building upon the work and staff of the Conciliation Service, this bill places the Federal mediation function on a firmer statutory basis, defines its authority, and authorizes more adequate appropriations for its prompt and efficient operation both in Washington and in the field. The establishment of a new three-man board to head up the mediation service will give added prestige to its operations and probably make unnecessary the creation of makeshift mediation boards to handle particular major strike situations as they arise, as in the automobile, textile, and steel industries in recent years.

FUNCTIONS OF MEDIATION BOARD

Under the terms of the bill it is the general duty of the Mediation Board, in order to prevent or minimize interruptions of the free flow of interstate or foreign commerce growing out of labor disputes, to encourage employers and employees to exert every reasonable effort, through their lawfully designated representatives—

(1) To make and maintain agreements concerning rates of pay, rules, and working conditions, including wherever possible provision for the final adjustment of grievances or questions regarding the application or interpretation of such agreements; and

(2) To settle all differences, whether arising out of the negotiations, interpretation, or application of such agreements or otherwise, with all expedition, wherever possible, in conference in the first instance.

The services of the Mediation Board may be invoked by the parties, or by either party, to any labor controversy tending to lead to a labor dispute burdening interstate commerce, and not previously adjusted in conference. The Board is thus authorized to act in the early stage of industrial problems when, as experience shows, there is the greatest likelihood of amicable settlement. In addition, the Board may proffer its services whenever there arises a labor dispute involving or threatening an immediate and very substantial interruption to the free flow of interstate commerce. In either event, it is the duty of the Board promptly to put itself in communication with the parties and use its best efforts, by mediation, to bring them to agreement.

If such mediation efforts prove unsuccessful, the Board would make a final attempt to persuade the parties to submit their controversy to arbitration. Arbitration is entirely voluntary, and the failure or refusal of either party to agree to arbitrate is not to be construed as a violation of any legal obligation imposed by the bill.

For the guidance and information of interested representatives of employers, employees, and the general public, the Mediation Board is directed to maintain and keep open for inspection a file of copies of all mediation agreements arrived at under the bill, all arbitration agreements made and awards rendered pursuant to the bill, and any other collective labor agreements submitted for such purposes by any of the parties thereto.

RELATION TO NATIONAL LABOR RELATIONS ACT

The mediation bill does not amend or modify the National Labor Relations Act, nor do the functions of the two measures merge or conflict in any way. The prevention of unfair labor practices and the conduct of employee elections remain within the exclusive quasi-judicial authority of the Labor Board. Contrariwise, the Labor Board, by the terms of the Labor Act, has no jurisdiction to engage in mediation or conciliation; that is, adjustment of labor disputes concerning wages, hours, and working conditions. The sound policy laid down by President Roosevelt on signing the Labor Act almost 5 years ago still holds good today: "It is important that the judicial function and the mediation function shall not be confused. Compromise, the essence of mediation, has no place in the interpretation and enforcement of the law."

Successful mediation of labor disputes presupposes freely chosen representatives on each side. What the Supreme Court has said with reference to the Railway Labor Act is equally applicable here: "There is no impairment of the voluntary character of arrangements for the adjustment of disputes in the imposition of a legal obligation not to interfere with the free choice of those who are to make such adjustments. On the contrary, it is of the essence of a voluntary scheme, if it is to accomplish its purposes, that this liberty should be safeguarded."

VOLUNTARY CHARACTER OF ALL MEDIATION AND ARBITRATION PROCEEDINGS

The bill carries no penalties or coercive measures of any kind, and does not interfere in any way with the industrial freedom of either employees or employers. Substantial success has been achieved through wholly voluntary methods by the mediation machinery in Great Britain, by the Mediation Board in my own State of New York, and by the United States Conciliation Service in the country at large, even with its present limited personnel. This record confirms the judgment of all experienced mediators that lack of power to coerce the parties is their greatest strength in bringing reason to bear on any given controversy and facilitating an amicable and lasting settlement.

The proffered services of mediators are rarely declined by either party. The amicable adjustment of labor controversies will not be advanced by conferring coercive authority on the mediation agency. A mediator who renders public judgment on the merits of a controversy or who has to drag the parties to the council table by the service of subpenas has lost all usefulness in helping them to reach a common ground.

The suggestion is frequently made that we extend to all interstate industry the procedure of the Railway Labor Act for substantial waiting periods pending mediation of disputes. Apart from the special character of the railroad industry as an essential public utility, two fundamental factors are generally lost sight of by those advancing such suggestions: First, the absence of strikes in the railroad industry is to be explained, according to the report of the National Mediation (Railway) Board, "primarily not by the mediation machinery of the Railway Labor Act," but by the existence of system-wide or national collective labor contracts throughout the industry. "For while they are in existence," reported the Board, "these contracts provide orderly legal processes of settling all labor disputes as a substitute for strikes and industrial warfare."

The second major factor to be borne in mind is that the basic Railway Labor Act of 1926 was framed and sponsored as a result of prolonged conferences between representative committees of railroad presidents and executives of the standard railroad labor organizations, and embodied the agreement of a large majority of both.

In these circumstances, by agreement made mandatory by law, both the railroads and their employees voluntarily suspended their freedom of action for substantial periods of time. During such stipulated waiting periods, for example, employees may be barred in one instance from striking for higher pay to compensate for a sharp rise in living costs; and the railroads may be likewise barred in another instance from putting into effect a contemplated reduction in pay to compensate for declining revenues.

Such agreements for compulsory mediation are to be found in collective labor contracts voluntarily established in some industries. But in the absence of the stable bargaining relationships and the broad voluntary agreement of both sides at the basis of the Railway Labor Act there is no justification for a blanket Federal law imposing similar restraints on the freedom of employees and employers in all interstate industry.

CONCLUSION

There is no legislative substitute for the mutual responsibility and cooperative spirit which must underlie a sound and peaceful relationship between employers and employees. A soundly conceived Federal plan for voluntary mediation will, however, guide and hasten our progress toward a goal sought by all right-thinking citizens.

AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. WILEY. Mr. President, I submit at this time for reference to the appropriate committee several amendments which I intend to propose to House bill 8202. One of these amendments seeks to restore a cut in the appropriation for the Forest Products Laboratory and the other would restore the appropriation of the Division of Livestock and Crop Estimates to $747,510.

The PRESIDING OFFICER. The amendments will be received, properly referred, and printed.

The amendments intended to be proposed by Mr. WILEY to House bill 8202, the Agricultural Department appropriation bill, 1941, were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 42, line 12, to strike out "$600,000" and insert in lieu thereof "$664,181".

On page 46, line 5, to strike out "$16,366,000" and insert in lieu thereof "$16,430,181".

On page 61, line 13, to strike out "$700,000" and insert in lieu thereof "$747,510".

On page 66, line 23, to strike out "$5,977,126" and insert in lieu thereof "$6,024,636".

ARTICLE BY SENATOR PEPPER ON AMERICAN INTERESTS

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article on the subject American Interests, written by Senator PEPPER and published in the New World in the issue of October 1939, which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS—ADDRESS BY SENATOR GREEN

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD an address on New England industries and the reciprocal trade agreements program, delivered by Senator GREEN at the annual banquet of the New England Manufacturing Jewelers and Silversmiths Association at Providence, R. I., on February 17, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR TOBEY ON CENSUS SNOOPING

[Mr. TOBEY asked and obtained leave to have printed in the RECORD a radio address recently delivered by him under the title "Census Snooping," which appears in the Appendix.]

LINCOLN'S BIRTHDAY ADDRESS BY SENATOR HOLMAN

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an address delivered by him at the Lincoln's Birthday banquet of the Legion of Honor of Lu Lu Temple in Philadelphia, Pa., on February 10, 1940, which appears in the Appendix.]

WORK, WAGES, AND EDUCATION—ADDRESS BY HON. AUBREY WILLIAMS

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Hon. Aubrey Williams, Administrator of the National Youth Administration, at the Harvard University Graduate School of Education, Cambridge, Mass., on Thursday, February 15, 1940, on the subject Work, Wages, and Education, which appears in the Appendix.]

ADDRESS BY HON. LOUIS JOHNSON ON THE DEFENSE PROGRAM

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Louis Johnson, Assistant Secretary of War, before the Engineering Society of Western Pennsylvania at Pittsburgh, Pa., on February 19, 1940, on the subject of the national defense, which appears in the Appendix.]

RECENT OPINIONS BY MR. JUSTICE BLACK

[Mr. HILL asked and obtained leave to have printed in the RECORD a number of editorials on recent opinions by Mr. Justice Black, of the Supreme Court of the United States, which appears in the Appendix.]

THE NATIONAL TRANSPORTATION BILL—ADDRESS BY FRED BRENCKMAN

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD a radio address delivered by Fred Brenckman, Washington representative of the National Grange, on February 17, 1940, which appears in the Appendix.]

AVIATION NEEDS OF THE COAST GUARD

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a statement, together with certain tables, relative to the aviation needs of the Coast Guard, which appears in the Appendix.]

PROJECTS IN THE PACIFIC NORTHWEST

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the Appendix the portion of the annual report to the stockholders of the Seattle-First National Bank, of January 9, 1940, dealing with Government projects in the Pacific Northwest, which appears in the Appendix.]

RURAL ELECTRIFICATION

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an article published in the New York World-Telegram of February 13, written by Ludwell Denny, and relating to the rural-electrification program, which appears in the Appendix.]

PROMOTION OF GOOD WILL, TRADE, AND TRAVEL BETWEEN THE AMERICAS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a statement prepared by the Inter-American Trade and Travel Association on the subject of the promotion of good will, trade, and travel between the Americas, which appears in the Appendix.]

GOVERNOR JAMES OF PENNSYLVANIA AND THE W. P. A.—EDITORIAL FROM THE PHILADELPHIA RECORD

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial, entitled "W. P. A. Calls the Governor's Bluff," published in the Philadelphia Record of February 24, 1940, which appears in the Appendix.]

MODERN MIRACLE MEN—X-RAY SPECIALISTS

[Mr. ANDREWS asked and obtained leave to have printed in the RECORD an article by Rex Beach entitled "Modern Miracle Men," which appears in the Appendix.]

LOOKING AT RECORDS—EDITORIAL FROM MONTGOMERY (ALA.) ADVERTISER

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial from the Montgomery (Ala.) Advertiser of February 16, 1940, entitled "Looking at Records," which will appear hereafter in the Appendix.]

ACTIVITIES OF TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. GILLETTE. Mr. President, in addition to the other lines of wonderful work accomplished by the Temporary National Economic Committee the work of the past few days has been especially fruitful under the able leadership of the senior Senator from Wyoming [Mr. O'MAHONEY] in bringing out matters of particular interest to the farming sections pertaining to the practices relative to farm loans.

In that connection, in order that we may have immediately the benefit of some of the facts brought out in the investigation, I ask unanimous consent to have printed in the RECORD certain marked excerpts from pages 5, 7, 8, 9, and 10 of the

verbatim record of February 19 and pages 661 and 662 of the verbatim record of February 16, 1940.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The CHAIRMAN (Senator O'MAHONEY). Then what is a work-out case?

Mr. ROGERS (Metropolitan Life Insurance Co.). A work-out case is a man who has been unable to pay his interest, probably through some unusual circumstance, probably because of bad economic conditions, such as prevailed in the Missouri Valley territory. You get all kinds and types of cases.

WORK OUT ON ORIGINAL CONTRACTS

The CHAIRMAN. When you are working out a case, do you make a new contract?

Mr. ROGERS. Not generally. We work along with the existing contract. We constantly call on the man. We have chattel mortgages. We have the assignment of rents. And we will go along with that man and work with him that way.

The CHAIRMAN. Would you permit a reduction in the amount of interest paid?

Mr. ROGERS. In some cases, but not generally, because the rate was low in most all of them.

The CHAIRMAN. Then a work-out case is just a case in which, instead of foreclosing, you are just going along and hoping to work it out in one way or another by assignment of the property, chattel mortgages, or things of that kind.

Mr. ROGERS. Giving time. That is exactly right.

The CHAIRMAN. Now, when you gave time, how would you give time?

Mr. ROGERS. Well, we would work along with a man; for instance, he is in default today. He has a crop. His business is on an annual basis. We would take a chattel mortgage in some cases on his crops and after he had paid what he could pay we would work along with him in it until the next crop was harvested, and we would then see what his situation was.

The CHAIRMAN. Suppose his interest is due today and he can't meet it. What is your policy?

Mr. ROGERS. You mean he has been in good standing heretofore?

The CHAIRMAN. Yes; his mortgage, which has been in good standing, and the interest date comes and the mortgagor can't meet the interest.

Mr. ROGERS. We will get in touch with that man after a time, probably at the end of 30 days, unless he comes in and makes a report. He may be selling his corn to the Government. He may have hogs to sell. He may have some reasons that he wishes a delay. We endeaver to be very reasonable and very fair. If you have ever worked with farmers, Senator, you know that they do have those problems.

The CHAIRMAN. And they are usually pretty good pay if they can pay at all.

Mr. ROGERS. Yes; and good faith is the thing that we desire most of all.

The CHAIRMAN. What I am getting at is, would you permit the payment of the interest to be postponed? You have given 30 days of grace. If the farmer satisfied you that perhaps in 3 or 4 months he could pay, would that be satisfactory?

Mr. ROGERS. Yes; in the individual cases. Now, for instance, we will have loans in default over quite a period. If a man had no second-mortgage indebtedness, had no junior indebtedness, and was a perfectly fine fellow and has been fine with us, we would probably not ask that fellow for a chattel mortgage.

The CHAIRMAN. What were the circumstances which would lead you to begin foreclosure proceedings?

Mr. ROGERS. Bad faith in one case, and inability, definite inability, to pay; the borrower generally will admit his inability to pay when he has reached that point.

The CHAIRMAN. Which, from your point of view as the head of this department, would be the better policy—to foreclose or to work out?

Mr. ROGERS. Work out. I think that it is entirely wrong to promptly foreclose, unless there are certain circumstances that prevail that make it necessary; then each man's individual case should be taken into consideration and thoroughly analyzed.

The CHAIRMAN. Do you want us to understand that your policy was not to foreclose unless it was absolutely necessary?

Mr. ROGERS. Absolutely. That is right, Senator.

Mr. GESELL. Now, when I asked you about interest, Mr. Rogers, I thought you were going to tell us you reduced interest. I take it you didn't.

Mr. ROGERS. No; we did not.

Mr. GESELL. You actually increased it?

Mr. ROGERS. I explained it.

Mr. GESELL. The explanation you gave was that it resulted in increase as far as the farmers are concerned.

Mr. ROGERS. And it reacted to his advantage, that he had no cash commission to pay.

Mr. GESELL. Now, there was quite a demand from the farmers, was there not, for a decrease in the interest?

Mr. ROGERS. I do not say there was. I can see before you a letter of a correspondent. A correspondent always wants to decrease the interest and a correspondent wants to increase the amount. They were inclined to think you were too hard on them. The correspondent is the one who wants the cash commission. We found that was not a proper way.

Mr. GESELL. You mean then that this demand which is apparent by the material that I have in front of me from the correspondent for a lower interest rate was prompted by the selfish interest of the correspondent and didn't reflect in any way the wishes of the farmer?

Mr. ROGERS. I would say that.

Mr. GESELL. It is pretty hard for me to believe.

Mr. ROGERS. In general, 5-percent interest at that time was about as low a rate as mortgages have been made in, I suppose, 25 years. It is a low rate of interest today. Some of your Government agencies are getting higher rates.

Mr. HENDERSON. Couldn't we get an answer, Mr. Rogers, to the plain question Mr. Gesell asked? He asked you as to whether or not this request for lowered interest was due to the selfish interests of the correspondents and not to any part of the farmers wanting a reduction in interest. Could you give an answer to that?

Mr. ROGERS. Mr. Henderson, I could not give an answer to that.

Mr. HENDERSON. Then I think, as a member of the committee sitting, I would prefer you to say that.

Mr. GESELL. This letter from Mr. Lougee was your correspondence in Iowa, dated August 24, 1931. He discusses several matters with respect to decline in crop prices and says:

"We hear a great deal of complaint about the lending companies charging 5½-percent interest under such conditions. There never was a time when the farmers needed consideration like right now. I wonder if your company has any thought of reducing the interest rate to 5 percent?"

You replied to Mr. Lougee, in the second paragraph, or in your whole letter, as follows:

"We are in receipt of your letter of August 24, in which you inquired if we have given thought to reducing the interest rate on our mortgages from 5½ percent to 5 percent. We realize that any interest charge is difficult for some farmers to meet. The difference, however, between 5 percent and 5½ percent is scarcely the determining factor as to a farmer's success.

"We have not given consideration to reducing the rate from 5½ percent to 5 percent, and in the event we admit the total inability of farmers to pay, the chances are that we would decide to make no further farm-mortgage investments. Probably we should come to this conclusion. We have, however, looked upon the present situation as more or less a temporary one and not as a complete condemnation of the desirability of farm investments. Five and one-half percent interest is a reasonable rate, although at times we appreciate it that a lot of farmers have been favored with a 5-percent rate.

"Yours very truly."

It seems to me that correspondence is pretty much in opposition to what you have said, because you have admitted there quite clearly that it would benefit the farmer to have a lower interest rate, that 5 percent interest rates were being granted farmers, and in addition we have the fact that your correspondent has said the farmers would like to have a 5 percent interest rate and think it would be desirable.

Mr. ROGERS. Well, Mr. Gesell, you are drawing the conclusion entirely upon the statement of one correspondent.

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BASIS OF PAYMENT

Mr. GESELL. What are your relations with the tenants? What type of agreement do you have with them? Do they pay you on a crop-share basis, or do they pay you a percentage of their earnings or how does it work?

Mr. ROGERS. They pay us on a crop-share basis for the main cash crops and then they pay us cash rental for pasture land and hay meadow land.

Mr. GESELL. Then you must receive, in most instances, a considerable share of the crops of these farms each year.

Mr. ROGERS. We receive——

Mr. GESELL (interposing). How does it run, around 50 percent?

Mr. ROGERS. It depends upon the community. In Iowa, 50 percent of the corn in most areas is the accepted standard; in the South, one-fourth of the cotton; in some areas, 40 percent of the small grain; other areas, one-third of the small grain; whatever is the custom of the community.

The CHAIRMAN. Can that be handled profitably from the point of view of the Metropolitan?

Mr. ROGERS. I would say so, Senator. You take in 1939 our income, rental income, was $5,000,000; in 1938 I think it was $4,500,000; in 1937, I think, $4,600,000. The last 4 years it has been running along there.

The CHAIRMAN. In other words, for 4 years the rental income of the Metropolitan from farm tenants has been in excess of $4,000,000 annually.

Mr. ROGERS. Yes; it averaged about $4,600,000.

The CHAIRMAN. How does that compare with the interest income which you would have received had there been no foreclosures?

Mr. ROGERS. Well, it would be lower in view of the fact that we have spent so much money on rehabilitation. If that item were taken out, you see, the gross rental return in 1939 was 6.03. The taxes amount to approximately 1 percent.

Now, after a farm is thoroughly rehabilitated, the annual maintenance item is very small.

The CHAIRMAN. The rehabilitation cost would be amortized into the future.

Mr. ROGERS. Under ordinary circumstances we do not.

* * * * * * * *

Mr. ROGERS. Oh, we have gone 'way beyond that. We have some of these farms in finer condition than they have ever been in. For instance, in Minnesota our men made their crop rotations a little too short; in other words, they placed so many legumes on those farms that we actually got them too fertile and have had to crop them heavily.

The CHAIRMAN. You have directed the farmer in these improved methods of agriculture, have you not?

Mr. ROGERS. Oh, yes; and, of course, we furnish all the soil improvement crop seed.

EXPERT FARMING ADVICE

The CHAIRMAN. Do you have special experts whose duty it is to help the farmer with respect to how he shall control the crops?

Mr. ROGERS. That is correct, Senator.

The CHAIRMAN. You teach him the improved methods of cultivation—better methods of treating the soil?

Mr. ROGERS. Yes.

The CHAIRMAN. Do you counsel with him with respect to the type and character and amount of crops which are planted?

Mr. ROGERS. Yes, indeed. What we say is that each farm must have a certain percentage in soil-improvement crops each year, and that is agreed upon with the tenant, and he understands it; and I wish to say that tenants love the system, they love to have the improvements made on the farm, and they work with us splendidly, wonderfully.

The CHAIRMAN. Do you have any contractual arrangement with the tenants by which this program is carried out?

Mr. ROGERS. We have each field lettered. I wish I could show you one of those plans.

The CHAIRMAN. I would like very much to see one. Perhaps I am anticipating some of your questions, Mr. Gesell, on that.

Mr. GESELL. No, Senator; when you were out of the room Mr. Rogers offered those, and Senator KING felt that the time was too short, so we didn't get to them at that time.

The CHAIRMAN. I see.

Mr. ROGERS. There are two types of farms. Now, the one in green, I believe, is Montgomery County, Ky.?

The CHAIRMAN. The one before me is Montgomery County, Tenn.

Mr. ROGERS. Well, then, it is Tennessee.

The other one—and I think you should have it also, Senator—is a very high-type Illinois farm. These are just the essentials, the bare essentials of the working plan. You see, each field is lettered, A, B, and C, and then if you turn to the next page, to the cropping program——

The CHAIRMAN (interposing). Now we are referring to the Illinois farm. Each field is labeled by your manager.

Mr. ROGERS. That is the agreed plan of operation.

The CHAIRMAN. Agreed to by whom, with whom?

Mr. ROGERS. It is worked out by our men, and the tenant, in making his lease, agrees to operate in this way.

Now turn to the next page, Senator, and that is the cropping program outlined for a period of years.

The CHAIRMAN. The rotation chart?

Mr. ROGERS. That is the rotation chart, you see.

CROP-ROTATION PLAN

The CHAIRMAN. I see. Now, this rotation chart is worked out in the case of corn for the years 1939, 1940, 1941, 1942, and 1943.

Mr. ROGERS. That is right. Each field has its rotation.

The CHAIRMAN. In other words, here is the rotation for field A, and then in the next column the rotation for field B, then the rotation for field C, for field D, for field E, for field F, for field G, and for field H.

Mr. ROGERS. Yes.

The CHAIRMAN. All included in 320 acres?

Mr. ROGERS. That is correct.

The CHAIRMAN. That is quite a detailed plan, isn't it, for the improvement of agriculture on this farm?

Mr. ROGERS. Yes, indeed.

The CHAIRMAN. To what extent is the farmer consulted in the working out of this plan?

Mr. ROGERS. Our own men usually work the plan out with, of course, the tenant that is on the property. The tenant is given, as a rule, an outline of this cropping system so that he knows what it is. Some of them have it up in their homes. The lease provides that each year these fields shall be planted to certain crops.

The CHAIRMAN. In other words, you issue a lease to the tenant by which he agrees to follow the program of farming which is devised by your experts?

Mr. ROGERS. Yes; that is right, and they work together on it. Now, there is a great elasticity in the use of crops. For instance, the one thing that we are interested in is that the soil-building crops, the legume seed on a certain area of the farm, is planted, and for the balance of the field whether he wished to put a field in corn or half corn and half potatoes, we are not particular about that; or if he wanted to use a small grain—wheat, barley, or rye—we meet with requests in that respect.

The CHAIRMAN. What is the term for such a lease?

Mr. ROGERS. Our leases are made on a 1-year basis. We have considered longer-term leases, but we would have to include in them a cancelation right in the event of sale.

The CHAIRMAN. You have a 1-year lease and a 5-year crop-control program.

Mr. ROGERS. Yes; regardless of what tenant may remain on the property, the soil-building program continues. The operation of the farm continues in the regular way.

The CHAIRMAN. You use the term "soil building," which brings to my mind the soil conservation. Do you cooperate with the Department of Agriculture in its soil-conservation programs?

Mr. ROGERS. You see, we are not permitted to go into the soil-conservation program. There is a limitation of $10,000 which practically bars us, and our policy is to leave that to the tenant. If he wishes to go in, we work out a modification of this plan, but you can realize that practically all of the farms that we have enter the soil-conservation program with little change because they have been on a soil-conservation basis for many years.

The CHAIRMAN. In other words, you don't have to do very much in bringing your farms up to the standard set by the Department of Agriculture.

Mr. ROGERS. No.

The CHAIRMAN. If anything.

Mr. ROGERS. Seldom anything, if anything. I will give you an illustration where we are having a little difficulty. In the State of Georgia we had 80,000 acres go out of cultivation. We brought that back into cultivation by the use of large tractors and large tractor machinery, and then after we had it rehabilitated we put small homes upon it. A lot of those farms have been sold, but when the soil-conserving program goes back to any degree on a base acreage principle, it catches those farms that were not in cultivation during the depth of the depression period, or parts of it.

FARMER TENANT LEASES

The CHAIRMAN. Do these leases contain any option to the tenant to purchase?

Mr. ROGERS. No; they do not. In the past 4 years 87.3 percent of all of our farms that have been back to farmers or men whose business is farming, and 1 out of 11 sales has been back to a former owner or a member of a former owner's family.

The CHAIRMAN. What is the relationship, the ratio between those sales and the total number of farms which have been taken over?

Mr. ROGERS. The sales you mean to date? Eleven million six hundred thousand dollars of sales in '39 represented about 12 percent of all farms that we owned.

The CHAIRMAN. I was asking you a few moments ago to compare the income of the company from the crop rents and whatever other income you derived under this program with the income which had formerly been received from the same farms by way of interest.

Mr. ROGERS. To date it is lower because we have been in the process of rehabilitation. Now that farm in Tennessee—the one with the green plat—we have had only 2 years.

The CHAIRMAN. Would it be correct to infer it is lower only because of the expense of rehabilitation?

Mr. ROGERS. I would like to answer that by saying that after our rehabilitation is completed, that is, the rehabilitation of soil and rehabilitation of buildings, I believe that our income would be equal to or greater than the interest we are now receiving upon mortgages made on farms.

The CHAIRMAN. And from the point of view of pure investment, for the benefit of the company and its policyholder, which in your judgment now, if you have had experience enough to form a judgment, would be better, the farm-mortgage plan, with payment of interest and the retirement of the mortgages, or the tenant-lease program, with the income from crops?

FARM-MANAGEMENT RETURN

Mr. ROGERS. I would say that in the end we would have to take into consideration the rise and fall in land value and commodity prices, but inasmuch as under the law we are to dispose of these properties as soon as we can dispose of them readily, we look entirely to the question of sale.

The CHAIRMAN. Yes; I understand that; but the answer to my question is independent of that. Which would be in effect and in fact the better from an income point of view to the company?

Mr. ROGERS. I believe the rehabilitated farm would produce the better income, by and large, from the experience we have had.

The CHAIRMAN. In other words, if the law did not require the sale of these properties eventually, the company would get a better income by holding them and following the tenant program?

Mr. ROGERS. Yes; I feel quite certain of that.

* * * * * * * *

The CHAIRMAN. Before you ask that question, a moment ago, in answer to one of my questions you said that the tenants loved this program of cultivation and advice which you have instituted. What is the turn-over among tenants?

Mr. ROGERS. What is that?

The CHAIRMAN. What is the turn-over among the tenants?

Mr. ROGERS. I think that in the last 3 years—that would be an estimate; you have two types of turn-overs, one where we wish to change tenants and one where he wishes to leave us—our requests have averaged about 4 percent, and that an equal number have wanted to leave us; so that our tenant turn-over, from our standpoint, is very small; but our tenants buy farms of others. You

can realize that under this kind of a program tenants can be built into purchasers, but they won't always buy the farm they live on.

The CHAIRMAN. I was very much interested in your testimony, which I think is very illuminating, because in our studies in the Department of Agriculture appropriations bill and in the Farm Security set-up we find almost exactly the same type of condition which you have described. The Farm Security Administration has been engaged, as part of its program, in seeking to put farmers on the land, and the relationship between the Farm Security Administration and the farmer who is put on the land is not unlike the relationship which you describe.

Mr. ROGERS. That is true.

The CHAIRMAN. The whole farm-tenant problem which Congress has sought to solve by the so-called Bankhead-Jones Act brings all of these phases into bold relief. Frequently the Farm Security Administration finds that some farmers would fall into the 4 percent that you have described as the ones which you want to change.

Mr. ROGERS. Yes.

The CHAIRMAN. So that to my mind the outstanding problem, so far as agricultural land is concerned, is the relationship of the individual to the large organization.

Mr. ROGERS. Yes; that's right.

COOPERATION FROM TENANTS

The CHAIRMAN. Now, here you have drawn this picture of a huge institution which owns a very large amount of land and which has undertaken a rehabilitation program—a farm-development program not unlike that of the Farm Security Administration—for the benefit both of the tenant and of the company, and then, likewise, for the improvement of the land.

Mr. ROGERS. Yes.

The CHAIRMAN. The Farm Security Administration is doing likewise. We find, however, that frequently tenant farmers object to the decisions of the Farm Security Administration with respect to whether or not certain things should be done. I have often heard county agents criticized by farmers because county agents have sought to impose or stimulate improved farm practices. I have no doubt that your men have also heard criticism on the part of some farmers with respect to the methods and policies that you would like to carry out.

Mr. ROGERS. Senator, in that connection the position that I have taken is that sometimes the tenant is correct and your expert is wrong, and every time a question of that kind arises I put the question very bluntly, "Who is right in this instance?"

Now, we outline to the tenant before he comes on our property just how the farm is to be operated, so that he can say "Yes" or "No" at that time. That might account for the fact that we have very, very little trouble. The Farm Security Administration is following very much this plan. In fact, some of my men that were trained in my organization are now in the Farm Security Administration and with it, and I believe that your soil-conservation program also is coming around to this type of an operation on most farms. This plan, as you will notice, bears a number of "220," and is called a 220 plan, and the tenants know it, and we have tenants today that can plan a farm very expertly themselves.

The CHAIRMAN. You exercise great care in the selection of the tenants who go on your farms.

Mr. ROGERS. Great care; yes.

The CHAIRMAN. So that before they go on they know what the company will expect them to do with respect to farming methods.

Mr. ROGERS. Yes.

The CHAIRMAN. And that reduces the friction between the tenant and the company to a minimum.

Mr. ROGERS. Yes.

Now, Senator, in that connection, with 8,000 leases a year for the past 3 years, which meant 12,000, we had litigation in 6 cases out of 24,000, and in working with that many people you can't have a perfect, 100-percent record.

The CHAIRMAN. You say that your ordinary lease is for a single year. Do you give any leases to good tenants for longer periods?

LEGAL NECESSITY TO SELL

Mr. ROGERS. Well, the understanding is so mutual between the tenants and our organization or our men that we desire good tenants that do a good job, and they know that we want them, and the same thing is true that the tenant who is on a good farm wishes to stay, so we renew those leases very early, but we always are confronted with a law that says "sell," so that we must be in a position to sell.

The CHAIRMAN. So that because of the law which requires you to sell, you can't enter into a long-term lease?

Mr. ROGERS. Not very easily, no; and if we did, we would have to carry that same provision, cancelation in event of sale.

The CHAIRMAN. Do you think it would be a good thing to change the law so as to permit long-term leases, or to change the law so as to give the tenant farmer an option to buy?

Mr. ROGERS. Well, I have this feeling, that we should not own land or farms any longer than is reasonably necessary. I think that is correct. I would not like to see the law changed.

The CHAIRMAN. What do you mean by "reasonably necessary"?

Mr. ROGERS. In other words, these properties must be, in my opinion, sold back to the people on the land, and as they are gradually able to take them, they should be permitted to take them.

Mr. GESELL. Mr. Rogers, why is that? If you feel, as I recall your testimony, that you could probably make a better income managing these farms than you could under mortgage, and if you believe that you are successful and making a profit in the handling of these farms, why, from your point of view, is it desirable to turn them back to the men on the land? It seems to me there is something of a contradiction there.

Mr. ROGERS. I was probably speaking from a social standpoint.

IMPORTANCE OF LAND OWNERSHIP

The CHAIRMAN. I am very glad to have you say that, because it has long been my conviction that one of our fundamental troubles in this country has been the divorcement of people from the land, from ownership of the land, and the more we can stimulate farm ownership and even the ownership of urban property, the better it will be for all concerned, including insurance companies and business of all kinds.

Mr. ROGERS. Yes.

The CHAIRMAN. Because I think the trouble in this country is that there are too many people without property.

TEMPORARY NATIONAL ECONOMIC COMMITTEE STUDY OF LIFE INSURANCE

Mr. O'MAHONEY. Mr. President, I am glad that the Senator from Iowa [Mr. GILLETTE] has seen fit to ask unanimous consent for the publication in the RECORD of excerpts from the hearings of the Temporary National Economic Committee.

I take advantage of the occasion thus presented to remark again to the Members of the Senate in this manner, so that my statement may become available also to those who read the CONGRESSIONAL RECORD, that nothing in the hearings, and nothing in the testimony which has been developed, gives any basis for the fears which have been disseminated in some quarters that it is the purpose of the Committee to nationalize, or take over, the insurance business.

As I have frequently stated in the past, no member of the Committee has ever suggested to the chairman or presented to the Committee, either in executive session or out of executive session, or in any session, any such purposes as those which have been attributed to the Committee and its members by persons who seem to fear that the Committee wants the Government to take over the insurance business.

I think the real purpose of the study is particularly well illustrated by the excerpts which the Senator from Iowa has asked to have printed. The testimony taken during the past few days has had to do with the management of farm loans and farm properties, particularly the management of farms which, because of mortgage foreclosure, are now owned by insurance companies. These properties have been acquired by the companies without any desire upon their part to become owners. The farms have been acquired because, as a result of the depression, in many instances the mortgage debts could not be paid, and the result was that, reluctantly, the insurance companies acquired the ownership of the land.

The significant thing about the study has been that it emphasizes this outstanding fact in our present economic condition: Farm tenancy has been increasing rapidly during the past 20 or 25 years and the population is being separated from the land. Whereas in 1880 almost 75 percent of all farm operators were the owners of the land they operated, in 1930 that percentage had decreased until it was, as I recall, scarcely 50 percent. Since then farm tenancy has increased to an even greater extent, and Congress has found it necessary to pass a farm-tenancy bill, and appropriations for the Farm Security Administration, all in the effort to keep people on the land.

While, upon the one hand, the population of the United States in the agricultural areas is losing ownership of the land, on the other hand, in the great cities of the country such as New York, Philadelphia, Boston, and Chicago there has been an increase in industrial unemployment. The industrial worker, like the farmer, is also a man without property. In my opinion, the fact that there are so many people in the United States without property lies at the very root of all our economic troubles.

The purpose of the Committee has never been to take anything away from any company or any individual. It merely wants to secure basic facts. It has no desire to punish any life-insurance company or to put any obstacle in the path of the development of life insurance or of life-insurance companies. It has been studying insurance-company assets, to be sure, but only because investment of savings in such a manner

as to promote free private enterprise is one of the fundamental problems of our time.

BEST GOVERNMENT GOVERNS LEAST

Of course, I am aware that throughout the land there is much fear—a very natural fear in these days—of the growth of government. Let me say, Mr. President, that I am one of those who believe in the old doctrine of Thomas Jefferson, that that government is best which governs least. Our problem is how to adjust the lives of individuals—flesh-and-blood men and women—to the institutional and organizational system under which our economic life is carried on. That, and that only, is the objective of the study of life insurance, and of all the other studies which have been conducted by the Temporary National Economic Committee. It is true, of course, that in the pursuit of this study many facts with respect to the management of life-insurance companies were developed—naturally so.

I have the evidence of a report recently made by the Superintendent of Insurance of the great State of New York to substantiate the statement that already the study has resulted in voluntary improvements of methods by the life-insurance companies. In this report Supt. Louis H. Pink said:

> We have followed the proceedings of the Committee for the purpose of learning and putting into practice, either through recommended legislation or regulation by the superintendent, such changes as may be helpful or desirable. Some improvements suggested by the testimony have already been made, and we are hopeful that the report of the Committee will point out other ways in which we can better the principles and practices of State supervision.
>
> It may be helpful to discuss some of the problems and questions which have been raised by the testimony.

I trespass upon the time of the Senate to make this statement because I want the word to go forth to every policyholder, every life-insurance agent, and every executive of every life-insurance company in the land that nothing has been done or projected by the Committee which is in the slightest degree hostile to the great business of life insurance. Let me say that the weeks of study which have been given to the institution of life insurance seem to me to contribute a testimonial to the efficiency and ability with which the companies have been operated and managed.

Mr. GILLETTE. Mr. President, will the Senator yield to me for a brief statement?

Mr. O'MAHONEY. I shall be very glad to yield.

Mr. GILLETTE. Within the past few days information has come to me, and perhaps to other Senators, that meetings of policyholders have been called throughout the country. I do not know the motive for such meetings. My information is that they have been called for the purpose of making formal protest against what is assumed to be the intent on the part of the Temporary National Economic Committee to invade or destroy the value of life-insurance security. A letter received yesterday informs me further that I may expect numerous communications of the same sort, emanating from various gatherings of policyholders. So I think the statement made by the Senator from Wyoming is particularly pertinent at this time.

TEMPORARY NATIONAL ECONOMIC COMMITTEE NOT A LEGISLATIVE COMMITTEE

Mr. O'MAHONEY. Mr. President, I am glad the Senator has called my attention to this particular instance, because it suggests that I should outline the very limited function of the Committee.

It is only natural that policyholders throughout the United States should not understand the parliamentary situation so far as this Committee is concerned. The Temporary National Economic Committee is not a legislative committee. It cannot present to the Senate a report for legislation that would go upon the calendar for action. As a matter of fact, in the preliminary report which was filed with the Senate and the House some time ago it was explicitly pointed out that the Committee has no jurisdiction to report legislation, and that whenever it undertakes to make recommendations such recommendations must of necessity be left to the standing committees of the Senate and House for action.

This was the case, for example, with respect to certain patent suggestions. As the result of the hearings upon patents, the Committee recommended certain procedural changes in the law. It recommended also some substantive changes in the patent law. In each instance the recommendations went to the Patent Committees of the House and of the Senate, and the Temporary National Economic Committee had nothing whatever to do with the legislative hearings upon those matters.

So it should be made clear to those who are inquiring about this study that any recommendation that may eventually be made with respect to any subject whatsoever will have to run the gantlet of the standing committees in both the Senate and the House of Representatives, and then will have to bear the scrutiny of both the Senate and the House.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am very glad to yield to the Senator from South Carolina.

Mr. BYRNES. Mr. President, I listened some days ago to the Senator from Wyoming make a statement along this same line. That statement certainly satisfied me, and I think satisfied every other Member of the Senate. I can understand that, in view of the letters received by the Senator from Iowa [Mr. GILLETTE] and some other Senators, the Senator from Wyoming should feel called upon to make another statement. I wish to say to him, however, that I do not think it will accomplish anything. Judging from the letters I have received, it is a futile and vain effort on the part of the Senator from Wyoming to endeavor to stop the propaganda which is being distributed about this matter.

I received, as the result of forwarding a copy of the CONGRESSIONAL RECORD to an insurance agent in my State, a letter from which I could see that the writer was still convinced that the Senator from Wyoming is at the bottom of some deep, dark conspiracy. He enclosed in his letter an editorial from the National Underwriter, from which I could understand the reason for his apprehension, for in the editorial it was stated that, while the Senator from Wyoming stated that there was no such plan, it was noted that the Senator from Wyoming did not state that there would not, at some time in the future, be such a plan. Furthermore, the Senator from Wyoming, according to the editorial writer, has specifically evaded stating whether or not he was opposed to any Federal supervision, and until that was done insurance agents, insurance companies, and insurance policyholders would be afraid.

They attribute to the Senator from Wyoming a power which, really, I did not know he possessed, of immediately putting into effect as the result of this conspiracy some law which would injure all the policyholders of the country. Judging from the letters written me by various capable men in their own business, I have reached the conclusion so long as the National Underwriter prints such editorials and calls attention to things the Senator from Wyoming has not said that he might have said as to what he would do in the future, that he is not going to accomplish anything, and that those interested in insurance will continue to be frightened to death by this organized propaganda.

Mr. O'MAHONEY. Well, Mr. President, I have more faith than the Senator from South Carolina has just expressed, because the response which has come to my desk since I first made a statement of this kind is such as to give me, at least, the hope that the propaganda will gradually subside and that perhaps the insurance executives and others interested in the business will believe me when I say that the Committee has no hostile purpose in mind. I hope I have convinced the Senator from South Carolina.

Mr. BYRNES. The Senator has convinced me; but my correspondent called attention to the fact that the Senator from Wyoming had made no statement with reference to the views held by some employees of the Committee, and the fact that some of those employees were continued in the employment of the Committee while they maintained views which

the writer thought were improper caused this great fear of danger to the insurance interests.

Mr. O'MAHONEY. Of course, the impossibility of knowing the views of others is apparent.

Mr. BYRNES. I do not know that the Senator knows the views of all the employees of the Committee.

Mr. O'MAHONEY. Not in a country of free speech.

AMENDMENT OF BANKRUPTCY ACT—CONFERENCE REPORT

Mr. HUGHES. Mr. President, I submit a conference report on House bill 6505, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6505) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898," and acts amendatory thereof and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

JAMES H. HUGHES,
CARL A. HATCH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

HATTON W. SUMNERS,
EMANUEL CELLER,
CHARLES F. MCLAUGHLIN,
U. S. GUYER,
CHAUNCEY W. REED,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware for the immediate consideration of the report?

There being no objection, the report was considered and agreed to.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the contemplated adjournment of the Senate following today's session, the Committee on Appropriations may be authorized to make such reports as it may have ready.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INTERFERENCE WITH AMERICAN MAIL

Mr. CLARK of Missouri. Mr. President, a few days ago I introduced in the Senate a bill to prohibit the stopping of American airplanes at Bermuda. The bill was referred to the Committee on Foreign Relations. On the same day I offered an amendment to the Treasury and Post Office appropriation bill for the same purpose. The amendment was discussed at some length and ultimately defeated in the Senate, largely upon the representation that it should not be offered as a limitation upon a general appropriation bill.

Today there appears in the public press an Associated Press dispatch giving to some extent the details of some of the high-handed procedure of the Government of Great Britain in boarding an American airplane against the protest of the captain after it had touched at Bermuda, taking American mails at the point of the bayonet, and proceeding to rifle those mails.

I ask unanimous consent that the account as printed in the Washington Post of this morning be inserted in the CONGRESSIONAL RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection? There being none, the article will be printed.

The article is as follows:

BAYONETS USED TO HALT CLIPPER MAIL—CENSORS IN BERMUDA INVOKED MARINES WHEN PLANE CAPTAIN RESISTED SEARCH

NEW YORK, February 21.—The British began censorship of United States air mails at Bermuda on January 18 by seizing 2,600 pounds of letters from a Pan American Airways clipper at bayonet point, it was learned tonight.

Capt. Charles A. Lorber, of Baltimore, in command of the flying boat plying between the United States and Lisbon via Bermuda, not only ordered British censorship officials off his craft but also refused to surrender the mail until the British made a show of armed force.

The incident is only part of the story of censorship in the British colony, which has been cloaked in official silence for more than a month.

COLONY CENSORS NEWS

Pan American Airways, with head offices here, declined comment when informed that a witness to the incident had agreed to tell the story for publication.

(Implied confirmation of the incident came, however, in a London dispatch, quoting a source close to the Ministry of Economic Warfare as saying, "You can be certain it won't happen again.")

Unsuccessful efforts have been made to obtain details of the censorship set-up at Bermuda, together with the story of the original seizure. News itself is subject to censorship in the British Colony because the Government controls all commercial communications.

On January 18 Captain Lorber landed adjacent to Darrells Island, Pan American Airways' Bermuda base, and pulled up to the dock, where his passengers disembarked.

CAPTAIN STANDS GROUND

A staff of British censors came aboard.

"Captain Lorber," said their spokesman, "We are going to remove your mail."

Lorber protested, "You can't do that. This is a United States vessel."

"Yes, we can," was the rejoinder. "You are in Bermuda waters."

Lorber, a veteran of the company's trans-Pacific run, stood his ground.

"The only person I will allow on this aircraft," he said, "is the port doctor, according to custom. I'll do everything in my power to prevent the removal of that mail."

Thereupon he ordered the censorship staff ashore.

MARINES COME FROM SHORE

As his visitors walked off the craft their spokesman blew a whistle. A launch, containing a group of British marines, put out from shore. As they came alongside, Lorber saw each man carried a rifle with fixed bayonet.

Lorber mounted the stairway leading to the flight deck.

The marines clambered up on the plane's hydrostabilizer, entered the doorway above it, and followed the captain to that deck, where the mail bags were stowed.

Lorber glanced at the show of force.

"The situation," he said, "now is obviously out of my hands. May I trouble you for a receipt for this mail?"

Once ashore, Lorber wrote a formal protest against the seizure, signed by him and by George Wardman, Pan American Airways' Bermuda representative.

The censors removed half of the 5,200 pounds of mail, a record load for the east-bound crossing. Retained for censoring were all letters not addressed to England or France. Included among the mail censored were letters destined for Germany, Italy, Sweden, Portugal, the Azores, and other points.

Clipper mail loads have decreased steadily since the censorship at Bermuda, the only point at which the British can censor clipper mail, was established. West-bound as well as east-bound letters are removed regularly by the censors.

No clash of authority has occurred since the first day. The censors are given a free hand and the American Government has stipulated that certain classes of postal merchandise, to which the censors might object, cannot be consigned to Europe by clipper.

The censorship is so complete that passengers arriving in Bermuda with empty envelopes for air mail "covers" carrying Bermuda stamps for mailing to the United States are required to open them for examination.

Mr. CLARK of Missouri. Furthermore, a very interesting article appears this morning in the Washington Times-Herald, giving an account of the stoppage by the French Government of an American vessel traversing the high seas, followed by the procedure of sending the vessel into a British control port. That recalls to the memory of many of us the circumstance that during the last war, when the United States was being misrepresented at the Court of St. James by one Walter Hines Page, he took to the British Foreign Office a protest from the American State Department as to the proposed seizure of a ship called the *Dacia*, and then himself proposed to the British Foreign Secretary, Sir Edward Grey, that instead of having the British—who, Page said, were very unpopular in this country at that time—seize the *Dacia*, the seizure be made by the French as a palliative to American public opinion. I therefore ask leave also to have the article from the Washington Times-Herald of this morning with regard to the stoppage of an American ship by the French Government inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER. There being no objection, that will be ordered.

The article is as follows:

FRENCH HALT UNITED STATES LINER FOR SEARCH AT SEA—"MANHATTAN" ARRIVES FROM ITALY WITH 535 PASSENGERS

NEW YORK, February 21.—The United States liner *Manhattan* arrived today from her second voyage to Italy under the line's new South Atlantic service. The ship's master reported considerable delays at the British contraband control in Gibraltar. He said his vessel had been stopped at sea on the eastward voyage by a French auxiliary warship.

Capt. George V. Richardson declared 559 sacks of mail were taken off the ship at Gibraltar on the east-bound trip and the vessel was held up for 27 hours, an improvement over the first trip when a delay of 40 hours was encountered. On the return trip past Gibraltar the liner was held up 9 hours and 18 minutes.

East-bound the *Manhattan* was stopped by a French vessel about 200 miles off Gibraltar and was not allowed to proceed until officers had been sent over in a lifeboat with the ship's papers.

The *Manhattan* brought 535 passengers, including 270 refugees and 160 American citizens.

EXEMPTION OF CERTAIN INDIANS FROM PROVISIONS OF ACT OF JUNE 18, 1934—MOTION TO RECONSIDER

Mr. O'MAHONEY. Mr. President, I enter a motion to reconsider the vote by which Senate bill 2103 was passed at the last session of the Senate on the call of the calendar.

The PRESIDING OFFICER. The motion will be entered.

Mr. O'MAHONEY. Mr. President, I inquire if the bill has been sent to the House?

The PRESIDING OFFICER. The Chair advises the Senator that the bill to which he refers has been sent to the House.

Mr. O'MAHONEY. Then, in that event, I move that the House of Representatives be requested to return the bill to the Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from Wyoming.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. The motion is not debatable.

Mr. WAGNER. What is the bill?

The PRESIDING OFFICER. The clerk will state the title of the bill, and, if desired, will read the entire bill.

The CHIEF CLERK. A bill (S. 2103) to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

Mr. CHAVEZ. Mr. President, I should like to ask the Senator from Wyoming just what is the purpose of getting the bill back before the Senate.

Mr. O'MAHONEY. Mr. President, the bill was passed while the Senator from Wyoming was not in the Chamber. It came, as the Senator knows, from the Committee on Indian Affairs. The Senator from Wyoming was not present at the meeting of the Indian Affairs Committee at which the bill was considered. I regard it as a measure of such importance that I should like to have an opportunity to study it a little further before giving my consent to its enactment, in view of the fact that it was passed upon the call of the calendar, at a time when one objection would have been sufficient to prevent its passage.

Mr. CHAVEZ. Mr. President, of course, I have no desire to prevent the Senator from Wyoming from investigating the bill. Not a single tribe is involved that happens to live in my State. The Indian Affairs Committee did not take action until after it had hearings on the subject for some 3 or 4 years.

The PRESIDING OFFICER. Will the Senator pardon the Chair? The motion is not debatable; but, unless there be objection, the Chair will hear the Senator from New Mexico.

Mr. CHAVEZ. I have nothing further to say.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

ORDER DISPENSING WITH CALL OF THE CALENDAR

The PRESIDING OFFICER. The routine morning business having been concluded, the consideration of bills on the calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the calling of the calendar be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? There being none, it is so ordered.

PROPOSED LOAN TO FINLAND

Mr. WILEY. Mr. President, I ask the indulgence of the Senate for about 5 minutes.

We heard this morning in the reading of Washington's Farewell Address, these significant words:

> The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible.

In connection with these words of the great President, I desire to call the attention of the Senate to two significant incidents in the history of this country, because they relate themselves to the bill recently passed by the Senate increasing by $100,000,000 the lending authority of the Export-Import Bank. The purpose of the passage of that bill was so that a loan could be made to Finland. These are the incidents to which I refer:

Back in the days when France aided this country to become a Republic, we entered into a treaty with France; but, before France aided us, she did the very thing we are now proposing to do.

When the French Government supplied credit and supplies to the United States in the early days of the American Revolution, it showed its sense of the unneutral nature of the transactions by conducting them indirectly through fictitious commercial firms. This was because France was willing indirectly to give the United States aid against England, her traditional rival and enemy. In the summer of 1776 France promised assistance through Pierre Augustin Caron De Beaumarchais, the dramatist-intriguer. Beaumarchais acted through the dummy firm Roderigue Hortelez et Cie, a French name, which would be similar to our Export-Import Bank—but he really acted as the secret agent of the French Government and, early in 1777, made loans to the United States to enable it to carry on the war.

When France, on February 6, 1778, concluded a formal agreement of alliance with the United States, she merely avowed her real position in connection with her unneutral activity during 1776 and 1777.

The United States Government only last summer enacted legislation which forbade its citizens to exercise the customary international-law rights of neutrals to trade with belligerents. This was in order to minimize contacts with belligerents and to keep the United States out of foreign wars. With this legislation still in effect, it has recently been proposed that the United States, through the Export-Import Bank, make an additional loan to Finland.

If the proposed loan to Finland shall be made—and that seems to depend upon whether or not the House will pass the bill—it will put America in the same position that France was in with this Government in 1776 and 1777, before she came out in the open and became a formal ally of this Government; and we shall have entered the war on the economic front, and shall be well on the way to military participation.

The Finnish front is but the northern flank of the Moscow-Berlin alliance. Today we see Sweden trembling, and refusing to give the aid that we are supposed to be giving through the Export-Import Bank. For the United States Government to make loans to belligerents such as Finland is obviously, therefore, in the nature of an intervention.

The second incident to which I wish to call the attention of the country is this: I said that in 1778 we made a treaty with France. She came in and helped us and we became allies. We concluded an offensive-defensive treaty by the terms of which the French Government agreed to aid the United States in her struggle for independence, and this Government guaranteed France forever her possessions in the West Indies, and material aid with men, weapons, and supplies in any future war France might have with Great Britain or other continental powers. This morning we heard read statements from Washington's Farewell Address in which he justified the very act to which I am now referring. In 1793, after the independence of the United States had been achieved, France

became involved in a war with Great Britain and needed the assistance of the United States; but the United States failed to give that aid, failed to loan money in accordance with that treaty.

Thereupon the French Government seized the ships of American shipowners on the theory that this Government had failed to live up to its treaty of 1778. In 1800 the American Government made a treaty with France, agreeing that this Government would pay the shipowners the value of their ships which had been taken by France in consideration of the French Government releasing the United States from all claims arising from its violation of the treaty of 1778, when this Government failed to come to the aid of France.

As a result, there is now pending in the Congress a bill, Senate bill 3173, providing that this Government shall appropriate $3,910,000 to settle the so-called French spoliation claims. The justice of the French claims has been admitted by former Secretary of State Charles E. Hughes and the present Secretary of State, Cordell Hull.

Mr. President, I bring these facts to the attention of the Senate because from their consideration we can get some light or guidance, perhaps, which will aid us in deciding what we shall do in the troublesome days which are ahead. If Washington felt in his day that it was sufficiently important, in order to keep this country out of war, realizing that we were set apart, as it were, even to fail to pay an obligation that was due France, we should think twice before we involve 130,000,000 people in war by any act of ours, whether it be in the East, where we might slap one nation in the face, or in Europe, violating international law.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. Mr. President, in view of the fact that no one in this country is now attempting to get us into war, I move that the Senate adjourn until Monday next.

The motion was agreed to; and (at 1 o'clock and 30 minutes p. m.) the Senate adjourned to Monday, February 26, 1940, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 22, 1940

The House met at 12 o'clock noon.

Rev. Samuel W. Moore, formerly pastor of the First Presbyterian Church, Bluefield, W. Va., offered the following prayer:

Almighty God, our Father in heaven, our Divine Creator and Redeemer, Thou hast been our help in ages past; Thou art our present help and our hope for years to come. We bow before Thee in holy worship, and we seek Thy blessing. We give thanks to Thee for Thy many mercies and blessings to us. We thank Thee for this good land in which we dwell and the beneficent Government under which we live and have our freedom and enjoy the pursuit of happiness. Thou art the giver of every good and perfect gift, and we acknowledge Thy hand of love in the blessings that come to us.

On this anniversary of the birth of our first great President, help us, we beseech Thee, to recall his unselfish life, the great sacrifices he made, the hardships he endured, the great service he rendered in winning our independence and establishing our Government, his high sense of honor and integrity; and may we from these memories gather fresh courage and inspiration to live more worthily and to serve more faithfully.

Bless, we beseech Thee, the President of these United States and all who are associated with him in authority. We pray for Thy guidance especially for our Secretary of State and our Foreign Relations Committee in this time of such disturbed and complicated international relations. Give wisdom to them, we beseech Thee, O God. Let Thy blessing, we pray Thee, be upon the ambassadors of the various nations of the earth gathered here in our Capital. May they find here that spirit of understanding, that high sense of honor and integrity, that spirit of the good neighbor on our part that will best help them to direct the affairs of their nations and to serve mankind. Let Thy blessing, we beseech Thee, be upon the Congress here assembled. Bless these our Representatives as they enact laws for our Nation. Help them to be deeply conscious of Thy presence, and put into their hearts to do that which will be for the best interests of all the peoples, we pray.

Let Thy blessing be upon all the people of our land. Send peace and plenty to them we beseech Thee.

Restrain, we beseech Thee O God, the nations that are at war, and put it into their hearts to end, and that right speedily, the terrible destruction of human life and property, and all the suffering that comes with them. Grant, O God, that there may be peace on earth and good will toward men.

Hear the prayer Thy servant has taught us:

"O God of love, O King of peace,
Make wars throughout the world to cease;
The wrath of sinful man restrain;
Give peace, O God, give peace again!

"Remember, Lord, Thy works of old,
The wonders that our fathers told;
Remember not our sin's dark stain;
Give peace, O God, give peace again!

"Whom shall we trust but Thee O Lord?
Where rest but on Thy faithful word?
None ever called on Thee in vain;
Give peace, O God, give peace again!

"Where saints and angels dwell above,
All hearts are knit in holy love;
O bind us in that heavenly chain;
Give peace, O God, give peace again!"

We make our prayer in the name of Jesus Christ, Thy Son, our Mediator and Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. RAYBURN] for 1 minute.

ANNOUNCEMENT

Mr. RAYBURN. Mr. Speaker, it has been announced many times that there would be nothing today but the reading of Washington's Farewell Address. I trust, therefore, that no unanimous-consent requests will be made, because I shall be constrained to object.

The SPEAKER. Under a special order of the House heretofore made, the Chair takes pleasure in presenting to the House Representative CROWTHER, of the State of New York, who will read George Washington's Farewell Address.

WASHINGTON'S FAREWELL ADDRESS

Mr. CROWTHER. Mr. Speaker, there is depicted in the famous oil painting of Henry Hintermeister the taking of the oath by the Father of his Country on the balcony before the Senate Chamber in Federal Hall in New York City. The date was April 30, 1789. He was surrounded by his companions in arms and his closest friends. The portraits in that painting are John Adams, Vice President; Gen. Henry Knox; Baron Steuben; Alexander Hamilton; James Madison, known as the father of the Constitution; Roger Sherman; and Robert R. Livingston, the chancelor of New York, who administered the oath to the President.

Mr. Speaker, as I represent a very small portion of that Empire State, I esteem highly the privilege, and I appreciate the courtesy on your part in extending to me the privilege of reading this address.

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I

have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or

manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn

manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under diqfferent shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted

by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand: neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverence and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice

and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I an unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
19th September, 1796.

EXTENSION OF REMARKS

Mr. ALEXANDER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Minnesota rise?

Mr. ALEXANDER. May I ask the majority leader of the House if he does not feel it would be wise for Members to be allowed to insert articles in today's RECORD regarding George Washington?

Mr. RAYBURN. If the remarks are with regard to George Washington, I have no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article regarding George Washington.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 52 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, February 23, 1940, at 11 a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Friday, February 23, 1940, at 10 a. m., before the petroleum subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

COMMITTEE ON ROADS

The Committee on Roads will resume hearings at 10 a. m. Monday, February 26, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings at 10 a. m. in room 213, House Office Building, on the reapportionment of Representatives in Congress.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 28, 1940, at 10 a. m. there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes; and

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

COMMITTEE ON FLOOD CONTROL

There will be a meeting of the Committee on Flood Control on Friday, February 23, 1940, at 10 a. m., to consider House resolutions and preliminary plans for a flood-control bill during the session.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1406. A letter from the acting president, Board of Commissioners of the District of Columbia, transmitting a draft of four proposed joint resolutions relating to the inauguration of the President-elect in January 1941; to the Committee on the District of Columbia.

1407. A letter from the Acting Secretary of the Department of Agriculture, transmitting a report showing the name, address, and amount of payment of each person receiving $1,000 or more under the 1937 programs administered under the provisions of the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 8608. A bill authorizing a survey of the rates of compensation paid to certain civilian employees of the Army for the purpose of establishing uniform and equitable rates; to the Committee on Military Affairs.

By Mr. CROSSER:

H. R. 8609. A bill to provide for the return to employees of contributions paid by them under unemployment compensation laws, and to make funds available therefor; to the Committee on Interstate and Foreign Commerce.

By Mr. DIRKSEN:

H. R. 8610. A bill to provide for the erection of a memorial to William Edgar Borah; to the Committee on the Library.

By Mr. SUTPHIN:

H. R. 8611. A bill to provide for the preservation of the birthplace of Joyce Kilmer, New Brunswick, Middlesex County, N. J.; to the Committee on the Public Lands.

By Mr. VAN ZANDT:

H. R. 8612. A bill to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 8613. A bill to amend the act to provide for the retirement of disabled nurses of the Army and the Navy; to the Committee on Military Affairs.

By Mr. WOOD:

H. R. 8614. A bill to extend the civil-service laws to certain special-delivery messengers; to the Committee on the Civil Service.

By Mr. MARCANTONIO:

H. R. 8615. A bill to provide for employment, for cooperation by the Federal Government with the several States in relieving the hardships and suffering caused by unemployment, and for other purposes; to the Committee on Labor.

By Mr. COLLINS:

H. R. 8619. A bill to amend Veterans Regulation No. 1 (a), as amended, part III, entitled "Payment of pension for disabilities or death not the result of service"; to the Committee on World War Veterans' Legislation.

By Mr. KNUTSON:

H. R. 8620. A bill to provide for credit of internal-revenue tax paid on certain cereal beverages; to the Committee on Ways and Means.

By Mr. RAMSPECK:

H. R. 8621 (by request). A bill to amend the Civil Service Retirement Act and other retirement acts; to the Committee on the Civil Service.

By Mr. D'ALESANDRO:

H. R. 8622. A bill to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. THOMAS F. FORD:

H. R. 8623. A bill to establish a permanent industrial loan corporation to assist financing institutions in making credit available to commercial and industrial enterprises; to the Committee on Banking and Currency.

By Mr. KRAMER:

H. R. 8624. A bill to amend section 3 of the Fair Labor Standards Act; to the Committee on Labor.

By Mr. LEMKE:

H. R. 8625. A bill to amend section 5, chapter 311, Statutes at Large, volume 38, approved September 26, 1914, and acts amendatory thereof and supplementary thereto; to the Committee on Interstate and Foreign Commerce.

By Mr. COLE of Maryland:

H. R. 8626. A bill for the relief of persons suffering injuries due to the establishment, maintenance, and operation by the United States of the Aberdeen Proving Ground in Maryland for the test of explosive and other dangerous instruments of war; to the Committee on Claims.

By Mr. GARRETT:

H. R. 8627. A bill to grant veterans judicial review against the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. PIERCE:

H. R. 8628. A bill to amend the Perishable Agricultural Commodities Act, 1930, as amended, to include as a perishable agricultural commodity cherries in brine, and for other purposes; to the Committee on Agriculture.

By Mr. WALLGREN:

H. R. 8629. A bill to provide for exercising the right with respect to red-cedar shingles reserved in the trade agreement concluded November 17, 1938, between the United States of America and Canada, and for other purposes; to the Committee on Ways and Means.

By Mr. EDMISTON:

H. R. 8630. A bill to provide for the retirement of certain enlisted men of the Army; to the Committee on Military Affairs.

By Mr. SOUTH:

H. R. 8631. A bill to establish a domiciliary unit at the United States Veterans' Administration facility at Legion, Tex.; to the Committee on World War Veterans' Legislation.

By Mr. STEAGALL:

H. R. 8638. A bill to amend section 12B of the Federal Reserve Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANDOLPH:

H. R. 8639. A bill to change the name of a portion of Twenty-fourth Street NW. to Williamsburg Lane; to the Committee on the District of Columbia.

By Mr. FLANNERY:

H. R. 8640. A bill limiting the working hours of certain employees in the Postal Service to 8 hours in a day of 9 consecutive hours; to the Committee on the Post Office and Post Roads.

By Mr. LEMKE:

H. J. Res. 464. Joint resolution relating to ownership of stocks and bonds of industrial, railroad, mining, banking, shipping, oil, and other corporations, firms, and partnerships by Members of the Senate and House of Representatives of the United States of America and by employees of the Federal Government and their relation to such corporations and firms; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. J. Res. 465. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1941, and for other purposes; to the Committee on the District of Columbia.

H. J. Res. 466. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1941; to the Committee on the District of Columbia.

H. J. Res. 467. Joint resolution to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies on the

occasion of the inauguration of the President-elect in January 1941; to the Committee on Ways and Means.

H. J. Res. 468. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies; to the Committee on Public Buildings and Grounds.

By Mr. SHAFER of Michigan:

H. J. Res. 469. Joint resolution creating a civilian commission to investigate the national defense; to the Committee on Military Affairs.

By Mr. MERRITT:

H. J. Res. 470. Joint resolution to authorize the appropriation of an additional sum of $425,000 for Federal participation in the New York World's Fair 1940; to the Committee on Foreign Affairs.

By Mr. FLANNERY:

H. J. Res. 471. Joint resolution for the relief of the anguished, stricken, and starving population of war-torn and martyred Poland; to the Committee on Foreign Affairs.

By Mr. VINSON of Georgia:

H. Res. 390. Resolution providing for the consideration of H. R. 8026, a bill to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes; to the Committee on Rules.

By Mr. MAAS:

H. Res. 391. Resolution directing the Secretary of State to submit all information concerning American merchant ships and airplanes, by name, that have been stopped by belligerents since September 1, 1939; to the Committee on Foreign Affairs.

By Mr. SHERIDAN:

H. Res. 392. Resolution authorizing an investigation of small-loan companies; to the Committee on Rules.

H. Res. 393. Resolution providing for expenses of the select committee created by House Resolution 392; to the Committee on Accounts.

By Mr. SMITH of Illinois:

H. Res. 394. Resolution to print certain documentary matter relating to the life and works of Abraham Lincoln; to the Committee on Printing.

By Mr. CANNON of Missouri:

H. Res. 395. Resolution to print the prayers of the Chaplain of the House of Representatives; to the Committee on Printing.

By Mr. FISH:

H. Res. 396. Resolution making House Joint Resolution 408 a joint resolution providing for a national referendum before drafting citizens and aliens for military service outside of the Western Hemisphere or the Territorial possessions of the United States, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their senate joint resolution No. 5, relative to House bill 7372, relating to Federal control of oil and gas production in California; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HULL:

H. R. 8616. A bill granting a pension to Dora Mae Brinkley; to the Committee on Invalid Pensions.

By Mr. McLEOD:

H. R. 8617. A bill to extend the emergency officers' retirement benefits to Edward G. Heckel, formerly colonel, United States Army; to the Committee on Military Affairs.

By Mr. LAMBERTSON:

H. R. 8618. A bill for the relief of Thomas S. Brading; to the Committee on Claims.

By Mr. FLAHERTY:

H. R. 8632. A bill for the relief of Michael J. Twohey; to the Committee on Naval Affairs.

By Mr. GAMBLE:

H. R. 8633. A bill granting a pension to Fannie J. Mann; to the Committee on Invalid Pensions.

By Mr. GARRETT:

H. R. 8634. A bill for the relief of Mollie S. McHaney; to the Committee on Claims.

By Mr. KUNKEL:

H. R. 8635. A bill for the relief of Elizabeth Melching; to the Committee on Claims.

By Mr. LANDIS:

H. R. 8636. A bill granting an increase of pension to Florence C. Woods; to the Committee on Invalid Pensions.

By Mr. WHITE of Idaho:

H. R. 8637. A bill for the relief of William Sullivan; to the Committee on Claims.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 23, 1940

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We rejoice, our heavenly Father, that in all this universe of starry splendors and unthinkable immensities we cannot fall out of the hands of a good God. Death may threaten, and the dearest pass through the shadow of the valley, but these are the prelude to a deeper joy to come. We praise Thee that here is life's abiding rest and ultimate wonder and the secret of those chimes that forever ring in the dome of the immortal soul. Help us to ever pray "Thy will be done," not only in the acceptance of pain and bereavement, but in the chill of doubt and in the crisis of perplexity when the task of faith is so difficult. Thy will be done in the roar of the world with its ceaseless strife and in the whirl and din of its commercial life. When patriotism glows fervently and national aspirations are strong, O help us to pray the mighty prayer: "Thy will be done." In the name of our Elder Brother, Jesus Christ the Righteous. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6505) entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

The message also announced that the Senate requests the House of Representatives to return to the Senate the bill (S. 2103) entitled "An act to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended."

The message also announced that the Vice President had appointed Mr. NEELY, of West Virginia, Mr. BARKLEY, of Kentucky, and Mr. MCNARY, of Oregon, as members on the part of the Senate of the Joint Committee on Arrangements for the Inauguration of the President-elect of the United States on January 20, 1941, pursuant to the provisions of Senate Concurrent Resolution No. 32, Seventy-sixth Congress.

SETTLEMENT OF DISPUTES WITH THE UNITED STATES

Mr. COX, from the Committee on Rules, submitted the following resolution (Rept. No. 1664), which was referred to the House Calendar and ordered printed:

House Resolution 388

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6324, a bill to provide for the more expeditious

settlement of disputes with the United States, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXPENSES OF SPECIAL INVESTIGATINC COMMITTEE

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 387

Resolved, That the expenses of conducting the investigation authorized by House Resolution 258 of the Seventy-sixth Congress incurred by the special committee appointed to conduct the investigation authorized by said resolution acting as a whole or by subcommittee, not to exceed $50,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts, and the amount herein appropriated is to cover all expenditures of said committee of every nature in the final completion of its investigation and filing its report.

SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

SEC. 3. The head of each executive department is hereby requested to detail to said special committee such number of legal and expert assistants and investigators as said committee may from time to time deem necessary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I offer a further privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 389

Resolved, That there shall be paid out of the contingent fund of the House not to exceed $20,000 for the expenses of the select committee appointed under authority of House Resolution 344 to investigate the campaign expenditures of the various candidates for the House of Representatives in both parties.

SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend the remarks which I expect to make during the day on the extension of the Reciprocal Trade Agreements Act and to include therein certain quotations, excerpts, and data relating thereto.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ROMJUE and Mr. MURDOCK of Arizona asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks that I shall make today and also to include a table of imports and exports that has been heretofore prepared.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WARD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the seventh anniversary of the Civilian Conservation Corps.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BURGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the reciprocal-trade agreements and to include certain excerpts from the Under Secretary of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. VINCENT of Kentucky, Mr. LARRABEE, and Mr. BURDICK asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I expect to make this afternoon on the trade agreements.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a statement in connection with the Reciprocal Trade Act.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that after the disposition of the business on the Speaker's desk and the legislative program on Tuesday I may be permitted to address the House for 30 minutes on the subject of relief for Finland.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that I may be permitted to extend my own remarks in the RECORD and include a letter I wrote to Hon. Edward O'Neal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LOAN TO FINLAND

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PLUMLEY. Mr. Speaker, as early next week I shall cast my vote for the bill to enlarge the authority of the Export-Import Bank, in order that we may extend to Finland the insignificant sum of $20,000,000 as a proposed export credit in her time of great need, I will have in mind the inescapable fact that history repeats itself.

I am forcibly reminded of this by that excerpt from Edward Bulwer-Lytton's Siege of Constantinople, written a hundred years or more ago, wherein he says:

Dandolo

Said then, "The time is come which long ago
I saw in Zara. Who eschew the good
Must choose the evil. Drunk with brawl and blood,
The Empire reels upon her downward road;
Corrupt at home, contemptible abroad.
Devilish, she would be godlike without God;
Godless, would rule, who needs, herself, the rod;
And deems, not being good, she can be great:
Great, without one great man, i' the face of Fate,
The singular tyrant breeds the general slave,
And shameless citizens shamed cities have.
The time is now, and ours the hands, O friends,
To sweep this rubbish hence, and make amends
To earth, too long encumber'd with the same.

"Let's really do something about it." We do not have to go to war. We do not have to bear arms or send troops to help save them, ourselves, and the civilization they are fighting to maintain, for us as well as for themselves. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. KINZER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an address delivered by Hon. J. WILLIAM DITTER, of Pennsylvania, at the Founders' Day exercises at Ursinus College, February 15,

at which time an honorary degree of doctor of laws was conferred upon Mr. DITTER.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend such remarks as I may make this afternoon in Committee of the Whole while the Trade Agreements Act is under consideration.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend such remarks as I may make this afternoon in Committee of the Whole on the Trade Agreements Act.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a statement which appeared in the Evening Star on the subject of American Legion employment program.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a statement relative to American exports during the war period.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a short editorial from the Moline Dispatch on the subject of proposed rates by the National Bituminous Coal Commission.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the San Francisco Chronicle.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RISK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include a copy of a speech by Mr. Kenneth F. Simpson at Knoxville, Tenn., at the celebration of Lincoln's birthday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include an article from Our Sunday Visitor, on lewd literature.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make today in Committee of the Whole, and to include certain tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WAGE AND HOUR LAW

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, reciprocal-trade agreements are one evil; the Wages and Hours Act is another evil. I had a letter this morning stating that another cigar factory in my district closed on day before yesterday, throwing 38 people out of employment. The factory which I reported closed the day after Lincoln's birthday, last year, paid $25,000 Federal tax, and under the N. R. A. the factory paid $30,000 of the unconstitutional processing taxes. This evil is continuing up there. I am appealing to the Members of this House to sign discharge petition No. 23, on the Speaker's desk, discharging the Labor Committee, which will bring out the Hoffman bill, which will remedy this evil.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address by Fred Brenckman of the Grange.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I also ask unanimous consent to extend my own remarks and include a resolution of the City Council of Toledo, Ohio.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks by including some brief resolutions passed by the Purple Heart organization, composed of World War veterans, at their Washington birthday celebration yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FREEDOM OF SPEECH AND OUR FOREIGN POLICIES

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I utterly disagree with the statement made by Senator BARKLEY a few days ago that there should be no discussion or criticism of our foreign policies, as such criticism might tend to interfere with the plans of the State Department. Our foreign policies are by far the most important issue confronting the American people, and they have a right to know what commitments are being made that might jeopardize our peace or involve us in European or Asiatic wars.

The Members of the House and Senate not only have a right but a duty to criticize attempts of the internationalists wherever they may be to have us quarantine or police the world with American blood and treasure.

The American people are opposed to secret diplomacy, war commitments, or any kind of departure from our traditional foreign policies of neutrality, nonintervention, and peace, as enunciated by George Washington.

The sale of eight American vessels owned by the United States Lines, valued at $4,100,000, to a Belgian company for the ridiculously small sum of $137,000 down payment amounts to a subterfuge and a breach of American neutrality, and is a violation of the cash-and-carry provisions of the Neutrality Act. All the facts connected with this transfer should be made known to the public. I do not believe the American people like the idea of our holding a 97 percent interest in these ships carrying arms, ammunition, and implements of war into the war zone. If that is to be the practice, why have any cash-and-carry provision at all, or continue any pretense of American neutrality?

As Abraham Lincoln said, "to sin by silence, when we should protest, makes cowards of us all."

The war issue far transcends all party lines or affiliations. If we are involved in another war it will mean a black-out of American liberties and the creation overnight of a dictatorship similar to fascism or nazi-ism, and we may never regain our American system and free institutions. The dictatorial nations of Europe each have one man who determines their foreign policies. In America issues affecting the security of the Nation and the safety of its people should be decided in a democratic manner by the Congress and the people themselves.

Men and women of America should have more and more voice, instead of less and less, in deciding this vital issue affecting their security. Our answer to the dictatorial governments should be to make democracy work in our own country. I do not agree in any way with Senator BARKLEY's statement that the Congress and the American people must

be silent, after the manner of foreign dictatorial governments, on our foreign policies.

The constitutional power to declare war rests in the Congress, and not with the President or the State Department. I shall oppose every effort of Senator PITTMAN to give President Roosevelt more discretionary power to declare war through imposing embargoes against Japan, which is virtually equivalent to a declaration of war and deprives the Congress of its constitutional rights and functions. The time has come not to give the President, whoever he may be, additional powers over foreign affairs, but to take back some of the powers already granted and restore representative government in the United States.

We are approaching another national campaign, and both the Republican and Democratic parties should submit their programs on foreign policies to the people for their decision after a thorough debate. Should the American people want internationalism, in preference to the accepted and traditional foreign policies of neutrality and nonintervention as laid down by George Washington, that is their privilege, but it should not be forced upon them in secret without their consent.

There must be no compromise or quibbling on the great issue of Americanism against internationalism. The people should be afforded a clear-cut referendum on this issue in the general election of 1940, as on the League of Nations in 1920.

Unfortunately, for the first time in our history, our foreign policy has been based on hatred, threats, and attacks on forms of government and rulers of other nations. It is a most amazing departure from America's traditions, and has created war hysteria at home and hatred abroad.

War mongers, interventionists, and internationalists in America, backed by huge sums for propaganda from abroad will stop at nothing to inflame the hatreds and passions of the American people and break down their will for peace. The price of peace is eternal vigilence and a militant determination to keep this Nation out of Europe's and Asia's wars. The preservation of peace is worthy of almost any sacrifice, except national honor.

If there is any country worth living in today it is the United States of America. We should devote our time and energy toward the solution of our own problems and putting our millions of unemployed back to work. Our first consideration, irrespective of party, should be the best interests of our country and the welfare of the American people.

EXTENSION OF REMARKS

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a sermon delivered by Dean Frank A. Rhea at the funeral services held for the late Senator William E. Borah at Boise, Idaho, on January 25.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. CARLSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. (After counting.) One hundred and forty-six Members are present, not a quorum.

Mr. DOUGHTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 29]

Allen, La.	Gehrmann	Maloney	Robsion, Ky.
Andrews	Green	Mansfield	Rockefeller
Barton	Hope	Martin, Ill.	Sasscer
Bradley, Pa.	Jacobsen	Mason	Schulte
Buckley, N. Y.	Jarrett	Merritt	Sparkman
Caldwell	Jeffries	Mills, La.	Steagall
Celler	Jenks, N. H.	Moser	Sullivan
Coffee, Wash.	Jennings	Mouton	Taylor
Darrow	Johnson, Okla.	Myers	Thomas, N. J.
DeRouen	Kefauver	Nelson	Wood
Drewry	Kelly	Nichols	
Fernandez	McGranery	Norton	
Flaherty	Magnuson	Pace	

The SPEAKER. Three hundred and seventy-six Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

AMENDMENT OF BANKRUPTCY ACT

Mr. SUMNERS of Texas. Mr. Speaker, I present a conference report and statement for printing under the rule on the bill H. R. 6505, an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States."

COMMITTEE ON BANKING AND CURRENCY

Mr. WILLIAMS of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the session of the House today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to extend his own remarks in the RECORD.

BILL RETURNED TO SENATE

The SPEAKER. The Chair lays before the House the following resolution of the Senate.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
February 22, 1940.

Ordered, That the Secretary request the House of Representatives to return to the Senate the bill (S. 2103) entitled "An act to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended.

Attest:

EDWIN A. HALSEY, *Secretary.*

The SPEAKER. Without objection, the request of the Senate will be granted.

There was no objection.

TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 407, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 407, with Mr. WOODRUM of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the House adjourned on Wednesday the resolution had been read. It is now open for amendment.

Mr. DISNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: Strike out the final period and substitute a comma and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade-agreement negotiations excise taxes imposed under the provisions of paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932, as amended, which are now a part of the Internal Revenue Code, subtitle (c), chapter 29, subchapter (b), part 1, sections 3420, 3422, 3423, 3424, 3425."

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. DISNEY. Mr. Chairman——

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude within 1 hour.

Mr. MURDOCK of Arizona. Mr. Chairman, reserving the right to object, how will the time be divided?

Mr. COOPER. That is a matter within the discretion of the Chair.

Mr. MUNDT. Mr. Chairman, reserving the right to object, I wonder if the gentleman will assure me of 5 minutes in

which I may speak on an amendment I propose to offer to the amendment.

Mr. COOPER. That is a matter, of course, as the gentleman knows, that is within the discretion of the Chair.

Mr. MUNDT. As the time is limited I fear I may be prevented from having 5 minutes in which to speak on my amendment.

Mr. COOPER. Recognition is entirely within the discretion of the Chair.

Mr. SMITH of Washington. Mr. Chairman, reserving the right to object, I would suggest that at this time those who desire to speak on the amendment indicate their desire so to do, that the Chair make note of those who want to be heard, and that the time be allotted by the Chair. I would like to indicate at this time, Mr. Chairman, that I want to be heard on the amendment.

The CHAIRMAN. The Chair, of course, will be compelled to recognize members of the committee. The Chair observes four members of the committee standing and several other gentlemen.

Mr. CONNERY. Mr. Chairman, reserving the right to object, I wish to offer an amendment to the amendment. I want to be assured of ample time for the consideration of this particular amendment.

Mr. BOREN. Mr. Chairman, so many members have arisen that I believe an hour entirely too inadequate and I will have to object.

Mr. McCORMACK. Mr. Chairman, will the gentleman reserve his objection?

Mr. BOREN. Gladly.

Mr. McCORMACK. I call the gentleman's attention to the fact that after the first 5 or 10 minutes has been consumed the chairman of the committee can move to close debate. An hour is rather liberal time on this amendment.

The regular order was demanded.

The CHAIRMAN. The regular order is demanded. Is there objection to the request of the gentleman from North Carolina?

Mr. BOREN. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Oklahoma objects.

The gentleman from Oklahoma [Mr. DISNEY] is recognized for 5 minutes.

Mr. DISNEY. Mr. Chairman, I am laboring at a tremendous disadvantage this morning, with practically no voice, so I shall have to ask your indulgence.

Mr. Chairman, unless the Members have read the remarks I made the other day on this subject, they cannot be fully informed on the details involved. I have tried to pursue an absolutely honorable and fair method in the presentation of this amendment. I have not lobbied nor logrolled with you, or at least I have with few of you. I want you to vote your judgment after you have thoroughly informed yourselves, if you care to take the trouble to inform yourselves on the subject.

May I offer a word of advice to those good men who come from the oil States, and there are 24 of those States. This is not a sectional matter. It is not a tariff matter. This is a matter of monopoly. I make the suggestion to those good friends of mine in the form of a question: If you vote against the amendment and then vote for the bill, where will you be with your people at home?

Mr. Chairman, this amendment puts these 1932 excises, only four in number, right back where they were in 1934, when this bill originally passed the House, because the House committee report from the great Committee on Ways and Means specifically provided that the President should not have the right to touch these excise taxes. When the bill got over to the Senate, the Senate committee specifically provided in the same language that the President and the Secretary of State should not touch these four excise taxes.

Let me read to you the words of Senator PAT HARRISON when he discussed this bill in the Senate. Of course, I cannot read it all. I would like to read the whole debate. He said that "the existing customs will be maintained." Now, listen to this language which was used in 1934, quoting from Senator HARRISON, who handled the bill in the Senate:

> It will be noted that, so far as tariff rates are concerned, the Presdent has the power to increase or lower them by 50 percent; but as to the excise taxes, they may be continued.

Look at the original bill, and you cannot find anything in it giving power to the President to do anything but continue the excise taxes. I defy any man to intelligently read the original bill and find any power in the President to do anything with the excise taxes except to continue them. Listen again to Senator HARRISON in the Senate:

> It was the intention of those who framed this legislation and of the House in passing the bill that they would be frozen; in other words, they [the excise taxes] might not be modified. All excise taxes are frozen by this bill.

Mr. COOPER. Will the gentleman yield?

Mr. DISNEY. Ask a quick question, because I am terribly short of time.

Mr. COOPER. I invite the gentleman's attention to the fact that in no less than a half a dozen places in the law itself other import restrictions are mentioned and excises are specifically mentioned.

Mr. DISNEY. Excise treatment. I cannot argue that in 5 minutes, but that is not a correct interpretation of the bill, and I would leave it to the gentleman himself, if he was sitting as a judge in a court, how would he decide it?

Mr. COOPER. It is the only interpretation that can be made. The language is clear and explicit.

Mr. DISNEY. The gentleman's judgment is no more binding on me than mine is on the gentleman. I leave to the House to read the original bill.

I would not be candid with the House if I did not tell it that after Senator HARRISON's discussion, when apparently by a gentleman's agreement in the Senate his amendment to clarify this language was laid aside, Senator Long, in the last 2 or 3 minutes of the debate in the Senate, introduced a similar amendment, which was voted down, with the help of votes of such men as Senator ASHURST and Senator HAYDEN, of Arizona, who are and were interested in these excise taxes. They voted for the amendment.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes. This is an important amendment to him and to the House, and I think he should have this extra time.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. DISNEY. I thank the gentleman for this fine courtesy.

Mr. Chairman, Senator HARRISON, after this discussion, when apparently the Senate was satisfied with the position he was taking and the position I am taking now, withdrew his amendment. Then Senator Long introduced an amendment in the last 2 or 3 minutes of the debate, which was voted down by the votes of friends of the excise taxes themselves.

Let me tell you why I believe they did understand there was a gentleman's agreement that excise taxes were not to be touched. There is proof of this contention. Last year these same two Senators who voted for the Long amendment under this gentleman's agreement, as I understand it—and I repeat again—filed a letter with the Secretary of State, made it public, and broadcast it to the world, saying that the treatment of these excise taxes was a breach of faith with the Congress. Three times in their 40-page brief they said it was a "breach of faith with the Congress of the United States" to treat these excise taxes as tariffs. There was no agreement made with Chile which included copper.

Mr. MOTT. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Oregon.

Mr. MOTT. What is going to happen to the reductions in excise taxes that have already been made by the President under existing agreements?

Mr. DISNEY. If we do not do anything about this situation, it is a mandate to the State Department to go ahead and treat excises as tariffs. If we do pass this amendment, it is a mandate to the State Department to correct this error.

Mr. MOTT. In existing law?

Mr. DISNEY. They are not compelled to. No power on earth but the State Department, short of 3 years, can touch the Venezuelan Treaty, in which we from the oil States have a definite interest. Not until 3 years have elapsed and 6 months' notice of revocation is given can it be changed, and then only at the behest and ipse dixit of the State Department itself—not by Congress, which has lost control.

Mr. MOTT. If we do adopt this amendment, that mandate will be sufficient to induce the State Department to apply this to existing law?

Mr. DISNEY. It ought to be an unqualified mandate; yes.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Nebraska.

Mr. STEFAN. Several of us want to know what four commodities are affected by this amendment.

Mr. DISNEY. Copper, oil, lumber, and coal.

Mr. STEFAN. Are any of the vegetable oils affected?

Mr. DISNEY. No; they are not in the 1932 excise bill.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Illinois.

Mr. ARNOLD. In other words, a majority of the Senate, who would have taken care of this matter had they not thought the language itself did take care of them, voted Long's amendment down?

Mr. DISNEY. That is the way I construe it, and the RECORD bears me out. Any man who reads the Senate RECORD can arrive at no other conclusion, when friends of the excise taxes in the Senate voted against the Long amendment after Senator HARRISON'S explanation. You would have done so and I would have done so. This is not a question of tariff so much as one of monopoly. With whom is this treaty? With Venezuela. Whom does the Venezuelan trade agreement affect? Three great oil monopolists who control the world market—the Standard of New Jersey, the Shell, and the Gulf, without a single Venezuelan stockholder. The oil business in Venezuela is a Government monopoly, and royalties paid by those companies go to the Government for running expenses. It does not affect their business as our business is affected, like our farmers, our filling-station men, and our independent oilmen, one jot or tittle. For the last 15 years I have seen the independent oilmen making this fight against monopoly. These three great monopolists are not only exporters, they are also importers. They control the world market by cartels. Last summer they bulged the imports into this country and promptly their subsidiaries, as in Ida Tarbell days, started cutting the price in Texas, and as promptly the Governors of the oil States had to order shut-downs of wells down to 21 barrels a day and less—wells that were capable of producing thousands of barrels a day.

[Here the gavel fell.]

Mr. DISNEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. KNUTSON. Reserving the right to object, Mr. Chairman, will this come out of the hour?

Mr. DISNEY. No hour limitation has been agreed upon.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SMITH of Washington. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Washington.

Mr. SMITH of Washington. Is it not a fact that this is the only method whereby that condition affecting the excise taxes can be corrected? It cannot be done through the courts because we cannot frame issues at law or in fact or a legal proposition of which the courts would have jurisdiction.

Mr. DISNEY. I believe the gentleman is correct about that. This is the only practical way.

Mr. SMITH of Washington. In other words, it would have to be done by the Congress by binding or freezing the present excise taxes so that they cannot be reduced under future reciprocal-trade agreements.

Mr. DISNEY. The independent oil men have conserved and conserved and continued to conserve under the domestic pro ration plan. If you do not know about it yourself, ask men like the gentleman from Maryland [Mr. COLE] and the gentleman from Missouri [Mr. WILLIAMS]. They know the sacrifices that have been made for the last 10 or 12 years by the independent oilmen. This excise tax on oil is the only threat they have over the importers.

Last year 56,000,000 barrels of oil were imported. Twenty-two million barrels of that came in as bunker oil, absolutely scot free, and bunker oil by this agreement is bound and frozen as free, and Congress cannot do anything about it. If they bring in 150,000,000 barrels of bunker oil, it will still be free, and Congress has lost practical control. A 5-percent quota is fixed, it is true, but they will bring in the 5 percent and then continue to bring in the bunker oil free and additional imports at 21 cents a barrel, and that excise is frozen and Congress can do nothing about it. From a legal standpoint Congress can do something about it, but from a practical standpoint Congress cannot and will not do anything about it.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does the gentleman's amendment as it is worded also protect the excise taxes on lumber, coal, and copper?

Mr. DISNEY. Yes.

I would not be candid with this House if I did not tell you that the State Department has in the Canadian treaty and the Cuban treaty treated the excise taxes on lumber as tariffs.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. Yes.

Mr. MOTT. The State Department cut off two-thirds of our excise tax on lumber. It abolished the quota altogether, and it suspended the requirements of the law which provided that imported lumber should be marked.

Mr. DISNEY. Now, from a practical standpoint there is nothing we can do about this matter for 3 years and then only after 6 months' notice to Venezuela. If then the State Department decides to give notice of abrogation, action can be had. The independent oilmen have been fair with you people here. They have conserved the oil. As I said a while ago, men with oil wells capable of producing a thousand barrels a day are shut down to 21 barrels a day or even less, and in the 7 years prior to the placing of the excess tax on imported oil the average price of gasoline in the United States was 17 cents plus per gallon, and for the 7 years since that time it has averaged 13.36 cents per gallon. The consumer has benefited by the attitude and the conduct of the independent oilmen.

The independent oilmen are entitled to have these excise taxes as a moral restraint on these big importers. There has been a moral restraint since 1932. Let no man attempt to say truthfully that the taxes on oil affect the price of asphalt for road-making purposes. Asphalt is a dollar a ton cheaper since the excise tax has been on and has averaged less since the excise tax than prior to the exaction of the excise taxes.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. MAY. What has been the amount of reduction in the excise tax on oil?

Mr. DISNEY. From 21 cents a barrel to 10.5 a barrel under a 5-percent quota, but do you not understand that after they filled the 5-percent quota at 10.5 cents they can import all they please at 21 cents, and they are not afraid of the 21 cents excise tax? They are afraid of congressional action. They are not afraid of it because of the difference in cost of production due to the cheap labor in Venezuela, as compared with a cost of production here of $1.03 a barrel. They are not afraid of anything but congressional action, but by this plan Congress has abdicated its power. Let the independent oilman say this fall at election time: "My State Department made a mistake, to my detriment. I appealed to my legislative department, that bulwark of personal rights all down Anglo-Saxon history, and it redressed my grievance. My Government has been fair with me." [Applause.]

[Here the gavel fell.]

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sympathetic with what the gentleman from Oklahoma is seeking to accomplish, but I would like to know why he does not go further and take in vegetable oils and other oils upon which Congress has fastened an excise tax.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DISNEY. Is not that the duty of someone?

Mr. KNUTSON. As a matter of fact, most parts of the country are consumers of oil, coal, lumber, and copper, and for the life of me I cannot see why we should single out those four commodities for special treatment. It is my understanding that the gentleman from Wisconsin [Mr. BOLLES], in the event the Disney amendment is defeated, will offer an amendment not only to take care of the four commodities in which the gentleman from Oklahoma is interested, but will go further and take care of the vegetable-oil situation.

We import into this country from the Orient and from South America something like 800,000,000 pounds of vegetable oils annually. Certainly that importation is equally injurious to a large element in this country that cannot meet such competition as successfully as can the powerful oil, copper, coal, and lumber interests. I do not believe the gentleman can safely gainsay that his amendment should go further than he proposes.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. STEFAN. The gentleman should also include blackstrap molasses, which is coming in here in large quantities annually and preventing the sale of a lot of corn.

Mr. KNUTSON. We are talking about commodities upon which Congress has fixed an excise tax. Molasses would have to be treated separately.

Mr. STEFAN. I agree with the gentleman.

Mr. KNUTSON. I hope the Disney amendment will be voted down, so that we may have an opportunity to vote for the amendment to be offered by the gentleman from Wisconsin [Mr. BOLLES], which will take care of vegetable oils in addition to copper, lumber, and coal.

I took the floor for the purpose of appealing to the Republican side of the House to vote this amendment down.

Mr. STEFAN. The gentleman would also include coconut oil?

Mr. KNUTSON. Yes; all imported oils.

[Here the gavel fell.]

Mr. MURDOCK of Arizona. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahome [Mr. DISNEY].

Let me preface this brief statement by saying I favor our reciprocal trade agreement program in general, and I much prefer that our commercial rates and regulations pertaining to foreign trade shall be adjusted by an impartial board of experts, giving their entire time to the study and having the interest and welfare of the whole country at heart, rather than to have foreign trade regulated by tariffs enacted through much logrolling and wirepulling and domination by pressure groups and special interests, as has been the case so much in the past. I believe we have recently hit upon a better way of doing the thing than was formerly our practice and method, even though we have to delegate some of this power to the executive department of the Government.

I am not a free-trader and I do believe in a certain amount of protection, but I cannot look with favor upon the history of our tariff makings and I do not wish to return to the old practice. I believe that certain sections of our country—first the South and later the West—and certain classes of our people, notably the farmers, have been grievously discriminated against by the operation of the protective tariff. Not so much that the principle of the protective tariffs has been bad, but the method of framing of such tariff laws has not been good. It is quite evident that our high protective tariffs of the past have represented the efficiency and influence of the lobbies of special interest rather than the common interests of the Nation.

Although I propose to vote to continue the reciprocal trade agreement program, I do propose to vote for this Disney amendment and possibly one or two others. Certainly I would like to have specifically exempted from the field of study by the State Department those items of commerce on which excise duties have already been placed by an act of Congress. I believe the law as it now stands does not contemplate that such duties shall be changed by trade agreements, but that there may be no doubt about it, I would like the law to be clear and unmistakable. Congress has seen fit to act with respect to these excise duties. Let them be modified only in the same way by the same highest legislative authority. Therefore I shall vote for the Disney amendment.

Last autumn, when the proposed agreement with Chile was being considered, men from the copper-producing States asked that copper be not included. To have included it in such a trade agreement would have been ruinous to at least one copper-producing State. I felt confident at the time that those conducting the study would give the whole matter full and fair consideration and do nothing hurtful. Fortunately it turned out as I had hoped, and still more fortunately the State Department broke a precedent and announced in the latter part of December that copper would not be included in any trade agreement that might be entered into with Chile. That announcement, as well as the spirit back of it, was a very material benefit, and I certainly appreciated it even though I was expecting it.

The question might then be asked, If the State Department did safeguard the interests of your State and community thus, why hesitate to continue to rest such power in their hands? I will say that, so far as I am personally concerned, I do continue to have confidence, certainly in the present personnel of the State Department, but a large proportion of my constituents do not share that confidence. Many westerners feel that frequently laws passed by this national lawmaking body, and the administration of law from Washington, and rulings of departments and bureaus pertaining to the West are by men who are unacquainted with the West, or insufficiently acquainted with it, so that western interests are too likely to be ignored. Therefore, although feeling full confidence myself in the present State Department personnel, relying upon their judgment and wisdom, and agreeing with their apparent motives, I nevertheless, because of the wishes of my constituents and to safeguard against a possible less wise and judicious personnel in the State Department, shall vote for the Disney amendment and hope thereby to make certain what is now the plain intent of the law.

Mr. CONNERY. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: "*Provided*, That no commodity or article shall be included in any foreign-trade agreement entered into which permits the entry into American markets of products of workers, farmers, or miners of foreign countries at total landed costs, all tariff duties paid, which total costs are less than the cost of production or wholesale selling price of competitive products of American workers, miners, or farmers where such American products are commercially available."

Mr. COOPER. Mr. Chairman, I reserve the point of order on the ground that the amendment to the amendment is not germane.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard?

Mr. CONNERY. It is my understanding that it is germane. It is simply a proviso to the amendment already before the Committee.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard upon the point of order?

Mr. COOPER. Mr. Chairman, I have reserved the point of order.

The CHAIRMAN. The gentleman from Massachusetts will proceed.

Mr. CONNERY. Mr. Chairman, on Wednesday I addressed the committee and gave notice that I would present

for your consideration the amendment which the clerk has just read.

The effect of this amendment, when enacted, will be to prevent competitive imports, whether they be the product of industrial, of mining, of field, or of farm workers in foreign countries, from being dumped into our American markets at less than our costs of production of competitive articles or commodities.

There are some who may contend that the costs of production varies and therefore I have provided that the experts have a choice because where there is the slightest difficulty in ascertaining the costs of production, surely they will have no trouble in finding American wholesale selling price.

When the present European and Asiatic wars are ended—and we all hope that the end will come soon—we will need to have not flexibility or discretion in the levying of import duties on competitive foreign products so much as we will have to have some very positive assurances that our markets will not be used as the dumping grounds of the war-impoverished nations of the world.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Very briefly.

Mr. AUGUST H. ANDRESEN. What assurance can the gentleman give after this authority is delegated to the bureaucratic group down here that they will not use our market for a dumping ground?

Mr. CONNERY. If this is made a part of the law, it will stop them. The gentleman need have no fear on that ground.

Mr. AUGUST H. ANDRESEN. The gentleman is advocating a good American doctrine.

Mr. CONNERY. It is too bad this was not included in the original Wage and Hour Act. If this foreign limitation had been so included, we would not have this difficulty today.

It is well for all of us to know that the 40-hour workweek has vanished in France and England, and that in those countries, as well as most of the other warring nations, the present trend is back to the workweek of at least 60 hours. Not only have these workers been forced to work these longer hours, but, also, in the interests of national economy their wages have been relatively reduced. This condition among the workers of all the warring nations will not end with the ceasing of war hostilities.

I do not look upon the matter of tariff duties as a political question. It is my firm belief that tariff protection—that is, tariffs duties—which will insure equal opportunities in American markets for the products of American workers, which products of American workers are competitive with products of workers in foreign countries, is an economic question.

It is freely admitted that we have some nine or ten millions of American workers who are now unable to secure profitable employment. We all have an obligation to do whatever it is possible for us to do to provide opportunities of employment for these American workers. Surely, we canot be helpful in obtaining employment for these workers if we permit a condition to continue which allows the competitive products of workers in foreign countries entry into American markets at less than the costs of production of competitive American goods or articles. On the other hand, why should we hesitate to insure the continued job opportunities of those American workers now employed?

Surely there is no Member of the Congress who would knowingly vote for legislation which he felt would permit the entry into our American markets of the competitive products of workers in foreign countries at less than American costs of production.

Then, again, surely no Member of the Congress will willingly and knowingly vote to set aside or nullify the benefits which the Congress has conferred on all American industrial workers through the enactment of the Fair Labor Standards Act.

One cannot expect that American workers will retain their jobs with minimum wages of not less than 30 cents per hour when dollar-minded American and foreign distributors of goods and commodities can secure the same competitive articles in foreign countries at a much lower cost to them.

This amendment specifically provides that this legislation is effective only when competitive American products are commercially available. This language is not new in legislation. I note that in all Government contracts the Treasury Department restricts the expenditure of Government funds to those American goods which are commercially available.

Surely, when the Congress is justified in protecting the job opportunities of workers employed in the production of goods used by governmental departments, we are under an obligation to protect the job opportunities of those of our workers who are dependent for their jobs in those American industries, the products of which must meet the competition in American markets of the products of the much lower wage paid workers in foreign countries.

In closing, Mr. Chairman, I appeal to the members of the Committee to support this amendment and thus insure their ability to proclaim from the housetops that henceforth no American industrial, mining, field, or farm workers will be able to complain that imports of competitive products have deprived American workers of much-needed employment or American farmers of an opportunity of securing a fair price in American markets for the products of American farms.

Mr. COOPER. Mr. Chairman, I insist upon the point of order upon the grounds that the amendment offered by the gentleman from Massachusetts is not germane to the amendment offered by the gentleman from Oklahoma.

The CHAIRMAN. Does the gentleman from Massachusetts care to be heard upon the point of order?

Mr. CONNERY. Mr. Chairman, it is my understanding that it is perfectly germane inasmuch as the amendment of the gentleman from Oklahoma is an amendment of limitation. My amendment is simply a further limitation on the gentleman's amendment.

The CHAIRMAN. The point of order made by the gentleman from Tennessee [Mr. COOPER] is that the amendment of the gentleman from Massachusetts [Mr. CONNERY] is not germane to the pending amendment offered by the gentleman from Oklahoma [Mr. DISNEY]. The Disney amendment relates to the exclusion of certain excise taxes. The amendment of the gentleman from Massachusetts introduces an entirely new feature and undertakes to limit the authority granted the President on the question of cost of production as well as the wholesale selling propositions. The Chair thinks that while the amendment would undoubtedly be germane to the resolution pending before the House, yet it is not germane to the Disney amendment, and sustains the point of order.

Mr. CONNERY. Then, Mr. Chairman, it is my intention to introduce it as an independent amendment later.

Mr. CASE of South Dakota. Mr. Chairman, would the Connery amendment be germane at this time if offered as a substitute to the Disney amendment?

The CHAIRMAN. It is not germane to the Disney amendment either as a substitute or as an amendment.

Mr. CONNERY. But it would be germane as an independent amendment?

The CHAIRMAN. The Chair thinks so.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the Disney amendment, and ask unanimous consent to speak for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, in considering the Disney amendment from a legal standpoint as argued by the gentleman from Oklahoma [Mr. DISNEY], it is being proposed to exclude import taxes originally imposed under the Revenue Act of 1932, and now effective under sections 2490 to 2494, inclusive, and sections 3420 to 3431, inclusive, of the Internal Revenue Code, from the purview of the Trade Agreements Act, and to deprive the President of his power to bind existing excise taxes insofar as they may affect articles covered by a trade agreement.

It should be noted that the taxes imposed upon imported petroleum, coal, lumber, copper, and various oils, by the Rev-

enue Act of 1932, were under the terms of the statute itself to be treated for the purposes of all provisions of law relating to customs revenue as a duty imposed by the Tariff Act of 1930, with certain exceptions not here pertinent (57 Stat. 259). This merely conforms to the established doctrine of the Supreme Court's decisions which hold that regardless of how taxes may be designated by the Congress, if they are imposed on imports while in customs custody, they are essentially customs duties (*Brown* v. *Maryland*, 12 Wheat. 419; *Almy* v. *California*, 24 How. 169; *Robbins* v. *Shelby County*, 120 U. S. 489; *May* v. *New Orleans*, 178 U. S. 496; *Fairbanks* v. *United States*, 181 U. S. 283). Therefore, when Congress, in 1934, authorized the President to "proclaim such modifications of existing duties * * * as are required and appropriate to carry out any foreign-trade agreement" entered into under the Trade Agreements Act, it must have intended to include these import taxes, which it had itself characterized as duties. Moreover, the Court of Customs and Patent Appeals, in the case of *United States* v. *Domestic Fuel Corporation* (71 F. (2d) 424), referred to the tax on coal, which was involved in that case, as a duty (p. 430). Since these taxes are treated as duties imposed by the Tariff Act of 1930, they are, for the purposes of the Trade Agreements Act, in the same class as any other customs duty, and there is no reason why they should be segregated from the other duties which may be considered in trade-agreement negotiations.

As for depriving the President of power to bind or modify existing excise treatment, the law, of course, specifically authorizes such action, and the necessity for such power is obvious when it is considered that a concession with respect to customs duties carries little bargaining power if any such concession can subsequently be nullified by the imposition or increase of internal taxes with respect to the articles on which the customs concession was granted. In other words, in measuring the value of a customs-duty concession, the extent of all other charges and exactions in effect at the time the concession is made is considered, and if these other charges and exactions are increased after the concession is made, the concession decreases in value by the extent of the increase in the other charges.

The law establishing these import-excise taxes itself says:

Shall be levied against, collected, and paid in the same manner as the duty imposed by the Tariff Act of 1930.

That is the language of the act of Congress in imposing these import-excise taxes.

This question came up in 1932 when these taxes were put on. We all remember the situation that existed at that time. They were put on by a roll-call vote of 204 to 187. Seventy Republicans voted against the imposition of these import-excise taxes, one of them being the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN]. Another was the gentleman from Massachusetts [Mr. TINKHAM]; the gentleman from Massachusetts [Mr. TREADWAY]; the gentleman from Massachusetts [Mr. GIFFORD]; the distinguished former Member of the House, one of the authors of the Hawley-Smoot bill, the former Congressman Hawley; the late Congressman Haugen; and others. Seventy Members of the minority party on that roll call voted against the imposition of these taxes. They voted against any kind of an import-excise tax. I joined with them. It happened that I led the fight against these particular import-excise taxes on that occasion. I took the broad position that this was an artificial means of creating another tariff, a super-tariff, imposed upon the provisions of the recently enacted Hawley-Smoot bill, already unreasonably high. Such a procedure was also wrong in principle. The Ways and Means Committee and the Congress did not consider, in the imposition of the import-excise taxes, the essential elements necessary in the imposition of a duty. The fight was close and 70 members of the minority party on that occasion, some of whom are now Members of the House, voted against the imposition. The argument was made, and well made, that it would be injurious to industry of the United States and detrimental to the best interests of the consumers of the country.

Now, what are some of the facts? We exported in 1938 $338,000,000 worth of crude petroleum and its byproducts, and we only imported $39,000,000, plus. Now, that is the broad situation. So far as Venezuela was concerned——

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COOPER. And there is something like two and one-half billion dollars of annual production of petroleum?

Mr. McCORMACK. The gentleman is absolutely correct. The value of products of petroleum refined in the United States in 1937 is estimated to be in excess of two and one-half billion dollars, and we exported in 1938 $388,000,000, plus; and we imported $39,000,000 plus.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will yield in just a moment.

As far as Venezuela is concerned, we sell 60 percent of all the goods that country buys from all the countries of the world. We buy from them 22 percent of what it sells to all the countries of the world. In dollars and cents we sell Venezuela about $60,000,000 worth of American products each year. We buy from Venezuela about $22,000,000 worth of products each year. There is the broad picture.

Now, let us look at it from another angle. Mr. Battle, representing the National Coal Association, appeared before the committee. He frankly said that the coal industry was not harmed, but it feared what might happen in the future. He frankly admitted that the coal industry exports 13,000,000 tons a year and that Canada is the greatest purchaser. He frankly admitted that the trade agreement removed Canadian restrictions against the sale of American coal and coke; the removal of 3 percent excise tax in Canada imposed upon all imports; the removal of other restrictions that existed under Canadian law against imports from the United States, and particularly harmful to the sale of coal and coke in Canada. We purchase about 600,000 tons a year of imports, ranging from 550,000 tons to 800,000 tons. There is the broad picture. He admitted there was no harm under trade agreements. He admitted that they wanted to have the import excise tax on crude petroleum increased to 1 cent or more. Why? Not because they were thinking of the consumer; not because they were thinking of American industry, but because they wanted to have the price of crude petroleum and its byproducts increased by law to a point where coal could then undersell them. He frankly admitted that they had a common interest with the oil industry up to a certain point. In other words, they wanted to have the price of crude petroleum and its byproducts increased with the ultimate imposition of a 1-cent per gallon tax to enable coal to undersell crude petroleum. In other words, we have the spectacle of coal and petroleum, those interests from one angle being linked up in the unholy situation of trying to obtain the passage of legislation that will result in an increase in the cost of petroleum and its byproducts to the consumer, to the American business people, and as far as coal is concerned, then have the price of oil go up so high that people who are now using oil will resort to coal. Purely a cold-blooded, unadulterated selfish interest. That was the sum and substance of the testimony of Mr. Battle, representing the National Coal Association, when he appeared before the Ways and Means Committee.

Seven years ago oil was selling at from 10 to 25 cents a barrel. The papers recently carried the news item of the official statement issued by representatives of the oil industry, that they had had the best year last year that they had had in 12 years. I put that in the RECORD. They said that they expected that the coming year will be the best year they have had in many, many years. Oil is now selling for from 75 to 80 cents a barrel. I hope it sells higher. On the other hand, however, 7 years ago oil was selling at from 10 to 25 cents a barrel. Certainly under conditions that exist today they have no justifiable complaint. The lower import excise duty, and it is a duty, applies only to 5 percent of the total production of continental United States.

This amendment is hostile to the resolution reported by the committee. I hope this amendment will be defeated not by a Democratic vote alone but by Representatives of both parties voting for the best interests of their constituents. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Pennsylvania [Mr. VAN ZANDT] is recognized for 5 minutes.

Mr. VAN ZANDT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The citizens of the great coal fields of our Nation are sick and tired of Government subsidized and unregulated substitutes for fuel taking the bread and butter out of the mouths of the great working class and their dependents.

Not content with subsidizing T. V. A., where cheap power is furnished certain citizens at the high cost to others, we have the spectacle of our own Government under the guise of reciprocal-trade agreements destroying more jobs of railroaders and coal miners by permitting the importation of foreign oil to flood our markets. Does this make sense? Our Government on the one hand assists in the development of substitutes for coal, maintaining research laboratories at an expense of millions of dollars, while on the other hand the relief rolls are increased by the addition of thousands of coal miners and railroaders forced to go on the dole through this shortsighted and asinine policy.

Now, let us look at the facts.

According to the official testimony given at hearings on the reciprocal-trade question before the Ways and Means Committee, it was brought out that the importation of oil from Venezuela during the year 1939 amounted to 56,000,000 barrels, of which 22,000,000 barrels called bunker oil came in duty-free.

It was further stated that during the year 1940, 84,052,000 will be imported from Venezuela, of which 22,552,000 will be bunker oil, which is duty-free.

To the average person the importation of 56,000,000 barrels of oil in 1939 may be of little significance, but to the coal miner and the railroader it is a definite threat to his very existence.

Considering that 4 barrels of oil is equal to 1 ton of coal, 56,000,000 barrels of oil is equal to 14,000,000 tons of coal. Since a miner digs on an average of 906 tons of coal a year, the displacement of 14,000,000 tons of coal means that over 15,450 coal miners were denied employment.

As previously mentioned, during the year 1940, 84,052,000 barrels of Venezuelan oil can be imported, and it is easy to see that, using the ratio of 4 barrels of oil to 1 ton of coal, 21,013,000 tons of coal will be displaced, throwing out of employment 23,200 coal miners during 1940.

With the reciprocal-trade agreements continuing until December 16, 1942, what does this flood of Venezuelan oil mean? It means that from now until January 1943, using a conservative figure, 21,000 coal miners will be out of a job and forced to seek relief. And remember in the above figures we have not considered the shortsighted policy of allowing the importation of over 400,000 tons of Russian coal that can be brought into this country free of any duty.

The rail and coal industries are inseparable companions. When you cripple one, you likewise inflict injury on the other.

As has been said, 21,000,000 tons of coal will be annually displaced as a result of the "Venezuelan flood," and considering that the standard railroad car has a capacity of 50 tons, 42,000 railroad cars will stand idle in the railroad yards of the Nation.

Continuing our discussion, since 6 cars represent 1 railroader's job, therefore 7,000 railroad men will annually lose their means of earning a livelihood.

As a result of the Venezuelan agreement we have the harrowing spectacle of 20,000 coal miners with 7,000 of their brothers in the railroad industry forced to join the army of the unemployed.

Is it any wonder that I arise here to protest such a cockeyed policy of our Government that is driving our citizens to the already overcrowded relief rolls?

Thus we have T. V. A., the politician's golden dream and the taxpayer's hideous nightmare, taking an average of 21,000 jobs annually, followed by natural gas, another competitor, claiming 60,000 jobs, in round figures.

The above figures, coupled with the 27,000 coal miners and railroaders forced to seek employment elsewhere as a result of these ill-conceived policies of this New Deal government, brings the grand total to 108,000 citizens rendered jobless.

It would be well, indeed, were we to turn our attention to the problems of our own American citizens and forget the plight of the foreigner until our own people are taken care of.

In short, let us have a reciprocal-trade agreement with the American workman. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

Mr. BOREN. Mr. Chairman, reserving the right to object, I want to be assured that there will be ample division of time to all members who want to speak.

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, I ask the Chair whether this would mean there would be no debate whatsoever on the amendment to be offered by the gentleman from South Dakota [Mr. MUNDT] to the pending amendment?

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. COOPER. That amendment, of course, has not been offered.

Mr. H. CARL ANDERSEN. But it will be offered, I understand.

Mr. COOPER. I respectfully suggest that there is pending at the present time an amendment to the amendment.

Mr. MUNDT. Mr. Chairman, reserving the right to object, my amendment has been at the Clerk's desk all this time. I have been unable to secure recognition from the Chair.

The CHAIRMAN. The Chair cannot recognize everyone at once.

Mr. MUNDT. I meant no criticism of the Chair, but the gentleman from Tennessee seemed to imply laches on my part. As a matter of fact, it has been offered so far as I have been able to offer it at this time; it has been pending at the Clerk's desk, and I have been seeking recognition.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. THILL. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Kansas [Mr. CARLSON] a member of the committee, is recognized for 5 minutes.

Mr. CARLSON. Mr. Chairman, the gentleman from Massachusetts [Mr. MCCORMACK] would have you believe that the enormous increase in trade with Venezuela was due altogether from the reciprocal-trade agreement that we made with that country. I call his attention and the attention of the House to the fact that in 1939 we exported 3,000,000 bushels of wheat, 95,000 barrels of flour; we exported fruit and nuts to Venezuela with direct subsidy payments. All this is included in this increase of trade with Venezuela. I have noticed throughout the entire debate on this bill how easy it has been for the majority to talk about the great increase of trade with agreement countries and decrease of trade with nonagreement countries, but the facts are that while we are exporting enormous quantities of commodities to trade-agreement countries we are likewise exporting enormous quantities to non-trade-agreement countries under direct subsidy by the Federal Government. I hope the members will keep this in mind during the debate as it develops today, because it seems as though the majority have forgotten to mention it. I hope at a later stage in the proceedings this afternoon to discuss this matter further.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. Very briefly.

Mr. HOPE. Is not the fact that we have had to put export subsidies on many of our farm commodities a confession and admission that the reciprocal trade agreements policy

has utterly failed to expand our market for agricultural products?

Mr. CARLSON. Absolutely; and I expect to discuss that further later on this afternoon.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I hope the gentleman will pardon me, but I cannot yield further.

Mr. Chairman, I want now to discuss the Disney amendment. I rise at this time in support of the Disney amendment.

The gentleman from Massachusetts has discussed imports. It seems to me that is not the issue here this afternoon. The issue is, Has Congress delegated to the State Department authority to change these excise taxes? The oil industry, for one, does not believe we have, and I do not believe Congress intended to. In the few minutes I have I wish to stress this point. The gentleman talks about the supertariff. The supertariff, however, has not cost the citizens of this country any more for their oil. Oil is now one of the lowest-priced commodities the consumer buys. The tax on the oil industry has provided revenue to the Federal Government. It seems to me it is time we began to look at that phase of the matter. We have collected $56,000,000 in revenue from these excise taxes on oil and paid this to the Federal Treasury. Of this amount, $33,000,000 has come from imported oil from Venezuela. Now, do we want to destroy this source of revenue? This is one of the questions that faces the House this afternoon.

The oil industry pays $1,300,000,000 in taxes to the National, State, and county governments. It is easy to say, "Let us place a tax on the oil industry." We have been doing it, but are we today going to authorize the State Department to reduce these excise taxes in order that we may import a large quantity of oil and destroy the tax base of this great industry? Are we going to throw a lot of people out of work or reduce their wages? This is the issue as I see it here this afternoon. We employ 1,000,000 people directly in this industry. We pay an annual wage of $1,500,000,000 in this industry. Farmers receive $200,000,000 in rentals. Now, do we want to import oil from Venezuela or anywhere else at reduced rates or without a tariff at all? The question is, Are we going to protect American industry and labor? We have the opportunity now; not just this one industry, but all industry that receives the benefit of excise taxes: namely, oil, coal, lumber, and copper. [Applause.]

[Here the gavel fell.]

Mr. MUNDT. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MUNDT to the amendment offered by Mr. DISNEY: Amend the amendment by inserting after the words "agreement negotiations" the following: "paragraphs 701, 702, 706, 709, 710, 711, 712, and 713 of schedule 7 of title I of the Tariff Act of 1930 and."

Mr. COOPER. Mr. Chairman, I reserve a point of order against the amendment. It is not germane to the Disney amendment and it is not germane to the resolution under consideration.

Mr. MUNDT. Mr. Chairman, let me read you, first of all in plain English what this amendment of mine proposes to do, as you have heard it read by number and section only. It simply accepts the argument of the gentleman from Oklahoma [Mr. DISNEY] that the oil industry needs protection from undue foreign competition and cheap foreign imports and applies that sound philosophy and reasoning to another industry which equally needs protection from undue imports of cheap foreign producers, namely, the farming industry, and would add to oil, which he seeks to protect, the same protection for farm products which is equally important to the farmers of the Middle West and anywhere in America as oil is to Oklahoma or Texas.

This amendment will add to this protection on oil and a few other specialized industries in which a few individual States are interested, an equally necessary protection of a general nature to the farm industry, including the following items, to-wit: cattle, sheep, meats, whether they be frozen or packed, including our old friend Argentine beef, butter, cheese, birds, dead or alive, chickens, ducks, geese, turkeys, and so forth, eggs and various types of poultry, together with other farm products. It will take those agricultural items of which we can admittedly produce a sufficiency in this country and protect them against the competition of cheap foreign producers.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Will the gentleman's amendment protect the turkey industry of the Seventh Congressional District of Virginia, so ably represented by the gentleman from Virginia [Mr. ROBERTSON]?

Mr. MUNDT. It will protect the turkey industry of Virginia and the much greater turkey industry of South Dakota.

Mr. SCHAFER of Wisconsin. No doubt the gentleman from Virginia [Mr. ROBERTSON] will support the gentleman's amendment, if it will protect that industry.

Mr. MUNDT. If he is interested in protecting the turkey farmers, he will support my amendment.

Let me suggest to you who come from the oil-producing States that you come along and join us in this worth-while effort to protect the producers of raw materials from the farm as well as from oil wells and coal mines. I feel that by doing so you will enhance the chances of the Disney amendment passing, because those of us coming from the agricultural part of the country, purchasers of oil and coal, if you please, recognize the logic of a protective system for raw materials, and are perfectly willing to pay this increase in the price of oil if we can receive cost-of-production and parity prices for the produce raised in the agricultural part of the United States.

Mr. BUCK. Will the gentleman yield?

Mr. MUNDT. I will yield if I can secure 5 additional minutes in which to continue my argument.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

Mr. COOPER. Mr. Chairman, reserving the right to object, I have been very generous with the gentleman. I have reserved a point of order.

Mr. MUNDT. The gentleman will appreciate then it is very difficult to yield. I cannot yield unless I can secure additional time. I dislike this idea of closing debate and trying to curb discussion whenever a farm matter comes up for discussion in this Democratically controlled Congress. We listen for 15 minutes to the gentleman talk about oil. Any farm representative could have objected to that unanimous request, but none did. However, as soon as a Member gets up to talk about the farming industry, at once we feel the pressure to close debate, stop discussion, and the reason is quite obvious. You gentlemen of the New Deal know full well that you are sabotaging the American farmer by subjecting him to these cheap foreign farm imports from abroad. [Applause.]

I do not blame the new dealers for not wanting to listen to a discussion of the effect of reciprocal-trade agreements upon the farm problem. When we consider the fact that the American farmer today is receiving far below his cost of production, you can well realize these gentlemen of the New Deal are in a serious position when they try to tell the American farmer that he should accept cheap imports from abroad in order to increase the alleged surplus which the Wallace farm program is supposedly trying to diminish.

I want to urge the gentleman from Oklahoma [Mr. DISNEY], his colleagues the gentlemen from Texas, and other Democrats interested in oil to join with us who are interested in the farm problem, team up with us in connection with this amendment, and in that way, by combining our forces we shall be successful in exempting from negotiation the various products of the soil. [Applause.]

[Here the gavel fell.]

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment to the amendment.

The CHAIRMAN. Does the gentleman from Tennessee [Mr. COOPER] desire to be heard on the point of order?

Mr. COOPER. Very briefly. I make a point of order against the amendment to the amendment on the ground the amendment offered by the gentleman from South Dakota is not germane to the Disney amendment; neither is it germane to the resolution now under consideration. The amendment here offered is not an amendment to the excise taxes of existing law, but seeks to amend the tariff act with respect to certain rates. I submit, therefore, that the amendment to the amendment is not germane.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, I submit that this amendment is germane to the amendment under discussion. In the first place, it does not propose to amend the existing tariff act but simply to exempt specific items of the tariff act from further negotiations by the Department of State with foreign countries. In the second place, I submit that the underlying philosophy of the Disney amendment is that it would exempt from further trade-agreement negotiations certain specific products. My amendment does precisely the same thing. I suggest that Public Law No. 316, of the Seventy-third Congress, as amended, section 350 (a) (2) contains the following language:

> To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs of excise treatment—

Let me repeat that, Mr. Chairman:

> of excise treatment of any article covered by foreign-trade agreements, as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder.

I submit further, Mr. Chairman, that in the special individual report of the gentleman from Oklahoma [Mr. DISNEY], which is given us with the report of the Committee on Ways and Means on this joint resolution, he points out the fact, of which we are all aware, that Secretary Hull by his own decision and his own interpretations has ruled that excise tariffs and the tariffs of the act of 1930 are synonymous and one and the same. I feel confident that the gentleman from the Committee on Ways and Means who has raised the point of order and who contends, I believe, against the gentleman from Oklahoma that the excise tariffs are something different, cannot oppose the judgment of Secretary Hull, whose bill he is attempting to rush through this Congress, and now contends that they are something else, since Secretary Hull, who was the author of the policy, has ruled in his own words and in his own decision and his own action that excise tariffs and the tariffs of the act of 1930 are to be treated as one and the same.

I submit that my amendment is germane, Mr. Chairman.

The CHAIRMAN. The Chair would like to ask this of the gentleman as a matter of information. The Disney amendment deals with excise taxes as proposed by paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932.

Mr. MUNDT. That is right.

The CHAIRMAN. The sections which the gentleman brings in by number include a number of different sections of schedule (7) of title I of the Tariff Act of 1930. The Chair would understand that to relate to sections which deal with import duties as distinguished from excise taxes.

Mr. MUNDT. The distinction is not recognized, Mr. Chairman, by the Secretary of State, who holds that they are one and the same. That is the reason we are in the difficulties in which Mr. DISNEY finds himself, and he has had to offer the amendment in the first instance.

The CHAIRMAN. Of course, the Chair cannot be advised as to what the ruling of the Secretary of State would be on it; but, fundamentally, if as a matter of fact the gentleman's amendment brings into the picture a different class of taxes, his amendment is not germane to the Disney amendment.

Mr. MUNDT. May I submit, Mr. Chairman, that the connecting feature between my amendment and the place where it picks up the Disney amendment is the coordinate conjunction "and," and that they both are based on the same fundamental premise of exempting from further negotiations certain specific products—oil in one instance, and beef, eggs, and other specified farm products in the other. Thus it is strictly in line with the motive and the purpose and the objective of the Disney amendment. Both apply to procedures of the Secretary of State, in which he has treated them as synonymous in the past. I feel we should accept the interpretation of the Secretary of State on that point.

The CHAIRMAN. The Chair would like to hear what the gentleman from Tennessee has to say on the question of whether this is a different class of tax or whether it is the same.

Mr. COOPER. That is my insistence, Mr. Chairman, and the real basis for the point of order.

The CHAIRMAN. What does the gentleman say as to the contention that they have been treated by the department administering the law as the same type of tax?

Mr. COOPER. I submit to the Chair that that is not the controlling phase of the matter at all. The fact is that one act of Congress levies certain duties, customs duties, tariff items. Now, the gentleman is here seeking to amend those provisions of the tariff act levying certain tariff rates and customs duties through the guise of offering an amendment to an amendment relating solely to excise taxes.

Mr. MUNDT. May I suggest that I am sure the gentleman who has just spoken does not wish to imply what his words seemingly indicate, that the Secretary of State is acting directly contrary to the expressed will of Congress.

Mr. COOPER. Mr. Chairman, I do not need any lecture from the gentleman from South Dakota about what I think of the Secretary of State.

Mr. MUNDT. I am just trying to find out here as a matter of definition. The Secretary of State rules either one way or another; either he is in error or the gentleman's point of order is not valid.

The CHAIRMAN (Mr. WOODRUM of Virginia). The Chair is ready to rule.

It is difficult for the Chair to understand them when amendments refer merely to section numbers, but from the information the Chair has it seems that the amendment offered by the gentleman, while most likely being germane to the resolution, is not germane to the Disney amendment, because it does seek to bring in, theoretically at least, a different class of taxes—tariff import taxes—whereas the Disney amendment refers entirely to excise taxes.

The Chair therefore sustains the point of order.

Mr. COOPER. Mr. Chairman, I rise in opposition to the Disney amendment.

Mr. Chairman, my attention was rather attracted by one appeal made by the gentleman from South Dakota [Mr. MUNDT]. We have been hearing a great deal here for the last few days about logrolling having been practiced some time in the past. This has been denied by many Members here, but it seems to me that he rose to the heights of great eloquence when he made the direct and positive appeal to certain Members of the House to join in the logrolling process by appealing to them to support one amendment for the support they would get for another amendment.

Now, with respect to the amendment offered by the gentleman from Oklahoma [Mr. DISNEY] I want to invite the attention of the Committee to certain facts and figures which I think are of great importance to a proper consideration of this amendment. The fact is that in the trade agreement negotiated by this country with Venezuela the excise tax on crude oil was reduced from one-half cent a gallon to one-fourth of a cent a gallon and a definite quota was fixed so that not more than 5 percent of the entire refined production, domestically, of this country the year before could be affected.

The gentleman from Oklahoma complains that after that quota is filled, then other oil may come in here. If it does, it will have to pay the full rate imposed by the excise tax.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield at that point?

Mr. COOPER. Yes.

Mr. ROBERTSON. And of the 5-percent quota, the competition comes from Venezuela, which is limited to 71.9 per-

cent of the 5 percent, on which there is one-fourth of a cent reduction.

Mr. COOPER. That is true. That 5 percent covers all these imports and Venezuela only gets 71 percent of the 5 percent.

I now want to invite attention to this phase of the matter. Let us for a moment consider what concessions this country receives under this trade agreement with Venezuela. The fact is that the great oil industry of this country has not been hurt by this small amount of reduction in the excise tax on imported oil, the greater part of which is used in asphalt for street-paving purposes, as shown by the hearings before our committee. Among the more important American products on which reductions in duty were obtained from Venezuela, where they reduced their duties on our products, are wheat flour, hog lard, fresh and canned fruits, cigarettes, lumber, furniture, and parts for agricultural machinery and implements.

They reduced their duties on all these American products going to that country. We talk about the interests of the farmers; there is where the farmer was directly and specifically benefited by a reduction of the duty in that country on these agricultural products that we send there. In addition to that, existing rates of duty were bound against increases on such American products as automobiles and accessories, tires and tubes, radio sets and other electrical apparatus, office equipment, paints, iron and steel products, and various food products, including prepared milk, oatmeal, and hams.

Now, we got decidedly the advantage or the better part of the bargain in this trade agreement that was negotiated with Venezuela and got benefits for these agricultural products of this country simply by this small treatment given to oil, and as I repeat, the oil industry has not been hurt by it.

I now want to invite attention to one other thing, if I may, and that is with respect to the statement made by the gentleman from Oklahoma [Mr. DISNEY] that it never was intended that these import-excise taxes should be dealt with. It so happens that I had the privilege of being a member of the Ways and Means Committee in 1934, when this matter was considered, and I know it was definitely understood and intended that these import-excise taxes would be considered and treated like any other import duties.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee may proceed for 5 additional minutes.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I shall have to object because the time is going to be limited and there are a lot of us who want to speak. I shall have to object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 30 minutes.

Mr. SCHAFER of Wisconsin. I object, Mr. Chairman, and call for the regular order.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 40 minutes.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 95, noes 75.

So the motion was agreed to.

Mr. BOREN. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I want to confine my brief remarks to the actual material effect that the failure to adopt this amendment can have under the present program against the oil industry.

It has been asserted here that the fact is that this system has not injured the oil industry. The fact is that this system can, and probably will, destroy all of the very small independent operators.

Fundamentally, there are two real reasons of policy why this amendment should be adopted. My colleague the gentleman from Oklahoma [Mr. DISNEY] has very ably pointed out how the transfer of this power to the oil-importing companies places in the hands of three oil importers complete control over all the independents and also the power to destroy, at any given period, all of the system that we have built up for oil conservation and the entire system, known as the Interstate Oil Compact.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. BOREN. Yes.

Mr. DISNEY. To point out to the gentleman that this trade agreement was entered into and proclaimed for December 16, 1939, and that the January imports were 1,000,000 barrels over December, 20 percent higher than in December, and 40 percent above January 1939. So that it is not just an idle dream what these importers are starting to do to the independents.

Mr. BOREN. The gentleman is eminently correct. I shall confine my remarks to an analysis of what this power transfer could do to the oil industry. There are today 390,000 oil wells in the United States. Of that amount 268,500, approximately two-thirds, are stripper wells. This means that they are wells that are not operating by the flush system, wells that may be producing as little as 1 barrel a day. These wells are operated on a narrow margin, and when shut down even for a few hours, if not adequately and carefully handled, could be completely destroyed.

It is a fallacy to suppose that a barrel of oil imported means a barrel of oil conserved. There may be a well producing 10 barrels of oil a day that will go on producing that amount for 40 years. Thus the potential recovery from this one 10-barrel well is 146,000 barrels. If 100 barrels imported destroyed this one well by reducing the market below its profitable operation the well would be shut down and the recovery of this 146,000 barrels might be lost. Can you not see that we would be losing not just 100 barrels of oil market, but 146,000 barrels, and all the benefits to labor, security against depletion of reserves, and so forth, that this represents.

Remember that these stripper wells that approach the margin where diminishing returns threaten abandonments represent 18 percent of our oil reserves—18 percent of our total oil resources.

The power to destroy this marginal market; the power to destroy these oil reserves is too important to give away.

We must not destroy our oil compact and our conservation by this means.

We must not give to private capital, to a few great oil companies, this prerogative of Congress. This is not in harmony with the sound conception of the trade program. Shall Congress deny its power to take necessary legislative steps to meeting changing situations?

FIVE PERCENT IMPORTS

Five percent of our current market determines the fate of thousands of wells near the border line of profitable production. Five percent of our current domestic market determines the fate of about 18 percent of our total oil reserves.

Make no mistake—this is no small thing. Thousands of laborers, millions of dollars invested, depend for the future on this 5 percent we are carelessly giving away.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BOREN. Mr. Chairman, I ask unanimous consent for an additional 2 minutes.

Mr. COOPER. Mr. Chairman, I am sorry, but the time has been fixed, and I shall have to object.

Mr. BOREN. Then, Mr. Chairman, I ask unanimous consent for time outside the allotted time, to propound a question and to get a reply from the gentleman from Maryland [Mr. COLE], who is especially well informed on the problems of conservation and development of potential oil reserves.

Mr. DOUGHTON. Mr. Chairman, I shall have to object to that.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED] for 4 minutes.

Mr. REED of New York. Mr. Chairman, for 22 years I have heard Member after Member on both sides of the aisle rise and praise this body as the greatest legislative body in the world. I wonder what the American people and the world at large think of this legislative body as they watch the proceedings here with reference to this legislation. There was a time when this great body was a forum to which injured parties could come, a place to which the sovereign citizens, the real rulers of America, could come to voice their protest when they were threatened with danger from abroad or from within. Apparently that day has passed. I am standing here today to support the amendment of my colleague, the gentleman from Oklahoma [Mr. DISNEY]. I say to you that while I represent a small oil-producing section that they have a right to be heard. When this was a legislative forum for the sovereign citizens, they came before this Congress, before a committee of it, had a full and fair hearing, and the Congress and the committee decided whether or not they were being injured by imports. The result was after an open, full, and fair hearing that an excise tax on imported oil was put on by this so-called great legislative body. In fact, they came back again and presented their case, and this excise tax was again extended, because Congress was satisfied these people had been injured. They came back a third time and this Congress realized that those seeking an excise tax on oil had made a perfect case, and they came back again, and the tax was again extended. Then, suddenly, this great legislative body delegated its functions, its powers, to one man, and in a secret conclave, in which foreigners sat, whose legislative bodies of other countries had an opportunity to take action on the matters of their sovereign citizens, this excise tax, enacted four times by Congress, was reduced by one man, just as far as the law would let him go, in the interest of three great monopolies seeking to control the markets of the world and our domestic market. We ought to hang our heads in shame when we permit our businessmen to be crucified by one-man power, when we are sent here to speak for and to protect and defend the interest of our own sovereign people. I say to you that I am for the Disney amendment. The time has come for you new dealers to step up and take some interest in and concern for the injured parties in our own country.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I am not yielding, and it is about time that you new dealers stop yielding to the influence of foreign companies, foreign monopolies, and foreign cartels, and that we become Americanized as your friend Andrew Jackson once said we ought to become. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. BECKWORTH] is recognized for 3 minutes.

Mr. BECKWORTH. Mr. Chairman, I rise in support of the Disney amendment because I come from a district which is affected in a most pronounced way by excess oil. As a result of the lowering of the excise tax on crude oil from one-half to one-fourth cent per gallon through the effectuation of our trade agreement with Venezuela December 16, 1939, much serious concern is being manifested by many of the people in my district—those who derive their livelihoods directly or indirectly from the oil industry—and throughout the oil-producing vicinities.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. DISNEY. Are they not more concerned about Congress losing control of the excise tax than they are in the amount of the tax?

Mr. BECKWORTH. Allow me to preface my statements by saying that I do not wish to infer by this statement that I am attacking in general the principle of the trade agreements, because I must view the trade agreements as they affect the economic life of our entire Nation, and in a more local way as they affect agriculture and as they affect oil. In one sense of the word, I represent what might be termed an agricultural district, since a majority of the people of my district look to agricultural pursuits for their livelihoods. In another sense, however, I certainly represent an oil district of the first magnitude, since the greatest oil field in the world, the east Texas oil field, lies wholly within my district. Also the Van oil field is in my district.

The economic health of the oil industry is highly significant to my vicinity, because a vast number of people in our area look totally or partially to the oil industry for their living, to wit, laborers who work in the oil fields; farmers under whose land there is oil; farmers who market vegetables, dairy products, and other commodities daily in the oil fields; merchants and all types of businessmen who look almost wholly to the oil area for their chief source of business; producers of oil; and even those in adjacent and removed areas who have derived a good portion of their business from the great east Texas oil field. In the light of the previous facts, it is absolute folly and fiction to think of permitting to come to pass that which would definitely jeopardize the welfare of the many people not alone in this oil vicinity but in other vicinities in the Nation where oil is a significant industry.

Any person who is even passively familiar with the oil industry and the flow of petroleum is very much aware that the operators, leaseholders, and farmers, under whose land oil has been found in east Texas, have consistently been restrained greatly in the amount they can produce—all in the interest and welfare of the oil industry of the United States. In this connection I wish to say that east Texas has always borne more than her share of the brunt. The most cogent recent statistics which attest the accuracy of this assertion is the fact that we in the east Texas oil field have had some 115 shut-down days this past year—1939. This has been for a purpose. But the channels of influence have extended much further than to mere producers, leaseholders, and farmers, under whose land the oil is found. Attending the shut-downs, which, of course, mean lost production, has been the loss of employment by laboring men with families in conjunction with reductions in salaries sustained even by those who have managed to retain their positions.

I think I am safe in saying that no other section of the Nation is more aware of the actual effects of what is termed "excess oil," domestic or foreign, than east Texas. We have been haunted with this situation since oil was first discovered there. At first they—the people of east Texas—of course, thought they had a bonanza; soon, however, they found their bonanza had vanished when oil went to 10 cents per barrel and completely disrupted the entire oil industry. The 10-cent-per-barrel oil was the harbinger of proration, designed to stabilize the industry and to conserve this valuable natural resource.

We in east Texas have certainly done our part—yea, much more than our part—along these lines since the inception of the field. The allowable in east Texas per well per day is 20 barrels, but last year we had, as I have already pointed out, 115 shut-down days, which, of course, was most costly to all in our section. That these shut-downs, in conjunction with a 20-barrel per well per day allowable, have been overtly and greatly disadvantageous to many people in my vicinity and adjacent vicinities is a fact which cannot be disputed by any person who has first-hand or on-the-ground information. Therefore our concern is pronounced and vital, and we are positively opposed to any move which will or might further add to our detriment. Can it then be said, when we think of these facts, that additional oil of any degree coming into this country is irrelevant and immaterial?

It has been contended, as I understand, by the authorities of the State Department, that the amount of additional oil which will come into this country as a result of the trade agreement between the United States and Venezuela will be insignificant for the most part, since, as has been provided, the oil companies in Venezuela will be permitted to import an amount of oil equal to only 5 percent of that crude oil processed in American refineries the preceding year. Certainly there is a question as to the lack of importance of this 5 percent of oil which can come into this country at the reduced excise rate.

On a number of occasions I have talked to those authorities of the Government who are the propcnents of the Connally Hot Oil Act. Perhaps you are already aware that the only oil

field in the United States where the producers of oil are required to procure Federal tenders or permits to sell their oil interstate are the producers in east Texas.

Often I have inquired as to why producers in other proration States do not have to have Federal tenders to ship oil interstate, and I have been told that it is thought by controlling properly the production in east Texas the entire oil industry can be stabilized, since east Texas might be termed a gage of the entire industry insofar as production is concerned. Along this line I might add that east Texas does not produce anything like 50 percent of the oil in the Nation. It only produced about 12½ percent of the domestically produced oil in 1938, and in the first 11 months of 1939 it produced 11.4 percent of the domestically produced oil. I think it is considered by many as a gage to production in the Nation. If this is true, might it not also be contended that even a 5-percent concession might materially affect the industry? To say the least, I believe Congress should have the power to determine that amount of tax which is placed on oil coming into this country.

The very fact that the Congress in 1932 took the step of levying excise taxes on imported crude evidenced the fact that some degree of regulation concerning imports of foreign oil was desirable and needed. Now the fact that the excise taxes have been reenacted each 2 years since 1932 by the Congress is further proof that in the opinion of the Congress it has been and is necessary that imports of crude produced in foreign countries still need to be regulated. I should like to inquire what has happened of an extra-beneficial and advantageous nature to the oil industry that merits and warrants or will permit a relaxation of the rigidity of the regulations on imported crude. I know of no outstanding betterment of conditions which has characterized the industry since 1938, when Congress last asserted its approbation of the excise tax.

The fact is that only last year several major companies cut the price of crude because of purported excess, and as a result east Texas and many of the oil-producing sections discontinued production for several days that the price might be restored. This occurrence seems to indicate to me that perhaps the need for the continuance of the higher excise tax is even more pronounced now than ever. Certainly I am aware of no reason to the contrary.

Then, too, there seems to be a real doubt as to whether the people of Venezuela will actually benefit by the change in the tax. It has already been shown that some two or three major oil companies of this country control well over 90 percent of the Venezuelan oil industry. Thus, it is obvious that this outright concession to them will further handicap the independent companies of this Nation and lend a helping hand to those who might wish to further hamstring independents by the grip of monopoly.

It occurs to me that the basic question in connection with the excise taxes on oil as affected by the recent Venezuelan trade agreement is whether or not Congress meant to delegate to the State Department the right or prerogative of setting excise rates on oil or on any other commodity on which there are excise taxes. It must be conceded, if the Congress intended to release this right it heretofore possessed, it relinquished a great deal. I have talked with a number of those who were present during the period in which the right to consummate trade agreements was delegated to the State Department, and I must state that it is the conception of those to whom I talked that these excise taxes were to be frozen.

I think when this question shall have been rediscussed fully by all those who were familiar with the question, that this statement will be fully verified. No one will dare dispute the fact that if Congress meant to "freeze" the excise taxes, then the State Department has broken faith with the Congress, and not only has it broken faith with the Congress, but also with producers like those in east Texas who have cooperated by not running oil when such desisting apparently was necessary to stabilize the industry and to conserve. It occurs to me it is wholly and totally unfair to lighten the burden of major American oil companies producing oil in Venezuela when the burden of independents in east Texas and other home vicinities is so heavy. Certainly, at this session of Congress, the membership, in my opinion, should have a chance to definitely record itself as to its position relative to the levying of excise taxes that every industry affected or to be affected might know where it stands.

And may I say this, gentlemen: I do not pretend to be an expert, insofar as the oil industry is concerned. My only familiarity comes as a result of living right close to the East Texas oil fields, and I have had occasion to observe that which has transpired from time to time as a result of these shut-downs. As most of you know, the east Texas oil fields have long been considered the mecca for independent oil producers, and, since that is true, definitely the independent people are affected by allowing foreign oil to come into this country. I understand the Disney amendment will give Congress a chance to pass on the attitude in this connection, and I certainly desire that the Congress have this chance.

FURTHER STATEMENTS MADE IN REBUTTAL BEFORE WAYS AND MEANS COMMITTEE

Mr. B. Oh, they have great production. I don't know.

Mr. B. I don't know. When they came in they were gushers.

Mr. B. Oh, yes; most of them are flowing wells. I don't know the amount in barrels, but many of them were real gushers.

Mr. B. Practically that much.

Mr. B. It does have an effect, but that is all in an effort to conserve and stabilize the price.

Mr. B. It is my contention that the shut-down there in east Texas has reduced employment definitely.

Mr. B. The contention is that it is excess oil.

Mr. B. We think both come into the picture. No doubt that was thought back in 1932.

Mr. B. I pointed out this: That some of the governmental authorities with whom I talked relative to East Texas told me that might be the gage to production in this country. In other words, by controlling east Texas, they, in effect, stabilize the oil industry. My contention in the statement I just gave you is this: If that 12½ percent that east Texas produces, or that 11.4 percent that it produced in 1939, for the first 11 months, may be considered the gage, certainly it would not be stretching one's imagination to think that the 5-percent concession might also have a real effect on the oil industry.

Mr. B. Are they now affecting the oil industry?

Mr. B. Of course, they have some effect on the oil industry; I think there is no question of it. Imports have some effect on everything.

Mr. B. In our vicinity it certainly has had some effect, if the fellows I know and whom I have observed accurately know the situation.

Mr. B. Well, I would be happy to consider those.

Mr. B. I surely would. As Mr. BOREN here pointed out, oil, because of its peculiarity, so far as it is a resource, can be depleted in toto, which puts it in a little different category.

Mr. B. Yes.

Mr. B. No, sir; I do not.

Mr. B. I am not primarily interested. Of course, I am interested in vegetables, but I don't know much about them.

Mr. B. Frankly, I am not in a position to commit myself in that connection. I know little about the cheese situation. I would be happy to study that situation when it comes before the Congress, of course.

Mr. B. I do; and that is the real reason I have come before this committee and submitted this. About the east Texas oil people, I

perhaps know about as much as at least the average person, and I do know how it has been affected as a result of excess oil.

Mr. B. I appreciate that.

Mr. B. A mistake to this extent, perhaps, in my opinion—and this is only opinion—that I have not found any evidence where Congress meant to delegate that authority to the State Department, and, as I say, I talked to—not a lot of fellows, but some—who were familiar and on the ground when that was done, and I haven't yet talked to one who thought the excise authority was to be delegated. I haven't talked to all of them.

Mr. B. Well, I feel, of course, that the Congress should not be relegated to the status of not having anything to do with matters of that nature, but I don't mean to say by that that I concur in the opinion that the principle of the trade agreements has been bad. I consider the excise-tax proposition on oil to be a little different situation, and particularly because oil is a natural resource that can completely be depleted, perhaps, and besides, people in my district, as I pointed out, and in many of the oil districts, have already sacrificed a great deal in an effort to stabilize the oil industry. They have already paid a premium, in one sense of the word; they have already taken some penalties.

Mr. B. Yes, sir.

Mr. B. You have the right to find fault, and to voice such fault.

Mr. B. That is what I am doing here today.

Mr. B. I thank you.

Mr. B. It is not; not in that section.

The CHAIRMAN. The gentleman from Oregon [Mr. MOTT] is recognized for 3 minutes.

Mr. MOTT. Mr. Chairman, a few minutes ago my colleague the gentleman from Minnesota [Mr. KNUTSON] advised the Republicans that they should not support the Disney amendment. The reason he gave was that the amendment did not include all of the products that suffer from tariff reductions in these reciprocal trade agreement cuts. I do not think his argument is sound, and I trust Republicans will not follow the gentleman's advice. Republicans should support the Disney amendment, and I think they will.

The amendment offered by the gentleman from Oklahoma [Mr. DISNEY] is palpably fair. It includes all commodities which are protected by excise import duties, and it does not omit any of them. If the inclusion of commodities protected by other tariffs are not germane to this particular amendment, certainly that is not the fault of the gentleman from Oklahoma. And let me say to my Republican colleagues that this amendment includes not only oil. It includes coal, copper, and lumber.

Now, lumber is not only one of the most important industries in this country, but it is the one which was most drastically affected by the reduction of our import excise duties in the Canadian agreement and the agreement with the United Kingdom. The President took off two-thirds of the excise duty on lumber and reduced our total protection by one-half. Not satisfied with this, he abolished the Canadian import quota. He did not even stop there. He suspended the requirement of law that imported lumber must be marked, and he thereby practically ruined that industry. He will ruin the coal industry and the copper industry and every other industry if his authority to tamper with excise duties is not stopped.

We do not get the whole remedy by adopting this amendment, of course, but we do get a part of a remedy by making it impossible for the President to interfere with at least one class of taxes which this Congress has placed upon the statute books.

When we passed those excise taxes we never intended that the President should have jurisdiction to curtail or abolish them in making trade agreements. He usurped that power. The Congress never gave it to him. If we pass the Disney amendment we will at least prevent him from doing that in the future. Republicans and Democrats alike should support the Disney amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New Mexico [Mr. DEMPSEY] is recognized for 3 minutes.

Mr. DEMPSEY. Mr. Chairman, I rise in favor of the Disney amendment. It is a strange thing to me, this argument that the oil industry is not going to be affected adversely by permitting a reduction in these excise taxes, and that it is so necessary and important to the foreign country affected that it should be done. There has been much said about this great oil industry; well, this particular reduction in excise taxes affects only—and beneficially—the greatest oil companies in the world, to the detriment of the independent oil companies, the little fellows. That is exactly what it does. The gentleman from Massachusetts told you that the oil industry is now very prosperous because of higher prices and that at one time oil was selling at from 10 to 25 cents a barrel.

That is true, it was; but at the same time real estate was selling proportionately low. Every bond in the United States was selling low. It was necessary for the Federal Government to help home owners, to come in and buy mortgages, in order that they would not be foreclosed.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. DISNEY. I anticipate that something will be said by the gentleman of the committee in opposition to the amendment, that the broad "escape clause" is in this Venezuela agreement. This is the only opportunity I shall have to call the attention of the House to the fact that out of 22 agreements made not one escape clause has ever been invoked, not one.

Mr. DEMPSEY. That is true. And let me tell you that even though 5 percent may seem a small figure, yet the oil producers of Oklahoma, New Mexico, or Texas, cannot produce even 5 percent of their potential production. Many of their wells are producing as little as 1 percent by reason of a compact based on domestic consumption.

Before oil went to 10 cents and 25 cents a barrel in 1931 and 1932 it had been up as high as $1.20 and even $1.50 a barrel. The decision to cut the excise tax on oil 50 percent can only be attributed, in my estimation, to a lack of knowledge on the part of those charged with the responsibility of the protection of this great industry. If they had knowledge of the true conditions they would not advocate any such drastic cut. The oil industry today is sustained by the great number of independents, the little fellows, who, at the same time, are responsible for competition that holds the market price to the consumer down to a reasonable and proper level. The people who would benefit by a reduction in the excise tax are the large companies who are the principal exporters of oil from this country, because they also are the sole importers.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from California [Mr. BUCK], a member of the committee, is recognized for 3 minutes in opposition to the amendment.

Mr. BUCK. Mr. Chairman, I think it might be advisable in view of the arguments that have been made this afternoon to discuss the contention that the use in section 350 of the Tariff Act of 1930, as amended, of the words "existing duties" in connection with the modification authority given the President to modify such existing duties and other import restrictions of continuance of existing customs or excise treatment indicates that the Congress regarded import taxes as "excise treatment" and intended to instruct the authority of the President with regard to them to a guarantee of their continuance. In this connection, it is important to note that the term "duties and other import restrictions" is defined in subsection (c), section 350, to include, among other things, "exemptions other than duties imposed on importation."

Under date of October 19, 1939, the chief of staff of the Joint Committee on Internal Revenue Taxation, Mr. Colin F. Stam, wrote an opinion on this subject which I shall insert in full in the RECORD, following my remarks. In this opinion he stated that the words I have just quoted included import taxes and were intended to make it clear that if any doubt

were entertained as to such taxes being includible in the term "duties" in a strict sense they were nevertheless covered by the act. This construction, as I stated, would be in harmony with the purposes of the Trade Agreements Act. One should note that the several sections specifying rates of import duty provide that these taxes shall apply "without respect to the importation of such articles." Is not this a very important consideration, because any agreement decreasing the duty on any commodity could be nullified by the imposition of an internal excise tax?

I call the Committee's attention to the fact that in the Cuban agreement of 1934 we actually did reduce the excise tax on imported mahogany lumber; and thereafter, in 1936, when we extended these excise taxes in the Revenue Act of 1936, section 703, we wrote this in the law:

Nothing in section 601 (c) (8) of the Revenue Act of 1932 as amended shall be construed as imposing a tax in contravention of an obligation undertaken in any trade agreement heretofore entered into under the authority of section 350 of the Tariff Act of 1930, as amended.

Thereby we set the precedent for the Ecuador agreement; thereby we set the precedent for the Venezuelan agreement; and those agreements have been entered into with the full authority and sanction of the Congress.

It will be stated by someone that in the report of the Ways and Means Committee on this resolution in 1934 there was included a sentence to the effect that the power of the President to reduce any duty was limited to those which are in effect customs duties. I should like to call the attention of the committee to the facts. The term "excise duties" is not commonly used to denote internal-revenue taxes. But the expression here used was used in the paragraph preceding the one just quoted in contradistinction with tariff duties. Furthermore, as was pointed out by the gentleman from Tennessee [Mr. COOPER], that on page 373 of the 1934 hearings Assistant Secretary Sayre in answer to a question by the chairman gave it as his opinion that the bill would apply to excise taxes on importing oil, copper, coal, and lumber.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield.

Mr. COOPER. I was undertaking to point out their legality during my remarks, but my time expired. It was my privilege to be a member of the Committee on Ways and Means in 1934 when this legislation was originally drafted and enacted. I know that there was never at any time any doubt about these import excise taxes being treated and dealt with like other tariff import duties. The act itself specifically refers to excise taxes.

Now, I want further to invite the gentleman's attention to this statement in the hearing before the Ways and Means Committee in 1934. The chairman asked this question:

Take an excise tax then, for illustration, that we know is imposed on importations, take the excise tax on oil, copper, and coal. In the present law would this apply to those taxes that are excise taxes but that are collected by the customs?

Dr. Sayre, who was representing the Department before the committee, answered:

This would apply to all taxes imposed on importations.

Mr. BUCK. Why, of course. The conclusion must be drawn that the Ways and Means Committee understood the bill to apply to both.

It might be mentioned that the silence of Congress in extending the life of the resolution for 3 more years in 1937 without even commenting on this question, although there had been at least one reduction of an excise tax, might well be interpreted as amounting to approval. At any rate, that would seem to be the logical conclusion and the one which Mr. Stam was forced to reach. Consequently, speaking solely on the point of statutory construction, it seems to me that the gentleman from Oklahoma and others who have spoken on this subject have been entirely led astray as to what the intention of Congress was in connection with these so-called taxes on imported articles, which are in effect nothing but import duties.

I append hereto a copy of the opinion submitted by Mr. Stam.

STATUS OF IMPORT TAXES UNDER THE RECIPROCAL TRADE AGREEMENTS ACT

Inquiry has been made as to whether the act of June 12, 1934 (ch. 474, 48 Stat. 943), the so-called Reciprocal Trade Agreements Act, is applicable to the import taxes imposed by sections 2490 and 3420 of the Internal Revenue Code. These sections are derived from section 601 of the Revenue Act of 1932, as amended, and the articles involved are petroleum, coal, lumber, copper, and certain oils.

It appears that the notice of intention to negotiate a trade agreement with the Government of Chile, published by the Secretary of State under date of October 2, 1939, gives rise to the present inquiry and that special reference is had to the import tax on copper.

It is the opinion of this office that the import taxes mentioned are subject to the provisions of the Trade Agreements Act. This opinion is based on the language of the act, its legislative history, and certain subsequent legislation.

STATUTORY CONSTRUCTION

Section 3430 of the Internal Revenue Code provides that "the tax imposed by section 3420 shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930 * * * and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such act, except that * * *." One of the exceptions stated is that "for the purposes of section 336 of such act (the so-called flexible-tariff provision) such tax shall not be considered a duty." The similar results of the application of the flexible-tariff provision and of the Trade Agreements Act—an increase or decrease of rates of duty within limits of 50 percent—appears to be the basis for the contention that it was not the intent of Congress to subject the import taxes in question to the provisions of the act. Section 1 of the Trade Agreements Act adds a new section, No. 350, to the Tariff Act of 1930. That section provides, among other things, for the proclamation by the President of "such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreements, as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder."

It is contended that the use of the words "existing duties" in connection with the modification authority and of the words "excise treatment" in connection with the continuance authority indicates that the Congress regarded import taxes as "excise treatment" and intended to restrict the authority of the President with regard to them to a guarantee of their continuance. The term "duties and other import restrictions" is defined, however, in subsection (c) of section 350 to include, among other things, "exactions other than duties, imposed on importation." It is believed that these words include import taxes and were intended to make it clear that if any doubt were entertained of such taxes being includible in the term "duties," in a strict sense, they were nevertheless covered by the act. It is to be observed that the several sections specifying rates of import duty (I. R. C. 3422–3425, 2491) provide that these taxes shall apply "with respect to the importation of such articles." It may be concluded, then, that the excise treatment of which the President is authorized to proclaim the continuance is the internal-excise treatment. This construction appears to be in complete harmony with the purposes of the Trade Agreements Act inasmuch as the effect of an agreement decreasing the duty on any article could be nullified by the imposition of a compensating internal tax.

While it is true that the import taxes under the law existing at the time of the passage of the Trade Agreements Act were to expire on the following June 30, it is believed that had the Congress intended to except those taxes from the provisions of the act it would have written into it a specific provision to that effect. Had it been the intent of the Congress, moreover, to make such an exception, it could have repaired the omission on the several occasions when it passed legislation extending their effective period.

In this connection may be cited section 703 of the Revenue Act of 1936, which provides that "nothing in section 601 (c) (8) of the Revenue Act of 1932, as amended, shall be construed as imposing a tax in contravention of an obligation undertaken in any trade agreement heretofore entered into under the authority of section 350 of the Tariff Act of 1930, as amended * * *." Section 3501 of the Internal Revenue Code (derived from 403 (b) of the Sugar Act of 1937) further provides that the import compensating tax "shall be treated for the purpose of all provisions of law relating to the customs revenue as a duty imposed by such act, except that for the purposes of sections 336 and 350 of such act (the so-called flexible-tariff and trade-agreements provisions) such tax shall not be considered a duty or import restriction * * *."

LEGISLATIVE HISTORY

The legislative history of the Trade Agreements Act further corroborates the view that the act applies to import taxes. At the outset, it must be admitted that language found on page 15 of the Ways and Means Committee report is somewhat disconcerting to this view. The reference is to the final paragraph under the heading "Modern procedure," which reads as follows:

"In order that the necessary reciprocity may be accorded, the President is empowered to promise that existing excise duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are in fact customs duties."

The term "excise duties" is admittedly not commonly used in the United States to denote internal taxes, and it might be taken to mean taxes which, while not imposed under the tariff act, are predominately of the nature of tariff duties. The expression is used, however, in the paragraph preceding the one just quoted in contradistinction with "tariff duties" and with "import duties." The words "excise duties," however, appear frequently in the published hearings before the Ways and Means Committee on the bill in context indicating their meaning to be internal taxes. At page 373 of the hearings, the chairman asks the witness, Mr. Sayre, whether the bill would apply to the taxes on oil, copper, and coal. The reply was that it would apply to all taxes imposed on importation.

The conclusion may be drawn, therefore, that the Ways and Means Committee understood the bill to apply to the import taxes.

The question, however, came before the Senate on June 4, 1934, when the bill was under debate in that body. Senator HARRISON introduced an amendment specifically excluding the import taxes from the definition of "duties and other import restrictions." He stated that his purpose in introducing the amendment was to remove any doubt as to what the intention of the Congress was with regard to these items. At the request of Senator ASHURST, Senator HARRISON withdrew the amendment. Senator ASHURST's objection to the amendment was that it would preclude the President from raising the tariff on copper. Senator Long, however, immediately reintroduced the amendment, and on a roll-call vote it was defeated.

It may also be mentioned that administrative opinion from the beginning has been that the import taxes in question are subject to the provisions of the Trade Agreements Act. The silence of Congress may be interpreted, it is believed, as amounting to approval.

For the reasons above stated, it is the view of the writer that the contention that the Trade Agreements Act does not apply to import taxes cannot be maintained.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Ohio [Mr. LEWIS] is recognized for 3 minutes.

Mr. LEWIS of Ohio. Mr. Chairman, I dislike very much the writing of a piecemeal tariff law. I call your attention to the fact—you gentlemen sitting on the right of the aisle—that every argument that you are using in favor of spot protection of the oil industry, or any other industry that is favored, is exactly as valid when applied to every product of American industry, American labor, or American agriculture, every one of them. But I realize that the opposition here is too strong for us who are in favor of protecting all American industries and agriculture, so I am perfectly willing to support the Disney amendment.

Those of you who have coal in your districts and who believe in spot protection of your industries, I call your attention to the fact that you cannot do anything better to protect the coal industry of America than to vote for the Disney amendment. It is fuel oil imported under the Venezuelan trade agreement that is driving a dagger into the heart of the coal-mining industry, taking the markets for millions of tons of coal annually and shutting down our coal mines throughout the country and throwing thousands of coal miners out of work.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of Ohio. I yield.

Mr. DISNEY. If the contention made just now by the gentleman from California [Mr. BUCK] and the gentleman from Tennessee [Mr. COOPER] about these excise taxes and the intent of Congress is correct, what on earth was Senator HARRISON talking about in his debate on the Senate side when he mentioned these four excise taxes as being bound and they were not doing anything about the excise taxes?

Mr. LEWIS of Ohio. Of course, the gentleman's statement is absolutely correct, and the argument of the gentlemen [Mr. BUCK and Mr. COOPER] makes Senator HARRISON'S argument absolutely futile and meaningless. I trust the Disney amendment will be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I am a strong believer in and supporter of the Reciprocal Trade Agreements Act, and I yield to no man in my admiration of Secretary Hull and his accomplishments, but to me this amendment is neither a political nor a partisan matter. The Reciprocal Trade Act is sound. There have been some inequities and injustices in dealing with some commodities, but these will be ironed out in time. We should extend this law and not return to the old logrolling tariff days. I expect to vote for the bill.

I remember very distinctly that in 1932, when the Democrats took charge of this House, the first import excise tax law, as I recall it, was passed, which placed a 4-cent import excise tax on copper, $2.24 a ton on coal, $3 a thousand on lumber and a half cent per gallon on petroleum. That bill was reported out by a Democratic Ways and Means Committee. That act has twice been extended by this Democratic House and a Democratic Senate. It has been signed by a Democratic President. This matter resolves itself into a question of consistency, good faith, and reliance, so that these particular industries may know on what they can depend. You have heard a great deal about the oil situation. I have very large oil development in my district. I have many of the biggest independent oil producers in the country residing in my district, and I know that every time any substantial amount of oil is imported into this country it necessarily means a reduction in our proration. The oil situation has been fully discussed by previous speakers, and I concur in their views. But there is another commodity that I want to see treated fairly, and that is copper. The gentlemen from Arizona and New Mexico referred to the situation. I happen to have in my home city of El Paso one of the largest copper refineries in the country, and only last fall, when there was a proposal to reduce the excise tax on copper in the Chilean agreement, it threw a scare and fright into the industry in my section that depressed the local market for weeks and months. It stopped improvements and expansion of plants and also increased unemployment. Senator HAYDEN, than whom there is no finer Democrat or friend of this administration, together with others of us opposed that agreement, and the proposal was abandoned. He referred to the question of the intent of Congress in passing the excise-tax law, to which reference has been so ably made by the gentleman from Oklahoma [Mr. DISNEY]. If 4 cents is too much excise tax on copper, why, reduce it. If it is not enough, increase it; but that amount has been found to be fair and just. But let us fix it at something that is certain and dependable, and when it is fixed the industry will know on what it can depend. Let the Ways and Means Committee have hearings and then agree on a fair tax and freeze it. To me it is most inconsistent to pass an excise-tax law fixing an excise tax on these commodities and then come along with this reciprocity program and cut that tax in half. It is neither consistent nor fair. It keeps the oil and copper people in a turmoil. I am not for high protective tariffs. But this Democratic administration has three times approved the levying of import excise taxes and fixed what we believed to be a fair and just tax on these imports. We should in good faith live up to that law or, if it is wrong, repeal or amend it. What I plead for is certainty. If this lawmaking body fixes an excise tax, not a protective tariff, that tax should not be reduced because concessions must be made in order to effectuate an agreement.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. CARLSON. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. CARLSON. May I call the attention of the Members of the House to a report issued by the chairman of this committee on March 17, 1934, in which he used the following statement:

It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty.

Mr. HOPE. Mr. Chairman, I want to address my remarks to the Republican members of this Committee, and I am moved to do that because of a statement which the gentleman from Massachusetts [Mr. MCCORMACK] made in the course of his remarks, in which he stated that 70 Republicans voted against the imposition of these excise taxes back in 1932. That is true. The vote at that time shattered one of the great illusions of my life, because until then I thought the Republican Party stood for protection, but I had my doubts

after 70 Republicans voted against those excise taxes. I believe the Republican Party does stand for protection and we have a chance today to at least afford protection in a limited degree to these four commodities which are covered by these excise taxes. So I urge that every Republican today be consistent in his attitude toward protection and vote to enable us to maintain the protection which these excise taxes give to four essential industries. A case has been made for these excise taxes else they would not have been imposed in the first place. These taxes have not only been approved by Congress but have been renewed after experience and further consideration. So I hope today the party which traditionally stands for protection will vote 100 percent in support of the Disney amendment which protects these excise taxes. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Chairman, undoubtedly the confusion over the question of whether or not these four excise taxes are import duties or not arose out of the fact that in 1937 and again in 1939 they were lumped under the general program brought in by the Ways and Means Committee to continue the general excise taxes imposed for revenue purposes, in which taxes as a tariff were never discussed and given but scant consideration. The only debate and the only separate vote on these four taxes alone occurred in connection with their original adoption in 1932 but, as has been pointed out by the gentleman from Massachusetts [Mr. MCCORMACK], the customs court has ruled, and as pointed out later by the gentleman from Tennessee [Mr. COOPER], Mr. Sayre made it clear in his discussion, that we were considering a tariff matter in these excise taxes. From the standpoint of policy, the gentleman from Massachusetts [Mr. MCCORMACK] has called your attention to the fact that last year was the largest in 12 years for the oil industry of this country. The refineries were working overtime. We put the current reports of the price of gasoline and the production of gasoline into the report to show the booming condition of the oil industry.

I have studied carefully the ecnomics of this situation as it affects the oil industry and the oil consumer. Some of my materials dealing with this subject were brought to the attention of the Committee on Ways and Means and will be found on pages 863 and 875 of the printed report of the hearings on this resolution.

There has not been a word said yet from the standpoint of the consumer. The gentleman from Oklahoma said there are 21 States involved. The Western States are not involved at all in this matter, only the mid-continental States, and there only the independent operators have a fight against two big corporations which they claim get some competitive advantage over them through getting oil from their own wells in Venezuela. Ordinarily I would sympathize with the independent producer, but from the standpoint of the consumer, do not forget, first, your highway construction. Your principal source of the best asphalt is Venezuela. To wipe out this small reduction in the tax would mean the addition of $8 a ton for asphalt to the cost of your State highway construction. There the consumer is involved.

There is a limited, very limited, production of asphalt oil in this country, and we have to supplement it with supplies from Venezuela.

I have been submitted figures which show that the State of New York, in road work, uses approximately 20,000,000 barrels of this type of road oil; Virginia, about 30,000,000; North Carolina, about 20,000,000; Pennsylvania, about 25,000,000; Georgia, about 10,000,000; Florida, about 10,000,000; and so forth. That is, per annum.

When the gentleman from Florida [Mr. CALDWELL] introduced his bill to authorize the refund to the States of the tax levied or paid to the Federal Government under the act of 1932, on this importation of road oil, the highway commissioner of Florida stated that the tax was costing Florida thirty to forty thousand dollars a year; Virginia, about $75,000 a year; and, of course, the large States like New York and Pennsylvania much more than that.

The State highway departments have a definite stake in the cost of oil to be used in asphalt and in oil-treated roads.

The State Department has received letters from many highway departments of States since this agreement was proclaimed commending it from that standpoint.

And I am sure you realize that it is generally considered now that an asphalt surface, even on a concrete road, is the best type of traction and driving surface that you can have on a highway. It is also true that is the present treatment for the construction of farm-to-market roads, the cheap type of road, carrying a moderate amount of traffic, which is made of sand and asphalt oil mixed as a road surface. The farm-to-market fellow has a stake in what that type of road surface material will cost him, has he not?

It is also true that many people are now heating their homes with fuel oil. And that again is a type of oil that comes from Venezuela. These people have a stake in what is to be done about the tax on oil.

We must consider the consumer of fuel oil. We put in the record definite facts to establish that you cannot get nearly the percentage of gasoline from the Venezuelan oil that you can get from our American oil, and therefore that oil is used for road purposes, asphalt, and for fuel oil for home consumption. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Chairman, I am glad to support the amendment offered by the gentleman from Oklahoma [Mr. DISNEY]. It is designed to prevent reductions in the excise taxes on lumber, petroleum, coal, and copper. These excise taxes have an interesting historical background, particularly the lumber tax.

In 1930 the Republicans enacted the Hawley-Smoot tariff law and, following the pattern of the Fordney-McCumber Act of 1922, left lumber and shingles on the duty-free list, with no quota or limitation of imports, so that Canada was free to flood our markets. This was all the more amazing in view of the fact that the chairman of the Ways and Means Committee who wrote the law was the Honorable Willis C. Hawley, of Oregon, a State so vitally interested in the lumber and shingle industry. At this point it will be interesting to insert a quotation from a letter, dated August 23, 1929, addressed to me as mayor of my home city from the lumber-industry tariff committee, Hon. Roland H. Hartley, Governor of Washington, and the heads of the 10 leading lumber and shingle firms in our State, including Hon. Frank H. Lamb, North Western Lumber Co., of my home city:

> You no doubt know of many western mill failures which have been caused by existing discriminatory tariffs that favor foreign lumber production over American lumber production, and which give preference to foreign- and oriental-labor movement over American labor in the production of lumbering products for American markets.
>
> These unjust conditions will force more failures in the future than they have in the past, and they are the conditions against which western lumbering interests and their labor are fighting. Lumbering interests are asking for tariff protection to increase American labor employment, to better western business, and to save western American lumbering operations from destruction.
>
> This question is of vital import to every citizen of the West. All should assist in securing these tariffs that are necessary to insure western progress and prosperity, and if you will give this question your official consideration and then send your communication, favoring the requested tariffs, to your Senators and Representatives in Congress, they can use your communication to much advantage.
>
> Your assistance is needed to save the withdrawal of properties from the assessment rolls and the increase of taxes on remaining properties. We are hopeful you will give this matter your prompt and favorable attention. Tariff revision is now being considered by Congress.

Strange as it seems, the plea to our Republican administration again went unheeded and absolutely nothing was done to protect our lumber and shingle industries.

I quote from a speech delivered May 20, 1932—see CONGRESSIONAL RECORD, page 11162—by the late Honorable Wesley L. Jones, United States Senator from the State of Washington:

> It is estimated that there are one hundred and twenty-five or more thousand laborers employed in the lumber industry. It is

generally conceded that at this time at least 100,000 of those laborers are idle. Probably taking northern Idaho, western Washington, and Oregon there is a greater number even than that absolutely idle. They have no means of support; they have no labor, aside from the labor furnished by the lumber industry.

That industry is practically idle. As I have said, out of 125,000 laboring men it is conservatively estimated that there are less than 25,000 employed, and they are employed only 2 or 3 days out of the week.

The condition of those people can only be imagined. The condition of the localities which are dependent upon that industry can only be imagined. Towns are deserted, cities are without activity. The condition, of course, can be duplicated to a certain extent all over this country of ours, but I do not know of any similar section of the country where those engaged in a particular occupation make up the great mass of the population. The source of prosperity and of happiness to those people and to the communities they inhabit is the lumber industry.

That year the Democrats, having gained control of the House of Representatives in 1931 and having a working majority in the Senate, the excise tax was secured on lumber, petroleum, coal, and copper by a coalition of Senators from the West and South, the excise tax amounting to $3 on lumber.

However, the beneficial effect of the excise tax was completely nullified by the depreciation in foreign currencies, and President Hoover refused to do anything to remedy this condition.

Following the 1932 elections I came to Washington, D. C., early in 1933. I attended the hearings before the Ways and Means Committee January 27, 1933, and there heard State Senator Kathryn E. Malstrom, of Tacoma, Wash., representing the Governor and Legislature of the State of Washington, give the following testimony:

Gentlemen, I am here in the name of my State to add my evidence to the tremendous exhibit that we all at this moment visualize. This day presents to you the most urgent emergency in our economic history. Unemployment has steadily increased, purchasing power has steadily declined, financial institutions have rapidly succumbed to an inevitable failure. I am pleading with you in the name of my country and my State to do something constructive and to do it quickly.

Conditions in Washington have continued to decline since the hearing last spring. A telegram from the Port Angeles Chamber of Commerce, in Clallam County, tells me since I arrived of the failure of the oldest financial institution in that county, and it goes on to say that had Congress enacted protective legislation before that time that institution might have been saved.

This message is important because it is typical of so many other communications. In my State mills are silent, fisheries are in a precarious way, farming in peril, mining no longer an activity, business virtually at a standstill, while thousands of men and women daily appear before charity and indigent-relief depots for bare subsistence rations. Counties and municipalities are bled white in trying to cope with the tremendous problem of relief, while those responsible for the conduct of government are unable to foresee a way out of the problems when more money is needed while tax revenues are more and more depleted.

* * * The 122,000 unemployed Americans in Washington State, the 12,000,000 unemployed Americans in the United States, are pleading with you to pass legislation immediately correcting the blight caused by foreign competition under depreciated-currency conditions.

The picture presented by Senator Malstrom was not overdrawn and depicted conditions as they existed in the State of Washington and in my district in January 1933, 2 months before President Roosevelt and our Democratic administration took office. President Roosevelt and Congress, by taking the United States off the gold standard and devaluating the gold dollar and establishing the currency stabilization fund, protected our industries from depreciated foreign currency and the beneficial effect of the excise tax on lumber was restored.

As a result of the Hawley-Smoot tariff law of 1930, levying exorbitant duties on the manufactured goods of the East, retaliatory preferential tariffs were imposed against us by Great Britain and within the United Kingdom, adversely affecting our export lumber trade.

In 1934 we enacted the Reciprocal Trade Agreements Act, and in the State of Washington it was favored by the industries, labor, and the press; in fact, there was no opposition manifested from any quarter. It was anticipated that thereby some modification and reduction in the retaliatory preferential tariffs in the interests of our export trade could be obtained. Some concessions have been secured. Mr. Wilson Compton, general secretary and manager, National Lumber Manufacturers Association, testified before the Ways and Means Committee January 31, 1940: "It has helped. I do not want you to be in any doubt that the concessions, so far as they have gone, with Great Britain, have helped."

However, in view of the fact that our excise tax was cut in half under a reciprocal-trade agreement with Canada, making it possible for Canada to dispose of her lumber upon more favorable terms within the United States, we are not satisfied with the concession granted our product within the United Kingdom and the British Empire, as their preferential tariffs still prevail against us to a large extent. For that reason we do not want any further concessions granted, so far as our excise tax is concerned, at least not until we are permitted to trade within the United Kingdom and the British Empire upon a reciprocal basis. The most effective way to insure that is to adopt the Disney amendment, which will preclude further reductions in the excise taxes.

In the State of Washington we have gone a long way from the terrible conditions depicted by the late Senator Wesley L. Jones, State Senator Kathryn E. Malstrom, and Gov. Roland H. Hartley in 1929–1933, but we are determined in 1940 to continue our progressive march forward in the lumber, shingle, and pulp and paper industries. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DOUGHTON] for 4 minutes, the remainder of the time.

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the Disney amendment.

I should like to know what there is sacred about excise taxes that they must be placed in a separate category.

Mr. DISNEY rose.

Mr. DOUGHTON. The gentleman has used about all the time now. I cannot yield.

I leave it to the intelligence of this House whether there is anything sacred about excise taxes that they should be separated and be placed in a category different from other taxes. The oil industry seems to be terribly disturbed about the trade agreement negotiated with Venezuela, but in the hearings before our committee their representatives made no claim whatever that they had been injured. They expressed the fear that they might be injured on account of something that might take place in the future. In other words, they said we had tied the hands of the Government so the Government would be helpless to do anything to protect the oil industry.

That is exactly where the gentleman is wrong. The hands of the Government are not tied, and neither are the hands of the President or the State Department, who negotiate these trade agreements, because we have to protect the oil industry or any other industry that may be threatened or injured, and so we have put in the agreement a broad escape clause, which the Secretary of State has pointed out and emphasized over and over again he will invoke to protect any American industry when he sees injury to it.

If we have any confidence in the judgment and the integrity of our Secretary of State we are bound to confess that the oil industry or any other American industry is well safeguarded because, after all, the administration of the law is placed in his hands and he has the safeguard that if any American industry can show injury or serious danger of injury he can invoke this escape clause and protect that industry. He has written me a letter, which I do not have time to read but which I shall insert in my remarks if I am permitted to do so, in which he reiterates and emphasizes that point. What more can anyone ask? It is fear, fear all the time, but no evidence was offered before our committee of any injury to the oil industry.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I am sorry, I do not have time to yield. I have great respect for my friend from Oklahoma. He is an honorable and a useful member of our Committee on Ways and Means.

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I am sorry, I do not have time to yield. The gentleman can make his speech in his own time.

Mr. CROWTHER. We did not reserve any time, particularly.

Mr. DOUGHTON. The gentleman will have time later. He can talk on some other amendment, which I have no doubt the gentleman will do. He usually does.

It was clearly shown before our committee, and the fact is that no industry was seriously injured. No witness testified of injury. The witnesses were all the time expressing fear, fear, fear.

They try to bind us by what they say Senator HARRISON said over in the Senate. As a matter of fact, Mr. Sayre, when he was asked in the Senate in 1937 the specific question whether or not these taxes on oil, copper, coal, and lumber could be reduced, did not try to deceive anyone. He said that these taxes "are, under the language of section 601, treated as import taxes, so that they could be frozen or they could be reduced."

There is no ground whatever for our friends coming into this hall now, before this intelligent audience, and claiming that they have not been fairly treated and that these four great industries are sacred, that they should not be touched, and that protection should be thrown around them which is not accorded to any other industry in this country.

Mr. Chairman, I would hesitate a long time before I would come before the Congress and the American people and ask with respect to any industry, although it might be the chief industry of my own State, that it be singled out and given preferential treatment over all the other industries of this country, whether agricultural, industrial, or what not. [Applause.]

Mr. Chairman, I hope the Disney amendment will be voted down by an overwhelming majority. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CROWTHER moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. WARREN. Mr. Chairman, a point of order.

The CHAIRMAN (Mr. WOODRUM of Virginia). The gentleman will state it.

Mr. WARREN. Mr. Chairman, I hope that the present occupant of the chair, with the long experience he has had in presiding over the Committee of the Whole, will now come to the conclusion that the motion offered by the gentleman from New York is out of order.

The motion for the Committee to rise and strike out the enacting clause is one of the highest preferential motions that can be offered in this body. We have seen the time fixed for the closing of the debate on this particular amendment. The gentleman from New York [Mr. CROWTHER] had full opportunity to get recognition, or to ask for recognition, within the time fixed by the Committee itself for closing debate. In 9 cases out of 10, when this motion is offered, it is done for a frivolous purpose, and such a high motion, privileged as it is, should not be offered for this purpose; and I hope the Chair, of his own accord, will rule it out of order.

Mr. AUGUST H. ANDRESEN. Regular order, Mr. Chairman.

The CHAIRMAN. The regular order is being carried out. The gentleman from North Carolina is making a point of order.

Mr. AUGUST H. ANDRESEN. The gentleman took his 5 minutes and made his speech.

The CHAIRMAN. The Chair appreciates the fundamental proposition involved in the point of order raised by the gentleman from North Carolina [Mr. WARREN]. Undoubtedly, under a strict construction of the rules of the House, the motion that the Committee rise and report the bill back to the House with the recommendation that the enacting clause be stricken out is a motion of high order and should not be resorted to as a frivolous motion. The Chair, however, cannot blot out of his memory 17 years of service in the House in which, almost without exception, so far as the Chair knows, Members of both parties on both sides of the aisle have resorted to the motion when, because of a limitation of debate, they were unable to get time. In the particular instance the gentleman from New York [Mr. CROWTHER], the ranking minority member on the committee, who is opposed to the bill, sought to get time and the Chair had committed himself and the debate was limited. The Chair certainly does not think this would be an appropriate time to depart from the universal custom of the House, and the Chair, therefore, overrules the point of order and recognizes the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, I am sorry that even an intimation should be made that I would offer this motion for a frivolous purpose and with no intention of being serious in the matter. I was never more serious in my life. I feel very deeply about the statement made by my chairman in the past few moments in which he said to the gentleman from Oklahoma [Mr. DISNEY]:

How come that these excise taxes are especially sacred or sacrosanct at this time?

There is no use continuing the argument as to whether or not these excise taxes are tariffs or taxes. That was gone into, and gone into very thoroughly, in the 1932 Revenue Act when they were adopted, and it is just shadow boxing to keep up this argument as to whether they are tariffs or taxes. They apply to the importations of the several commodities that they take care of and that distinctly defines them as tariffs. I supported them, I voted for them, and I commend my Democratic brethren for adopting in some small degree the policy of protective tariff and taking care of these commodities, even if they did it in a sort of hypocritical manner by inserting them as excise taxes in a revenue bill [laughter], but I was for them, because I am wedded to the policy of protective tariff.

My good Chairman, and I hold no greater respect for any Member in the House, past, present, or to be, than I do for my Chairman [applause], when he wanted to know what there was sacred about these excise taxes that they should not be reduced, I thought, too, that perhaps they were not sacred, but I always considered that the word of my Chairman was sacred, that his integrity was not to be questioned, and then I read this statement in a report that was submitted by him. I quote:

Particular notice should be taken, moreover, of the fact that the President may seek from other countries promises that their excise duties shall not be such as to nullify the results of their promises to modify their tariff duties. This is the fruit of bitter experience on the part of the exporters of American goods. One of the chief protective measures which the President will desire to take will consist of pledging other countries not to increase their excise duties at the same time that they are reducing their import duties.

And the majority under his leadership finished that section of the majority report with this sentence:

In order that the necessary reciprocity may be accorded, the President is empowered to promise that existing excise duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are, in fact, customs duties.

I stand by the statement made by my Chairman, in the report that he made at the time.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. CROWTHER. Mr. Chairman, I withdraw the pro forma amendment.

Mr. COOPER. Mr. Chairman, I object to it being withdrawn.

Mr. McCORMACK. Mr. Chairman, this presents the clear-cut issue as to whether or not the pending resolution to extend the existing law shall be adopted by the House. In a sense, I am glad that my friend from New York [Mr.

CROWTHER] made his motion. We have an opportunity to show the country by our vote, our support of a program that 85 percent of the people of the country are in support of. This is not a program supported by Democrats alone. The Republicans of the country, as I said the other day, and the leadership of the Republican Party outside of the leadership of this House, are in support of this program. Great outstanding Republicans have so stated publicly, while the hearings were going on before the Ways and Means Committee, that they favored the extension of the trade-agreements law.

I admire my friend from New York [Mr. CROWTHER]. We all do. What I like about him, in addition to my personal respect and friendship for him, is the fact that he is intellectually honest. We all make mistakes, and we all may misinterpret something, but a man can do so and yet be intellectually honest, and the intellectual honesty of my friend from New York was displayed a moment ago when he said that we are "just shadow boxing when we keep up the argument that these are excise taxes and that other duties are tariffs." That is the intellectual honesty of the gentleman from New York, and those on my side and those on the Republican side who are viewing this from a broad and popular angle, agree with him. We should no longer be misled by the claim that this is an excise tax on these four duties. It is a duty no matter by what name it may be called. The courts have said so, and you and I know for all practical purposes that the statement made by the gentleman from New York, that this is a duty and not an excise tax, so far as results are concerned, is correct.

Therefore, the argument of my distinguished friend from Oklahoma [Mr. DISNEY] falls by the wayside, and we face his motion as it should be faced. That is, his motion is an attempt to freeze tariff duties on imports into this country on the articles mentioned in the amendment. If we do it in the case of oil, if we do it in the case of lumber, if we do it in the case of coal, if we do it in the case of copper, why should we not do it on gloves, and why should we not do it on any other item that is already subject to the Hawley-Smoot Act? If the precedent is established for this, for us on the Democratic side and those who favor the bill on the other side, why should it stop there? This amendment is a deadly attack on the program enunciated and put into operation during this emergency by the Democratic Party under the leadership of Franklin D. Roosevelt, and I hope the amendment will be defeated. [Applause on the Democratic side.]

The CHAIRMAN. The question is on the motion of the gentleman from New York that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. COOPER) there were—ayes 87, noes 130.

So the motion was rejected.

The CHAIRMAN. The question now recurs upon the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 108, noes 140.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed Mr. DOUGHTON and Mr. DISNEY to act as tellers.

The Committee again divided; and the tellers reported—ayes 155, noes 164.

So the amendment was rejected.

Mr. CROWTHER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CROWTHER: In line 8, before the period, insert a colon and the following: "*Provided*, That no such foreign trade agreement concluded after the date of the enactment of this joint resolution shall take effect until it shall have been approved by the Congress by law."

Mr. CROWTHER. Mr. Chairman, I do not know of any reason why these amendments ought not to be submitted to the Congress of the United States for ratification or rejection. Over a long period, beginning in the early nineties in the Dingley bill of 1897, in the Underwood-Simmons bill of 1913, in the Collier bill of 1932 which was vetoed by President Hoover but was passed by both Houses, and in many of the other Democratic and Republican tariff bills, provisions were made for trade agreements and trade treaties; but in the Democratic tariff bills as well as in the Republican tariff bills, in connection with the provisions that were made for entering into reciprocal agreements, there was always the proviso that demanded that they be presented to the House and to the Senate for ratification or rejection. Apparently that was the one line of thought in the minds of members of both parties, that if these agreements were entered into they should be ratified or rejected by the Congress.

On one or two occasions ratification was limited to the Senate, but in nearly all instances they were presumed to be ratified by the Congress of the United States. I cannot see any objection to that. It has been urged that such procedure would delay matters. I do not think that holds good. The Brazilian treaty was held up for 11 months awaiting ratification by the legislative body of that country. Strange as it may seem, while the Congress of the United States is not permitted to pass upon them, they require ratification by nearly all of the other countries with whom we enter into these trade agreements.

The Brazilian treaty was held up, as I said before, for 11 months, while we, perhaps, could have been through with it in much less than 11 months. The Colombian and Costa Rican treaties were held up for 8 months; the Nicaraguan treaty for six and a half months; the Finnish treaty for five and a half months. There seems to be no objection to delay on the part of the other country, but the reason they cannot be submitted to Congress is an objection that there would be delay here.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes; I yield.

Mr. COCHRAN. The gentleman has certainly heard of some logrolling in Congress?

Mr. CROWTHER. Oh, I am not afraid of logrolling.

Mr. COCHRAN. Well, I am.

Mr. CROWTHER. I am not afraid of it. I served with 15 members of the majority on the Ways and Means Committee when the Hawley-Smooth bill was written, and I will take my oath as to the integrity of every one of those members, and that they were not influenced by logrolling of any description. [Applause.] I will take my position against the imputation made by the Secretary of State against Members of the Senate when he was asked the question during the hearings if he did not think it would be a good idea, and if it was not proper to have these agreements ratified by the Senate. If I remember correctly his words—and I will change them if I am wrong—he said, "Not as long as every dark place in the Capitol is frequented by lobbyists." I do not believe there is a Member of the United States Senate who is afraid of or in the least disturbed by either the threats or cajolery of so-called lobbyists. [Applause.]

Mr. COCHRAN. Will the gentleman yield?

Mr. CROWTHER. No; I cannot yield further.

Mr. COCHRAN. Let the RECORD of the Senate and its votes speak for itself.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CROWTHER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes; I yield.

Mr. WOODRUFF of Michigan. The gentleman from Missouri [Mr. COCHRAN] ought to recognize the fact that at least in the old so-called logrolling days the American people knew who the men were who were considering this question, and they did not have to depend upon mere guesswork about it.

Mr. CROWTHER. I think the gentleman is right.

Let me read, in closing, the language which Secretary Hull as a Senator used in connection with his opposition at that time to Executive tariff making—and that is what we have now, Executive tariff making. This is what he said at that time:

> I believe that the sober second thought of the American people will repudiate this unprecedented and unusual and highly unjustifiable arrogation of power and authority to the President.

What a lapse of memory our distinguished Secretary of State has suffered. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from New York [Mr. CROWTHER].

Of course, the purpose and effect of the gentleman's amendment would be to completely kill the trade agreements. They would be of no effect and of no benefit whatever if the gentleman's amendment should be adopted.

If we must have congressional ratification of these agreements the Congress could not ratify them without proper study. We would not stultify ourselves by passing upon an agreement or upon a question as important as this until we had made a thorough and careful investigation.

Now, suppose the State Department or the President negotiates these agreements and spends months and months negotiating with other governments, and they come to an accord or agreement with the other country. Now, suppose after the State Department and those who negotiate these agreements had to submit them to the Congress of the United States, what must the Congress do? Of course, the Congress must be in session. These agreements might be concluded immediately after Congress adjourns, or when the Congress is not in session. Of course, then they would have to wait until the Congress would meet or the President will have to call Congress in extraordinary session before any action whatever by the Congress can be taken. Then the Congress meets, whether it is in session at the time or whether it is called in extraordinary session, and then the Ways and Means Committee must begin a careful and thorough study of the question and must conduct hearings and give a hearing to every individual and to every interest.

Judged by past experience it would require months for the Ways and Means Committee to conduct its hearings. Then executive sessions would be required to decide whether or not the committee would recommend it to the House. In other words, there would have to be some procedure whereby the Members of the House could make a study and weigh the merits or demerits of a trade agreement and this, at best, is a procedure that would take months.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MOTT. Does not the gentleman believe that in the case of some of these trade agreements, like the lumber agreement, the longer Congress waited to ratify the better it would be for the country?

Mr. DOUGHTON. No; that is typical of the Smoot-Hawley high-tariff observations and those who believe in the old logrolling tactics. When you speak about logrolling as something applicable to them, it seems to hurt. The hit dog is always the one that "hollers." Everyone knows that. There must be something about that that hurts, for it brings such a cry from them.

After the House acts on a proposed agreement, under the terms of this amendment, it must then go to the Senate and the Senate must hold hearings on it, then act on it. Then it must go to conference, and everyone knows that before it goes through all that procedure the foreign governments would become so disgusted that they would withdraw from the whole proceeding. In other words, it means the defeat of the purpose of the Trade Agreement Act, and when you defeat the purpose you kill the whole program.

Now, if my friends on the Democratic side are ready to do that, and it is clearly the issue; if they are ready to abandon a great policy of this Government; a great program of this administration which has done so much for agriculture, and I say this advisedly; which has done so much for labor, and I say this advisedly; which has done so much for industry; and so much for those in every walk and calling of our great national life; then take that responsibility. But I say that those who believe in treating the tariff sensibly, those who believe in treating the tariff in justice to all industry, are as one; and I hope they will rise up and vote down this iniquitous amendment. It is nothing in the world but an attempt to kill the whole program. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. TREADWAY. Mr. Chairman, I am in hearty accord with the amendment offered by the gentleman from New York. It seems to me that the adoption of this amendment would remove one of the most serious objections that has been raised to the trade-treaty program. This is not a time when additional authority should be placed in the hands of any official.

The House of Representatives is the representative body of the voters of the country, and it seems to me very strange that those who purport to believe in democracy and the democratic form of government should want to take away the authority and power that rightfully belongs to the Members chosen and elected by the people to enact legislation, particularly legislation affecting the taxes and revenues of this country.

It is perhaps unbecoming of me, in view of the close relationship existing between myself and the chairman of the committee, to refer to remarks that he has previously made on the very point here at issue, but I cannot help reminding him of a statement appearing on page 12 of the minority report, quoting remarks made by the gentleman from North Carolina [Mr. DOUGHTON] several years ago on the subject of tariff making by the Executive. He said:

> In my opinion, we have gone a long way too far already in the centralization of power in the Executive head of the Government * * * and if this bill is enacted into law he will have the power of life and death over industry, all manufacturing enterprises, and complete autocratic power affecting agriculture.
>
> My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus.

This is truer today, Mr. Chairman, than it was when uttered by the distinguished gentleman from North Carolina in 1929. It seems to me, with these words before him and before the Democratic side of the House, they cannot but stultify themselves in voting down the amendment offered by the gentleman from New York.

The purpose of this amendment is to require that any future trade treaties which may be negotiated by the President shall be subject to congressional approval before becoming effective. It is to be noted that the approval of both Houses would be required. This amendment differs from the proposed amendment requiring senatorial approval alone, in that a majority vote would suffice, whereas senatorial ratification would require a two-thirds majority.

House as well as Senate approval of the treaties should be required for at least two very good reasons. In the first place, these treaties affect the revenue in that they provide for reductions in tariff rates. Under the Constitution, the House of course has the prerogative of initiating revenue legislation. Moreover, those negotiating the treaties exercise a power of life and death over every branch of domestic industry and agriculture dependent upon tariff protection for their existence. The effect of these treaties is felt in every congressional district in the land. It is not too much to ask that Representatives as well as Senators have a voice in their approval, inasmuch as they vitally concern the welfare of the whole ccuntry.

Under the existing practice, no public hearing is ever held on a completed treaty. Such hearings as take place are held before the actual negotiations of the treaties begin, and they are conducted by a different group than the secret group

which actually carries on the negotiations with foreign countries in star-chamber proceedings. The requirement of congressional approval of the treaties would provide an opportunity for public hearings on the completed treaties before the appropriate committees of the House and Senate. Congress would have an opportunity to weigh the testimony of those adversely affected by the treaties against the evidence of the so-called experts who conduct the actual negotiations. Treaties actually or potentially harmful to the national interest could be prevented from going into effect.

Those Members who have been particularly concerned about the negotiations being carried on with Argentina, Uruguay, and Chile should think twice before allowing the present act to be extended without requiring congressional approval of future treaties. While it is true that these negotiations have been terminated, they can at any time be resumed, although it is hardly to be expected that such resumption will take place until the pending joint resolution has been enacted. The only way Members can protect their constituents from unwise and harmful tariff reductions in the future is by voting for this amendment requiring treaties to be submitted to Congress for approval.

The fact is that in all but three instances, the 22 treaties thus far negotiated have been subject to approval by foreign legislative bodies. In 10 instances such approval was required before the treaty became effective. In nine instances, the right of subsequent ratification was reserved. Why should the Congress of the United States sit idly by and abdicate its constitutional authority over treaties and the regulation of foreign trade while foreign legislative bodies continue to exercise that prerogative?

In all past reciprocity legislation where Congress has not specified in advance the articles and rates which the President might use as a basis for negotiation, it has always reserved the right to approve treaties before they became effective. In recent years, however, the tendency has been to centralize all authority in the Executive. So far as tariff and treaty making is concerned, the Congress has the opportunity now to reassert its authority. If it fails to take advantage of the opportunity it has only itself to blame, should injurious treaties be negotiated in the future.

Members from agricultural States should be particularly interested in securing the adoption of this amendment because of the fact that the scope for future treaties is virtually limited to agricultural countries, whose products directly compete with our own. They have seen how ineffective their protests against rate reductions have been in the past, when they appeared before the so-called Committee for Reciprocity Information. The only effective way Members can exercise any control over the trade-treaty negotiators is by the adoption of this amendment.

In view of the uncertain future which we are facing, there is all the more reason for subjecting future treaties to congressional approval. They bind the hands of Congress for not less than 3 years, and they continue indefinitely thereafter unless terminated by the Executive upon 6 months' notice. Congress has no right to terminate the treaties, except by passing over a certain Presidential veto legislation to set them aside, which, of course, would require a two-thirds majority and would at the same time involve a breach of good faith on the part of this country.

These treaties in effect put the Nation in an economic strait jacket. If the wars now going on in all parts of the world should come to an end, and the tens of millions of men now under arms go back to productive employment, we would at once find our market flooded with surplus food and clothing accumulated for war purposes and soon thereafter we would find ships pouring into our ports with the products of foreign agriculture and labor at prices which would be ruinous to our own producers. The displacement of our products of farm and factory would aggravate our farm problem and cause additional millions to be added to the ranks of our unemployed.

In the face of this condition, Members will be lax in their duty as the elected Representatives of their people unless they vote for congressional approval of future treaties.

I hope the amendment offered by the gentleman from New York will be adopted. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 45 minutes.

Mr. TREADWAY. Reserving the right to object, Mr. Chairman——

Mr. COOPER. Mr. Chairman, I may say to the gentleman from Massachusetts that we reached an agreement this morning with the gentleman from New York [Mr. CROWTHER] that 1 hour would be allotted for this amendment.

Mr. TREADWAY. If that agreement was made, I will stand by the gentleman from New York.

Mr. DOUGHTON. That is the agreement we reached with the gentleman from New York [Mr. CROWTHER] this morning.

Mr. TREADWAY. Thirty minutes a side; is that it?

Mr. COOPER. We have consumed 15 minutes already.

Mr. DOUGHTON. No; my request is that debate on this amendment and all amendments thereto shall close in 45 minutes.

Mr. TREADWAY. The hour is to include the time already used?

Mr. DOUGHTON. Yes.

Mr. COOPER. And that is agreeable to the gentleman from New York [Mr. CROWTHER].

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. POWERS and Mr. HAWKS objected.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 45 minutes.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 161, noes 121.

Mr. POWERS. Mr. Chairman, I demand tellers.

Tellers were refused.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL] for 3 minutes.

Mr. DINGELL. Mr. Chairman, we have heard an appeal from the minority side on an amendment regarding Senate ratification. My distinguished friend from Massachusetts stated it was submitted in the best interest of the country and that it would be the proper thing to do to adopt it. I hold just the opposite and that it would be the worst thing to do because it would mean the death of trade agreements, and the pending legislation, which is precisely what the minority is seeking to do at this time.

There is another and very important point involved, one that I have always been jealous about. That is the question surrounding the rights and the privileges of this House and their surrender. If there are any House privileges and rights involved, we may as well retain them for ourselves, as is provided under the Constitution. I am absolutely opposed to turning this matter over to the Senate.

If there is to be ratification of any kind it ought to be by the House of Representatives. In this connection I may say that if we are aiming at speed, if we are aiming at thoroughness, if we are aiming at the elimination of log-rolling, I think the question should be left right where it is—in the hands of the experts who have handled it very fairly and admittedly very thoroughly. An exporter who appeared before our committee as a witness testified to the effect that this question was being treated fairly, thoroughly, and honestly, and if that is the case I think the question of Senate ratification, which means the death sentence of the trade agreements, should be dealt with promptly and effectively. It should be defeated.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. MCLEAN] for 3 minutes.

Mr. MCLEAN. Mr. Chairman, the proposed amendment provides that all trade agreements made with foreign nations shall not take effect until they have been approved by Congress by law. It was my purpose to introduce such an amendment, but the proposal by my senior colleague, the gentleman

from New York, makes it unnecessary for me to do so. I rise in support of the amendment.

The President in his address to the Congress on this subject said, "Everybody recognizes that general tariff legislation is a congressional function." The delegation of that function to another branch of our Government does violence to the restrictions and limitations of the Constitution. When the original Trade Agreements Act was adopted the obligation of the Congress to preserve and defend the Constitution was disregarded. We should not continue this violation of our fundamental law.

Less than a year ago in this Chamber there was celebrated the one hundred and fiftieth anniversary of the commencement of the First Congress of the United States under the Constitution. A joint session of the Congress was assembled. In attendance were the President of the United States and his Cabinet, the members of the Supreme Court, the Diplomatic Corps, and various other dignitaries of our own and foreign governments. On that occasion the Chief Justice, speaking of the several departments of our Government, said:

> In the great enterprise of making democracy workable we are all partners. One member of our body politic cannot say to another, "I have no need of thee." We work in successful cooperation by being true, each department to its own function, and all to the spirit which pervades our institutions—exalting the processes of reason, seeking through the very limitations of power the promotion of the wise use of power.

Is this no longer so? Can the President say to Congress, "I have no need of thee"? The delegation to the President of the unfettered power in the Reciprocal Trade Agreements Act results in his being able to say just that—"I have no need of thee."

It has always been recognized that, due to the complexity of detail in the administration of governmental functions, some delegation of authority by the legislative branch to the Executive must be necessary, but limitations and restrictions have been set up to prevent the abuse of such delegated power. This is what the Chief Justice meant when he referred to the limitations of power promoting the wise use of power.

Justice Harlan in *Fields* v. *Clark* (143 U. S. 681) said:

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

Hence the Supreme Court has uniformly held that any authority delegated to the President must carry with it a standard pursuant to which the delegated authority must be exercised. The standard must be such that the function of the President amounts to nothing more than an administrative act. It should contain restrictions and limitations to prevent the exercise of his own discretion. It should prevent the broadening by Executive mandate of the legislative enactment. The Executive must find direction and guidance in the legislation making the delegation and not in his own judgment or desire.

It is argued by its proponents that there is no violation of the rules limiting the delegation of power to the President in the proposed legislation, and the case of *United States* v. *Curtiss-Wright Export Corporation et al.* (299 U. S. 304) is cited in support of such contention. That case is not at all comparable to this situation.

There is a recognized distinction between internal affairs and situations entirely external. Greater latitude is permitted in matters of foreign affairs. The whole aim of the resolution in the Curtiss-Wright case was to affect a situation entirely external to the United States and falling in the category of foreign affairs. What we have here is a situation so extensive in its effect on our citizens as to come entirely within the category of matters of internal concern. Notwithstanding the fact that the resolution in the Curtiss-Wright case concerned foreign affairs, Congress had outlined the functions of the President and the administrative acts he was to perform.

The entire resolution, both as to purpose and procedure, was entirely within the traditional practices of our Government. The case does not hold that Congress has ever given the President unfettered power or authority to make agreements or treaties without the advice and consent of the Senate or congressional mandate or that to do so would be constitutional.

The now famous *Schechter case* (295 U. S. 495) is worthy of our attention here. It is an excellent guide and leaves no doubt as to the proper procedure in matters of the delegation of power by the Congress to the Executive. That case resulted from legislation predicated upon the same philosophy of government as the pending resolution—the concentration of unfettered legislative power and authority in the President. It contemplated Executive orders with the force and effect of law. The proponents of the legislation should examine the Schechter case and the authorities therein cited. It is the case in which the National Recovery Act—the so-called N. R. A.—was set aside as being an undue delegation of authority to the Executive in violation of the restrictions of the Constitution. Counsel for the Government consisted of Mr. Donald Richberg, Solicitor General Stanley Reed, Assistant Attorney General Stephens, and seven other Government attorneys. It is safe to say that in its consideration every precedent was cited and carefully examined. The opinion of the Court was unanimous. The wisdom of the case is sound and consistent with our traditional policy and practice.

The appeal here is that Congress should delegate unfettered powers to the President for the reason that "because of the stupendous task involved in the fashioning and passing of a general law, it is desirable to provide at times of emergency some flexibility to make the general law adjustable to quickly changing conditions." These reasons do not justify the delegation of power here sought. "Extraordinary conditions do not create or enlarge constitutional power" (290 U. S. 398).

The time allotted to me does not permit a reading of the pertinent portions of the Schechter opinion, but I shall set them out in the RECORD. On this point the Court said (295 U. S. 528):

> Undoubtedly, the conditions to which power is addressed are always to be considered when the exercise of power is challenged. Extraordinary conditions may call for extraordinary remedies. But the argument necessarily stops short of an attempt to justify action which lies outside the sphere of constitutional authority. Extraordinary conditions do not create or enlarge constitutional power. The Constitution established a National Government, with powers deemed to be adequate, as they have proved to be both in war and peace, but these powers of the National Government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that more or different power is necessary. Such assertions of extra-constitutional authority were anticipated and precluded by the explicit terms of the tenth amendment: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

As to the question of the delegation of legislative power, the Court said:

> We recently had occasion to review the pertinent decisions and the general principles which govern the determination of this question (*Panama Refining Co.* v. *Ryan*, 293 U. S. 388). The Constitution provides that "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives" (art. I, par. 1). And the Congress is authorized "To make all laws which shall be necessary and proper for carrying into execution" its general powers (art. I, pars. 8, 18). The Congress is not permitted to abdicate or to transfer to others the essential legislative functions with which it is thus vested. We have repeatedly recognized the necessity of adapting legislation to complex conditions involving a host of details with which the National Legislature cannot deal directly. We pointed out in the Panama company case that the Constitution has never been regarded as denying to Congress the necessary resources of flexibility and practicality which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the legislature is to apply. But we said that the constant recognition of the necessity and validity of such provisions and the wide range of administrative authority which has been developed by means of them cannot be allowed to obscure the limitations of the authority to delegate, if our constitutional system is to be maintained (Id., p. 421).
>
> Accordingly, we look to the statute to see whether Congress has overstepped these limitations—whether Congress * * * has itself established the standards of legal obligation, thus performing its essential legislative function, or, by the failure to enact such standards, has attempted to transfer that function to others.

As was said, we must look to the enactment delegating the authority to determine if we are trespassing upon forbidden ground. The Reciprocal Trade Act contains no standards such as are prescribed by the established rules, but conveys to the President unfettered legislative power. It is exactly the same situation as in the N. R. A. case, which moved Justice Cordoza to observe, "This is delegation running riot." Further proof is unnecessary, but can be found in the administration of the act since its adoption and the attitude of its proponents. Having failed to provide such standards as are necessary to bring this program within constitutional limitations, Congress should adopt the pending amendment providing for congressional approval of agreements made pursuant to the Trade Agreements Act. Without it the President will have "no need of thee."

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. GIFFORD] for 3 minutes.

Mr. GIFFORD. Mr. Chairman, just a sad word or two about the pending delegation of power. I want to record the passing of the great Ways and Means Committee, its suicide, its admission that it cannot legislate tariff matters any longer. It should be easy, indeed, to understand tariff matters as compared with taxation complexities. We may well expect that shortly the committee will abdicate taxation problems and delegate them to the Executive.

I regret that no longer you and I can go before a committee of our peers, elected by the people, responsible to the people, and there plead the people's case. They really have the ability to legislate. They demonstrate that here today. Why do they delegate their plain duty? Why? They prefer the dictatorship method. If Hitler could only have this magnificent and wealthy country, with its present population, and the power we have granted to make magic money, and the power to make bargains with all other nations, and the power to purge Senators in the nice way we do it here, by real elections—he has to shoot them over there because that is the only effective way he has—if he had our President's power, how he would rejoice. He could accomplish all his purposes by less brutal methods.

Mr. Chairman, I sadly record the suicide attempt of supposedly the greatest committee of this House. It is probably one of the gravest things that has ever happened in this body.

"Good-bye, Ways and Means." [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, the Crowther amendment does not affect the merits or demerits of this bill. It has to do solely with the constitutional powers of the House of Representatives, nothing more nor nothing less. Members of the House who have taken an oath of office to preserve, protect, and defend the Constitution of the United States must now go on record whether they are for the Constitution or against the Constitution and for or against representative and constitutional government.

It is a very simple question. We often suffer in comparison with the Senate of the United States. The Members of that body look after their rights, their prerogatives, and their constitutional powers. When this bill goes over there for consideration and discussion, they will discuss at length whether they have the right to ratify these trade agreements or not. But I am not so concerned with that question. That is for the Senate to decide.

The Constitution is the greatest charter of human liberty in the world, yet the new dealers are kicking it around for political reasons and purposes of expediency until it becomes nothing more than a scrap of paper. If we can scrap our constitutional power to originate revenue legislation, we can equally and just as easily scrap any other provisions of the Federal Constitution. The House of Representatives has far more at stake in the sacrifice and delegation of our vital constitutional powers than the Senate has in regard to the ratification of these trade agreements. I am concerned mainly with the rights, the powers, the prerogatives, and the authority granted by the Constitution to the House of Representatives. That is the only issue raised by the pending amendment. It far transcends the merits or demerits of the legislation, but we have to decide this issue in 3-minute speeches. The vital principle that we are discussing here is that of taxation without representation. It was the reason and cause of the Revolutionary War, the existence of our Government, and the speeches of Patrick Henry and of James Otis before the American Revolution, of John Hampden in the English Parliament, and of Mirabeau in France, over the great fundamental question of taxation without representation. If we vote down this amendment we will by our vote surrender our constitutional power over the purse strings, our power to initiate tariff legislation, the power to originate and raise revenue and to control the lay taxes, which powers have been delegated to us by the American people. We deliberately, brazenly, and disgracefully will surrender those constitutional powers if we do not vote in favor of the Crowther amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the gentleman from Michigan said the adoption of the amendment now pending meant a death sentence for this bill. I want to submit to you that any bill that proposes to take away from the representatives of the people powers given to those Representatives by the Constitution, without an opportunity thereafter for the elected Representatives of the people to pass on tariff matters, should be given a death sentence.

The Crowther amendment does not destroy reciprocity, nor does it prevent preparation of a trade agreement by tariff experts. It merely provides that the elected representatives of the people shall have a chance to pass on the results of those negotiations. Now, what is wrong with that in a representative government? Nineteen of the twenty-two countries with whom we have made these agreements let their assemblies ratify them.

The course proposed in the bill without this amendment is the course of a totalitarian, overhead autocratic government.

It has been suggested in the debate that this question was not political, and again, it is said to be political. On that, I simply wish to say that if the leadership of the majority party today believe that it is good politics to ram this bill through as is, then they have not traveled west of the Mississippi River. [Applause.]

I heard the gentleman from Massachusetts [Mr. MCCORMACK] say that 85 percent of the people are in favor of this measure. This simply proves that the gentleman knows more about Boston than he knows about the western part of the United States, for I say to you that you cannot go into the States west of the Mississippi River today and get the old-line Democrats to come out and be candidates for Congress on any platform that calls for extension of the Reciprocal Trade Agreements Act as is.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield to a Representative from west of the Mississippi River?

Mr. CASE of South Dakota. I cannot yield with only 3 minutes to speak. What you will do is to crucify some of the Members you have here now. I know what I am talking about and so do some of you. I know what some of the western Members, who lost out last year, were crucified on. I know how you are going to crucify some of them this year if you put this measure through blindly. These Members cannot go home and justify a vote to extend the Reciprocal Trade Agreements Act unless some way is established for the elected representatives of the people to have a voice in their final approval.

We have been told that the president of the Farm Bureau is in favor of this bill as is. I know what rank-and-file members of the Farm Bureau write to me, Democratic Members, Democratic ranchers and stockmen, and they are in favor of having Congress retain for itself the American right to pass on these agreements.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Massachusetts, since I have mentioned him.

Mr. McCORMACK. Does the gentleman believe the Republican Convention will adopt a plank condemning this legislation?

Mr. CASE of South Dakota. I believe the Republican platform will demand that any such treaties be ratified by the Congress or by the Senate. [Applause.] Reciprocity? Yes. Preparation of basic tariff schedules by experts? Yes. But do not deny final voice to the men and women elected by the people. Even if your board were all-wise and as benevolent as Santa Claus, you cannot explain to the people why you propose to throw away powers given to them through you under the Constitution.

Call it logrolling if you will; this fight to maintain representative government is the great fight of our day. I am proud that the Republican Members and the independent Members are practically a unit in trying to maintain the powers of the people. Times have come to a tragic pass when the Democratic Party will even crucify its own members in order to turn all tariff making over to a board, from whom there is no appeal, and deny to the elected representatives of the people a voice in the ratification of foreign-trade agreements. [Applause.]

[Here the gavel fell.]

Mr. BATES of Massachusetts. Mr. Chairman, Massachusetts' depressed industrial picture and the grave thought of what may happen in the future prompts me to take the floor this afternoon in opposition to the continuation of the trade-treaty program as presently carried on. I have given this question my most careful study and I am convinced from the experience we have had and are having today in our Commonwealth and particularly in my district as well as many other parts of the country, that adequate safeguards for the protection of our industries, agriculture, and the workers of the United States have not been set up.

It is also my firm conviction that there is altogether too much authority vested in the hands of a few men who have the sole power to determine questions which vitally concern the entire economic life of this country. This delegation of power to a few is too broad and far-reaching and may lead to disastrous results unless some curb is placed upon it.

Secretary of State Hull, as a Member of the Senate when the Tariff Act was under consideration in 1930, stated in speaking of the flexible provision in the bill:

> This is too much power for a bad man to have or for a good man to want. The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astounding, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of the government on a basis so broad and unlimited as is proposed in the pending bill.

Let me also call your attention to a statement also in 1930 by the gentleman from North Carolina, the Honorable ROBERT L. DOUGHTON, and present chairman of the Ways and Means Committee. He said in connection with the 1930 act:

> In my opinion, we have gone a long way too far already in the centralization of power in the Executive head of the Government * * * and if this bill is enacted into law, he will have the power of life and death over industry, all manufacturing enterprises, and complete autocratic power affecting agriculture.
>
> My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus.

If Secretary Hull and the chairman of the Ways and Means Committee were right at that time, I wonder what description they should give the President, with the power that is vested in him now under the Reciprocal Trade Act. I say, he has altogether too much power for any one man to have, and we should lose no time in divesting him of it and give it back to the representatives of the people in Congress.

The Senate, at least, ought to have the right to ratify these compacts. With the exception of three small countries—namely, Belgium, Cuba, and Ecuador—all trade agreements entered into by the United States had to be approved by the legislative branch of the governments of all other nations interested. Why should an exception be made in the case of the United States, which boasts of the greatest consuming market in the world?

It is generally agreed on all sides that the development of our commercial intercourse with other nations of the world is a good thing for all concerned, provided no harm is done to our own industries and to the working people of our country. In the planning of these trade agreements already entered into, proper protection was not provided for some of our American industries, and I speak with knowledge and authority of the facts involved.

I have particularly in mind the trade pact with Czechoslovakia, and I feel safe in saying that no industry has suffered more as a result of imports than the shoe industry in my district, which made the type of product that came into the path of the Czechoslovakian shoes. In 1937, the year before the trade agreement with Czechoslovakia was made, imports of shoes, with the exception of 1929, was the highest in our history. They reached such tremendous proportions that the shoe industry in my section became rapidly demoralized. These Czech shoes were not only destroying the price structure of the market into which American-made shoes were going but, in fact, were taking a very substantial portion of the market itself. These imports represented 14 percent of the domestic production of that particular type of shoe.

Notwithstanding the critical condition of the shoe industry in my district as a result of these heavy imports made by the cheap labor of Czechoslovakia and not withstanding our pleas to the Tariff Commission for an increase in the duty of these products, the Czechoslovakian trade agreement "froze" the rate on this type of shoes and reduced it on some others that were coming into this American market in competition with the products of our own shoe industries.

During this period in the second largest shoe center in Massachusetts where 75 percent of the industrial workers were employed in that industry, the chamber of commerce of that city made a check-up of conditions and informed me that out of 28 factories making that particular type of shoes, 18 had closed their doors and the other 10 were practically at a standstill. Wage cuts were the order of the day in trying to help meet this situation.

There apparently was no hope for the shoe workers in my section. The only thing that saved this industry which employed many thousands of workers was the German occupation of the Sudetenland and the absorption of Czechoslovakia. This particular situation gives clearly proof of the damage that can result from such trade agreements which of Czechoslovakia, the trade agreement was canceled and are not carefully entered into. After the German occupation this was followed immediately by increased pay rolls and more business in that Massachusetts shoe center. The year 1939 was substantially better than 1938 according to latest figures received from the Massachusetts Department of Labor and Industries.

It is my candid opinion that if the Senate had had the question of approving these trade agreements, the manufacturers undoubtedly would have had a more sympathetic reception of their pleas.

Permit me to refer to another industry in my district, and one about which a good deal has been said within recent days on the floor of the House. I refer to the fisheries industry. In one large community nearly one half of its industrial workers are engaged in the fishing business. It has a population of approximately 25,000 people. It is the city of Gloucester, Mass., the oldest fishing port in the United States, and whose industry dates back to the days of the early settlers, over 300 years ago.

Imports of filleted fish in recent years have increased substantially. During the year 1937 the fisheries business experienced one of its most difficult years, and surpluses piled up in the refrigerators. Fish was a glut on the market, prices were at the lowest point, and it was impossible to dispose of the heavy holdings. Imports of this kind of fish had also been increasing by leaps and bounds since 1932 under the then existing tariff rate of 2½ cents a pound.

The pleas of the fisheries industry, as well as the workers, were brought to the floor of the Congress, and that body appropriated $1,000,000 for the Surplus Commodities Corporation to purchase this surplus fish. Altogether there was a total of 15,654,048 pounds bought under the provisions of the act, of which amount 10,487,958 pounds came from Massachusetts. The Congress by this action recognized the plight of the industry, and the appropriation of $1,000,000 went a long way toward relieving the surplus fish condition brought about largely by the constantly increasing imports of the very type of fish that the Congress authorized the Surplus Commodities Corporation to purchase. It is well to bear in mind that these purchases were made in the calendar years 1937 and 1938.

Apparently this situation made no impression on those negotiating the trade agreements with Canada, and which became effective on January 1, 1939. Notwithstanding the tremendous rise in the imports in this particular type of fish that had taken place between 1932 and 1938, the duty was cut from 2½ cents to 1⅞ cents a pound. The result of this reduction is evident when we read the record of imports for 1939, showing that the imports for that year were nearly double the total for 1938. The imports in 1932 totaled 2,251,000 pounds; in 1938, 10,977,000 pounds; and in 1939 increased to 17,111,000 pounds.

What is going to happen in 1940 and future years as a result of the lowering of the duty on this fish? What is going to happen when fish pile up in surplus, as it did in recent years, when the Newfoundland deal with the General Seafoods Corporation became effective and which deal permits fish to come in duty free? The whole Government policy is contradictory and absurd. The Congress on one hand appropriated during the past 3 years $2,500,000 for the purpose of purchasing surplus fish, and on the other hand, under the Canadian trade agreement, the tariff rate was reduced, thus permitting more fish to be brought into this country. Time alone will show the fallacy of the present program.

In the woolen industry, which provides employment for many thousands of our industrial workers in New England, the tariff was reduced on woolen goods notwithstanding the constantly increasing imports under the tariff rates existing before the trade agreement was entered into with the United Kingdom, and in which country the wage rates are only a third of those paid here in the United States.

Imports of woolen and worsted cloth weighing more than 4 ounces per yard had increased from 3,229,246 pounds in 1938 to 6,473,129 pounds in 1939. Compare this with 1,793,672 pounds in 1932. This kind of cloth constitutes a substantial volume of the output of some New England mills, and the effect that these imports have on the price structure is tremendous. The result is that the businessmen operating these industries upon which so many of our men and women depend for work have the jitters over it all. Already burdened with internal troubles, these external problems give them a great deal of concern. The representatives of this industry loudly protested this tariff reduction.

If we expect to put this country on the road to prosperity and better days, the only way it can be done is to stimulate the wheels of industry and create employment for our people, and develop the purchasing power which must reflect down through the whole economic structure of the country, thereby improving conditions of all classes.

It is estimated that 92 percent of the products of our farms and the factories of this country are consumed in the United States. This is the greatest market in the world and we ought to throw every safeguard around it and protect it first of all, for the products made by the men and women of our Nation. I therefore feel very strongly that at least the Senate of the United States should have the power of approval or disapproval of these trade agreements before they would have the force of law.

There are vital questions involved in this issue today, and in which I am tremendously interested. Must New England industries that have made this area a great revenue-producing source for the Federal Government be sold down the river? Must we bid farewell to the time-honored fishing industry of Gloucester and other eastern seaports because of the lack of foresight and consideration of officials who permit millions of pounds of fish to come in under reduced duty, while at the same time, the Government is spending tremendous sums to buy up surplus fish? Shall the woolen industry of such great centers as Lawrence be sacrificed on the altar of trade agreements to permit an increased foreign sale of typewriters and other articles? Shall a similar fate await the cotton industry? What shall we gain by destroying a great industrial area in order to benefit another? The time has come to order a halt to such an asinine movement.

Foreign trade is essential and beneficial, but should we destroy our own factories, deprive thousands of jobs and break down our price structure in cultivating that trade? Foreign shoes, cotton, wool, hats, fish that come here must compete with or take the place of our own products. We much have protective tariff walls for that type of competitive class of goods. The American worker or farmer should at least be given an even break, if we are to maintain our standards of wages and living.

The American market is the greatest of all and to which the producers from all nations look with envious eyes. We must realize that after this great conflict now being waged in Europe and Asia has ended, the foreign producers will immediately search for markets to place their goods, and it is certain, that unless we set up safeguards to protect our industries and agriculture, the flood of foreign goods will have a very devastating effect upon our economic structure and the welfare of our people as a whole. Remember that two-thirds of all imports to this country come in duty free. Why barter the other third, and make the United States the dumping ground for cheap goods made abroad?

The sponsors of the trade-agreement program have constantly stated that one of the greatest benefits from the reciprocal trade treaties would be the promotion of peace among the nations. Yet not a bit of evidence was presented during the recent hearings supporting that contention. Conditions throughout the world today belie that expectancy.

In my opinion, it is just as important to maintain peace in this country as it is abroad, if we expect to continue as a democratic nation. Peace in our country can only be achieved through a contented people, and that contentment must come through the medium of work. In seeking that objective, the industries are our only hope. [Applause.]

Mr. SHORT. Mr. Chairman, the Constitution of the United States clearly and specifically states that all treaties between this Nation and foreign governments must be ratified by the Senate of the United States, but under the cry of emergency a supercilious and pusillanimous Congress has surrendered its constitutional prerogatives of lawmaking to the executive branch of our Government.

It is interesting to note that when the flexible provisions of the 1930 Tariff Act were being debated in both Houses of the Congress, Cordell Hull, who was at that time a Senator, said:

> It is clearly unsound, unwise, impracticable, subversive of the plain functions of Congress, and should be speedily repealed.
>
> The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astounding, is undoubtedly unconstitutional, and is violative of the functions of the American Congress.

I believe what Mr. Hull said at that time was true then; I believe it is also true now; and it is interesting to note that our beloved chairman of the Ways and Means Committee at that time said on the floor of this House:

> The fathers who framed the Constitution, wisely, in my opinion, left to Congress the initiating and enacting of laws raising revenue. The flexible provision giving the President the power to raise or lower tariff rates to the amount of 50 percent renders nugatory in spirit and practical effect this provision of the Constitution.

Then he went on to say:

> It seems that the more power men are given, the more they are obsessed with a morbid gluttony for increased power. My friends, it is time to pause and call a halt; to stop, think, look, and listen before we go over the yawning precipice just ahead of us.

Who spoke those words? None other than the old, grizzily, honest, truthful, fearless gentleman from North Carolina, BOB DOUGHTON.

Now, why is it both of these distinguished citizens amongst us have so quickly changed their minds under the cry of "emergency"? Oh, what crimes have been committed under that cry! Perhaps the change has been produced by political expediency, but there are some principles that are fixed and eternal. There are some ideals that are unalterable and unchangeable. The teachings of the Holy Roman Catholic Church are the same today as they were when uttered by St. Peter or St. Thomas Aquinas. The teachings of Free Masonry are the same today as they were when taught by either King Solomon or George Washington. No one here would want to repeal the Decalogue because it was uttered by Moses in the "horse and buggy" days. The Ten Commandments were true then and are just as true today. Times and conditions change, but truth never changes. Two plus two still equal four. The Constitution is not altogether inflexible, but its provisions should not be changed with each administration to suit the convenience of the party in power. If "tariff making by the Executive" were unconstitutional and dangerous in 1930, the same is true in 1940. Nothing has happened in the past decade to justify this unconstitutional change in the fundamental law of the land.

Mr. HARNESS. Mr. Chairman, I am opposed to the extension of the Reciprocal Trade Agreements Act because I am convinced that it is not honestly what it professes to be, that it is utterly inconsistent with the domestic problems we have been pursuing, and that its net effect has been and will continue to be definitely injurious to the country.

I hope the resolution will be voted down, although I know that is a forlorn hope, and since the resolution is almost sure to be passed I hope, at least, this amendment will be adopted to save our constitutional system. This Congress could not do a more sane or sensible thing than to follow the principles of constitutional government and take back the right to pass on these treaties.

Mr. BOEHNE. Mr. Chairman, will the gentleman yield?

Mr. HARNESS. I yield.

Mr. BOEHNE. If the proposed amendment is adopted, will the gentleman vote for the resolution?

Mr. HARNESS. No; I shall not vote for the resolution because I do not believe in the international free-trade philosophy of the executive agency that now negotiates these treaties.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HARNESS. I yield.

Mr. SHORT. Is it not true that the Congress or the parliament of the foreign governments with whom we negotiate these treaties debate and ratify or reject them?

Mr. HARNESS. Yes.

Mr. SHORT. So they have a more nearly democratic government in those countries than we have been able to secure here?

Mr. HARNESS. That is absolutely true; and if we adopt this amendment we will restore to the people's representatives the power that rightfully belongs to the Congress.

I fully agree with the proponents of our present trade policy that tariff making must be scientific. I also agree that foreign trade is desirable and necessary and that we ought to encourage it wherever it is advantageous. But I certainly oppose the "foreign trade at any price" philosophy which the internationalists and free-traders now in charge have been pursuing. I certainly do not want a nickel's worth of foreign trade that comes at the ultimate expense of the domestic economy.

If there is supposed to be scientific skill at work in our present program, I wonder how in the world we can explain the fact that we have worked desperately all through the New Deal to raise wages, production costs, and general price levels and then have turned around and worked just as effectively to defeat that purpose by exposing the American economy through lowered tariffs to increased competition from abroad.

Where in the world is the science in telling an American manufacturer that he must pay uniformly higher wages, work his employees fewer hours, and carry a sharply increased tax burden, all increasing his production costs, and in the next breath telling him that he must meet the competition of foreign producers without protection against their low-wage or serf labor?

Where in the world is the sense in telling an American farmer that he must raise less corn or cotton or livestock to help get rid of surplus farm commodities and to restore parity, and at the very same time lowering our tariff barriers and inviting increased imports of farm products to swell that surplus and drive farm prices further from parity?

The hearings before the Ways and Means Committee are crowded with statistics on this subject. So is the RECORD since it has come to the floor, so I am offering nothing new when I call attention to what is happening to American agriculture under the trade agreements. The simple facts are that imports of competitive farm products under trade agreements have averaged about $125,000,000 a year higher than for a similar period before trade agreements. That is an increase of about 25 percent in our imports of directly competitive commodities; but noncompetitive agricultural imports showed no such increase. In fact, they have increased only about 7 percent. Exports of farm products also show the trade agreements working in reverse. Average exports under trade agreements have dropped about $230,000,000 a year, a loss of about 25 percent, below the average for a similar period before trade agreements.

These figures show up particularly to the farmer's disadvantage when you remember that before trade agreements farm commodities used to make up nearly 40 percent of our total exports. Under the trade-agreement program the percentage of agricultural exports to total exports has steadily fallen until at the end of 1938 farm commodities made up less than 25 percent of the total.

The argument then is raised that the figures for agricultural exports and imports really do not tell the story. Proponents say that what the farmer may lose directly in foreign trade he recovers with handsome interest in the vast benefits to industry, which will trickle down to him in the form of increased purchasing power in his domestic markets. I do not concede the vast benefits to industry, but granting them for a moment, is the farmer actually reaping these indirect benefits? The records do not show it if he is. If trade agreements have increased mass purchasing power in the urban centers, that power has not even begun to nibble at the surpluses, and the problem remains just as much of a headache as ever. If anything, trade agreements have actually aggravated the problem. If trade agreements are a stabilizing influence in our economy, the fact is not reflected in the relationship of the farmer's purchasing power to total national purchasing power. Beginning on the first page of the hearings on the current agricultural appropriations bill, Secretary of Agriculture Wallace admits that we are, if anything, further than ever from parity for the farmer. This Congress right now is haunted with the problem of parity payments—and the Agriculture Department admits that the appropriation proposed is actually only about a third the amount required—on top of all other funds available and to be appropriated—to achieve actual parity.

In the meantime, rich American farm lands remain in enforced idleness while foreign imports replace the production of literally millions of our home acres. And about the only thing we have thought of to do so far is to hold a tight rein on American agriculture and tinker with export subsidies to relieve farm surpluses in direct violation of this act which we are asked to extend.

But the proponents still insist that the net result is all to the good, and cling to the idea that American industry is benefiting under the present program. A plausible set of statistics can be presented to support it. But take a good look at the types of industry benefiting and you will see that almost without exception they are the big mass-production enterprises or smaller industries in which we naturally excel. You can add still other classes to that group who are prospering now because European industrial capacity has been diverted to production for war. The first class of industries are the ones which outstripped their foreign competition years ago, and, needing no protection themselves, profit in free trade. The second group can succeed without protection so long as war diverts their foreign competitors.

But throughout America there are thousands of small industrial enterprises which are vulnerable, which have been seriously damaged, and which will be even more seriously hurt in the future. There are dozens of those industries in my own district, and I speak from direct personal knowledge when I say that they cannot exist in free trade. That is not my opinion, or even the opinion of their managements—it is the studied opinion of the thousands of skilled craftsmen who depend upon those industries for a livelihood. The glass industry, in which we have a number of plants, is a good illustration. Thousands of my neighbors and constituents have actually felt the pinch of low-wage foreign competition. Their industry is coming back well now, but they are far-sighted enough to know that it is only because the European and Asiatic wars—not their own State Department—is protecting them from foreign competition. They are not lulled by a false sense of security, but are demanding their right to continuing employment at American wages which will insure them a decent American standard of living.

It is significant that labor more and more throughout the country feels just as my neighbors do about this free-trade policy, and that more and more labor organizations are denouncing the trade pacts. It is equally significant that the farmers in my district, as elsewhere throughout the country, are preponderantly opposed to our present program. People everywhere are beginning to see through the disguise. This program is not reciprocity, evolved by scientific methods, so much as it is "free trade," "internationalism," "foreign trade at any price," and people recognize it. I believe a preponderant majority does not like it and want it stopped, and that does not mean sacrificing any of the benefits of reciprocal-tariff policies, scientifically applied. There is nothing new about reciprocity. We accepted that as national policy 45 years ago. There is nothing new in the thought of using the best possible skill in tariff making, or in the use of flexible schedules. We started working for that end in 1916, when the organic act creating the Tariff Commission was passed, and continued to broaden the approach in acts of 1922 and 1930.

Going back to the intentions of those acts, the people want a tariff attitude that works to promote foreign trade, but which looks first to the protection and development of the American economy.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK] for 3 minutes.

Mr. HOOK. Mr. Chairman, I voted in favor of the Disney amendment. I am opposed to this amendment and shall vote in favor of the adoption of the reciprocal-trade agreements. I notice that my colleague the genial gentleman from New Jersey said that the great and able Chief Justice of the United States Supreme Court said that no branch of the Government should have the right to say to any other branch of Government, "I have no need of thee." I agree with that statement, and at this time feel that there is no Member of the legislative branch, the Congress of the United States, that feels that we do not need the help of the great office of the Secretary of State. That Department is operating in the interests of the people and its help has been necessary to the proper functioning of this branch. The farmers, the industrialists, the laborers need the assistance of the specialists and experts of that great office. We need to study these things to meet world trade, and the Department of State has the necessary trained help to make that study. Therefore be not so stupid as to say to that great Department, "I have no need of thee." Time and again we have heard discussed here the constitutional question with respect to this act.

I safely predict that if the question of the constitutionality of the reciprocal-trade agreements goes before the Supreme Court of the United States the act will be declared constitutional, and that the great Chief Justice, Mr. Hughes, will join in such an opinion. I believe that it is to the benefit of the laborer, the industrialist, and the farmer to be able to have the markets of the world open to them. If we cut off our exports by refusing their imports, where those imports are not in competition with products produced in the United States or its Territories, our standard of labor will go down below the standard of the laborers of the other countries, because our surplus will pile up so that our mines and factories will close down worse than in 1933. The Smoot-Hawley bill was the cause of that and the present unemployment. Under the reciprocal-trade agreements the income of the farmer has practically doubled in this Nation. The wages of the laborers, as a whole, have increased, even though in some sections they are low and that because of the retaliation against our exports by foreign nations because of the Republican high-tariff policy.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. SMITH] for 2 minutes.

Mr. SMITH of Washington. Mr. Chairman, I voted for the Disney amendment, which would have had the effect of binding against future reductions the present excise tax on lumber, petroleum, coal, and copper. I also intend to support the amendment which will be offered by the gentleman from Nebraska [Mr. COFFEE] to require ratification of all future reciprocal-trade agreements by the Senate of the United States. I am also going to support the pending amendment offered by the gentleman from New York [Mr. CROWTHER], and I do not believe that it would destroy the reciprocal-trade program, which I consider is founded upon sound and salutary principles, provided it is properly administered and its original objectives are attained. I believe that if one or both branches of the Congress had authority to finally pass on these trade agreements they would be more generally satisfactory to the people of the United States.

Mr. Chairman, to paraphrase Hamlet's soliloquy, "To ratify or not to ratify, that is the question." This is not a party question; it transcends all party lines. In fact, this whole subject of reciprocal trade is of Republican origin, reciprocity having been favored by such Republican leaders of the past as Garfield, Blaine, Arthur, Harrison, McKinley, Theodore Roosevelt, and William Howard Taft. Some Democratic wag has been so unkind as to say that this is probably the reason why it is not working out to our entire satisfaction, but I would not say that. The Democrats have adopted the idea, put it into practice, and now we are responsible for it. We have our own record to make. When our Republican friends were in office they always left lumber and shingles, important to my State of Washington, on the duty-free list; but when they are out of office they always make an issue of the tariff and tell the people they would like to do something. But when they had the chance they did nothing.

When in office they have always favored free trade with Canada. On January 10, 1911, President William Howard Taft wrote to Theodore Roosevelt:

> Just at present I am in the midst of reciprocity matters * * * the probability is that we shall reach an agreement with our Canadian friends by which all natural products—cereals, lumber, dairy products, fruits, meats, and cattle—shall enter both countries free. * * * It will be unpopular in New York because of certain lumber-manufacturing interests and the dairy interests. It will be unpopular in Minnesota because of wheat; but, on the other hand, free lumber will be popular in some places, and as it includes free paper and free wood pulp we may count on the fairly good support of the press.

On January 12, 1911, Theodore Roosevelt replied:

> It seems to me that what you propose to do with Canada is admirable from every standpoint. I firmly believe in free trade with Canada for both economic and political reasons. As you say, labor cost is substantially the same in the two countries, so that you are amply justified by the platform. Whether Canada will accept such reciprocity, I do not know, but it is greatly to your credit to make the effort. It may damage the Republican Party for a while, but it will surely benefit the party in the end.

The Democrats have never gone that far. We have not favored free trade with Canada. We have provided the only protection and quota on lumber and shingles in the past 30 years. We intend to keep on fighting for our workers and industries, and are proud of the record we have made.

I favor ratification of all reciprocal-trade agreements by the Senate and am supporting the amendment offered by the gentleman from Nebraska [Mr. COFFEE]. I am firmly convinced that there should be a hearing and check on the trade

pacts in at least one branch of Congress before they become effective, as the people are entitled to know what action is being taken. I do not agree with the viewpoint that the Members of the United States Senate are so utterly lacking in wisdom, patriotism, and statesmanship, and are so narrow-minded and selfish that they are unable to give intelligent consideration to these trade treaties. The crowning irony of that viewpoint lies in the fact that nearly every one of the nations with whom we enter into trade agreements require their lawmaking bodies and parliaments to ratify the treaties. I know that history reveals that former Republican administrations, notably those of President McKinley and Theodore Roosevelt, negotiated numerous trade agreements which were never referred to Congress but went into effect by Presidential proclamation. However, that is not the answer. I repeat, we have our own standards of legislative conduct and our official record to maintain.

Are we going to say by our votes here today that the parliaments and legislatures of Canada, Great Britain, France, and the other 16 foreign nations with whom we have negotiated treaties, and who are required to ratify them, are capable of performing a duty to their people which our highest lawmaking body is incapable of likewise performing for the American people? Do you think you are going to be able to make the people of your district believe that? I doubt it very much. If it is a good thing for the people of the foreign nations with whom we negotiate the treaties to have their legislative representatives pass on the treaties and consider how the interests of their people are going to be affected, then why, by the same token, is it not a good thing for the American people to have their Senators perform a similar service for them?

The time element is claimed to be important, and that it would take our Senators too long to act. I regard this as an unkind stricture against our Senators, for even with their privilege of unlimited deliberative debate, they could hardly consume any more time in reaching a decision than the 11 months it took the Legislature of Brazil to make up its mind in regard to our reciprocal-trade agreement with that nation. Two of the treaties required 8 months, another 6½ months, and another 5½ months for approval by the foreign legislative bodies, and our Senate could act just as expeditiously, if not more so, unless we are willing to admit that we are less competent than they are, which I do not admit.

I want to leave this concluding thought with my colleagues on this side of the aisle. If a treaty is negotiated with a foreign nation, which you read about in the newspaper some morning, and that is the first notice of its terms you will ever read, for you will not learn anything about the final terms of the treaty at the hearings before the Committee on Reciprocity Information, nor during your conferences with representatives of the State Department, and you read for the first time that some important product and industry in your district has been adversely affected, as we in the State of Washington did in regard to the shingle industry in the fall of 1938, when we lost the quota we had enjoyed for 5 years and the only protection against Canadian competition in 30 years, what excuse are you going to be able to give your people for your voting against giving your two United States Senators the opportunity to speak and be heard and to vote to safeguard and protect the interests of the people in your district? [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HAWKS] for 3 minutes.

Mr. HAWKS. Mr. Chairman, it is fitting to say, "Here lies the body." If this amendment does not carry—and I believe that the Crowther amendment is the answer to the entire reciprocal trade agreement question—then constitutional government is buried right here in the Well of this House. The gentleman from Massachusetts [Mr. GIFFORD] made reference to a dictatorship. I do not believe that we have a dictatorship in this country, but I know exceedingly well there is a boss. Kansas City had its Pendergast, Chicago had its Kelly-Nash, Louisiana its Huey Long, and the United States has Franklin D. Roosevelt, and by the way the Democratic side is acting in this legislation it proves to me that is so. My boss, if I have one, are the 300,000 people back in the Second District of the State of Wisconsin, and not down here at 1600 Pennsylvania Avenue, and he never will be under any kind of an administration.

Vote down this amendment and you will vote down the most critical part of this entire argument. Its constitutionality will always be disputed. The gentleman from Michigan [Mr. HOOK] said that the Supreme Court would pass upon it now and declare it constitutional. Yes, indeed; with the kind of Supreme Court we have now, packed as the President has long wanted it packed.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HAWKS. Yes; I yield to my good friend.

Mr. SHORT. I cannot understand the consistency or fairness of certain Members who will vote for the Disney amendment and then vote for this bill. I voted for the Disney amendment, although I have very little coal, less copper, no oil, and little forest in my district. I voted to protect those four items, and I believe we should also vote to protect all agricultural products. Certainly lead and zinc, that are produced in the tri-State area of Missouri, Kansas, and Oklahoma, should be protected. Our reciprocal-trade treaty with Canada threatens to annihilate this important industry.

Mr. HAWKS. The gentleman does not believe that the Disney amendment even begins to compare in importance with this?

Mr. SHORT. Of course not.

Mr. HAWKS. How is the gentleman going to vote on this amendment?

Mr. SHORT. Of course I am going to vote for it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from California [Mr. GEARHART] for 2 minutes.

Mr. GEARHART. Mr. Chairman, a lot of preposterous arguments have been advanced against the adoption of this amendment, and none of them more preposterous than the one which asserts that congressional ratification will kill the reciprocal trade agreement program. If legislative approval of the reciprocal trade agreement program will kill the program, then this program would have been killed long ago, not in these legislative halls, but in the legislative halls of the 19 of the 22 countries with which we have entered into agreements of this character.

I want to know—and the country wants to know—if their duly elected representatives are willing to declare by their vote that they—each of you—are less competent to pass on these reciprocal-trade agreements than are the legisators in France, in England, in Finland, in Sweden, or, perhaps, in Canada. It may be that the majority membership of this body may consider themselves inferior in capacity to the legislators of Haiti, Nicaragua, Guatamela, El Salvador, Turkey, or Switzerland, but, for myself, I deny that the Congress of the United States need bend the knee to any one of them.

Yet, Mr. Chairman, each of the nations I have referred to—they and 8 others, 19 in all—insisted that their legislative bodies consent to the agreements we have made with them before they should have legal effect. Why not the United States?

If the legislators of the countries with which we negotiate trade agreements are sufficiently competent to pass upon them, certainly we of the Congress of the United States are as well equipped to do the job as are they. So let us return to the Congress of the United States its constitutional prerogative, its right to make our laws. Let us give back to this great legislative group the power which the Constitution of the United States decrees shall be by this body exercised. If you do that you will have at least voted once during the period of your membership in this greatest of all deliberative assemblies in support of fundamental Americanism as expressed in the Constitution you once swore you would vindicate against all of its enemies, both foreign and domestic. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BUCK] for 4 minutes.

Mr. BUCK. Mr. Chairman, of course, the obvious answer to the remarks made by the gentleman from California [Mr. GEARHART] is that in all of these foreign governments the equivalent Cabinet officers, such as our Secretary of State, sits in the parliament itself and they present any program and the parliaments of those countries are only permitted to vote on what is presented to them. Naturally they ratify them as long as the particular cabinet is in power.

I think as far as the constitutional question, which was referred to by the gentleman from Wisconsin [Mr. HAWKS], is concerned, the gentleman from Tennessee [Mr. COOPER], in his discussion, made it clear that there is no ground for objecting to the procedure either on the ground of delegation of power or so-called treaty issues.

Now, let me talk frankly to all of you. I see those sitting on my left here who are unwilling to be convinced that this act is or could be constitutional, and nothing that anybody could say here today would make them think it was constitutional. Such opponents of this trade-agreement program are not sitting up nights to find ways to make it constitutional. You might just as well know that this amendment and the other amendments that are going to be offered, are offered with the purpose of destroying the Reciprocal Trade Agreements Act. The gentleman from New York [Mr. CROWTHER] in offering his amendment discussed logrolling and raised his hands in holy horror over the idea that there had ever been logrolling. There was submitted to our committee, and it will be found on page 2399 of the hearings, a brief by the Manufacturers' Association of Connecticut, in which they said:

> In other words, the people's representatives in the Senate of the United States have nothing to say about any part of the negotiation of these treaties. It has been said by many that with all of its evils, congressional tariff logrolling offers a greater opportunity for equitable adjustment than does the present system.

I want to call the attention of the Committee to the lobby investigation made by a subcommittee of the Senate Judiciary Committee of the Seventy-first Congress, beginning October 15, 1929, which developed the fact that during the consideration of the Tariff Act of 1930—and I would like some of my younger Republican friends who were not here at that time to listen to this—that a Senator from Connecticut employed a representative of this same Connecticut Manufacturers Association to assist him in his tariff work. He employed a gentleman by the name of Eyanson who was assistant to the president of that association at a salary of $10,000 a year, and he put him in his office, and this is what the Senator himself said in his own testimony before the Caraway committee:

> He (Eyanson) began working under my direction while still in Connecticut. * * * I was receiving hundreds of letters asking for increases here, there, and everywhere. * * * Those letters I sent to him, either in Connecticut or when he occupied a desk in my office, I turned them over to him and asked him * * * to see to it that proper answers were prepared to them for my signature.

If that was not an actual invasion of the legislative privileges of the House under the preceding method of writing out a tariff, I do not know what could be an invasion of the privileges of the House.

As a matter of fact, Mr. Eyanson did his work so well that the president of the Connecticut Manufacturers Association, a Mr. Hubbard, complimented him highly. He was subsequently appointed as the Senator's secretary and attended some of the executive sessions of the Committee on Finance.

Lest there be any question about the authenticity of this statement, I refer members of the Committee to the Senate lobby investigation, Seventy-first Congress, part I, pages 151 and 159.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. ROBERTSON] for 4 minutes to conclude the debate.

Mr. ROBERTSON. Mr. Chairman, the pending amendment to require congressional approval of reciprocal-trade agreements should be voted down.

Republicans who favor congressional action on all tariff changes repudiate every declaration of their party on the subject for a long period of time. The Republican Party wrote a flexible provision into the tariff law over 50 years ago and has been officially committed to the principle ever since. We have pointed out both in the hearings and during debate this week that the flexible provision, section 3 of the Tariff Act of 1890, as well as a similar provision in the Fordney-McCumber and Hawley-Smoot Tariff Acts were written by Republicans. No one has sought to deny, because the authorities on the subject are overwhelming, that the delegation of power to the President to act under the flexible provision of the tariff act was a constitutional delegation. In 1930, when the Democrats were fighting the excessive rates of the Hawley-Smoot bill and feared the delegation to the President to raise or lower those rates would result in still further increases which the Senate should have the privilege of passing on, Senator VANDENBERG said:

> It is a sham and delusion. It is politics. The infirmities which now attach to general tariff making would reattach to this perennial submission of the tariff to congressional surgery.

When the Republicans in the Senate raised the same issue in 1937 in connection with a continuation of the Trade Agreements Act of 1934, the Senate Finance Committee in its report to the Senate said:

> A proposal which, upon alleged grounds of furthering important legislative functions, renders those very legislative powers futile is so patently self-contradictory that all serious considerations of public policy call for its unqualified rejection.

Therefore, congressional approval of selected changes of tariff rates is not and never has been a Republican policy and since the adoption of the plank in the 1932 Chicago platform on the subject of reciprocal-trade agreements it has not been a Democratic policy.

On the subject of constitutionality, no advocate of that plan has a leg to stand on. In the first place, before such an argument can be advanced it must be admitted that trade agreements are treaties, but ever since 1840 our Supreme Court has held to the contrary. In the controlling case of *Holmes* v. *Jennison* (14 Peters 540) the Court at page 571 said:

> The words "agreement" or "compact" * * * cannot be said to mean the same thing with the word "treaty."

The Court then proceeded to cite authorities on the meanings attached to these words, and quoted from these authorities that

> A treaty * * * is a compact made with a view to the public welfare, by the superior power, either for perpetuity or for a considerable time.

And that—

> The compacts which have temporary matters for their object are called agreements, conventions, and pactions.

Certainly it cannot be maintained that the Trade Agreements Act authorizes agreements for perpetuity or for a considerable time in the history of a nation. They are temporary international arrangements necessitated by the "present emergency" referred to in the act.

That compacts not possessing the dignity of a treaty in the constitutional sense, which were authorized by Congress and negotiated and proclaimed by the President are possible, was recognized by the Supreme Court in the case of *B. Altman & Co.* v. *United States* (224 U. S. 583), involving an agreement made under the authority of section 3 of the Tariff Act of 1897. And in the recent case of *United States* v. *Curtiss-Wright* ((1936) 299 U. S. 304), the Supreme Court made it clear that the Federal Government has as an essential part of its sovereignty—

> The power to make such international agreements as do not constitute treaties in the constitutional sense.

In *Fields* v. *Clark* ((1892) 143 U. S. 649) the contention was made that section 3 of the Tariff Act of 1890 was un-

constitutional in that it delegated to the President treaty-making power. The Court disposed of this point by holding that the trade agreements authorized by the act were not treaties requiring ratification.

From the standpoint of practicality, it might be well to point out that under section 3 of the Tariff Act of 1897—the Dingley Act—which did not require congressional approval of the agreements negotiated thereunder, several trade agreements beneficial to our commerce were negotiated and remained in effect for a number of years, while under section 4 of that act, which required both Senate ratification and congressional approval, 12 treaties were negotiated, of which 11 failed of ratification and the twelfth was not sent to the Senate.

As a matter of fact, the Congress does, in effect, approve these agreements, because before they are negotiated the Congress lays down the policy to be followed and very definite limitations upon the exercise of the delegated powers. In the preparation and final negotiation of an agreement every precaution is taken to safeguard domestic interests to see that no injury is worked either on agriculture or industry. The contention made on this floor that the work of the Committee on Reciprocity Information is nothing but window dressing and that an affected party has no real hearing is what the French call la poudre aux yeux. The truth is the business is every member of that committee except one also serves on the interdepartmental trade-agreements committee, which makes the final recommendations. It was also developed in the hearings that before the position of the United States has been determined on a proposed agreement all affected departments, such as Agriculture, and other agencies are consulted and their approval secured. That has been the policy in the past, and we have been assured it will be the policy in the future. And the proof of the pudding is that when demands were made by Argentina for concessions that would result in substantial imports of competitive farm products our trade-agreements organization refused to go further with the negotiations.

The essential truth of the matter is that trade agreements are not only approved by Congress before but also after they are concluded. They are approved before they are concluded in the sense that Congress in the Trade Agreements Act authorizes their negotiation and lays down the policy and the limitations to which the negotiations must conform. They are approved after they are concluded, because Congress reviews every 3 years the operation of the act and the agreements concluded under this authority.

In 1937 the Congress knew what had been done under the delegated power, and in continuing the act for another 3 years voted its approval of what had been done. That, of course, is the issue and the sole issue before us today. Do we approve what has been done and do we approve this method of stimulating our foreign trade and unchoking the channels of international commerce, or do we favor the restrictive rates of the Hawley-Smoot tariff and wish to go back to that method of tariff making?

Let us not lose sight of that controlling issue, because if we do not we will then clearly see that the efforts to secure Senate ratification of these agreements is nothing short of a camouflaged effort to utterly destroy the program without meeting the issue head on.

I have great respect for my distinguished colleague the gentleman from Massachusetts [Mr. TREADWAY] and my eminent colleague the gentleman from New York [Mr. CROWTHER]. They do not engage in any mealymouthed "Yes, but" arguments; they do not hold out one hand of greeting to the program while with the other they stab it in the back. They helped to frame the Hawley-Smoot tariff and have no apologies to make for doing so. They believed in high protection in 1930 and they believe in it now. They honestly and sincerely believe that this program of reducing the rates of the Hawley-Smoot tariff is nothing short of free-trade rat poison, and I willingly concede their right to express their views. They are honorable and distinguished opponents who will face you toe to toe and fight you on that issue until the sun goes down. The fact that I do not personally agree with them and do not think a majority of the people of this Nation agree with them is neither here nor there. The important thing is the fact that they are willing to frankly face the issue involved.

My desire today is to get every Member of this House to be equally as frank and courageous. Every Member of this illustrious body knows the fate that befell McKinley's 12 trade agreements negotiated with painstaking care and making minor changes in tariff rates, ranging from 5 to 20 percent, but in no instance over 20 percent. A Senate overwhelmingly Republican strangled them to death and will strangle every future trade agreement to death if it contains a concession of any restrictive duty worth a tinker's damn to any consumer group.

And now a word in conclusion to my colleagues on the Democratic side: When you vote on this amendment do so with full recognition of the fact that if it be adopted the cables will carry to every chancellery in the world a message to the effect that the Congress of the United States has repudiated the American Minister of Foreign Affairs. There should not be a Democrat on this floor who would not gladly join with me in saying that in these troublesome and turbulent times, when false ideologies have taken the wings of the morning, when misleading propaganda is the handmaiden of selfish interests, and distrust and lack of confidence characterize our mental processes, we give thanks for a Christian gentleman like Cordell Hull, whose sincerity of purpose is beyond question, whose devotion to a cause is matched by his ability to serve it, and who in his willingness to subordinate personal ambition to public service can truthfully say:

And only the Master shall praise us, and only the Master shall blame;
And no one shall work for money, and no one shall work for fame;
But each for the joy of the working, and each, in his separate star,
Shall draw the thing as he sees it, for the god of things as they are.

[Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired, all time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. CROWTHER].

Mr. COOPER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DOUGHTON and Mr. CROWTHER.

The Committee divided, and the tellers reported that there were—ayes 144, noes 161.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Nebraska [Mr. COFFEE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska: Line 8, before the period insert a comma and the following: "except that no foreign-trade agreement entered into after the date of enactment of this joint resolution under such section 350 shall be effective unless concluded by and with the advice and consent of the Senate as in the case of treaties."

Mr. COFFEE of Nebraska. Mr. Chairman, this amendment simply provides that all future trade agreements must be ratified by the Senate. It is offered in the interest of good government and to perfect this legislation. It is in accord with the provisions of our Constitution which requires that all treaties with foreign nations must be ratified by the Senate. These trade agreements are in reality trade treaties, and as such should be ratified by the Senate.

From a practical standpoint this amendment will subject all future trade agreements to public scrutiny and legislative approval before they become effective. It will offer agriculture, labor, and industry an opportunity to be heard on the actual terms of the agreement by a legislative committee elected by and responsible to the people. It will give Members of Congress an opportunity to know what is in these agreements before they become effective and an opportunity to present their case before a legislative committee.

This amendment would recognize the desirability of negotiating such trade agreements as are mutually beneficial and

advantageous. It would permit the State Department to continue trade negotiations with foreign countries, but with the limitation that before any trade agreement could become effective its full text would be known and it would be subject to legislative approval.

This amendment will preserve such legislative prerogatives for our Government as are preserved by the legislative branch of most of the foreign governments with whom we have made trade agreements. In the 22 trade agreements that have been concluded by our State Department only 3 were put into effect without being subjected to legislative ratification by the respective foreign governments. The trade agreements with Cuba, Belgium, and Ecuador were the only ones that did not require legislative ratification by their own Governments. Why should not the Congress of the United States insist upon its legislative prerogatives as do the foreign countries with whom we negotiate these trade agreements? To those who contend that Senate ratification would kill the trade-agreement program, let me say that such statements indicate a lack of faith in our representative form of government. Who can say that the Senate would not ratify a trade agreement that was mutually beneficial and advantageous? I am convinced the Senate would not ratify a trade agreement that would sacrifice one group of citizens in this country for the benefit of another group, or for the benefit of some foreign government. To those who contend the House would be delegating its power to the Senate, let me say that Congress has already delegated under this act all of the power to the executive branch that my amendment would restore to the legislative branch. It rests the authority in the Senate to pass final judgment on these trade treaties as the Constitution provides. The House will lose nothing but will gain the right to know what is in these trade treaties before they become effective and an opportunity to be heard on the actual terms of the agreement by a duly elected legislative committee. This amendment will curb such trade agreements as encourage the importation of competitive agricultural commodities through lowered tariffs. It will be a protection to agriculture, labor, and industry. [Applause.]

[Here the gavel fell.]

Mr. COFFEE of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. COFFEE of Nebraska. Mr. Chairman, under this Reciprocal Trade Agreements Act Congress has delegated vast powers to the Executive to negotiate trade treaties, to reduce tariffs, and to extend the benefit of those concessions to every country in the world not discriminating against our trade. This power in turn has been delegated to the Secretary of State, who, because of the ramifications and complex nature of these trade agreements, has delegated that power to a secret committee which formulates the list of items and the tariff concessions the United States is to make in these agreements. The actual terms of these agreements are never made public until after the agreements are put into effect as far as the United States is concerned. Most of the countries with whom we deal reserve the right to ratify the agreements after looking them over.

The question before this House is whether you want to rest final authority in the secret committee and the executive branch or with those in the legislative branch who are elected by and responsible to the people. Neither this amendment nor the resolution itself affects the existing trade agreements. With the world in the turmoils of war it is more essential now than ever that the actual terms of these agreements be subject to public scrutiny and legislative approval, because these agreements will be binding upon the United States for years to come in the face of unpredictable events. Agriculture, labor, and industry are vitally interested in protecting the American market against competitive foreign imports from low-wage-standard countries. Remember, there is no way for an aggrieved party to get into court and test the validity of this law. Support this amendment and preserve the rights of the legislative branch of this Government. [Applause.]

Mr. ROBERTSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Nebraska [Mr. COFFEE], and I ask unanimous consent to proceed for 7 minutes in order that when we fix time we may start off evenly.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. ROBERTSON]?

Mr. MOTT. Mr. Chairman, I object.

Mr. ROBERTSON. Mr. Chairman, this amendment is offered by such a dear friend and colleague of mine on the Democratic side that I could not say anything harsh or unkind about him even if I wanted to. I will merely take his own words when he said the same arguments that were made on the subject of the Crowther amendment, which we have just voted down, applies to his amendment. I agree with that statement with this exception. There are some Members of the House who feel that if the Congress has to vote on each item of a tariff change the House is just as well equipped and prepared to exercise that legislative function as our distinguished colleagues at the other end of the Capitol.

He said that to vote against this amendment—and, of course, many of us are going to vote against it—signifies a lack of confidence in legislative processes. I told you what Senator VANDENBERG said about congressional surgery on tariff bills. President McKinley possibly did not record what he thought about Senate ratification. After he had painstakingly negotiated 12 agreements, 11 of which were submitted to the Senate, that body kept them there for 3 years and strangled them to death and did not let one single one of them come to a vote. We have learned something by bitter experience in this matter of Senate ratification and of congressional action on trade agreements.

I will not repeat the reason I gave for the defeat of the Crowther amendment. As the gentleman from Nebraska has said they fully apply to his amendment. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

Mr. SCHAFER of Wisconsin. I object.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 135, noes 101.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. SCHAFER of Wisconsin to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 162, noes 134.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED], in favor of the amendment.

Mr. REED of New York. Mr. Chairman, I have admired very much the courage of two men on the Democratic side of the House, because I know they are sincere and I know they are endeavoring to perform a duty to their people at home. I may say that under the present set-up it shows splendid courage on their part. I want to talk to you for a moment because I admire that type of independence and patriotism. There are a great many comparatively new Members on the Democratic side, and I want to give you a little history.

As you know, we have States with the two-party system and we have States with the one-party system. Time and again I have seen men from the one-party States, the leaders, come down into the Well of this House and literally lash their Democratic colleagues from the two-party States and brutally drive them into the party fold against their convictions. Where are those men now? At the last election 80 of them

who surrendered under the party lash disappeared from your side of the House, but the same old fellows who used the lash on those former Members are still here from the one-party States.

I think I know the convictions of you men who dare to do your duty. Many of you men who are shrinking under the whip know what your people back home would like to have you do, and you know that in justice to those whom you represent you ought to go along with these two men who have taken the floor to protect their constituents, and your constituents should have your vote.

Little will they care when it is all over, when the election is over next time, and you men who submit to this so-called party regularity from the one-party States are sunk without a trace by an indignant public. Just remember that.

Mr. FITZPATRICK and Mr. BOEHNE rose.

Mr. REED of New York. I cannot yield; I have only a few minutes.

There should be an opportunity in this Congress, either in both branches or in one, where the conscience and the heart of America and the intelligence of America can find a place to be heard when they are injured. Under this one-man power they have no such opportunity.

I have not heard quite so much bragging on the Democratic side of the House in regard to exports lately. Why are you not in here talking about exports? I will tell you why, and you will hear more from this just a little bit later. You know where the heart of this country is today. It is with the people who are fighting for their liberty. You wonder, perhaps, why it is that the Finlanders, over there in that tiny country, can fight against the Russian hordes and hold their ground. It is not strange in the light of history, not at all, because the men who have followed the line of battle in all wars tell us that in his dying hour the soldier unclasps his weapon and reaches for an inner pocket to touch some little keepsake of his wife or mother. This shows they are not fighting because of any abstract question of foreign trade. It is love of God and home and native land that has entered the soul of Finland making their arms invincible. Do not forget this fact as you arm Russia with your exports. I want to say to you Democrats that if you were to bring in your export figures and show how you are arming Russia against Finland, all the so-called benefits you claim for your trade agreements would fade into insignificance. I will say to you, and I will show you later on the floor of this House, that right now, in the year of our Lord 1940, the export to Russia of munitions is a national disgrace. It never could happen if the people of this country had a place to register their mind, their heart, and their conscience. Instead of that, by the close connection between your recent so-called Neutrality Act, your trade agreements, and your gold policy, you have implemented all of them in the interest of Russia as against Finland. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, in reply to the distinguished gentleman from Nebraska, who bases his argument on the fact that the parliaments of foreign governments ratify these agreements, I simply say that we are not running foreign nations, and that if we run our own we will each be doing a full-sized man's job and rise to the stature of statesmen. How many, if any, of the other parties to these agreements have written constitutions I do not know. We have. Under it, we could require ratification by Congress, but not by either half of Congress. I do not know how the 22 governments who joined us in making these agreements ratified them. They may have done so by two legislative bodies, by one, or by none. But I do know that our Constitution binds us to require ratification by both bodies of our Congress, or by neither.

May I point out to the distinguished gentleman from New York [Mr. REED] that the great automotive industry, predominantly Republican, is unanimously favoring this program? No wonder he is appealing to the Democrats with that specious plea for loyalty to principle, for he can get no comfort from the majority of his own party, and certainly not from ours. And to what principle would he have us be loyal? In supporting the Reciprocal Trade Agreements Act and extending it we Democrats are being loyal to our own principles and platform promises.

Surely the gentleman cannot expect us to play traitor to our own party and to the best interest of the American people by espousing the Republican principle of plunder by high tariffs.

However, I raise my voice today, not so much in answer to what has been said, as in a plea for recollection of what has been left unsaid. The Crowther amendment was constitutional. Whether to adopt it, or not, was merely a question of policy. If we have the right to delegate a part of our taxing power to the Executive, then we certainly have the power to restrict such delegation, by making his conduct thereunder subject to the approval of Congress. But when you seek, as this amendment does, to strip the House of all its legislative power, when you seek by this amendment to abdicate in favor of another body despite the fact that the Constitution states that the Congress of the United States shall be composed of a Senate and House of Representatives, then you do violence to every concept of constitutional law. By our oaths of office we are bound to uphold, maintain, and defend the Constitution. This amendment would, within the field of its operation, repeal article II of the Constitution and change the form of the legislative branch of our Government.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am pleased to yield to the distinguished author of the amendment, of course.

Mr. COFFEE of Nebraska. The gentleman says the House will be abdicating its power. Is it not a fact that under this bill all power has already been delegated to the executive branch?

Mr. HOBBS. Certainly not.

Mr. COFFEE of Nebraska. My amendment would regain part of that power.

Mr. HOBBS. Certainly not. That is a very specious plea, unworthy of the gentleman. We are not abdicating our power. We are not abdicating one whit of it. We are exercising our power, by authorizing one who is in a position to do the job much better than we, to attend to the details of a matter the purpose, policy, and limits of which we have fixed by appropriate legislation. Is it abdication of my power to buy a cigar if I send a page for it, specifying price limits, and so forth?

As you respect your oaths and your high duty to legislate wisely, I adjure you to listen with open minds. The Senate of the United States is a part of the Congress. Only because of a specific limitation upon the Executive power as to the making of treaties and appointments is it possible for them to act without us on any matter of the kind here proposed. Neither we nor they have any power not granted by the Constitution. No such power as this amendment seeks to exercise is granted to us by the Constitution. Hence, we have no power nor right to adopt it. What does this amendment provide? Simply that one body of the Congress shall exercise all legislative power with respect to the approval of these agreements. The Constitution, to the contrary, says:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

All legislative powers are vested in both bodies; not in either.

These reciprocal-trade agreements are not treaties. (Moore's Digest of International Law, vol. V, pp. 210–221.) Therefore they do not come within the exception that authorizes the Senate to act without House concurrence in ratifying treaties. The distinction between "treaties" and "agreements," postal conventions, protocols, and so on, has been recognized and proclaimed by the Supreme Court for more than a century. Therefore, if you vote to adopt this

amendment, I solemnly warn you to have a care lest you violate your oath of office as a Member of this body. You will be voting to abdicate all your legislative power to the other body and to make the Congress unicameral, in this regard, instead of what the Constitution says it must be.

Mr. McCORMACK and Mr. BOLLES rose.

Mr. HOBBS. I yield to the distinguished gentleman from Massachusetts, a member of the committee.

Mr. McCORMACK. The Supreme Court in the Vermont case also drew a distinction between an agreement and a treaty.

Mr. HOBBS. Certainly; the Supreme Court has done so in a dozen cases, of which I cited the most notable in my argument on Wednesday. Not only that, but every respectable authority on the subject draws the same contrast.

If the reciprocal-trade agreements were treaties, then this amendment would be unnecessary, for the Constitution outlaws any treaty made without the advice and consent of the Senate.

But these agreements are not treaties, and, therefore, this amendment is necessary if we would forget our oaths, pour contempt upon the Constitution, and make a vain attempt to abdicate our legislative power. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Florida. Mr. Chairman, I am not here to represent the automotive industry, neither am I here to represent the Republican Party, and neither do I now represent the Democratic Party. I am here representing to the best of my ability south Florida. [Applause.]

The day after I took my oath as a Member of this body, I appeared before the Committee for Reciprocity Information at the time they were considering modification of the Cuban agreement and offered concrete suggestions to take care of the Florida situation. The statement that I made at that time appears of record in the printed hearings held by the Ways and Means Committee recently. Needless to say, the Committee for Reciprocity Information ignored the suggestions.

You ask, What is the Florida situation with reference to the reciprocal trade agreement program? Referring to the Cuban reciprocal-trade agreement, we find the following situation: When this program was put into effect in 1934 duty on lima beans was reduced 50 percent. As a result, Florida has practically been put out of the lima-bean business. Duty on tomatoes was reduced 25 percent. The result is found in the statement made by a Department of Agriculture release in 1937, in which it was said:

> Imports of tomatoes from Cuba increased sharply since the agreement became effective.

The year preceding the Cuban trade agreement 1,446 carloads of tomatoes were imported into this country from Cuba. The year following the agreement 2,082 carloads of tomatoes were imported from Cuba. Thus Florida's competition on this one item was increased 33⅓ percent. Duties on potatoes were reduced 50 percent and imports from Cuba increased from 2 carloads of potatoes to 61 carloads, taking the figures for the year preceding and the year following the effective date of the Cuban agreement. This is an increase of over 3,000 percent. The duty on peppers was reduced 50 percent, resulting in an increased import of Cuban peppers amounting to nearly 140 percent. Likewise the duty on cucumbers was reduced 50 percent and Cuban imports in this commodity increased about 80 percent. And so on down the line.

Another example has to do with avocados. Florida can produce the finest avocados in the world, but under the Cuban reciprocal-trade agreement we are placed in direct competition with the Cuban product, which is produced with peon labor. I will admit that imports of Cuban avocados are restricted to certain months of the year. What actually happens, however, is that during the last months in which Cuban avocados are allowed to come in at a reduced tariff they ship a volume much in excess of that which the market demands. These avocados are placed in cold storage and sold on the American market during the following months in competition with the Florida product. The Persian lime has the same history.

Florida can grow and has grown pineapples commercially and profitably, and about the only thing we need from Cuba under the reciprocal-trade program is pineapple slips from which to grow the Florida pineapple. Under the reciprocal-trade program we are supposed to be able to obtain Cuban pineapple slips without any difficulty. However, such is not the case. When Florida growers place orders in Cuba for these pineapple slips, Cuban authorities immediately admit that we have a right under the treaty to purchase these slips in Cuba. However, they place so many restrictions by means of inspection regulations that in each instance the slips have rotted before we can get them to Florida. In one instance a shipment of these slips was already on a ship destined for Florida, but officials of the Cuban agricultural department would not allow the ship to sail until they had made an inspection of the slips. They sent down to the ship two inspectors with instructions to make a minute inspection of each slip. There were 25,000 slips on this ship, and these officials set out to inspect each slip separately, taking some 10 or 15 minutes to each slip, in that connection. It could easily be seen that these slips would be completely rotted before the ship could be allowed to sail. That is an example of just how reciprocal our Cuban friends are.

I have carefully read the statements made by the Secretary of State in connection with the extension of this program, and I have yet to find where he has justified the reductions of tariff on agricultural products shipped into this country in competition with American agricultural products.

During the Republican administration we heard a lot about "dollar diplomacy," and we still have this type of diplomacy in charge of our foreign affairs. This administration seems to be more interested in protecting foreign producers and Americans who raise products in foreign countries by the exploitation of peon labor than in the protection of American farmers. In my humble opinion, all we are doing by this reciprocal trade agreements program in giving the State Department the entire American market to divide up as they see fit among foreign countries. On the other hand, as each part of the American market is allotted to foreign countries, the Secretary of Agriculture is instructed to restrict domestic crop production, which is necessary only because the American market, the best market on earth, has been granted to foreign interests.

I for one urge that this inequitable arrangement be stopped once and for all, and for the reason that the State Department and its Committee for Reciprocity Information and the management of this trade program have completely ignored American agricultural interests and have continued to reduce tariffs on agricultural imports. I believe that this Congress should at least turn toward the Constitution and restore the treaty powers of the Senate in order that American agricultural interests can at least have some voice in this so-called reciprocal-trade program.

I would like to remind the membership of this House that it is utterly impossible to benefit the United States as a whole and injure one of its States. I therefore support this amendment and urge its adoption. [Applause.]

Mr. McCORMACK. Mr. Chairman, if this amendment is adopted, there is no necessity for the passage of any bill because this amendment would bring about a legislative situation giving the President only the power that is now possessed by the Chief Executive. The President would not need this legislation. Authority now vests in the Chief Executive of the United States to make agreements or treaties of this nature with foreign countries without any legislative authority or action and to submit them to the United States Senate.

It is rather surprising to me to note that this amendment comes from a Democrat. This amendment should be properly characterized, coming from a Democrat, as the "kiss of death."

Mr. FITZPATRICK and Mr. CASE of South Dakota rose.

Mr. McCORMACK. I yield to the gentleman from New York, briefly.

Mr. FITZPATRICK. In 1930, when the Smoot-Hawley tariff bill was being considered, there could not be any amendment offered by a Democrat because they brought that bill in under a gag rule prohibiting any amendments from being offered.

Mr. McCORMACK. Yes. The gentleman from Nebraska represents a cattle district. The cattle interests of this country are the last group that ought to object to the benefits they have obtained. The price of cattle is now above parity.

Mr. COFFEE of Nebraska and Mr. MURRAY rose.

Mr. McCORMACK. I will yield to the gentleman from Nebraska, because I have referred to him in my remarks.

Mr. COFFEE of Nebraska. The gentleman realizes that we imported practically twice as many cattle last year as the year before and we are fearful of the future with the proposed agreement with the Argentine in the offing.

Mr. McCORMACK. The gentleman is actuated by fear and does not realize that trade is a two-way proposition. The trouble with the gentleman from Nebraska and those who feel as he does is that they think other countries can buy from us all the time and that we do not have to buy from them.

Mr. GROSS. Mr. Chairman, will the gentleman yield for a question?

Mr. McCORMACK. Not now.

Mr. GROSS. Will not the gentleman yield to a farmer? [Laughter.]

Mr. McCORMACK. I thought the gentleman was a Representative in Congress. [Laughter.]

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield to a man who yielded to him?

Mr. McCORMACK. Yes.

Mr. CASE of South Dakota. May I just observe——

Mr. McCORMACK. I yielded for a question and not for an observation.

Mr. CASE of South Dakota. Does the gentleman recognize the fact that the offering of this amendment by a Democrat from Nebraska proves the point I was making and to which the gentleman objected when I was speaking?

Mr. McCORMACK. It would be rather difficult for me to agree to anything that the gentleman might state on a political issue of this kind. Notice I limit it very sharply to "a political issue of this kind."

Mr. GROSS. Mr. Chairman, will the gentleman yield to me now?

Mr. McCORMACK. To a Member of Congress, not to a farmer, yes [laughter]; and I am one of the best friends the farmers have, I think. [Applause.] Did the gentleman vote for parity payments?

Mr. GROSS. No.

Mr. McCORMACK. I did. [Applause.] Did the gentleman vote for loans to the tenant farmers?

Mr. GROSS. Will the gentleman tell us one benefit that we cattle feeders have received from this program?

Mr. McCORMACK. The gentleman is simply giving lip service, and that is all the farmers get from the gentleman from Pennsylvania.

Let us now review, briefly, just what is the situation. This is an emergency measure; this is a temporary measure.

Under the Fordney-McCumber Act, passed by a Republican Congress, the average rate of duty was 38.5 percent. Under the Smoot-Hawley bill the average rate increased from 38.5 to 52.6 percent. This sharp and drastic increase created barriers, disorganized the economic life of America, and brought about repercussions in other countries, as a result of which we had from 16,000,000 to 18,000,000 persons unemployed in 1933. The Hawley-Smoot bill contributed greatly to the economic conflagration of 1929.

Under the Trade Agreements Act, and the agreements made thereunder, the average tariff rate has been reduced to 39.3 percent. Under the trade agreements we are still eight-tenths of 1 percent over the average of the Fordney-McCumber Act.

Now, the purpose of the Trade Agreements Act was to meet an emergency situation, an emergency situation created chiefly as a result of the passage of the Hawley-Smoot Act, an act passed by a Republican Congress. President Hoover recommended a limited revision of the tariff for the purpose of aiding agriculture, and out of that recommendation to Congress, through logrolling on the part of the Republican Party and selfishly interested business groups, came the most vicious, the most iniquitous tariff act ever passed by the Congress, increasing the average under the Fordney-McCumber Act from 38.5 to 52.6 percent. The pending amendment should be defeated. [Applause.]

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer the following motion, which I send to the desk.

The Clerk read as follows:

Mr. SCHAFER of Wisconsin moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. COOPER. Mr. Chairman, I make the point of order against the motion that it is dilatory.

The CHAIRMAN. The gentleman from Tennessee makes the point of order against the motion that it is dilatory. A motion to strike out the enacting clause was made and acted upon heretofore. No change in the bill has been made since that motion. The point of order is sustained.

The question is on the amendment of the gentleman from Nebraska [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. COFFEE) there were—ayes 120, noes 135.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. COFFEE of Nebraska and Mr. DOUGHTON to act as tellers.

The Committee again divided, and the tellers reported—ayes 157, noes 177.

So the amendment was rejected.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer the following amendment, which I send to the desk.

The CHAIRMAN. The Chair will first recognize the committee members to offer amendments. There are 16 amendments pending at present at the desk. Five of those amendments have been offered by committee members, the gentleman from New York [Mr. CROWTHER], the gentleman from Minnesota [Mr. KNUTSON], the gentleman from New York [Mr. REED], the gentleman from Michigan [Mr. WOODRUFF], and the gentleman from Kansas [Mr. CARLSON]. There are other amendments pending, making the total 16. The Chair will first recognize members of the committee to offer amendments.

Mr. CROWTHER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CROWTHER: Line 8, before the period, insert a colon and the following: *"Provided,* That so much of said section 350 as suspends the application of section 516 (b) of the Tariff Act of 1930 (relating to appeal or protest by American producers) to any article with respect to which such foreign trade agreements have been concluded, or to any provisions of such foreign trade agreements, is hereby repealed."

Mr. CROWTHER. Mr. Chairman, I shall not consume the 5 minutes to which I am entitled on this amendment. I do not think it is necessary to make more than a short statement in regard to it.

Mr. COOPER. Mr. Chairman, will the gentleman yield to me in order to get some agreement as to time?

Mr. CROWTHER. I yield. What does the gentleman suggest?

Mr. COOPER. That we agree on 10 minutes on a side.

Mr. CROWTHER. If there are 16 amendments pending, we will have to come to some such agreement.

Mr. MOTT. Mr. Chairman, will the gentleman yield? In the gentleman's opinion is it necessary to come to an agreement whereby we conclude today?

Mr. CROWTHER. Oh, yes. It is the intention to finish the bill today.

Mr. MOTT. It may be the intention, but is there any reason, if the debate cannot be concluded, why the matter cannot go over until next week?

Mr. CROWTHER. Oh, no. I think the agreement is that the bill is to be finished today. That is, the agreement on the part of the members of the committee at least. The majority had the matter of planning in charge, and I think that was the understanding with the majority leader.

Mr. DOUGHTON. Mr. Chairman, I talked with the gentleman from Massachusetts [Mr. TREADWAY] and I suppose that he conferred with the minority Members.

Mr. MOTT. As far as I know there was no conference with the minority Members.

Mr. COOPER. That is of the committee.

Mr. MOTT. Of the committee, yes; but I don't think the committee should have the entire say on a matter of this importance.

Mr. DOUGHTON. I supposed that the gentleman from Massachusetts had conferred with the members of the committee on his side. It is proposed that we should vote on this bill today.

Mr. MOTT. Perhaps with the members of the committee, but not with the general membership.

Mr. CROWTHER. Mr. Chairman, I cannot yield further.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield so that I may make a statement?

Mr. CROWTHER. Yes.

Mr. RAYBURN. It is the hope and the intention of the majority to give time on each one of these amendments. Therefore the gentleman from Tennessee has suggested time on this amendment. There are four others offered by the members of the committee on the desk at the present time. If 20 minutes is given to each of those amendments, that will run into considerable time. Other Members of the minority, as I understand it, have amendments that they would like to dispose of also. We do intend to finish this bill before adjournment today, and reasonable debate on each of these amendments, of course, can be had if the minority desires it.

In order to complete the bill today at some time, debate on the entire bill must be closed. We do not want to do that by a vote, but it can be done. Having a desire to be entirely fair with the minority, that they may offer these amendments, and especially the members of the Ways and Means Committee, this liberal request has been made by the gentleman from Tennessee for 20 minutes of debate on the amendment that the author of the amendment said he would use only a few minutes to discuss.

Mr. JENKINS of Ohio. I thought 10 minutes was all you asked.

Mr. COOPER. Ten minutes on a side; that is, 20 minutes altogether. The gentleman knows that this is a highly technical matter. I doubt whether anybody except members of the committee would be sufficiently familiar with it to want to discuss it. That is the reason I thought we could discuss this in 10 minutes on a side.

I ask unanimous consent, Mr. Chairman, that the debate on the pending amendment and all amendments thereto close in 20 minutes, including the time of the gentleman from New York [Mr. CROWTHER].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. CROWTHER] is recognized.

Mr. CROWTHER. Mr. Chairman, of course, I think this amendment ought to be given more consideration than could possibly be given it during the period of 10 minutes on a side. It is complicated, but it is extremely important. We have at least two members on our side of the Committee who have made a study of this. They are both lawyers of very considerable ability and I think they could make a splendid presentation of their side of the case. No doubt there are Members on the majority side who think they could do equally as well. However, I shall not take very much time.

I shall read just a short statement from the minority report that I think will convey the necessary information to the Members of the House. Regarding this section 516 (b) of the Tariff Act, the minority report says:

> The effect of this provision, insofar as it refers to section 516 (b), is to take away from the American producers the right, which they otherwise would have under that section, to litigate matters arising out of trade treaties, including the question of their constitutionality.

In other words, he cannot take the initial step into court in order to adjudicate an appeal of this character.

> This particular provision of the act was inserted on the floor of the Senate at the instance of the State Department. It was not considered either by the Ways and Means Committee or by the Senate Finance Committee. The chairman of the Finance Committee, Senator HARRISON, offered the amendment, and it was called to his attention that its effect would be to divest American producers of their right to litigate matters arising out of treaties. His reply was:
>
> "That is what we intend to do, since we want no interference or delay from domestic interests."

Now, it seems to me that is pretty high-handed procedure. It seems to me that it is a high-handed denial of constitutional rights that cannot be defended. It amounts to a tacit confession on the part of those responsible for drafting the act that it is unconstitutional and could not successfully pass a court test if it was brought before a court.

Our report says, "even by the Supreme Court as now constituted."

I think you understand thoroughly what this amendment is without very much further debate. It was adopted because every procedure was used in order to stop anything that they thought could interfere with their activities on this new program. So they just wiped out 516 (b), insofar as it concerns commodities that were taken up in connection with trade treaties. It leaves the American producer and wholesaler without an opportunity to make complaint as against the classification or the rate of duty to be paid. The retention of section 516 (b) is a vital necessity in this bill.

[Here the gavel fell.]

Mr. COOPER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the question presented by the pending amendment with respect to section 516 (b) of the Tariff Act is a matter to which consideration of the Ways and Means Committee has been given for some time. It should be borne in mind that no person has any vested right in any tariff rate. That has been held repeatedly by the courts. Nobody has any vested right in a tariff rate.

Now, this section 516 (b) simply provided a method whereby prolonged litigation could be carried on in the courts, the customs courts, by questions being raised as to the classification of various articles and everything of that kind. Now, this is by no means a privilege of long standing that this benefit provided under section 516 (b) has existed. It came into existence under the Tariff Act of 1922 and was continued under the Tariff Act of 1930. The main purpose to which it has been applied is simply to harass importers by raising various types and kinds of questions as to the classification of articles. It simply resulted in long, drawn-out delays, proceedings in the customs courts. The only purpose for having the provision that now exists in the Reciprocal Trade Agreements Act is to make it possible for prompt action to be taken. In other words, if this provision continued as existed in the 1922 and the 1930 Tariff Acts, then by raising all kinds of questions as to the classification of articles it could be prolonged and delayed to such great extent that the trade agreement would be of no effect.

This provision of the present Trade Agreement Act was included for the purpose of making it possible to expedite consideration of these matters and not have this long, drawn-out delay that had been experienced under this section 516 (b) of the Tariff Act.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield briefly.

Mr. MOTT. Does not the gentleman realize that the main reason we want this section 516 restored is so that we may be permitted to test the constitutionality of this act?

Mr. COOPER. Not at all.

Mr. MOTT. Well, that is the reason I want it restored and that is the reason why everybody on this side of the aisle wants it restored.

Mr. COOPER. The gentleman would not support this bill if the amendment were adopted.

Mr. MOTT. Certainly I would not.

Mr. COOPER. Of course not.

Mr. MOTT. But if this amendment is adopted it will at least make the bill a little less objectionable than it is now.

Mr. COOPER. Does the gentleman approve the Smoot-Hawley Tariff Act?

Mr. MOTT. I do not know of any Member either on the Republican or on the Democratic side, including the gentleman who is addressing me, who is in favor of reducing any particular item in that tariff bill.

Mr. COOPER. I am certainly opposed to the Smoot-Hawley Act and voted against it when it passed the House. I asked the gentleman a simple question—if he favored the Smoot-Hawley Tariff Act?

Mr. MOTT. And I gave the gentleman a simple answer. I think there are no items in the Smoot-Hawley Tariff Act that I would vote to reduce; I think there are none that the gentleman from Tennessee would vote to reduce.

Mr. COOPER. Will the gentleman answer the question? Does the gentleman favor the Smoot-Hawley Tariff Act?

Mr. MOTT. I have just answered the question.

Mr. COOPER. The gentleman favors it, then, does he?

Mr. MOTT. I said there was——

Mr. COOPER. Then why did the gentleman defeat Mr. Hawley, coauthor of the act, when the gentleman came to Congress? [Applause.]

Mr. MOTT. That is a rather broad question. I answered the gentleman's other question directly, however, by saying that there is no item in the Smoot-Hawley tariff that I would want reduced.

Mr. COOPER. It is interesting to note, however, that the gentleman from Oregon defeated the coauthor of the Hawley-Smoot Act in the very next campaign.

Mr. MOTT. That is beside the point.

Mr. COOPER. I do not yield further.

Mr. Chairman, the whole purpose of the Reciprocal Trade Agreements Act was that of making it possible for these proceedings to be expedited. This amendment could only have the effect of greatly hampering and hamstringing the reciprocal trade agreements program and, of course, the amendment should be voted down. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS of Ohio. Mr. Chairman, I was prevented by the gag rule from presenting my views, so I take this opportunity to extend them.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Chairman, this amendment would restore the constitutional right of a citizen to protect his rights in court under this trade-treaty program. This amendment, providing for judicial review for these agreements, with the two amendments just voted down, which would have provided for congressional approval of the treaties, would have made the trade program constitutional.

I favor the Republican reciprocal-trade principle of granting concessions by constitutional means to the products of other lands that we need and cannot produce ourselves.

The Hull program is wrong in principle and has failed in practice. A tariff is a tax. Under the Constitution, Congress has the taxing power and the Senate must ratify treaties. The Hull program depends upon delegating the tariff-treaty power to anonymous agents for secret negotiations. This secret logrolling is said to be necessary to prevent congressional logrolling. If Congress cannot be trusted to raise or lower taxes or to approve treaties, then our democracy is a failure and Hitler and Stalin are right. I am not ready to make that defeatist admission, which is squarely involved in extending this power.

The Hull program has failed of its professed objectives. It has not restored foreign trade or brought world peace. Through the statistical smoke screen covering up these failures one fact is clear—the only way our exports can be made to show a favorable balance is by including our war trade. The concessions we have made in the 21 trade treaties are available to 64 nations under our most-favored-nation treaties, and we have thus used up our bargaining power, while our best customers are repudiating the concessions they made to us by invoking the wartime escape clause. It is perfectly clear that we cannot hope to profit by this program while the war goes on. During this period we should set up constitutional machinery for making trade treaties and prepare for the flood of imports that will come with peace, when we will be the most-favored dumping ground of the world.

The Hull theorists say that the danger of requiring congressional approval is that Congressmen will want to have the local interests of individual constituents considered. Why not? After all, government is good or bad only as it affects individuals where they live. The whole machinery of a democracy is to insure that the rights of the individual are considered in determining the policy of the state. Of the 21 nations with which we have made treaties, 18 have required legislative approval before or after the treaties went into effect. Perhaps this explains why other nations have gotten the best of the trade in our trade program. Our country would likewise benefit practically by returning to constitutional democratic principles in taxation and treaty making.

The CHAIRMAN. The gentleman from Ohio [Mr. JENKINS] is recognized for 4 minutes.

Mr. JENKINS of Ohio. Mr. Chairman——

Mr. RICH. Mr. Chairman, will the gentleman yield to permit an observation?

Mr. JENKINS of Ohio. I yield.

Mr. RICH. When the gentleman from Tennessee [Mr. COOPER] was ridiculing the Hawley-Smoot tariff he failed to recognize the fact that it protected American industry and labor from the cheaply produced merchandise of foreign countries, that it protected the jobs in which American labor is interested. Those Democrats who vote for a continuance of the reciprocal trade agreement program will find out that the people back home will not sanction the importation into this country of merchandise and agricultural products that should be manufactured and produced by our own industry and agriculture. The saving of that portion of the American market for Americans would create an untold number of jobs for the unemployed. Also the Congress should function and not let the President and Secretary of State do your thinking for you. Do not be a rubber stamp any longer.

Mr. JENKINS of Ohio. Mr. Chairman, I would like to have the attention of the Members on the majority side for I want them to know the facts. When the facts are known the argument made by the splendid gentleman from Tennessee will fall to pieces. Let me tell you why I say this.

When section 516 was first adopted and put into effect a great many complaints were filed and it did delay procedure. How did it delay procedure? It delayed procedure in this way: A lot of imported goods piled up in the warehouses. But, Mr. Chairman, that was all changed and section 516 (b) as it stood at the time when it was taken out did not have any of the objections recited by the gentleman from Tennessee, and did not cause delay. Let me show you why. If a person protested under the provisions of section 516 (b), an importer or producer of wool, let us say, that did not stop further importations of wool because under section 516 (b) the change did not go into effect as far as goods in transit were concerned until the court had decided it.

In other words the filing of a suit or legal objection concerning a rate or duty did not delay or obstruct trade for the duty if changed by the decision of the court would not go into effect until after the decision. That amendment to the law worked just as easily as could be, and there can be absolutely no argument in that respect. Now, while I have a few minutes more let me reiterate what the gentleman from New York [Mr. CROWTHER] said. You may talk

against this amendment lightly, but after all is said and done you have got to come to the conclusion that the bill has been fearfully and wonderfully made.

When the original draft of this bill was before the Ways and Means Committee in 1934 nothing was said about taking out 516 (b). This house has never voted to take out this provision except as it came back from the Senate. You may ask, what is the difference? The difference is just this, that there is not now on any statute book any law by which you can contest one of these agreements. This comes very little short of being a shame and a disgrace, that we should pass a bill under such circumstances as that the House could not have had a chance to discuss it and that it cannot be contested in court. If any of you doubt that rise on the floor and dispute it. Yes; I see one gentleman hold up his hand. The gentleman knows he cannot contest it. He knows that it has never been contested. Now, let me prove that you cannot contest it. This program has been in effect 6 years. Why has it not been contested? Now, answer me that. Nobody answers.

Mr. COOPER. It has not been tried.

Mr. JENKINS of Ohio. Yes; one man tried it and when he took his case to court the court said to him: "Why, we cannot entertain jurisdiction. The Congress has taken jurisdiction away from us in the repeal of section 516 (b)." That is when you had your chance; and, listen to me, my friends, when the time comes that the people have wakened up to this somebody is going to have to answer for it. How did it pass on the floor of the Senate? Why, Senator HARRISON offered what appeared to be a little perfecting amendment. I do not know that he understood it. It had come up from the State Department with instructions to put it through. Whenever you go down there before that group who are supposed to make these agreements you cannot see the man or men who makes these agreements. I will ask anyone on this floor if he knows any man down in the State Department who has been participating on any one of these contracts? You cannot name a single man. Just think of that. We refer this important task in such a way as that we do not know who will assume it. Do you not think that this is a terrible situation? I say it is a sheer disgrace that nobody in this House can stand up and name one single man who passes on these contracts down in the State Department. Why do I make that statement? Because the Assistant Secretary of State came up and said, "We cannot afford to let it be known." Why can they not afford to let it be known? Things have come to a sorry pass when we pass a law surrendering our authority to legislate and not know to whom we surrender it, and when we repeal the law that enabled an aggrieved citizen to get into court, so that nobody could contest it or test its constitutionality, I charge here and now that this law is unconstitutional and that there is no practical way to contest it or to test its constitutionality. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I recall that on Wednesday the gentleman from Ohio [Mr. JENKINS] and I had quite a discourse on this same subject, which will be found, if any of you have time to read it before we vote, on page 1780 of the RECORD. At that time I set out the entire argument in opposition to the theory that section 516 (b) gave anybody any legal rights.

In the first place, I say without qualification that, if anybody has any legal rights to be adjudicated, there are always recognized remedies in our courts. May I say further that sections 514 and 515 of the tariff act give full protection to any importer against illegal charges. On the other hand, section 516 (b) gave a novel remedy by permitting domestic producers to intervene between the United States Government and the importer where no legal rights of the domestic producer were involved. So there was no fundamental right taken away by the Trade Agreements Act. It was a very special privilege, and if any Member questions that, I will read from *Reed & Barton* v. *United States* (63 Treasury Decisions, 941), which stated, among other things:

> Section 516 (b) is a grant of an extraordinary privilege.

Not only that, it was a radical departure from proceedings and precedents which had been established by the courts and Congress for over a century, and it is not necessary to protect anyone's legal rights.

These can be protected under sections 514 and 515. The Supreme Court said in the case of *Norwegian Nitrogen Co.* v. *United States* (288 U. S. 294), "No one has a legal right to the maintenance of an existing rate of duty." So much for the nature of the so-called rights that the gentlemen want to protect under section 516 (b).

A word might be said about whether 516 (b) should be applicable to trade agreements that are entered into. Anyone who knows anything about customs matters is familiar with the fact that section 516 (b) was a source of great embarrassment to the American businessman attempting to carry on a legitimate import business. The filing of a single protest under section 516 (b) might result in tying up the entry of thousands of items at all ports of entry before any decision could be reached, even though the collector and the Secretary of the Treasury decided the protest was groundless. How far could we get with the negotiation of trade agreements with foreign countries if they knew that after we had granted any sort of concession their importers would be subject to the delay that was incident to the abuse of section 516 (b) which, as I have pointed out, is purely a special privilege, an extraordinary innovation in our law. Whether it was done in the House or Senate, it is no wonder that it has been removed from consideration in connection with trade agreements if we wanted to get any trade agreements.

Mr. Chairman, this amendment is probably the most ridiculous of all that have been offered today because it is just simply another one of those amendments designed to impede the usefulness and the progress of our Trade Agreements Act, if extended. They cannot kill the resolution with this amendment but they can certainly hamper successful negotiations until after every person in the United States, whether interested or not, might intervene between the Government and the importer himself in these cases. Therefore, Mr. Chairman, I say to all Members on both sides of the aisle regardless of how they may feel about the resolution itself, we should unanimously reject this amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CROWTHER].

The amendment was rejected.

Mr. REED of New York. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. REED of New York: Line 8, before the period, insert a colon and the following: "*Provided*, That hereafter no proclamation shall be made reducing the duty on articles the growth, produce, or manufacture of any foreign country below the amount which the United States Tariff Commission finds to be reasonably necessary to equalize the difference in the landed cost of such articles in the principal market or markets of the United States and the price at which like or similar domestic articles are freely offered for sale in such markets in the usual wholesale quantities."

Mr. REED of New York. Mr. Chairman, under the existing Trade Treaty Act, the treaty negotiators are not bound by any legislative rate-making formula. They are free to make reductions on any basis they choose, within the 50-percent limitation. They are free to disregard differences in production costs and competitive conditions at home and abroad, and in a great many instances obviously have done so.

The purpose of this amendment is to prevent the treaty negotiators from reducing any duty below the amount found by the Tariff Commission to be reasonably necessary to equalize the difference in the landed cost of foreign articles and the price at which like or similar domestic articles are freely offered for sale in the principal markets in the usual wholesale quantities. In other words, it merely seeks to put American producers on an equal footing with foreign producers in the home market. It gives them no advantage, but

simply offsets any advantage which the foreign producer has. It does not provide for embargo tariffs, since a rate which merely equalizes competitive conditions as between the foreign and domestic producer does not in any sense shut out imports. Certainly no foreign country can object if their producers are given an equal advantage with domestic producers in competing for the home market. It is equally certain that the Congress should at least be willing to give American farmers and industrial workers an even break in the home market, which is their birthright.

This amendment does not involve the so-called cost-of-production formula to which so much objection has been raised in the past. It does not require the ascertainment of the foreign production cost. Our producers are not concerned with what it costs the foreign producer to grow or manufacture a competitive article. What they are concerned about is the price they have to compete with when the foreign article comes into our principal markets. This amendment simply takes the landed cost of the foreign article and requires the maintenance of such a duty as will bring the landed price, including tariff, up to the American wholesale price of like or similar commodities. It is easy of administration and the objections which are raised to the cost-of-production formula do not apply to it.

This is the substance of the amendment long advocated by the American Wage Earners' Protective Conference and by the farm groups in the United States.

Secretary Hull has stated that he is only interested in reducing excessive tariffs under trade treaties. If he is sincere in that statement, he can have no possible objection to the amendment I have offered, since it merely prevents the reduction of rates below the amount required to give American producers an equal opportunity with foreign producers in competing for the home market. [Applause.]

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is merely an attempt to write back into law the formula contained in section 336 of the Tariff Act of 1930.

The "336 formula" is economically unsound as a basis, and especially unsound as the sole basis for determining tariff rates. The defects are inherent in the formula itself and not in the wording of the law. Therefore, either reapplying section 336 or changing the wording either under this amendment or another that is to be suggested later would not make the principle sound, nor would giving the Tariff Commission more discretion than it now has in applying the principle or laying down a new set of conditions under which the formula might be applied make the principle sound for the cases to which it would apply. It has been found difficult and often impossible to apply in practice. It presupposes that the Tariff Commission can ascertain both foreign and domestic costs of production. Domestic costs vary from firm to firm, place to place, and time to time. Suppose we were to determine the cost of domestic oranges, what district and what costs would we take? What representative period would we take for the cost study? Suppose it is a joint product. What is the cost of producing chilled lamb and chilled beef, assuming we know the cost of producing the lamb or the steer, which we probably do not? How determine the cost of products intended for cat and dog foods, for instance?

Under section 336 costs of domestic articles include "transportation costs and other costs incident to delivery to the principal market or markets of the United States."

How shall the appropriate transportation costs be determined for articles which are consumed all over the United States? Chickens, fruits, vegetables, which are not only produced in many places but are consumed in all the principal or terminal markets?

In determining foreign costs under section 336 the same difficulties arise and in addition the Tariff Commission must find which foreign country is the principal supplier. In many cases the Commission has found it impractical to determine this. What articles are like or similar to the domestic article? Is a bamboo toothbrush handle imported like or similar to a domestic one made of plastic material? Are mangoes and bananas like or similar to domestic fruits, and again we have the question of what is a representative period.

The Tariff Commission has found it a practical impossibility to determine costs in many cases. I want to remind my friends that from 1922 to 1930 the Tariff Commission made a number of investigations and made findings in only 50 of these cost-of-production studies. Then, after they had made these 50 cost-of-production studies, in 1930 our Republican friends came along and raised the tariff to above what the Tariff Commission had found to be a reasonable rate. I wish I had time to insert the entire list of the articles on which Congress, as then constituted, overruled its own agents cost-of-production studies. But Congress paid no more attention then to the Tariff Commission's findings than it would now if the minority had its way. Anything to defeat the resolution, is their slogan, but the plain unadulterated record of the operations under section 336 will not justify a single vote for this amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. REED].

The amendment was rejected.

Mr. WOODRUFF of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUFF of Michigan: Line 8, before the period, insert a colon and the following:

"That hereafter the President, in entering into foreign-trade agreements and in proclaiming modifications of existing tariff duties or other import restrictions pursuant thereto, shall not reduce the duties on competitive foreign agricultural products when the average selling price of the comparable domestic commodity is less than the parity price therefor as published in the latest available statistics of the Department of Agriculture."

Mr. WOODRUFF of Michigan. Mr. Chairman, for about 7 years the New Deal party has been promising the farmers of this country parity for their products. They have been resorting to everything the bright-eyed boys down at the other end of Pennsylvania Avenue could think of to attempt. They have taxed our people something more than $4,200,000,000 in order to pay the farmers of this country to reduce their production on their farms rather than to increase that production. They have offered this so-called, this pseudo reciprocal Trade Agreements Act with several purposes in mind, the most important of which, I believe, according to the best judgment of friends of the farmer in this House, was to help the American farmer. As a matter of fact, this bill was presented to the committee and the Congress as being one that would help to put the American farmer on his feet, that would at least help him come somewhere near securing parity for the products of his toil.

The result, however, has been something quite different from what was promised the Congress and the farmers. Instead of protecting the American farmer against imports of foreign competitive agricultural products it has worked in reverse—and there has been an increase in the imports of competitive agricultural products. Instead of assisting the farmer to extend his market for American products, we find that we have reduced our exports of those commodities approximately $104,000,000 since this act went into effect.

I wonder how many of you gentlemen on the Democratic side realize that the administration of this law instead of helping the farmer has militated directly against him. We all know that when tariffs are reduced they are reduced for a certain definite purpose, that is, to increase imports of the commodity on which the tariff is reduced. We all know that.

I hope I may have the attention of you Democratic Members who come from the agricultural sections because I believe many of you are not aware of the fact that during the time this act has been in effect the Secretary of State, in

his administration of the act, has brought about a reduction of the tariff on more than 150 different competitive agricultural products, and this tariff has been reduced at a time when the domestic price was a mere fraction of the parity price on many of those products.

Prices of certain agricultural imports on which duties have been reduced by trade agreements

Commodity	Date reduction became effective [1]	Parity price		Average price received by United States farmers	
		As of date reduction became effective [2]	As of Aug. 15, 1939 [3]	As of date reduction became effective [2]	As of Aug. 15, 1939
Cattle (per 100 pounds)	Jan. 1, 1939	$6.56	$6.51	$6.68	$6.50
Hogs (per 100 pounds)	do	9.10	9.02	6.96	5.47
Chickens (per pound)	do	.144	.142	.140	.130
Eggs (per dozen)	do	.294	.251	.188	.175
Barley (per bushel)	do	.780	.774	.380	.345
Buckwheat (per bushel)	do	.920	.912	.537	.548
Oats (per bushel)	do	.503	.499	.263	.254
Rye (per bushel)	do	.907	.900	.347	.342
Hay (per ton)	do	14.96	14.84	6.79	6.77
Potatoes	do	.854	.842	.644	.691
Apples	do	1.21	1.20	.95	.66

[1] The date of the latest agreement is given when more than 1 agreement is involved (e. g., the duty on hay was fixed at $3 per ton in the agreement with Canada which became effective Jan. 1, 1936, and at $2.50 per ton in the agreement which became effective Jan. 1, 1939. The latter date is used in the table).

[2] Prices given are as of the 15th of the month in which the tariff reduction became effective.

[3] Subject to revision.

Mr. Chairman, I insert in the RECORD at this point a table I secured from the Secretary of Agriculture covering 11 different commodities. I asked him for a report on all of them, but he sent me a report on only the 11 incorporated in this table.

While you will not have an opportunity to see this table in the RECORD until tomorrow, you will note when you do have the opportunity to see it that in the first column is shown the commodity—and the Department of Agriculture made its own selection of the commodities shown herein. The second column shows the date the tariff reductions became effective.

[Here the gavel fell.]

Mr. WOODRUFF of Michigan. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF of Michigan. The third column shows the parity price as of the date on which the tariff reductions became effective. The fourth column shows the parity price as of August 15, 1939. The fifth column shows the average price received by United States farmers as of the date of the reduction of the tariff, and the sixth column shows the average price received by United States farmers as of August 15, 1939.

Keep in mind, Mr. Chairman, that this table was prepared by the Department of Agriculture. If you want to see figures which incontrovertibly show the futility, as far as help to the farmers of America is concerned, of the trade-agreements policy as at present administered, note the fact that the domestic prices when the tariff on the products became effective were, in most instances, a mere fraction of parity as of that date.

Now, Mr. Chairman, I have no illusions about this matter. I do not maintain that by adopting the amendment I have offered parity will be immediately brought to the farmer, but I do say that if this amendment is adopted it will, to some extent at least, improve the condition of the farmer through helping to preserve a price that is more nearly fair than the price he has had in the past, and will give him the American market so far as he can supply that market at a reasonable price.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF of Michigan. I yield.

Mr. HOUSTON. Will the gentleman support a bill providing full parity payments to the farmers? I understand such a bill is before the Committee on Agriculture of the House at the present time.

Mr. WOODRUFF of Michigan. I will say to the gentleman that if he can show me a reasonable way to reach parity prices for the American farmers I will be happy to vote for it.

Mr. HOUSTON. The Secretary of Agriculture would be the one to determine what is parity.

Mr. WOODRUFF of Michigan. I understand, of course, as everybody knows, the Secretary of Agriculture would be the gentleman who would decide parity prices.

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Chairman, the advocates for continuing the Reciprocal Trade Treaties Act are deliberately beclouding the real issue. Whether the treaties thus far made under this law have or have not yielded us material benefit is of little importance to us now. This act has robbed our people of their liberty. You who are now supporting this are attempting to make that robbery permanent. That is the real issue before us now.

The levying of duties on imports is a practice of ancient origin. The Greeks engaged in it. It has played a very important role in the economies of nations down through the ages. It has always been an important factor in our economy. It touches the life of every individual American citizen.

Fully appreciating its importance, the founding fathers wisely wrote a strict democratic provision into the Constitution which vested all tariff-making powers directly in the people. That clause provided that the people should delegate their will in all tariff matters to their chosen representatives in Congress. It was specifically intended that Congress should hold this delegated authority only as a trust.

Now the Congress has overthrown this democratic principle. In its place it has set up a bureau, with powers absolute, to write our tariff rates within wide limitations. This Bureau is neither responsible directly to the Congress or the people. There is no appeal from its decisions. It is prosecutor, jury, and judge in every case.

For you to tell us the public has full opportunity to be heard on all these treaties before they are concluded is the most cruel mockery. How many of the 45,000,000 voters of our country really can attend those hearings? Perhaps not more than a baker's dozen in a million. Who are they? Are they of the rank and file? Certainly not. These have not the means to be running to Washington on an errand of this sort. Only those who have substantial means can possibly take advantage of this opportunity. Who does not know that this will work almost entirely to the benefit of the more wealthy who have political pull?

To cite Republican precedents in support of this act is doing no more than making the claim that two wrongs make a right.

No less cruel mockery is it for you to claim that no injury from the operation of this act has been shown. Of course, no one has proven to the board that he has been injured. But whether he has proven to himself that he has been injured or whether he has proven this to the public is another matter. Who ever heard of any person proving to a board, with powers so absolute as to permit of no appeal, that it has injured him? There is just about as much chance for proving injury by these trade treaties as there is for the poor Russian peasants to prove to Stalin that his totalitarian regime has injured them.

To point to the personal qualifications of Secretary of State Cordell Hull and his fitness to administer this act as a reason for continuing it, which has been done so much by the proponents of this bill, is absurd, to say the least. Since when have we adopted the principle of passing laws to accommodate individuals?

Summed up in a nutshell, you proponents of this bill are simply saying: "Don't trust the people back home in the sticks to have anything to do with writing tariff laws. They have shown themselves too ignorant to know what it is all

about. They don't know what they want or need. Entrust this task only to the all-wise bureaucrats. Democracy has failed to work in fixing tariff rates. The State Department alone, with authoritarian powers, has been able properly to write tariff schedules."

Anyway, if I have understood correctly some of the arguments made in favor of extension, in the making of tariff rates the Congress has been nothing but a gang of logrolling, horse-trading, lobby-controlled swindlers. Since this duty has been taken from that mongrel outfit and given to the State Department, which we are apparently to believe is composed only of a pure breed of genus homo and perhaps congenitally immune against evildoing, it has suddenly become a great force for recovery at home and peacemaking throughout the world.

Of course there was logrolling and horse trading under the old method of tariff rate making. Wire pulling and trading have always been a part of democratic government; nor has anyone ever questioned their evil. What has been questioned, however, is whether the people, as a whole and in the long run, were safer even with these evils than they were under a despotism. As for myself, I will take a horse trader any day for a bureaucrat. I at least have a chance to get back at a horse trader, but with a bureaucrat I can never get even.

But let us keep to the issue, and issue I hope it will be in the coming campaign. You men who are responsible for this law have robbed my people at home of their liberty. You have made it so that I can no longer represent them in Congress on tariff matters. When you took their constitutional right to write tariff rates away from them, in my opinion you betrayed the trust your people had vested in you, and you violated your oath to the Constitution.

Moreover, this matter concerns me personally. You have robbed me of my liberty. You are now engaged in making that robbery permanent. You say to me I am to be permanently enslaved by an authoritarian power of the Government on a matter which seriously affects my own welfare. That is what you are proposing to do. I object, and I shall not stand for this despotism if I can help it.

This is not all. It is not merely a matter of getting back the liberties which have been taken away from us. If the argument that has been used to destroy the people's constitutional right to write tariff rates is permitted to dominate here, then all our liberties are in jeopardy. There is no activity of the Government that could not be subjected to the same sinister reasoning.

Mr. JONES of Ohio. Mr. Chairman, I have been surprised that the majority in charge of this bill have not developed the specific alleged advantages to the American people of the reciprocal trade-treaty program. The predominant discussions have been along partisan lines, and the outstanding appeal has been for party support of an administration measure. It would seem that if since 1934, when the first trade treaty was signed, the program had been as beneficial as the administration claims to American industry and American agriculture the proponents of this bill on the majority side of the aisle would come forward with the facts and figures to prove the outstanding claimed advantages.

The tariff question is, and always has been, a very complicated question. The tariff policy has a sweeping effect upon every business in the United States. Every item that is provided for in any one of these trade agreements produces advantages or disadvantages to the producers or manufacturers of the commodity dealt with. For the proponents of this program to come in here and attempt to simplify this great problem with an appeal that there is an emergency that the peace of the world is threatened is merely a labor-saving device to avoid analyzing the true problems and difficulties presented by the subject of international trade.

Proponents of the measure on the majority side have cited the opinion of several large groups of organized voters who favor the trade-treaty program. No one can judge, and certainly we cannot tell, whether any groups outside of this parliamentary body have weighed the advantages and disadvantages of the trade-treaty program in the scales of infinite analysis. It is begging the question to assert the soundness of a bill because of its seeming popularity. It is just as reasonable to assume that these groups merely have been misled by the same type of impassioned pleas without reason that we have heard on the floor during the time that this measure has been considered by the House. It is a sign of weakness to sidetrack an analytical discussion of the benefits and detriments to various classes of business in America. Certainly in this body we, as representatives of all the people and all the people's business, should take apart the actual results of the program and look at them for the value that we see in them.

It is hard to estimate the amount of public money that the administration has spent to propagandize the American public through the press, on the public platform, and by use of the radio. Since the Administration has used its enormous resources to propagandize the American public, there must be a reason why the statistics regarding the reciprocal-trade treaties have not been brought before the House of Representatives for scrutiny. If we are going to take the attitude that one great question after another confronting this great Republic is too big and too complicated for the great House of Representatives of the United States, then, here and now, parliamentary and constitutional government is being stabbed in the back.

I am willing to admit that this is a very intricate and complicated problem. It deserves the deepest thought of every last Member of this House. The philosophy of the republican form of government does not deny struggle. We do not deny that the House is sometimes inefficient. We do not deny that it often takes a long time to get things done; to put programs into effect. We are as efficient as the countries who require their parliamentary bodies to approve. The Constitution guarded against the evils of autocratic power. The Constitution delegated to Congress the enormous tasks of handling the Nation's business. It is a mockery to our republican form of government that we have to say that the Government business has become too big for Congress to handle. I shall continue to fight for the integrity and the responsibility of Congress for the welfare of the Nation.

When facts, figures, and statistics are not given in support of the claimed worth of the trade treaties for analysis by the representatives of the people in Congress, we can only conclude that the entire program will not stand the fire of parliamentary discussion. The program must be indefensible.

The administration at times seems to be torn between two loves: The Department of Labor has sponsored legislation to provide minimum hours and wages for the American workman, on the one hand, and then seeks to destroy the apparent advantage by taking the work away from his bench and giving it to the foreign workman.

The administration contends, through the express policy of the Department of Agriculture, that we have a surplus of agricultural commodities in America, and millions of acres must be taken out of production. The Treasury of the Government is drawn upon through the Farm Tenancy Act, Soil Conservation Act, parity farm legislation, crop loans, and insurance, and like agencies to pay the American farmer for curtailing production, firing the farm hand, and discharging his tenant. On the other hand, the administration has paid the American farmer for not raising the same group of products that are being brought into this country in astounding amounts to compete in the American market with the curtailed amount that the American farmer has produced.

The gentleman from Ohio, Congressman BROWN, inserted in the Appendix of the RECORD, volume 86, page 80, a list of farm products that were imported during the first 10 months of 1939, in comparison with the imports for the first 10 months of 1938. The United States Department of Commerce figures indicate a steady growth of these agricultural imports from foreign lands into our country. I ask unanimous consent to insert this table of farm imports from figures compiled by

the United States Department of Commerce in the CONGRESSIONAL RECORD.

Farm imports—United States imports of agricultural products, 10 months, 1938 and 1939

[U. S. Department of Commerce figures]

Import items	Unit	10 months ending October—	
		1938	1939
Cattle	Head	330,653	664,339
Meat products (total)	Pound	123,732,000	136,552,000
Canned beef	Pound	65,833,000	78,073,000
Cheese	Pound	44,423,000	49,249,000
Eggs (in shell)	Dozen	182,844	267,326
Hides and skins (total)	Pound	131,896,000	258,889,000
Cattle hides	Pound	39,338,000	104,217,000
Sheep and lamb skins	Pound	25,496,000	50,085,000
Silver fox fur skins	Number	13,749	75,067
Casein	Pound	317,000	6,876,000
Barley	Bushel	126,000	745,000
Oats	Bushel	5,258	2,612,000
Wheat (all)	Bushel	2,433,000	9,310,000
Wheat flour	Pound	12,237,000	16,929,000
Barley malt	Pound	84,752,000	90,625,000
Hay	Ton	13,505	35,550
Wheat byproduct feeds	Ton	27,173	372,951
Chickpeas, dried	Pound	6,390,000	7,507,000
Potatoes, white or Irish	Pound	36,315,000	48,072,000
Sago	Pound	8,695,000	21,252,000
Tapioca	Pound	183,322,000	295,088,000
Arrowroot	Pound	4,799,000	7,681,000
Peas, canned	Pound	325,000	1,070,000
Tomatoes, canned	Pound	45,096,000	47,773,000
Pineapples, prepared or preserved	Pound	25,918,000	67,632,000
Apples	Bushel	8,004	24,661
Wool, unmanufactured	Pound	69,810,000	197,026,000
Cotton, unmanufactured	Pound	93,107,000	84,443,000
Tobacco, unmanufactured	Pound	60,968,000	64,544,000
Flaxseed	Bushel	12,324,000	14,724,000
Castor-beans	Pound	90,570,000	116,555,000
Potato starch	Pound	4,939,000	7,316,000
Maple sugar and sirup	Pound	3,798,000	12,136,000
Wool noils, wastes and rags	Pound	3,275,000	15,200,000

The House and the American farmer can judge for themselves whether these trade treaties have been benefiting the American market and protecting it for the benefit of American agriculture. The study takes no stretch of the imagination to conclude that if agricultural imports come into this country from year to year, at the same rate of increase that the above figures show for the first 10 months of 1939 over the first 10 months of 1938, the program will eventually destroy the American farmer.

The State Department works at cross-purposes then, in its reciprocal-trade program, with the Agricultural Department. The people of America suffer through the loss of the American market, through the expenditure of money from the Treasury to pay for the folly of the Department of Agriculture, and from the increased costs of bureaucracy to carry on these huge programs in the Department of Agriculture, the Department of State, and the Treasury Department.

It is estimated that 40 percent of the labor cost of products from any market is consumed by those who produce the goods. The reciprocal-trade policy has given the products of cheap labor an advantage in the American market and has put this 40 percent of labor cost of production into the pockets of foreign farmers and has taken it out of the pockets of American farmers. The farmers of this country have appealed to the President and the Congress for relief from this devastating program. The administration has not heard their cry for aid.

The promise of minimum wages, shorter working conditions, labor's right to collective bargaining to improve the workman's condition, are empty promises to American labor when the factories close down because the cost of the finished product of American labor is higher than the entire cost of the foreign product, including shipping and delivery charges from the foreign country into this country to the consumers' market, duty-free.

Ten million men are still unemployed in America. The American laborer loses wages that he might have received had the product of the foreign laborer not been delivered to the American market free of duty. The Treasury of the United States loses the money appropriated for his sustenance, at the level of a peon, on the rolls of relief, W. P. A or P. W. A., and the education of his children by the N. Y. A.

He has been made to suffer from the competition of the products of cheap labor of foreign countries because of the generally stated objective of the administration that Americans must take these competitive products, as a good neighbor, in order to sell our products in the markets of the world.

The reciprocal-trade treaties are fast destroying the markets of the world for American producers. Many figures compiled by the Department of Commerce show the total exports and imports for the first 11 months of the years 1938 and 1939:

Exports

	1938	1939
Eleven months ending November	$2,790,811,000	$2,766,468,000
Agricultural	763,224,000	578,161,000
Nonagricultural	2,027,587,000	2,188,308,000

According to the foregoing figures, which include 3 months of the war in Europe, it can be seen that agricultural products and manufactured goods exported to foreign countries have fallen off $24,343,000. The claim of any assistance of the trade-treaty program has broken down, as the above figures indicate.

The total export of domestic manufactures of all types is relatively minor when compared to the value of similar goods consumed in the United States. No accurate statistics are available as to the value of all commodities consumed in the United States, excluding imports.

However, an approximate idea of the home market may be obtained when we learn that in 1938 the United States census reported the wholesale value of all manufactures as $60,712,872,000. To this figure must be added the farm value of our agricultural products which in 1938 had a gross value of $8,232,900,000. The total value of all manufactured and farm products on the wholesale basis is approximately $68,945,772,000, and this, not including the products of our fisheries and mines.

By pursuing the Hull trade-agreements policy we are not preserving the home market for the American farmer and for the manufacturer employing American labor, which consumes $68,945,772,000 worth of goods annually. In addition to the stupendous value we must not forget that millions of people could be employed in distributing and retailing our products in private employment. Preserve the American market so that these same workers will not be dependent upon bureaucracy in the pitiless conditions made by W. P. A., P. W. A., and relief.

For this reason I will support this amendment.

Mr. BOEHNE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment, as I understand it, is in reality an amendment to prohibit the importation of agricultural products, the domestic price of which is ascertained to be below parity.

This amendment provides a special exemption for agricultural products from duty reductions under the trade-agreements program. Other special groups would undoubtedly demand a similar exemption within a very short while, completing the process of rendering the entire program a dead letter. Hence the enactment of any such amendment as that offered by the gentleman from Michigan [Mr. WOODRUFF] would be tantamount to depriving agriculture of one of the most effective means at its disposal for the eventual lifting of agricultural prices through profitable foreign disposal of surpluses unsalable at home.

I want to call your attention to some testimony at pages 1691 and 1692 of the hearings, of Mr. O'Neal, president of the American Farm Bureau Federation, that the exclusion of a small trickle of competitive agricultural imports which has been made possible in part by reductions in duties on deficiency products now at or below parity, would fail utterly to bring about the rise in agricultural prices which the gen-

tleman from Michigan seeks to accomplish. On the pages I have referred to we find this testimony:

Mr. O'NEAL. Here is what I mean. We say in our resolution "protect the parity level," and we say the trade treaties have not affected the parity position.

To which the gentleman from Michigan [Mr. WOODRUFF] said:

Notwithstanding the fact that when these agreements go into effect, domestic prices in some instances go to one-half of the parity price?

And Mr. O'Neal said:

That isn't due to imports, Congressman.

I ask, Mr. Chairman, that this Committee defeat this amendment and have it go the way of all flesh. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. CARLSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARLSON: Line 8, before the period, insert a colon and the following: *"Provided,* That no such foreign trade agreement concluded after the date of the enactment of this joint resolution shall take effect until it shall have been approved in writing by the Secretaries of State, Agriculture, and Commerce: *And provided further,* That no import concessions be made by the Trade Agreements Committee on competitive farm products which are below parity prices, parity prices to be determined by the Secretary of Agriculture."

Mr. CARLSON. Mr. Chairman, the Committee this afternoon has voted against congressional ratification for reciprocal-trade agreements. They have voted against Senate ratification. You have an opportunity now to vote for an amendment that has the unanimous approval of a great farm organization, the American Farm Bureau Federation, according to a resolution adopted at its annual meeting last December, and I hope that you will give serious consideration to its adoption.

Mr. Edward O'Neal, national president of the American Farm Bureau Federation appeared before our committee, and I quote from page 1669 of the hearings:

The American Farm Bureau Federation, at its annual meeting in Chicago recently went on record in favor of the continuance of this program with proper safeguards.

The following is the resolution adopted at the convention:

In giving our support to the continuance of reciprocal-trade agreements, we renew, with increased emphasis, our demand that no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of an opposition to such agreement by all agricultural groups.

We further insist that in the negotiation of trade agreements, economic factors be given consideration equivalent to the weight accorded to the factors of diplomacy and statecraft. To this end we urge that the Reciprocal Trade Act be amended to provide that no agreement be consummated unless unanimously approved by the Secretaries of State, Commerce, and Agriculture.

I regret to make this statement, but I believe there is a feeling generally that agriculture does not receive proper consideration at the State Department in the making of trade agreements. I dare make that statement because when Dr. Grady testified before our committee, he made the frank and emphatic statement that the State Department was opposed to subsidizing agricultural commodities.

I ask in all sincerity, what would have been the position of the wheat farmer, the cotton farmer, today had it not been for subsidizing exports? During the past 2 years we have paid export subsidies on wheat, wheat flour, cotton and cotton products, certain fruits, nuts, and tobacco. From July 1, 1938, to September 15, 1939, we exported, during that 15-month period, 134,789,000 bushels of subsidized wheat at an approximate cost of $31,000,000. On July 27, 1939, we started another export subsidy program on cotton. Under this program we exported 4,322,000 bales of cotton by paying a subsidy of one and a half cents a pound at a total cost of $32,500,000. The value of farm commodities exported by direct subsidy totaled $65,000,000. Last year the percentage of agricultural exports in comparison with all exports from this country were the lowest on a percentage basis at any time in our history, namely, 21 percent.

Summary of exports, 4 months

	Pre-war period, September–December 1938	Percent of total	War period, September–December 1939	Percent of total	Increase, 1939 over 1938	
					Amount	Percent
TOTAL EXPORTS						
Agricultural products	$300,066,000	29.0	$311,785,000	24.9	$11,719,000	3.9
Nonagricultural products	733,790,000	71.0	939,916,000	75.1	206,126,000	28.1
Total, all products	1,033,856,000	100.0	1,251,701,000	100.0	217,845,000	21.1

Summary of exports, 12 months

	12 months ending Dec. 31—				Change, 1939 from 1938
	1938		1939		
	Amount	Percent	Amount	Percent	
TOTAL EXPORTS					
Agricultural products	$827,546,000	27.1	$655,583,000	21.0	−$171,963,000
Nonagricultural products	2,229,623,000	72.9	2,468,286,000	79.0	+238,663,000
Total, all products	3,057,169,000	100.0	3,123,869,000	100.0	+66,700,000

In 1939 the total value of farm exports was $655,583,000, or 21 percent of the total of all exportable products from the United States. This is $171,963,000 less than last year, and when you deduct $65,000,000 worth of farm commodities that were exported by subsidy payments, is it any wonder that the farmers of this country are concerned over the effect of the reciprocal trade treaty program? In 1934 they were 32 percent. They are gradually going backward, despite this program. Yesterday the Department of Commerce stated that we had a national income in 1939 of sixty-eight and one-half billion dollars. How much did agriculture get? Exactly $7,625,000,000, or 9 percent of the national income. This is less than any year since 1935.

Cash income from farm marketings—Total, per farm, and per capita—United States, 1910–39

Year	Cash income [1]	Number of farms Jan. 1	Cash income per farm	Farm population Jan. 1	Cash income per capita
1910	$5,785,000,000	6,362,000	$909	32,077,000	$180
1911	5,581,000,000	6,390,000	873	32,110,000	174
1912	5,966,000,000	6,420,000	929	32,210,000	185
1913	6,251,000,000	6,450,000	969	32,270,000	194
1914	6,015,000,000	6,480,000	928	32,320,000	186
1915	6,391,000,000	6,520,000	980	32,440,000	197
1916	7,755,000,000	6,560,000	1,182	32,530,000	238
1917	10,648,000,000	6,540,000	1,628	32,340,000	329
1918	13,464,000,000	6,520,000	2,065	31,770,000	424
1919	14,436,000,000	6,470,000	2,231	30,930,000	467
1920	12,553,000,000	6,448,000	1,947	31,614,000	397
1921	8,107,000,000	6,500,000	1,247	31,763,000	255
1922	8,518,000,000	6,510,000	1,308	31,749,000	268
1923	9,524,000,000	6,400,000	1,488	31,130,000	306
1924	10,150,000,000	6,350,000	1,598	30,817,000	329
1925	10,927,000,000	6,372,000	1,715	30,830,000	354
1926	10,529,000,000	6,340,000	1,661	30,619,000	344
1927	10,699,000,000	6,260,000	1,709	30,170,000	355
1928	11,024,000,000	6,270,000	1,758	30,188,000	365
1929	11,221,000,000	6,290,000	1,784	30,220,000	371
1930	8,883,000,000	6,289,000	1,412	30,169,000	294
1931	6,283,000,000	6,390,000	983	30,497,000	206
1932	4,682,000,000	6,530,000	717	30,971,000	151
1933	5,278,000,000	6,720,000	785	31,693,000	167
1934	6,273,000,000	6,770,000	927	31,770,000	197
1935	6,969,000,000	6,812,000	1,023	31,801,000	219
1936	8,212,000,000	6,830,000	1,202	31,809,000	258
1937	8,744,000,000	6,820,000	1,282	31,729,000	276
1938	7,627,000,000	6,850,000	1,113	31,819,000	240
1939	7,625,000,000	6,920,000	1,102	32,059,000	238

[1] From marketings (excludes Government payments).

Does this mean that this program is failing? Personally, to me it means that this program is not getting results for

agriculture. Their organizations believe this or they would not have opposed this resolution or endorsed it with qualifications. Many of them have opposed its enactment, and the American Farm Bureau Federation wants the approval of the Secretary of State, the Secretary of Commerce, and the Secretary of Agriculture. If you believe that we are not getting a fair deal, here is an opportunity to correct this inequality. We have negotiated agreements with commercial countries heretofore, but from now on the agreements will be made with competitive agricultural countries such as the Argentine, Uruguay, and Chile. Therefore agriculture has more at stake in the future than it had in the past.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. Yes.

Mr. AUGUST H. ANDRESEN. The Farm Bureau and all other organizations are in favor of holding prices up to parity, and the Minnesota Farm Bureau particularly, for the amendment the gentleman has offered.

Mr. CARLSON. This amendment gives you an opportunity to vote whether you are in favor of parity for agricultural products, and it gives you an opportunity to go on record for the provisions desired by a farm organization in the United States.

Not only is the farmer's income reduced but the purchasing power of his dollar is also reduced. The ratio of prices received to prices paid is now 79.

Year and month	Index of prices received by farmers (August 1909–July 1914=100)								Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups	
1925	157	177	172	153	140	153	163	156	99
1926	131	122	138	143	147	152	159	145	94
1927	128	128	144	121	140	155	144	139	91
1928	130	152	176	159	151	158	153	149	96
1929	120	144	141	149	156	157	162	146	95
1930	100	102	162	140	133	137	129	126	87
1931	63	63	98	117	92	108	100	87	70
1932	44	47	82	102	63	83	82	65	61
1933	62	64	74	105	60	82	75	70	64
1934	93	99	100	103	68	95	89	90	73
1935	103	101	91	125	118	108	117	108	86
1936	108	100	100	111	121	119	115	114	92
1937	126	95	122	123	132	124	111	121	93
1938	74	70	73	101	114	109	108	95	78
1938—December	63	70	73	108	109	112	127	96	80
1939—January	66	71	76	96	112	109	97	94	78
February	66	70	78	108	116	107	91	92	77
March	66	71	81	114	116	100	88	91	76
April	67	70	82	102	114	95	87	89	74
May	72	72	85	110	112	92	85	90	75
June	73	73	93	105	107	94	83	89	74
July	66	73	80	101	107	96	89	89	74
August	64	71	70	101	101	100	90	88	74
September	83	76	73	114	117	107	102	98	80
October	77	74	73	128	112	112	108	97	[1] 80
November	79	75	66	130	107	117	117	97	[1] 80
December	87	82	65	96	101	118	97	96	[1] 79

[1] Preliminary.

If this amendment were adopted it should assist the Department of Agriculture in securing parity prices for agricultural products. At the present time only three farm commodities have reached parity. This is a serious situation and is hindering national recovery.

Prices of farm produce

Estimates of average prices received by farmers at local markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and States]

Product	5-year average, August 1909–July 1914	December 1909–13	December 1938	November 1939	December 1939	Parity price, December 1939
Cotton, lb.....cents	12.4	12.2	8.20	8.80	9.71	15.87
Corn, bu.....do	64.2	57.7	43.1	46.8	50.3	82.2
Wheat, bu.....do	88.4	86.7	53.6	73.1	82.4	113.2
Hay, ton.....dollars	11.87	11.99	6.81	7.51	7.71	15.19
Potatoes, bu.....cents	69.7	62.3	[1] 61.3	69.2	70.8	86.5
Oats, bu.....do	39.9	38.3	24.4	32.1	34.7	51.1
Soybeans, bu.....do	[2]	[2]	.67	.82	.97	

[1] Revised. [2] Prices not available.

Prices of farm produce—Continued

Product	5-year average, August 1909–July 1914	December 1909–13	December 1938	November 1939	December 1939	Parity price, December 1939
Peanuts, lb.....cents	4.8	4.6	3.31	3.39	3.43	6.1
Beef, cattle, cwt.....dollars	5.21	5.03	6.40	6.89	6.85	6.67
Hogs, cwt.....do	7.22	6.73	6.90	5.87	5.03	9.24
Chickens, lb.....cents	11.4	10.6	13.6	12.4	11.7	14.6
Eggs, doz.....do	21.5	29.9	27.9	25.8	20.5	[2] 37.0
Butterfat, lb.....do	26.3	29.9	27.0	28.1	28.5	[2] 36.8
Wool, lb.....do	18.3	18.6	[1] 20.3	27.6	27.5	23.4
Veal calves, cwt.....dollars	6.75	6.74	8.04	8.64	8.41	8.64
Lambs, cwt.....do	5.87	5.52	7.08	7.48	7.38	7.51
Horses, each.....do	136.60	132.10	79.80	77.60	77.10	174.80

[1] Revised. [2] Adjusted for seasonality.

The only reasonable conclusion that can be reached is that the agreements program has been of no material benefit to the farmer. Not only are agricultural exports less today, but the facts are they have increased only 2.1 percent since 1935 while nonagricultural exports have increased 55.5 percent. This amendment should be adopted. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am surprised at the distinguished majority leader for his frivilous argument on the amendment proposed by my colleague the gentleman from Kansas [Mr. CARLSON]. This amendment is the proposal of the American Farm Bureau Federation. Its president, Mr. O'Neal, has been one of the best supporters of the New Deal and of the majority party. He has gone out of his way many times to recommend and urge the passage of legislation here that has been detrimental to agriculture as a whole, just because he wanted to go along and help the New Deal with its program. So this amendment as offered by the gentleman from Kansas [Mr. CARLSON] is the amendment that was prepared by one of our greatest farm organizations in the country and which has the support of all the farmers of the United States.

I would like to have seen the amendment go as far as the Farm Bureau of Minnesota recommended, for they requested Senate ratification in addition to the approval of the Secretaries, and that no concessions should be given on farm commodities if the prices were below parity.

I hope that this amendment will be adopted, for after all our farm prices must be protected, if we are to again secure general prosperity. Our export of farm products have virtually stopped. Surpluses are being piled up because foreign countries are refusing to buy American farm products. We are headed downward as far as agriculture is concerned, and now the Democratic Party proposes to abandon the American farmer's right to have parity.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CARLSON. I would like to call attention to the statement as part of the resolution adopted by the Farm Bureau Federation. It reads:

> We renew, with increased emphasis, our demand that no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity.

That is what my amendment provides for.

Mr. AUGUST H. ANDRESEN. That is what I understood.

Speaking about the delegation of authority, in this bill you delegate authority to the President of the United States. To whom does he delegate it? I defy anybody here to name any person who sits around the conference table on these important questions of passing on tariff reductions. We do not know who they are. Some bureaucrats here in Washington, unknown to any Members of Congress. Then they submit their report to the President and he puts his seal of approval upon it. That is the kind of delegation we have here—not specific delegation—as recommended by the gentleman from Kansas [Mr. CARLSON].

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HOUSTON. Has not the Farm Bureau already gone on record for extension of these trade pacts, long before Mr. O'Neal offered this amendment?

Mr. AUGUST H. ANDRESEN. Mr. O'Neal's statement is different from the action taken by the American Farm Bureau Federation at its national convention in Chicago this year. The amendment offered by the gentleman from Kansas is the action taken by the National Farm Bureau Federation, irrespective of what Mr. O'Neal, its president, had to say before the Ways and Means Committee. So my colleague is simply carrying out the unanimous action of the Farm Bureau, as against any statement Mr. O'Neal might have made.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. MUNDT. It is also true that every Member of Congress received a telegram signed by Mr. O'Neal in favor of the amendment offered by the gentleman from Kansas [Mr. CARLSON] regardless of the critical remarks which the majority leader made about that.

Mr. AUGUST H. ANDRESEN. I understood that all Members had received such telegram.

Mr. CARLSON. Will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CARLSON. I would like to call attention to what Mr. O'Neal stated before the Ways and Means Committee. He said:

> The American Farm Bureau Federation at its annual meeting in Chicago recently went on record in favor of continuance of this program with proper safeguards.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

The amendment offered by the gentleman from Kansas should be adopted.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. COOPER. Will the gentleman yield, just briefly?

Mr. RANKIN. I yield.

Mr. COOPER. I just wanted to state that this amendment in the form offered by the gentleman from Kansas [Mr. CARLSON] is not the amendment approved by the Farm Bureau Federation.

Mr. RANKIN. Mr. Chairman, I am reliably informed that Mr. Taber, of the Grange, stated before the committee that this Democratic administration had treated the farmers better than had any other administration in his recollection, if not in history.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes; I yield.

Mr. McCORMACK. The gentleman's information is absolutely correct.

Mr. RANKIN. I thank the gentleman from Massachusetts.

Mr. Chairman, it is very amusing to me to hear our high-tariff Republican friends weep on the necks of the farmers at this time. I was here when they passed the Smoot-Hawley tariff bill that completed the wrecking of the American farmer. Let us see what happened under that bill.

Let us take the first 3 years under that bill and the last 3 years under the present program. During the years 1931 to 1933, inclusive, cattle sold by the farmers of the United States amounted to $2,059,000,000. The last 3 years under this administration and this program it amounted to $3,459,000,000, an increase of $1,401,000,000.

Hogs went from $1,742,000,000 to $2,745,000,000. Tobacco went from $498,000,000 to $858,000,000. Wheat went from $769,000,000 to $1,484,000,000, or an increase of $714,000,000. Wool, mohair, cotton and cottonseed, fruits and vegetables added to these all told amounted during those first 3 years under the Smoot-Hawley tariff bill to $9,431,000,000. During the last 3 years under the present program the amount has been $15,140,000,000, or an increase of $5,708,000,000. That is the difference between procedure under the trade-agreements program and procedure under the Smoot-Hawley tariff bill that absolutely placed upon the farmers of this country burdens too heavy for them to bear.

All this sniping at this bill is merely to carry out the wishes of the tariff barons who want to destroy it entirely, men who have fed off the American farmer for the last 60 years.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I am glad to yield to a gentleman from the industrial district, for I know the automobile manufacturers are very much interested in this measure.

Mr. MICHENER. Mine is partly an agricultural district, but what I wanted to say was that the gentleman from Mississippi was the only man in the House who had the courage at the time the Smoot-Hawley bill was passed to concede that he was still a free-trader and that he had kept the faith. Is he still a free-trader and has he still kept the faith?

Mr. RANKIN. I may say to the gentleman from Michigan that I stated I was for a tariff for revenue only. If he has had the courage to stay wrong all these years I have had the courage to stay right. I am still for a tariff for revenue only. [Applause.]

I will admit that the big manufacturers of this country are all out of sympathy with agriculture.

They do not want this program continued.

But you are not fooling the farmers. Now, this farmer here, the gentleman from Cleveland [Mr. BENDER] who is smiling at me, he is not fooling the farmers in Cleveland any more than the gentleman from Michigan is fooling those automobile farmers up there who manufacture Fords and Cadillacs.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes; for a question.

Mr. BENDER. Is it not a fact that this same Mr. Taber, to whom the gentleman referred, is against this bill?

Mr. RANKIN. I do not know whether he is against this bill or not. I do not think he is.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes; I yield to the gentleman from the beer-producing district of Milwaukee.

Mr. SCHAFER of Wisconsin. The gentleman has denounced——

Mr. RANKIN. Mr. Chairman, may we have order? I want to find out how the beer farmers of Milwaukee feel about this measure.

Mr. SCHAFER of Wisconsin. The gentleman has denounced tariff barons. Does the gentleman realize that his New Deal leader who spoke in favor of this bill and denounced a protective tariff on many occasions, the gentleman from Virginia [Mr. ROBERTSON] appeared before the Committee for Reciprocity Information on October 17, 1939, and asked that a 10-cent-per-pound or 40-percent tariff on imported dead turkeys be continued? This notwithstanding the fact that we only raise 32,000,000 turkeys in America each year, or one for every four of our people, according to his testimony, and notwithstanding that the New Deal has made it possible for us to have a double-header Thanksgiving Day each year? The gentleman from Virginia is now the highest priest in the temple of protective and embargo tariff. With reference to beer, Milwaukee produces the best beer in the world. We want Americans to drink Milwaukee and not imported foreign beer.

Mr. RANKIN. Mr. Chairman, I do not yield further.

In conclusion let me say that in my opinion Cordell Hull is rendering the greatest service of any man in any Cabinet in any country of the world today. [Applause.] The more power we give him, the more power he will have to continue the greatest program for the American consumers, including the American farmers, that has been undertaken in the last 40 years. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. CARLSON].

The question was taken; and on a division (demanded by Mr. CARLSON) there were—ayes 74, noes 108.

So the amendment was rejected.

Mr. KNUTSON. Mr. Chairman, I offer an amendment.

Mr. COOPER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER. Does this conclude consideration of all the amendments to which the Chair referred as being offered by members of the committee?

The CHAIRMAN. This is the last of the amendments.

The clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: Line 8, before the period, insert a colon and the following: "*Provided*, That hereafter, after any foreign trade agreement has been negotiated and before it has been approved by the President, the President shall cause public hearings to be held on such foreign-trade agreement at which all interested parties may have an opportunity to present their views."

Mr. KNUTSON. Mr. Chairman, the hour is late, and it is not my purpose to take more than a minute or two. During the hearings on this resolution it was disclosed that American manufacturers had to get their information from their foreign competitors as to what was in the air. This was particularly testified to by a representative of the pottery industry. This gentleman testified, and the hearings will so disclose, that American interests could not find out from the State Department what was going to be done to them in pending negotiations, and they had to go to their British competitors, who were lined up temporarily with American manufacturers against the Japanese, who had been able to get full information from their Government which in turn they passed on to the American manufacturers. I think it is unfair and indefensible the way our Government treats its nationals. So far as the American manufacturer is concerned, he is estopped from getting information until it is published in the papers and is an accomplished fact. The purpose of my amendment is merely to give the American interests a public hearing before the treaty that has been negotiated can go into effect.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment. This is another Smoot-Hawley amendment, and I ask that it be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. KNUTSON].

The amendment was rejected.

Mr. GEARHART. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GEARHART: Page 1, strike out lines 3 to 8, inclusive, and insert:

"That section 350 of the Tariff Act of 1930 is amended to read as follows:

"'SEC. 350. (a) (1) Whenever the United States Tariff Commission finds as a fact, after reasonable notice to interested persons and an opportunity to be heard, that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States, and that there is probable cause for believing that the foreign markets for the products of the United States may be expanded by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to such branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, and that the purposes herein declared will be promoted by the means hereinafter specified, it shall so certify to the President.

"'(2) Upon such certification the President is authorized to initiate negotiations with any foreign government, or instrumentality thereof, looking toward the conclusion of a foreign-trade agreement for the purpose of modifying the effect of such duties or import restrictions.

"'(3) Upon concluding any such trade agreement, the President shall transmit to Congress a copy of such trade agreement and a schedule of such modifications of existing duties and other import restrictions, or such additional import restrictions or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by such foreign-trade agreement as are required or appropriate to carry out such agreement. No such schedule shall specify an increase or decrease of more than 50 percent of any existing rate of duty or a transfer of any article between the dutiable and free lists.

"'(b) (1) The foreign-trade agreement and accompanying schedule shall bear an identifying number and shall be delivered to both Houses on the same day and to each House while it is in session.

"'(2) The following paragraphs of this subsection are enacted by the Congress adopting the principles set forth in section 21 of the Reorganization Act of 1939 as if they were incorporated in this section and made applicable to paragraphs (3) and (4) of this subsection:

"'(3) Sections 23 to 27, both inclusive, of the Reorganization Act of 1939 shall be applicable to the procedure to be followed in the case of joint resolutions enacting into law schedules accompanying foreign-trade agreements, with the following modifications:

"'(A) Such sections shall, for such purpose, be read as if the words "reorganization plan" and "plan" were stricken out wherever occurring and the word "schedule" substituted therefor.

"'(B) In lieu of the 10 calendar days provided in section 24 (a) for committee consideration periods of 45 calendar days shall be substituted.

"'(C) In lieu of the not to exceed 10 hours' debate provided in section 25 (b) a debate of not to exceed 8 hours shall be substituted.

"'(4) As used in this subsection and in sections 23 to 27, both inclusive, of the Reorganization Act of 1939 as applied to joint resolutions enacting into law schedules accompanying foreign-trade agreements, the term "resolution" means only a joint resolution of the two Houses of Congress, the matter after the resolving clause of which reads as follows: "That the schedule accompanying the foreign-trade agreement concluded with the country of , No. , transmitted to Congress by the President on , 19 , is enacted into law", the blank spaces being appropriately filled, and does not include a joint resolution which specifies schedules accompanying more than one foreign-trade agreement.

"'(5) If any schedule accompanying a foreign-trade agreement is enacted into law the President shall by proclamation announce the effective date of such schedule.

"'(6) The President may terminate the application of any such schedule in whole or in part.

"'(C) Whenever the Tariff Commission, after reasonable notice to interested persons and an opportunity to be heard, determines that any foreign country is not discriminating intentionally against the free flow of American commerce, it shall so certify to the President and the President shall thereupon by proclamation make the provisions of any schedule which has become effective in accordance with subsection (b) applicable to articles the growth, produce, or manufacture of such foreign country, whether imported directly or indirectly. The application of proclaimed duties and import restrictions under a foreign-trade agreement entered into under section 350 of the Tariff Act of 1930 prior to its amendment by this amendatory subsection to articles the growth, produce, or manufacture of a foreign country not a party to such trade agreement shall be suspended until certification and proclamation with respect to such country as required under this subsection have occurred.

"'(d) The President may suspend the application of any schedule to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section.

"'(e) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: *Provided*, That the duties payable on such an article shall in no case be increased or decreased by more than 50 percent of the duties now payable thereon.

"'(f) As used in this section, the term "duties and other import restrictions" includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

"'(g) The authority of the President to enter into foreign-trade agreements under this section shall terminate on June 12, 1943.'

"SEC. 2. The second sentence of section 2 (a) of the act entitled 'An act to amend the Tariff Act of 1930' is amended to read as follows: 'The provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States (1) a foreign-trade agreement has been concluded, prior to the date of enactment of this amendatory section, pursuant to this act, or to any provision of any such agreement, or (2) a schedule has become effective after the date of this amendatory sentence.'

"SEC. 3. In the case of any foreign-trade agreement entered into prior to the enactment of this joint resolution pursuant to section 350 of the Tariff Act of 1930, the President is directed to cause the termination of such agreement on the earliest date upon which such agreement can be terminated without violating such agreement, and all modifications of existing duties or other import restrictions proclaimed by the President as required or appropriate to carry out such agreement shall terminate on the date of termination of such agreement."

Mr. GEARHART. Mr. Chairman, I am under no illusions with respect to what is going to happen to the amendment which I have just offered. Too many worthy amendments, each one of which would have greatly improved the legislation now under consideration, have been howled down by an intolerant majority to leave me in any doubt in respect to just what the fate of my proposal will be. But despite my

conviction that but scant consideration will be given at this stage of the legislative proceedings to anything that might be suggested for the improvement of the pending measure, I intend, nevertheless, to explain the amendment which I have proposed, since I am quite sure that that which I will have to say will be harkened to in the printed word far beyond the carrying limits of my voice, even though those with voting power sufficient to determine the result will not listen. None are so deaf as those who will not hear.

As I have often said heretofore, I believe sincerely in the philosophy of reciprocity, in reciprocal trading, if you please. It is because I do so thoroughly believe in the principle that I have as a consequence of considerable study and research evolved what I am quite confident is a constitutional procedure and a practical method of attaining the end which so many earnest citizens so devoutly desire; that is, true trade reciprocity.

Mr. COOPER. Will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Tennessee.

Mr. COOPER. May I ask the gentleman if the amendment to which he refers is his bill to provide for reciprocal-trade agreements to expand the foreign commerce of the United States, House Joint Resolution 463?

Mr. GEARHART. That is the joint resolution to which I refer.

Mr. Chairman, may I explain. Briefly, permit me to point out that, should the unexpected happen and my amendment in the nature of a substitute be adopted, the legislative prerogative would be by the Congress recaptured. No longer would the Chief Executive, at such times and in agreements with such countries as he may choose, be authorized to rewrite the tariff laws of the United States in accordance with his whims. Instead of exercising arbitrary power as a sole legislator he will become the constitutional agent of the legislative branch of the Government to the will of which he would be required to conform. The adoption of my amendment will vindicate the constitutional power of the Congress to legislate, to regulate interstate and foreign commerce, of the House of Representatives to originate all legislation affecting the revenues, as the Constitution specifically requires.

The power to negotiate with foreign governments is left with the President. He, as he does now, will perfect the agreement. His right to proceed in this regard will not be embarrassed because of the interference of any other branch of the Government, least of all of the Congress, once the United States Tariff Commission has found as a fact, after hearings and an opportunity to be heard, that our foreign trade is unduly burdened and restricted by either the tariff laws of the United States or of some other country and that there is probable cause for believing that the situation can be relieved through the negotiation of a trade agreement with a foreign nation.

If the President is successful in concluding an agreement with a given nation, it shall not go into effect until it has been approved by the Congress and its schedules are by it enacted into law. Then and then only can the President make due proclamation of the consummation of the agreement and place the new schedules in effect. Who will say that this procedure has not been devised in strict conformity with the very letter of the Constitution of our country?

The amendment which I offer provides for the generalization of the trade concessions we grant through a sane application of the most-favored-nation principle. Whenever the United States Tariff Commission, after hearings and a right to be heard, finds and reports to the President that a given nation is not discriminating against the free flow of American commerce, the Chief Executive may extend the agreement concessions so as to include the country so found not to be offending.

In view of the testimony of all of the witnesses who appeared before the Ways and Means Committee that every nation in the world was purposely discriminating against American commerce—some more than others, but all, nevertheless—it is absurd, of course, to extend our agreement concessions to any of them. Is it any wonder that dear old Uncle Sam is now more often referred to as "Uncle Sap, the world's public sucker No. 1"?

And they call it reciprocal trading. Trading? The nation we deal with gives us a horse and we in return give every nation in the world, 109 of them, a horse. If that is "hoss trading" there are a lot of Yankees that have not yet learned the finer aspects of the business. [Laughter.] Somehow some of us just simply cannot see how we are coming out ahead dealing that way. Maybe we are not bright. Far be it from me to offer any comments in respect to this "far better method" of international trading of which Mr. Hull and his boys are wont to boast none too modestly.

The procedure that I would have you write into law, my colleagues, is simple in all of its aspects. I have not attempted to explore unknown legislative fields. In order that precedents might be observed, I have borrowed the method already approved by the Congress in the Reorganization Act. The question upon which the Congress would be called upon to record its "yes" or "no" would be, in substance and effect, Shall the trade agreement with such and such a country be enacted into law? Certainly the following of such a procedure would not unduly delay the putting into effect of an agreement theretofore consummated. It has the simple virtue of constitutionality. But maybe that is not important any more.

Mr. Chairman, the adoption of this amendment would have one salutory effect, if no other. It would cause our negotiators to give some consideration to those with whose interests they have heretofore dealt so lightly. If they were made aware of the fact that their slashes were to be reviewed by the duly elected representatives of the people, I am sure that they would not be so quick to give away the American market to those that live on the other side of the world. Our farmers would not be today contemplating so unhappily the import-export record of that which has happened to the industry in which they are endeavoring to eke out what has become under the administration of the instant so-called reciprocal trade agreements law a most precarious one.

They assured us back in 1934, when the trade-agreements law was, as a bill, before the Congress, that it would expand the farmer's export market. And how has it worked out? Has the market been expanded? What does the record disclose? Not only has the market not been expanded, but in 1939 we find that agricultural exports were $77,817,000 less than they were in 1934, the year the program was adopted. As a matter of fact, agricultural exports were less than they were in 1932, the bottom year in the depression.

While agricultural exports were dropping off from 1934 to 1939 by 10.6 percent, what was happening to import of agricultural imports? During these same years imports jumped in the amount of $295,836,000, or by 36.6 percent.

To those who would pursue this sordid story further permit me to refer them to page 2758 of the hearings on this joint resolution before the Ways and Means Committee. There is recorded the sad story of a glorious dream gone sour. And the tragedy of it all finds its cause and origin in an unconstitutional law which ought never to have found its place on the statute books.

Let us wipe it out before all is lost. Adopt my amendment in the nature of a substitute and we will soon be on the way to better times. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. GEARHART].

The amendment was rejected.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on the pending resolution and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I object.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on the pending resolution and all amendments thereto close at 6 o'clock.

The question was taken; and on a division (demanded by Mr. MUNDT) there were—ayes 115, noes 74.

Mr. MUNDT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. MUNDT to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 148, noes 73.

So the motion was agreed to.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: Page 1, after line 8, add a new section reading as follows:

"*Provided*, That no agricultural product shall be imported into the United States or any of its possessions, under the provisions of section 350 of the Tariff Act of 1930, as amended by the act (Public, No. 316, 73d Cong.) approved June 12, 1934, unless the world price for such product, computed in United States currency, is at least equal to the parity price of any competing domestic agricultural product."

Mr. COOPER. Mr. Chairman, I reserve a point of order against the amendment. As I was able to catch the reading of the amendment, it is the same as an amendment previously considered.

Mr. MOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOTT. Since we have 30 minutes in which to dispose of 12 or 14 amendments, how will the time for the offering of all these amendments be arranged?

The CHAIRMAN. The Chair will do the best it can. It will depend on how much time is taken with other matters, such as teller votes and things of that kind.

Mr. MOTT. If the early amendments are considered and 5 minutes allotted to one side and 5 to the other, there will be no time for the consideration of the last half dozen amendments.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MASSINGALE] is recognized in support of his amendment.

Mr. MASSINGALE. Mr. Chairman, this is what my amendment undertakes to do. It simply provides that in making future trade agreements no farm commodities produced abroad shall be shipped into the United States and sold in competition with domestic products if the price of the domestic product is not higher than the cost of the imported article.

Mr. COOPER. Mr. Chairman, I withdraw my reservation of the point of order.

Mr. MASSINGALE. I may say to the gentleman that the amendment has not been offered before in the terms in which I have offered it, and it is not subject to the criticism that it leaves this matter in the discretion of any one person. It just simply forbids the importation of those competitive articles that are grown by foreign farmers and are brought into this country to be sold in competition with the products of the American farmer. That is all it does.

You gentlemen may not take this matter seriously. We have had all day here to present this matter. The members of the committee have taken up the entire time. Those not members of the committee have not been given a look-in. Now, when you come to the close of the consideration of the resolution you clamp down with a hard-and-fast rule which shuts them out and seals the lips of any man who wants to get up here and speak in the interest of some class that is not apparently represented in this Congress. You have not done right by the farmer of the United States.

I concede that I believe in the Hull trade-agreement program. I believe it is a wonderful program for the American farmer. However, Secretary Hull may not live any longer than you and I are going to live. We cannot tell about that. I believe he is a great Secretary of State. I believe he is honest, and I believe he is a statesman who wants to do something for the American farmer. But unless you give the farmer the modicum of protection which this amendment of mine offers to him, he has no security whatever, he has no protection, he is at the mercy of anybody who happens to come along and become Secretary of State. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MASSINGALE) there were—ayes 50, noes 70.

Mr. MASSINGALE. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. PETERSON of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON of Florida: Page 1, at the end of the joint resolution, strike out the period and insert a comma and the following: "That in the negotiation of any new agreement or agreements under the authority of section 350 of the Tariff Act of 1930 as amended by the act, Public, No. 316, Seventy-third Congress, or under the authority granted by the extension of the act under this joint resolution or in the renewal or extension of any existing agreement under authority of said act or any extension or renewal thereof, the tariff or import duty upon all agricultural or horticultural products shall be maintained at a point which will at least equalize the difference in cost of production thereof in the country or countries dealt with and the United States as determined by the United States Tariff Commission as of the date any such new or extended agreement becomes effective."

Mr. PETERSON of Florida. Mr. Chairman, the intent of this resolution was to do in part what was intended by the Massingale amendment, which I supported, except that I have to provide specifically for the difference in cost of production as between the foreign areas and the domestic areas. Florida in particular has felt the pinch because of the trade agreement with Cuba, but what is applicable there has been applicable in a number of agricultural sections of the United States.

In the 2 years following the effective date of the Cuban trade agreement we saw a very rapid fall-off in the production of tomatoes, cucumbers, eggplant, and other products, while at the same time imports from Cuba were rapidly increasing. Florida, within the 2-year period after the negotiation of the trade agreement with Cuba, lost 14 percent in the shipment of tomatoes while Cuba gained 53 percent. Florida lost 21 percent in the shipment of peppers and Cuba gained 358 percent. Florida lost 40 percent in the shipment of eggplant and Cuba gained 105 percent.

What I say is equally applicable to what has been shown by the statements made today by my colleague the gentleman from Florida [Mr. CANNON], in which he showed the reduction in the tariff on agricultural products and the increase in the shipments from Cuba.

This not only affects us but it hits every agricultural section, likewise, in one way or another. It is one thing to sit around the table and say that we will work out an agreement in which we will take those products which you have and give you those which you need, but it is another thing to sit around the table and allow to come into this country products that are in competition with those of our own farmers, when we already have a surplus in this country of those particular products. [Applause.]

Florida is a good customer of the other States. We buy approximately $400,000 per year from our sister States. Our people own one automobile for every five persons. We did not manufacture these in Florida—we bought from you. Radios, farm machinery, manufactured articles of various kinds we buy from you. Yes; even considerable farm products.

Not only have we felt the pinch with reference to vegetables, but cement has been virtually dumped there. Let us apply the good-neighbor policy to Florida. I will appreciate your support of this amendment. [Applause.]

Mr. WEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course, in the negotiation of so many trade agreements inequalities creep in occasionally. That might be true in the case of tomatoes in this particular instance of which the gentleman from Florida has recited. I have talked with the Secretary of State in regard to this and he assures me he will make a careful investigation of these cases; that is, in connection with the trade agreements

with Cuba; and, after a careful investigation, if it is found that there is an inequality existing and that prices of these vegetables in the United States are being hurt, he will correct it under the escape clause. Therefore, this amendment is not necessary, and I ask that it be voted down. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

Mr. SCRUGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 1, line 8, after the period, insert the following:

"If at any time an established domestic industry as a whole shall be damaged as a result of the inclusion of its product in a reciprocal-trade agreement, the President shall institute negotiations with the signatory country seeking to withdraw or sufficiently modify the concession made upon that product to remedy the damage inflicted upon said established domestic industry.

"Damage to an industry under this section shall be determined by the Court of Claims of the United States upon complaint of any representative of an industry directed against the United States and setting forth the nature and extent of such damage. A copy of such complaint shall be served upon the Attorney General of the United States, and such service and proceedings in the Court of Claims hereunder shall be given priority and shall be under such rules as the Court of Claims may adopt."

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Nevada [Mr. SCRUGHAM] wish to be heard on the point of order?

Mr. SCRUGHAM. Mr. Chairman, I would like to know on what grounds the point of order is made. The amendment is certainly germane.

The CHAIRMAN. From a casual reading of the amendment the Chair would call the attention of the gentleman to the fact that it is retroactive, which might be one ground of the point of order. Does the gentleman from Tennessee desire to state the grounds of his point of order?

Mr. COOPER. I do not desire to detain the Committee and the Chair further than to point out that the amendment contains provisions with respect to making it retroactive and, further, brings in entirely different and irrelevant matters, entirely foreign to the purposes of the resolution under consideration and, of course, is not germane to it.

The CHAIRMAN. The Chair is constrained to sustain the point of order.

Mr. SCRUGHAM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. SCRUGHAM. Mr. Chairman, I wish to offer the following amendment to House Joint Resolution 407:

Strike out the final period in the resolution and add the following:

Provided, That there shall be inserted in the act, as section 350, part (c): "If at any time an established domestic industry as a whole shall be damaged as a result of the inclusion of its product in a reciprocal-trade agreement, the President shall institute negotiations with the signatory country seeking to withdraw or sufficiently modify the concession made upon that product to remedy the damage inflicted upon said established domestic industry.

"Damage to an industry under this section shall be determined by the Court of Claims of the United States upon complaint of any representative of an industry directed against the United States and setting forth the nature and extent of such damage. A copy of such complaint shall be served upon the Attorney General of the United States, and such service and proceedings in the Court of Claims hereunder shall be given priority and shall be under such rules as the Court of Claims may adopt."

The purpose of my amendment is to insure that members of the trade-agreements organization will live up to the policies that they have stated to be their own, by providing some recourse to affected parties if these policies are not carried out.

The hearings of the Committee on Ways and Means demonstrate that a number of industries, including the producers of livestock, lumber, fish, zinc, manganese, oil, wool, dairy products, fur, laces, shoes, vegetables, and textiles, have complained of injury to the Committee for Reciprocity Information and to the State Department, and have been turned away without satisfaction. At the same time, they and the Members of Congress are constantly assured that the trade-agreements program is not a process of robbing Peter to help Paul, and that the most painstaking, expert care will be taken to prevent injury to domestic industries. Liberal reference is made to the escape clauses in the various agreements through which domestic industries can be safeguarded.

It is true that the trade agreements contain clauses which permit duty concessions to be withdrawn under certain conditions. The difficulty seems to be that the State Department cannot be induced to invoke these escapes when their conditions are fulfilled. For example, the Canadian treaty includes the following:

ARTICLE XIV

The Government of each country reserves the right to withdraw or to modify the concession granted on any article under this agreement, or to impose quantitative regulations on the importation of any such article if, as the result of the extension of such concession to other foreign countries, such countries obtain the major benefit of the concession, and if in consequence imports of the article concerned increase to such an extent as to threaten serious injury to domestic producers.

The case of the zinc industry completely fulfills the conditions of this escape clause, but in spite of oppressive conditions resulting from the Canadian agreement no action has been taken. Imports have increased tremendously and the benefits are going principally to Mexico, not to Canada with whom the agreement was made.

In the case of manganese, a concession was made to Brazil, which was not and is not the principal source of imports. As described by my colleague [Mr. DISNEY], the concession on oil to Venezuela violated an understanding with Congress, and damaged the independent producers of this country. I wish every member would read, on pages 2179 to 2201 of the Ways and Means hearings, the various ways in which the lace industry has been damaged by uninformed consideration of concessions, third-country benefits, and drastic alteration of exchange rates. Over a period of 6 years, 22 agreements have been made, involving hundreds of tariff rate reductions, but not a solitary attempt has been made to protect our own industries and labor by using these widely advertised escape clauses.

There was one very recent action, not under an escape clause, but in a separate agreement, where a relatively minor industry, fox furs, was provided some relief. Even in this case nothing was done during the many months that fox farmers were complaining of damage, but only when wartime conditions caused a genuine avalanche of imports which promised to wreck the domestic industry completely.

All of the agreements contain provisions permitting cancelation or modification if exchange rates are substantially altered. There are numerous examples where this has actually occurred, but not a single treaty has been canceled or amended for this reason.

There are some aspects of this unconditional most-favored-nation treatment that I cannot understand. Other countries continue to make discriminatory bilateral arrangements, to impose new duties, to hamper our trade, and to violate fundamental human rights, but we continue to grant them the important benefits of most-favored-nation treatment. There must have been other parties to Germany's bilateral agreements, such as Brazil and Mexico, that were equally guilty of discrimination. Today Great Britain is dealing in blocked exchange, and is interfering with our trade in wholesale fashion. Argentina openly admits that it grants special treatment to British trade. We did nothing when Great Britain raised its zinc tariff, to which Canada is exempt, shortly after we had made Canada a concession on zinc. Granting that many of these violations of the spirit of most-favored-nation treatment are made under duress of one kind or another, it does not follow that the harmful effect on our own trade is any less real.

In recent years, it has suited Japan to rape China and to outrage our own citizens. Italy has seized Ethiopia and

Albania. Russia has violated Poland and is invading Finland. I do not believe that we are obliged to declare war on these international bandits to right the wrongs of their victims, but I cannot agree that they should continue to enjoy gratis the same concessions we gave nations who paid something in return.

When the war ends, and the nations of the world engage in frantic and unprincipled efforts to grab as much as they can of the world's trade and to throw their exports into our market to obtain some real money, we shall be bound by these trade agreements, and our unconditional most-favored-nation policy will prevent us from protecting our domestic industries. I submit that our people are entitled to the safeguard which my amendment is designed to give them.

Let me repeat that this amendment asks nothing of the trade-agreements organization that the State Department has not asserted to be their own policy. If these statements are made in good faith, they should not object to this amendment. If not, it is our duty to provide some means whereby distressed industries can obtain relief if they are actually damaged and cannot obtain reparation.

Mr. WHITE of Idaho. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Chairman and members of the Committee, I rise in support of the amendment offered by my colleague the gentleman from Nevada [Mr. SCRUGHAM]. From the experience of the people I have the honor to represent, and from my personal observation as to the effect of the reciprocal-trade agreements on the industries of my State of Idaho, it is apparent that changes in the nature of perfecting amendments to the pending measure are necessary.

One of the most reassuring pronouncements made by our President in his address to the Nation was the statement that experiments would be tried and that, when mistakes were made, they would be corrected. The amendment that has been offered here provides a way to correct mistakes made in negotiating reciprocal-trade agreements, and I am sure that if Members of the House in charge of this legislation fully understood the effect of some of the concessions made under the trade agreements that have been negotiated, they would cooperate and not resort to obstructive tactics to prevent the consideration of this much-needed amendment. I want to call the attention of the Committee to some of the provisions of the legislative program adopted by the farm organization, the National Grange, and presented to the resolutions committees of both the major political parties at the last conventions for consideration in drafting the party platforms.

The American market must be guaranteed to the American farmer on all commodities that can be efficiently produced in any part of the United States.

(a) Establish facilities for controlling agricultural imports through permits, such permits available only upon showing of actual need and noncompetition with American farm products.

(b) Rewrite reciprocal-treaty legislation, providing ratification by the Senate and repeal of unconditional most-favored-nation clause.

(c) Eliminate much of the agricultural free list.

There must be recognition of the principle of price parity, as between the products of agriculture and industry in the domestic market. Provision should be made for tariff adjustments to benefit producers of export crops and to place agriculture on a basis of equality with tariff-protected industries.

We favor Government support in exportation of surplus crops; in research for new industrial uses for farm commodities; for the development of nonfood uses for farm products; and for the introduction and development of new crops to employ, wherever profitable, surplus land and labor.

And as a result of the experience of our farmers with the reciprocal-trade agreements, the National Grange in its 1940 legislative program, just issued, states:

THE AMERICAN MARKET

Since many artificialities and restrictions have been imposed upon our system of free enterprise during recent years which operate to increase our cost of production and of doing business, and since it is useless to attempt to maintain these artificial standards while permitting unrestricted competitive imports from countries where substandard labor conditions exist, and where costs of production are lower than the United States, it is manifest that proper steps must be taken to protect American interests. Under prevailing conditions, we favor the levying of excise taxes on all imports on the dutiable list when the landed cost of such goods falls below the American wholesale selling price. *Provided, however,* that this rule should only apply to imports of commodities that are commercially available within the United States.

RECIPROCAL-TRADE AGREEMENTS

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

Mr. Chairman, we find that mistakes have been made and certain industries in this country have been damaged. I quote from a letter just received from President James F. McCarthy of the great Hecla Mine, located in my State:

I have written you on several occasions concerning the unfortunate effect on the reciprocal-trade agreement with Canada on the zinc industry in this country. The agreement provided for a reduction in the tariff on zinc of $7 per ton. Shortly following the reduction in this tariff, the freight rate from London was reduced about $3 per ton.

Immediately upon the signing of this agreement, the price of zinc fell.

It is clearly apparent that a mistake has been made in dealing with the great zinc-producing industry, and Mr. Chairman, the attention of the Department of State has been repeatedly called to the adverse effect of the concessions that have been made to Canada and extended to other foreign countries producing zinc under the most-favored-nation clause. The facts concerning zinc have been presented to the State Department repeatedly in a consistent effort to correct this situation, but without results. Now, that the Members of the Committee may know something of the efforts that have been made to persuade the State Department to correct its mistakes as to zinc and safeguard the future of the mining industry, I am inserting here a letter addressed to Counselor Moore, of the State Department:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON IRRIGATION AND RECLAMATION,
Washington, D. C., February 17, 1940.

Mr. R. WALTON MOORE,
Counselor of the Department of State, Washington, D. C.

DEAR MR. MOORE: Reference is made to the policy of our Government in negotiating reciprocal-trade agreements and the effect of the reduction of the tariff on zinc in the trade agreement negotiated with the Dominion of Canada and extended to other nations under the most-favored-nation clause.

In considering this program I may explain that the importance of foreign trade in our national economy and the stabilization of national income by finding a market for our surplus production which places purchasing power in the hands of our domestic consumer is understood and appreciated.

In working out a national program to effectuate the policy of exchanging commodities with other countries under the constructive plan of the State Department it is apparent that our efforts should be directed to building up our industry and improving business conditions by the exchange of such products as will prove the least injurious to our business system.

When we consider the effect of the importations of zinc and the decline in the price of the metal, we find that the tariff reduction has been a serious blow to the entire domestic industry and has resulted in closing a number of producing mines, the curtailment of the operation of others, and has added to the ranks of the unemployed.

The uncertainty as to the future of domestic zinc prices has placed a barrier on the development of the zinc-mining industry in Idaho and in the State of Washington, where plans have previously been undertaken for the expenditure of several hundred thousand dollars that would open new mining districts and put a large number of men to work permanently. When we consider the objective we seek to achieve by the program of trade agreements to enlarge our markets and improve domestic business conditions, it is apparent that the damage resulting from the reduction of the tariff on zinc under these agreements exceeds any compensating benefits, and reduces our tax revenues. In contrast to our policy in dealing with zinc, it is reassuring to find that the safeguards protecting the domestic price of copper and lead have been maintained in negotiating trade agreements where these metals were involved, a plan that is logical, constructive, and has a stabilizing effect on the mining industry.

I am sure that when the effects of the tariff reductions on zinc as demonstrated is given the consideration of your Department the mistakes that have been made will be corrected and the intent of the law will be carried out in line with the assurance given when these treaties were negotiated. This plan is in harmony with the expressed intention of the President at the time of his inauguration when he said in discussing national policies that experiments would be tried and when mistakes were made they would be corrected. The adverse effect of the trade agreement on the zinc industry clearly indicates that a mistake has been made, and I earnestly urge that your Department take prompt action to restore the tariff on his metal. This will improve domestic market conditions and restore confidence in the future stability of the zinc mining industry.

Sincerely yours,

COMPTON I. WHITE, M. C.

In view of the circumstances outlined, surely there is need for the amendment proposed by my good colleague the gentleman from Nevada, Congressman SCRUGHAM.

Mr. HARRINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRINGTON: Strike out the final period and substitute a comma and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to grant any concession or to bind on the free list or to establish any quotas or to make any reductions in the present rates of dues, nor does it include any authority to make any change with respect to any production of foreign growth which when imported into the United States would compete with domestically produced American agricultural produced vegetable oils and animal fats."

Mr. HARRINGTON. Mr. Chairman——

Mr. SCHAFER of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Iowa yield for a parliamentary inquiry?

Mr. HARRINGTON. I refuse to yield, Mr. Chairman.

Mr. H. CARL ANDERSEN. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. I make the point of order, Mr. Chairman, that since the agreement limiting debate, four gentlemen from that side have spoken, while we have had no opportunity on this side to present an amendment.

The CHAIRMAN. If the gentleman had kept tally with respect to recognition of Members on both sides of the aisle, he would have realized that the Chair had recognized five gentlemen from the Republican side hand running and had refused to recognize any Member on the Democratic side.

Mr. HARRINGTON. Mr. Chairman, the support of the joint resolution being discussed has been urged upon this body by the members of the Ways and Means Committee because of the tremendous benefits which will accrue to American agriculture from the extension of the trade-agreements program which they seek. I have, and am, supporting the trade-agreements program, but the Secretary of State, as well as a chairman of the Committee on Ways and Means, have advised this House of their desire to do everything possible in order to protect the home markets of the American farmer.

They have pledged that as far as is consistent with national policy to protect our farmers from the competition which would result from increased imports resulting from the adoption of this Joint Resolution or, the granting of more concessions on agricultural products in making further agreements. Therefore, Mr. Chairman, they should not oppose this amendment.

The amendment which I have offered is not in any sectional interest but in behalf of American farmers in every State of the Union. It is of equal and direct interest to the corn farmer, the hog raiser, the dairy farmer, to the cotton, peanut, and planters of soybeans, and indirectly to every farmer in the United States.

Mr. Chairman, American hog lard, which for centuries has built the brain and brawn of the American people, is now such a dreg in the domestic markets of the United States that the reports of the Department of Commerce actually show that it is being bought by the soap manufacturers and dumped into soap kettles because overburdening surpluses have driven hog lard prices to the lowest in 73 years.

Mr. Chairman, in the terminal markets of Sioux City, the center of that great metropolitan area which constitutes the very heart of the American corn and hog belt, market conditions were so deplorable that within the past week hogs sold for as low as $4.25 per hundred pounds, while the top prices received for the prime porkers was only $4.95.

Mr. Chairman, the Mississippi Valley Corn Belt today has wrapped up in hides and on the hoof, ready to walk into our markets, the greatest crop of hog lard ever produced in a single year in the United States of America.

The recent condition of the lard industry has been so bad that the Federal Surplus Commodities Corporation in recognition of that fact declared lard to be a surplus commodity and to assist its producers by removal of surpluses have placed it under the orange and blue stamps for disposal to those on relief.

Mr. Chairman, I repeat that there is not a farmer in the United States whose income has not been adversely affected by ever-increasing imports of foreign oils and fats and by the present crop and carry-over of hog lard.

The present decline in price is not so much due to the loss of the foreign markets historically enjoyed and which formerly absorbed the exportable surplus of this production as much as the injury done by the use of lard substitutes produced from foreign oils and fats here in the United States.

Subsequent to the great droughts which occurred in the Corn Belt in the year of 1934 and 1935, coupled with the reductions made on the 1930, the 1932, and 1934 rates of duties and excise taxes under the reciprocal trade agreements program, the country has been flooded with devastating quantities of vegetables and animal fats brought here by the boatload from all four corners of the earth.

Mr. Chairman, hear me now on this! The excise taxes which this amendment proposes to protect against any reduction under this resolution were not imposed by any Republican Congress or Republican administration. They were imposed by a Democratic Congress in order to protect the American farmer and agricultural producers.

The condition of scarcity resulting from the drought opened up new markets to land and butter substitutes and compounds on a scale never before known.

Through the profits made in the sale of cheap foreign oils the manufacturers of lard and butter substitutes began an intensive advertising campaign both in the press and over the air, as well as to distribute free samples of their product. As a result of this the diet of the American people had been changed.

No longer does the great steam bakery which now supplies the bread for this Nation shorten that bread as our bread food was historically shortened, by use of hog lard. They now use lard substitutes or shortening compounds. No longer are American doughnuts, American fish, or other foods fried in hog lard. They are fried in vegetable oils.

Over the air at any time of the day you can hear the commercial program of one concern telling of the virtues of their type of a crispy, flaky, creamy shortening made out of pure vegetable oil, while simultaneously on another national hook-up other great corporations are advertising their products of lard and butter substitutes, made from other jungle nut and seed oils hauled here by the boatload from the Orient.

The corn growers of America are not alone faced with the loss of the German markets into which they annually shipped 325,000,000 pounds of lard. They are now actually faced with a loss of other foreign markets for American hog lard yielded up to the use of vegetable oils in foreign lands. Thus our farmers have lost both their domestic as well as their foreign markets for lard and that precious food product which, as I have before stated, has furnished the brain and brawn of our people is now actually being put into soap kettles to be rendered into soap.

Mr. Chairman, not alone is every farmer that cultivates his land to corn suffering from the reductions made on foreign oils and fats, but every dairy farmer and livestock producer, every "stocker" and "feeder," is similarly suffering. The

identical oils that are now being made into lard substitutes can, by being chemically treated, deodorized, decolorized, hydrogenated, be similarly transformed into oleo and nut margarine, mayonnaise dressing, and other butter substitutes and spreads, and thus displace from the domestic "margarine industry" domestically produced oils and fats.

These foreign oils displace the use of our own domestically produced cottonseed, peanut, corn, and soybean oil, as well as the use of the rich caul fats, a product of our American livestock herd. These products have heretofore been the raw materials which constituted the bulk of the raw products used in the domestic production of all oleomargarine.

Mr. Chairman, it is easy to see the interest which the Members of this House, representing corn farmers from whose product corn oil is produced, should have in this amendment.

There is not a Representative from a livestock or a dairy district in the whole United States who should not support this amendment.

I venture to say that there is not a Member on this side of the House representing the great cotton and peanut producing areas of the Southland, the income of whose farmers are so much dependent upon their domestic markets for cottonseed and peanut oil, but who will find vast interest in this amendment.

The Representatives from the States which border the Atlantic and Pacific Oceans, whose great fishing fleets annually produce hundreds of millions of pounds of fish, as well as other marine and aquatic animal oils, should be in favor of and support of this amendment.

I repeat that the adoption of this amendment by this body, Mr. Chairman, is of vital interest to every agricultural producer and Representatives of every agricultural district in Congress.

Mr. Chairman, I should like to read a telegram from the Association of the Southern Commissioners of Agriculture. That asscciation made up of the 13 commissioners of agriculture from the 13 southern cotton-producing States are not interested in the political implications which might be found in this bill. They are the direct representatives of the agricultural producers of our Democratic South. They are not theoretical farmers, they are men who virtually standing between the plow handles from the furrow of the plow speak out in behalf of their constituency.

It is not often that the Southern Agricultural Commissioners address this body. I, however, have come to learn that when they do I know it is upon some matter vital to the southern farmer, if not American agriculture in general.

I now read the telegram from the Southern Agricultural Commissioners:

FEBRUARY 23, 1940.

The Honorable VINCENT E. HARRINGTON,
House Office Building, Washington, D. C.:
We heartily endorse your amendment to prevent the further reduction of tariff on agricultural products.
The National Association Commissioners, Secretaries, and Directors of Agriculture are also on record as against further reduction of tariffs on farm products.

(Signed) HARRY D. WILSON,
Commissioner of Agriculture, State of Louisiana; President of the Association Southern Commissioners of Agriculture.

Let me now read a telegram from the National Grange, America's oldest, its most historic, and venerable farm organization with a membership of over 800,000 farmers. I received this telegram from Mr. Fred H. Brenckman, Washington Representative of the National Grange.

The Honorable VINCENT E. HARRINGTON,
House Office Building, Washington, D. C.:
The National Grange heartily endorses your amendment to prevent any further reductions in duties excise or other imports or the further binding upon the free list of any and all foreign agricultural products which are directly competitive with or substitutes for the products of American Agriculture.

* * * * * * *

FRED BRENCKMAN.

Let me now read a telegram from the Farm Bureau Federation. This is signed by George Mohrhauser, president of the Woodbury County Farm Bureau Federation. This telegram reads:

SIOUX CITY, IOWA, *February 23, 1940.*

VINCENT HARRINGTON,
United States Representative:
We approve your amendment to bill extending Trade Agreements Act.

WOODBURY COUNTY FARM BUREAU.

SIOUX CITY, IOWA, *February 23, 1940.*

Hon. VINCENT HARRINGTON,
House of Representatives:
We are opposed to any lowering of tariff or excise tax on any and all foreign vegetable oils and fats. We do not believe that these oils or fats should be allowed to compete with oils and fats produced from crops raised in our own country.

A. A. HELDRIDGE,
President Sioux City Livestock Exchange.

SIOUX CITY, IOWA, *February 23, 1940.*

Hon. VINCENT HARRINGTON,
House of Representatives:
There is an enormous surplus of lard. Hogs are selling far below cost of production. Farmers are suffering severe financial losses and conditions will become worse if imports of vegetable oils and fats increase. This will happen if present tariff rates are reduced. Anything you can do to help the farmers in this crisis will be greatly appreciated.

WM. J. DOWNEY.

BATON ROUGE, LA., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
Member of Congress:
We heartily endorse your amendment protesting the further reduction of tariff on agricultural products. The National Association of Commissioners, Secretaries, and Directors of Agriculture are also on record as against further reduction of tariffs on farm products.

HARRY D. WILSON,
President Southern Commissioners of Agriculture.

LANSING MICH., *February 23, 1940.*

Hon. VINCENT HARRINGTON,
United States Congressman, House Office Building:
We favor Harrington amendment to trade agreement now before Congress.

E. A. BEAMER,
Commissioner, Michigan State Department of Agriculture.

CAMILLA, GA., *February 23, 1940.*

Hon. V. F. HARRINGTON,
Member of Congress:
Understand you proposing amendment reference to amendment prohibit reduction any duty or excise tax on any foreign oils which compete with our domestically produced oils and fats. This association as a general policy is opposed to reduction of import duties on any foreign oils and fats which compete with those we produce domestically.

ROY E. PARRISH,
Manager, G. F. A. Peanut Association.

TOPEKA, KANS., *February 23, 1940.*

Congressman HARRINGTON,
House Office Building:
Heartily endorse recommendations of National Association State Commissioners of Agriculture at Chicago last December relating to tariffs on agricultural imports.

J. C. MOHLER,
Secretary, State Board of Agriculture.

KANSAS CITY, MO., *February 23, 1940.*

Congressman VINCENT F. HARRINGTON,
House Office Building:
Desire express our approval your bill to prohibit fats being included in any trade agreement. Sincerely hope Congress will do everything possible protect this extremely important product.

SAM H. RAY,
United States Livestock Association.

TALLAHASSEE, FLA., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
Member of Congress, Washington, D. C.:
This is to say that I endorse the resolution passed by the National Association of State Commissioners of Agriculture in convention at Chicago December 7 committing the convention as being opposed to the reduction of taxes or tariffs on commodities that compete with crops and livestock produced in this country.

NATHAN MAYO,
Florida Commissioner of Agriculture.

AUSTIN, TEX., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
Member of Congress:

I appreciate your amendment and efforts against the reduction of excise taxes or import duties on foreign agricultural livestock or horticultural imports.

The American farmer pays taxes to support the Government and furnishes sons to defend the country and is entitled to the American market and should have the protection from importation of foreign articles produced by pauper labor.

J. E. MCDONALD,
Texas Commissioner of Agriculture.

WASHINGTON, D. C., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building, Washington, D. C.:

We heartily approve your amendment to safeguard excise taxes on fats and oils against reductions under trade-agreement program. It is in line with long time stand of agricultural producers of this country.

F. E. MOLLIN,
Secretary, American National Live Stock Assocation, Denver, Colo.

SIOUX CITY, IOWA, *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building:

We oppose any reduction of present tariff rates or excise taxes on any and all foreign vegetable oils or fats that compete with crop produced in this country.

T. J. KIRBY,
President, National Live Stock Exchange.

LINCOLN, NEBR., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building, Washington, D. C.:

We understand that you are introducing bill excluding lowering excise taxes on fats and oils in reciprocal-trade treaties. We wish to congratulate you and think it a very wise bill.

C. W. SWINGLE & Co.

WICHITA, KANS., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building, Washington, D. C.:

Approve your stand on fats and oils in reciprocal-trade agreements.

O. J. EASTMAN,
President, The Wichita Desiccating Co.

SIOUX CITY, IOWA, *February 23, 1940.*

Congressman VINCENT F. HARRINGTON,
House Office Building:

Your amendment in regard to excise tax on fats and oils meets our approval. Should be extended to parity.

CARL H. WILKEN,
Secretary Raw Materials National Council and President Progressive Farmers of Iowa.

I have received several other telegrams and want now to submit them as part of my remarks.

I have today had telegrams and telephone calls from farm and agricultural organizations all over the United States lending their endorsement to this amendment and asking that this House support the amendment.

They ask that we protect the American farmer from competing with the European peasant, the Chinese coolie, and the South American and Philippine Island peon labor. They feel as I do, that the labor positively threatens to not alone abate but actually to extinguish the income of every American farmer heretofore derived from the sale of oils and fats because of the new use and increased imports of foreign oils and fats in the domestic markets of the United States. [Applause.]

THE TRADE-AGREEMENTS PROGRAM MUST BE EXTENDED

Mr. KEFAUVER. Mr. Chairman, American citizens throughout the country may well view with mingled emotions of anxiety and concern the palpably partisan political twist that has been injected into the debate growing out of the proposal to extend the reciprocal trade agreements program for another 3 years. During the long course of our political history as a nation, the tariff issue has been, and to a large extent still is, a favorite device for confusing and misleading the American voter. Members of the minority party, discovering it is impossible to disparage the program if recourse is had to factual data, have marshaled their efforts to the manufacturing of scares and catch slogans in order to create opposition to our esteemed Secretary of State, Cordell Hull's, patient and untiring efforts to expand our foreign commerce—an indispensable element to our national prosperity—by reciprocity foreign trade relations. The chief snare used by the opposition party to trap the unsuspecting innocent citizen into opposing the Hull policy of reciprocity, although it is entirely in line with the best American traditions, is the emotionalism with which they have dressed their reckless charges.

The object of the reciprocal trade agreements program has consisted in promoting commerce among nations through the reciprocal reduction of tariff barriers. Like all economic problems affecting every phase of our national economic life, it should be approached dispassionately and free from partisan political considerations. Whether the trade-agreements program ought to be extended for another 3-year period requires, in the best interests of the entire Nation, an abandonment of partisan political manifestations which have characterized our tariff policies in the past. It is a determination which calls for statesmanship of the highest order, and, if we who compose the present sitting Congress fail to meet this requirement, if we do not look beyond the selfish arguments of special-interest groups and consider the national welfare of our country as a whole, we will have rendered a disservice to this country which will have evil consequences for many years to come.

Prior to the adoption of the original Trade Agreements Act in 1934, world trade had dried up to a mere trickle. Temporary and emergency measures, forced on governments by the necessities of the sequence of events following the World War, particularly by disorders in currencies, heavy debt burdens resulting from the exigencies of prosecuting the war, the necessity of rehabilitating the millions of demobilized soldiers, gradually took the form of policy and became fixed systems. Our Nation emerged from that bloody conflict a creditor nation, moreover, spared the burden and heavy cost of reconstructing the physical devastation of the war. In short, we were the only nation possessing the physical means to restore the world's economic activity and bring order out of chaos. But, rejecting the sound counsels of our most able economists on the ground of impractical theory, the Republican leaders, in whose hands the destinies of our country rested, chose deliberately and unwisely to restrict our imports, while trying to maintain our export markets by lending European countries more billions of dollars with which to pay for our farm and factory products. Instead of lowering our tariffs at a time when we ought to have imported greater quantities of foreign products in exchange for our commodities, we raised them, first by the Emergency Tariff Act of 1921, and later by the Fordney-McCumber Tariff Act of 1922, to be followed 8 years later by one of the most costly pieces of legislation in the entire history of our country—the Hawley-Smoot Tariff Act.

Foreign countries which had been profitable foreign markets for American farm and factory products, finding insurmountable restrictions against their products in our markets, quickly retaliated with severe trade reprisals restricting American products in their markets to absolute necessities. In truth, the Hawley-Smoot tariff achieved maximum effectiveness in destroying our foreign trade, and minimum in promoting national welfare and prosperity.

I wish now to call attention to the action taken by our very best foreign customer, not after the Hawley-Smoot tariff became a law but while it was being written into law. I wish to quote one or two brief paragraphs from a book entitled "Tariff Retaliation," by Joseph M. Jones, Jr., who in 1932 was given a traveling fellowship by Pennsylvania University to spend 2 years abroad studying international trade and international relations, and whose 2 years' studies were published by the University of Pennsylvania Press in 1934 under the title given, "Tariff Retaliations."

At page 176 I find this statement:

The mutilation of the billion-dollar market that was Canada may be regarded as the most deplorable and the most costly single fruit of the Hawley-Smoot tariff. That the Congress of the United

States should deliberately antagonize and alienate every element in that Canadian population which purchased in 1929 nearly $1,000,000,000 worth of American products, that Congress should provoke the Canadian people to a fury of economic nationalism, will doubtless rank as one of the greatest economic blunders in American tariff history. It furnishes the most classic of the short-sighted and sectional manner in which our tariffs are made with absolute disregard for the interests of the Nation as a whole.

If there is any country in the world with which it is essential for the United States to maintain friendly trading relations, that country is Canada. In the first place that country is by far the most important customer of the United States, having purchased American products in 1929 to the value of $948,501,000, while the United States purchased Canadian products in the same year of a little more than half that amount, $504,277,000.

And, on page 178 I find this statement:

A storm of resentment and indignation swept over Canada as the discussion of the proposed tariff duties took place in Washington. The reaction was so strong as to force the traditionally low tariff, pro-American liberal government of Canada to report and pass in May 1930 a tariff bill radically increasing tariff rates directly affecting some $250,000,000 of our exports to Canada, enlarging British preference, and establishing automatic reciprocal duties against our tariffs on agricultural products. This "stolen thunder" from the conservative party did not, however, serve to stem the tide of reaction in Canada. Exploiting the prevailing public temper against the United States in Canada, the conservative party swept neatly into power as a result of the general election of August 1930 upon a platform which promised still higher tariffs against the United States. Since the beginning of the conservative regime, there have been no less than three general tariff increases in Canada, the last accompanying the Ottawa agreements of 1932, and no amount of rationalization can conceal the facts that in all these tariff increases the chief object of the government has been to produce in Canada as many as possible of the products formerly imported from the United States and divert the remainder to Europe or reciprocating channels. Economic nationalism in Canada, taking its cue from the United States, has become triumphant.

During the first day's debate on the House joint resolution to extend the trade-agreements program, I listened with considerable dismay to the minority party's intemperate challenge to the Democratic Party's lack of courage to repeal the Hawley-Smoot Tariff Act. Let me say to the Republicans in words as forceful as may be, that if the present Democratic administration had desired to be as reckless with the welfare of our country as the preceding Republican administration had been in enacting the Hawley-Smoot tariff, courage was not lacking to repeal the law. The purpose of the reciprocal trade agreements program consists in stimulating profitable foreign commerce between all nations, not in opening our home markets to unrestricted foreign competition. Unilateral tariff revision on the part of the United States offered no assurances that foreign nations would take reciprocal action to modify their trade barriers against our commerce. To suppose that foreign nations in consideration of the principles of Christian charity would have followed our lead and modified their own barriers established to restrict imports of foreign merchandise in their markets smacks of the same spurious reasoning that fathered the thought that as soon as the Hawley-Smoot tariff bill became law, confidence would be immediately restored and foreign reprisals would vanish into thin air. What a disillusion!

At the time of its enactment the Trade Agreements Act was not only the choice of all the possible courses of action with respect to tariff revision, but it was the only one having the elements requisite to success.

Realizing that under the existing conditions of excessive restrictions and interferences to foreign commerce which crisscrossed the channels of trade at the time the Trade Agreements Act was first enacted in June 1934, Congress could never be expected to modify tariffs with surety of reciprocal action on the part of foreign nations, the President asked and received authority from Congress within very well defined limits for the Department of State to negotiate reciprocal-trade agreements with foreign nations. The formula drawn up by the Democratic Party, in sharp contrast to the certain failure of the method of complete repeal of the Hawley-Smoot tariff which the Republican minority is berating us for not adopting, alone offered promise of success. But not all Republicans share that view. Dr. Glenn Frank and a group of 200 representative Republican associates have made public the report of their 2 years' study.

In discussing the subject of trade agreements, the committee acknowledges that the United States, if it is to enjoy any substantial foreign trade, must import as well as export, that it is impossible to sell our surplus farm and factory commodities while refusing to purchase the products of our foreign customers. The committee further concedes that any substantial progress toward such increased foreign trade can be made only through the negotiation of trade agreements on a basis of reciprocity, but urges that agreements be subject to congressional approval. This reservation totally ignores the fact that the success of the Hull trade program is attributable in very large measure to the fact that the agreements are not submitted to Congress for approval. If experience has taught us anything, a requirement written into the legislation extending the trade-agreements program that concurrence of the Senate and House be obtained before the agreements become effective would kill the program as effectively as refusal to pass legislation to continue its life for another 3 years. In other words, the Republicans have not the courage to ask for outright repeal of the program but hope to sabotage its practical functioning by requiring congressional approval of each negotiated agreement. Perhaps their lack of courage in this connection is traceable to the vivid memories they retain of the unfavorable political repercussions which followed the Republican Party's 1936 Presidential nominee's unwise and ill-advised attack on the trade-agreements program.

I wish to call attention of the membership of the House and our citizens throughout the Nation to an article written by Mr. Franklyn Waltman, at present publicity director for the Republican National Committee, which appeared in the Washington Post on October 8, 1936, approximately 1 month prior to President Roosevelt's phenomenal reelection by carrying the electoral votes of 46 of the 48 United States.

Mr. Waltman states:

Few statesmen who have fought on behalf of righteous but unpopular causes, remain in public life to witness the triumph of their efforts. Vindication most often has come to them, if at all, after their departure from the current political scene, sometimes brokenhearted men, or even after they have departed from this world.

Consequently, Secretary of State Cordell Hull must have felt a peculiar sense of satisfaction over the world developments of the last 2 weeks, when he appeared on a platform at Minneapolis to open the defense of his reciprocal-tariff program in the first real political test that confronts it.

Mr. Hull, it is true, has not yet seen the final triumph of his years-long and passionate efforts to lead the world back to prosperity and a permanent peace by breaking down trade barriers and stimulating world trade. But enough has happened to make him a happy man, hopeful of attaining success in a fight which seemed all too hopeless a few years ago.

He has witnessed a part of the press supporting Gov. Alf M. Landon, the Republican Presidential nominee, disagree with their candidate when he assailed the Hull program. He has seen outstanding Republicans applaud his ideas, although disagreeing generally with the New Deal. He has seen all this in a country committed to high protective tariffs as recently as 1930.

Undoubtedly more encouraging, however, to the elderly Tennessean has been the swiftly moving developments of the last 2 weeks abroad. There he has witnessed nations which took the lead in striving for self-sufficiency and economic isolation and which 2 years ago scoffed at him as a utopian dreamer halt in their courses and take the first steps back to a freer movement of world trade.

And he has witnessed within the last 2 weeks the economic committee of the League of Nations applaud his ideas and come to the defense of the very heart of his program, observance of the unconditional most-favored-nation treatment, which Governor Landon had sharply denounced.

That such developments should have come on the heels of Governor Landon's assault on the Hull program was a misfortune for the Republican nominee but a stroke of luck for the Secretary of State and the Roosevelt administration. What has occurred in the last week is to the credit of Secretary Hull and his unyielding faith in the righteousness of the course he preached.

The trade-agreements program has now been in operation almost 6 years, and there need be no conjecture regarding its merits. There are sufficient facts available to convince even the most skeptical who will give them unbiased and nonpartisan consideration of the effectiveness and success of the

program as an agency to restore our foreign markets and promote national prosperity.

The latest Department of Commerce study is significant in this connection. It shows a rise of 5 percent in the value of exports from the United States last year to the 18 countries with which trade agreements were in operation in comparison with the preceding year, while this country's sales to non-trade-agreement countries were actually registering a decline of 8 percent. The study is based on the first 11 months of 1939 and similar periods in previous years taken for comparison.

In terms of actual figures, the Commerce Department report reveals that for the first 11 months of 1939 exports to the 18 countries with which trade agreements were in effect for the whole time totaled $1,695,000,000, as compared with $1,615,000,000 for the corresponding months in 1938. The net increase in our sales to these countries was $80,000,000, or a rise of 5 percent.

Contrasted to this, trade to non-trade-agreement countries for the same period totaled $1,114,000,000, compared to $1,210,000,000 for the corresponding months of 1938. The net loss of trade to these countries was $96,000,000, or a decline of 8 percent.

The shallowness of the reckless, unsupported charges made by the minority that the trade-agreements program is displacing American labor, injuring business, industry, and agriculture is brought into sharp relief by a comparison of employment, business conditions, and agricultural income under the Hawley-Smoot tariff period and the trade-agreements period.

Data published every odd year by the census of manufactures are amazing. Between 1929 and the end of 1933, or the period during which the Hawley-Smoot tariff interfered with the movement of our foreign trade, industry in the United States was forced to discharge nearly 3,000,000 wage earners, with a loss of $6,500,000,000 in wages. The textile industry, one of the main segments of our economic system, discharged 250,000 wage earners, with a loss in wages of $716,000,000; the motor-vehicle industry discharged 204,000 wage earners, with a loss in wages of $481,000,000. Such examples could be multiplied almost indefinitely. In sharp contrast to this deplorable situation, we discover the reverse taking place during the period in which the trade-agreements program was progressively being implemented by the negotiation of additional agreements. Between 1935 and 1937—latest census of manufactures data were published in 1937—industry in the United States reemployed 1,500,000 wage earners, with an increase in wages of $3,700,000,000; the textile industry reemployed 127,000 wage earners, with an accompanied increase in wages of $178,000,000; the motor-vehicle industry reemployed 92,000 wage earners, with a corresponding increase in wages of $211,000,000.

The case of agriculture presents a similar picture. For the 3 years 1931 to the end of 1933, during which period the Hawley-Smoot tariff was fully in effect, farmers engaged in raising cotton and cottonseed throughout the United States received a total cash income for the 3-year period of $1,535,000,000, compared with a total cash income of $2,436,000,000 during the 3-year period 1936 to 1938—the trade-agreements period. In other words, the cotton farmer received a total increase of $900,000,000 during the latter period. During the same periods of comparison tobacco farmers' total cash income increased from $428,500,000 to $854,700,000, an increase of $426,000,000; farmers raising cattle and calves witnessed their total cash income increase from $2,100,000,000 to $3,500,000,000, an increase of $1,400,000,000.

What farmer, wage earner, industry, or business, I submit, was injured by such stupendous increases?

The trade-agreements program must, in the interest of the welfare of the entire Nation, be extended for another 3-year period because it represents the best way to open foreign markets, which the farmer must have for the sake of his own surpluses, and which business, industry, and the wage earner must have if the wheels of industry are to continue to turn briskly, business to continue prosperous, and wage earners keep at work and be in a position to buy agricultural products. The Republican minority may as well realize that they cannot bludgeon the American people into upsetting this program merely by an inchoate, contradictory appeal to prejudice. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. BURDICK. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: Page 1, line 8, strike out the period in line 8, insert a colon and add the following: "*Provided*, That no trade agreement shall be consummated permitting the importation of livestock or livestock products, grain or grain products, poultry, dairy products, or other agricultural products which can be efficiently produced in this country and which may directly or indirectly have a bearing on the supply of such products, or which may have a tendency to depress farm prices."

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota for two and a half minutes.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes; I yield.

Mr. MOTT. Mr. Chairman, I ask unanimous consent that the time for debate be extended 20 minutes, because it is evident that the six or eight remaining amendments cannot be debated unless we do have that time. There are amendments here on which gentlemen have spent a great deal of time.

The CHAIRMAN. Is there objection?

Mr. DOUGHTON. Mr. Chairman, I object.

Mr. BURDICK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The Chair recognized the gentleman with the understanding he would take two and a half minutes.

Mr. BURDICK. Then, if you want to read a sizzler, get the RECORD tomorrow. [Laughter and applause.] I have been here for a week now, and this is the only committee that I serve on that is recognized by Congress. Through the unbounded generosity of the Republicans, this is the only committee on which I serve, and I say to you that I have waited a week to get a chance to speak on this bill, but the time has been consumed by the committee members. I have waited here since 11 o'clock this morning to offer an amendment, and now time on that has been refused because the committee members have taken up all the time, but we are all through with them now, we have outlasted them, but the time has also gone with them.

Members of the House, I do not know how the matter appears to you, but of all the assinine systems of legislation this antiquated and fossilized system of committee recognition, and the preference with which committee members can monopolize all time, is positively the worst system which can be imagined. This long-established institution has gathered unto itself a prerogative that is dangerous to our liberties and an abrogation of the voice of the people. Just because a man is a member of a committee, that alone does not clothe him with supernatural powers; the rest of us are still capable of thinking; we are capable of expressing ourselves; but no matter how much we may know about the subject before this body, no matter how capable we are of taking part in the debate, we must sit here in perfect order, while the committeemen shape the legislation. If there were a system by which our most able Members would be assigned to committees, there might be some justification for the present system; but here today the more I have listened to this debate, by committee members, the less I know about the matter, and if no one but committee members had spoken on the bill I assert that from the debate I would not know whether we were trying to legislate on trade treaties or build a dam across the Missouri River.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Oh, yes; I have lots of time.

Mr. O'CONNOR. I just want to say to the gentleman that I am heartily in accord with his amendment, and I

am going to vote for it. I have tried to get recognition in this debate, but it has been in vain. I thank the gentleman for his courtesy in yielding.

Mr. BURDICK. I want to say in conclusion that I am glad you are all here, and for fear I will not have another chance before the time arrives, I wish you all a Merry Christmas and a Happy New Year. [Laughter and applause and repeated applause.]

Mr. Chairman, the other day, my colleague, the gentleman from Minnesota [Mr. YOUNGDAHL], in stating his firm opposition to the continuance of the present authority for making reciprocal-trade agreements included a severe attack upon the Farmers Union and its legislative representative, Mr. M. W. Thatcher. His statements were so inaccurate and unfair that they require an answer.

First of all, my colleague from Minneapolis may be somewhat excused, on the grounds that he does not know very much about the long fight made by the farmers of the Northwest for their rights in the Minneapolis Grain Chamber of Commerce and the Duluth Grain Board of Trade. My colleague comes from the city, which has long been in control of the private grain interests, who have a notorious reputation for having thought of nothing but gain for themselves, with no thought of the welfare of the farmers of the Northwest, who, in fact, have built Minneapolis. I know something about that fight because I have been in it for over 30 years. For over 25 years I have been associated with Mr. M. W. Thatcher in that fight, and I know what the fight is all about, and I know something about the history and the facts.

I dare say we were in that fight for the northwestern farmers when my colleague was still in knee pants. His clients have been the business people of Minneapolis, and mine have been the hard-bitten farmers of the North Dakota prairies. Our farmers have been subjected to the "chiseling" of the private grain trade for 40 years, and it was because of the exploitation of our grain farmers that necessity arose for a cooperative grain-marketing system.

Thirty years ago the farmers organized and built their own cooperative-marketing machinery, known as the Equity Cooperative Exchange. They made a courageous fight, but they had the combined resources of the private grain gang to go up against, and it was just too much. That fight was so vicious that the farmers called in the Federal Trade Commission, whose investigation, after a period of months, disclosed the vicious practices of the private grain trade and the grain exchanges, and the Federal Trade Commission issued a cease-and-desist order against the leaders of those grain exchanges to quit lying about the cooperative marketing institution.

The Equity Cooperative Exchange was finally forced to go into receivership. Throughout its entire history, the Minneapolis grain gang refused to permit that cooperative the privileges of the trading floor of the Minneapolis Grain Chamber of Commerce, a privilege that was essential to the success of their marketing organization. This is the same gang that my colleague from Minneapolis now represents and speaks for and at the same time condemns the Farmers Union cooperative grain-marketing organization and its leaders. I am sure that if he knew the facts he would not permit himself to be the stooge for that crowd.

There were two attacks that my Minneapolis colleague made against the Farmers Union and Mr. Thatcher, and that is what I want to answer because I know all about the situation.

Now as to the reciprocal-trade agreements and Mr. Thatcher's position on that. My colleague says he is deceitful, and let us see if he is. Last December the Farmers Union cooperative business activities in the spring-wheat area held a convention in St. Paul, Minn., and they passed a resolution with reference to the reciprocal-trade agreements, and I have that resolution in my hand, and they resolved as follows:

Therefore be it resolved, That we are in favor of the philosophy of the reciprocal-trade agreement as the most likely assurance to bring international cooperation and peace; and further

Resolved, That we are opposed to the consummation of any Federal trade agreements which have in their provision agreements admitting livestock or livestock products, grain or grain products, or poultry products, or dairy products, or any other agricultural products which can be efficiently produced in this country, and which may directly or indirectly have a bearing on the supply of said products, or which may have a tendency to depress farm prices; and further

Resolved, That we believe it against the public interest to repose in a single authority the responsibility for effectuating reciprocal-trade agreements and that the public interest will be best served by a requirement that all proposed reciprocal-trade treaties be subject to the review and approval of the United States Senate; and further

Resolved, That copies of this resolution are directed to be placed in the hands of the Senators and Congressmen of the States of Montana, North Dakota, Minnesota, and Wisconsin, and of the Northwest Farmers Union legislative committee, and that a copy hereof be sent to Secretary Wallace, Secretary Hull, and to the committee in Washington which has been holding hearings on the Argentina trade agreement.

Representing those people in the Northwest, Mr. Thatcher sent a copy of that resolution to Members of Congress. Every Member of the House Committee on Agriculture received a full and complete copy of all of the resolutions passed at that meeting, which includes the one I have just read. There is no duplicity there—Mr. Thatcher merely transferred to Congress the resolution passed by the Northwest Farmers Union group.

The National Farmers Union includes the Northwest group, and Mr. Thatcher is chairman of the National Farmers Union legislative committee. The national convention of the Farmers Union did not specifically pass a resolution with reference to reciprocal-trade treaties.

Mr. Thatcher called to Chicago the national officers of the Farmers Union and most of its State presidents. At the same time, he called to Chicago the officers of all of the members of the regional grain-marketing organizations in the United States that are federated and known as the National Federation of Grain Cooperatives. Mr. Thatcher must be held in some high regard, because he is not only president of the National Federation of Grain Cooperatives but he is also chairman of the National Farmers Union legislative committee. These two groups of farm leaders called to Chicago—that is, the National Farmers Union group and the National Federation of Grain Cooperatives' group—approved the statement which Mr. Thatcher had handed to the President of the United States—and they unanimously approved it, both groups—and let us see what that statement had to say with respect to the present subject under discussion—reciprocal-trade agreements:

We support the philosophy of reciprocal-trade agreements as the most likely assurance to bring international cooperation and peace, but we insist that in the consummation of such agreements necessary safeguards must be employed to protect parity prices for domestic agricultural products efficiently produced.

We are opposed to logrolling tariff legislation which has historically betrayed American agriculture.

You will see that the three groups, that is, the Northwest Farmers Union, the National Farmers Union, and the National Federation of Grain Cooperatives, insisted that these agreements should not be left to some single authority to make these trade agreements, but must be surrounded with the necessary safeguards so as to protect parity prices for domestic agricultural products efficiently produced. There is no inconsistency in the two resolutions and there is no deceit. Mr. Thatcher has merely represented and presented statements first approved by the groups that he represents and that is all there is to that.

Now, as to your question of the complicated business set-up or business activities of the Farmers Union. Those institutions are set up under the laws of Congress. They are Capper-Volstead cooperative institutions. Mr. Thatcher is general manager of the Farmers Union Grain Terminal Association and that is the place where he is paid all of his income. He is paid not a cent in salary or compensation in any form in his position either as chairman of the National Farmers Union Legislative Committee or as president of the National Federation of Grain Cooperatives. He handles those two important responsibilities without pay, while, at the same time operating as general manager of the Farmers Union Grain Terminal

Association. I challenge my colleague from Minneapolis, or any other Member of Congress, to show where the United States Department of Agriculture has ever paid Mr. Thatcher a 5-cent piece either for income or expenses. I also want to point out that he condemns certain practices and policies of the United States Department of Agriculture and I quote from a resolution which he prepared and was passed by the National Farmers Union convention last fall:

4. USE OF COOPERATIVES WHEREVER AVAILABLE AND SERVICEABLE AND ASSURANCE THAT THE GOVERNMENT STAY OUT OF THE FIELD OF AGRICULTURAL DISTRIBUTION

In all the Federal laws dealing with warehousing and distribution of agricultural commodities, the Congress has provided directive language to use producers' cooperative associations when practicable. In too many instances, Federal agencies have wantonly evaded the intent of Congress that producers' cooperative associations, when available, should be used.

The Commodity Credit Corporation is accumulating large supplies of cotton, corn, and wheat through loans to cooperators on a basis of a loan-unit price above the current market price. The Commodity Credit Corporation is making use of the facilities and services of the producers' cooperative associations, yet is gradually building the Government into the field of commercial distribution to the detriment of all who have invested in the facilities and services of agricultural distribution.

During the last session of Congress the House of Representatives disapproved a required appropriation for $119,000,000 without which Commodity Credit Corporation could not have made cotton, wheat, and corn loans during the present year. Our organization expended a great deal of time and funds to gain approval of this $119,000,000 appropriation by the United States Senate. Subsequently the House concurred in the action of the Senate.

It would prove to be a fatal policy in the long-time interest of producers for the Farmers Union to continue to support appropriations for any agencies of the Federal Government which either fail to use existing facilities and services or would eventually force, by competition, existing cooperative marketing assocations to liquidate their enterprises. We will henceforth support appropriations which at least do no harm to our cooperative associations; otherwise, we will vigorously oppose such appropriations.

The substance of that resolution is that if the Commodity Credit Corporation continues to operate in the field of grain marketing, the National Farmers Union will oppose further appropriations for Commodity Credit Corporation.

Now, the private grain trade likes that much about Mr. Thatcher's work, that is the private grain trade is in a state of revolution because the Commodity Credit Corporation is marketing some wheat and corn that has been put under loan. They like Mr. Thatcher when he opposes the Government being in the grain business, but according to my colleague from Minneapolis, they do not like him when he builds a cooperative marketing organization out in the country.

Now, my colleague says that all of this ought to be investigated. Well, it has been. I invite any Member of Congress to call up the Farm Credit Administration and ask for Mr. Wells, the general manager of the Central Bank for Cooperatives, that loans to Mr. Thatcher's organization as high as $2,000,000, and he will tell you that Uncle Sam goes out there and thoroughly audits the books of that organization; he will tell you that that organization pays to the Federal Government $300 per month to have a representative of the Federal Government sitting out there as a custodian to watch every dollar of the funds that the Government loans out there, to see that such funds are properly used, and I have here in my hands the last annual statement of the Farmers Union Grain Terminal Association, of which Mr. Thatcher is general manager, and it is a complete and detailed statement of their finances and their operations. Not only that, this statement is certified to by a firm of certified public accountants, and interestingly enough, that firm of certified public accountants has its headquarters in Minneapolis, Minn.

So, here is an institution and a man under attack whose every operation is audited by the Federal Government and a firm of certified public accountants, and I might state that it is very well managed and has a very unusual earning statement. The last year and a half, up to this statement, this marketing organization had net earnings in excess of a quarter of a million dollars and, thus, was able to pay very substantial patronage dividends to its patrons. In addition, their financial statement is the only one I have ever seen in my life that has in the back end of it sort of a dictionary, which explains the nature of every single account on its balance sheet. So far as I have ever seen, it is the most thoroughly audited institution and the most complete in its disclosure of its affairs of any statement I have ever examined. Of course, the private grain trade does not like to see this cooperative-marketing organization succeed.

I know something about it. I was general counsel for the Farmers Union Terminal Association when it was set up. I helped Mr. Thatcher set it up. I helped him liquidate the old Equity Cooperative receivership, which settled in full with every creditor and out of which was built a new marketing organization. There are many Members of Congress here on the floor today who know of Mr. Thatcher's untiring efforts on behalf of agriculture. Ask the chairman of the Agricultural Committee, a Democrat, or ask the minority leader of the Republican group on our Agricultural Committee, the gentleman from Kansas, Mr. CLIFFORD HOPE. Our colleagues, the gentleman from Texas [Mr. JONES] and the gentleman from Kansas [Mr. HOPE]—Democrat and Republican—will testify as to the untiring efforts of Mr. Thatcher through the years on behalf of American agriculture.

Of course, the private grain trade does not like it. He labored for 3 years to put through the Commodity Exchange Act, to put these gambling exchanges in the front line, where the United States could look at them; he led the fight for crop insurance; he fought for the life of Resettlement Administration when it was to be thrown out of the window; he has battled for over 4 years the unconscionable policies of the Farm Credit Administration. He is neither a Republican nor a Democrat, but to my knowledge, for 25 years has made a militant fight on behalf of the farmers of the Northwest and the rest of the country.

My colleague from Minneapolis says there should be a resolution to investigate this organization. I am all for his resolution, if he will include in his resolution a complete investigation of the private grain trade and the milling industry, and I want to sit on that committee.

In closing, I want to state again that I have before me the resolutions adopted by these organizations and the statement left with the President of the United States and filed in the CONGRESSIONAL RECORD by Senator WHEELER, and wish to state there is no duplicity, there is no deceit in the manner of handling and presenting these resolutions to Members of Congress.

So far as the money which has been loaned by Farm Security Administration to set up local cooperative elevators out in North Dakota, of course, the Farmers Union Grain Terminal Association will not spend its time and money to set one up unless those farmers agree to do their business with their own marketing agency. That is the privilege of the private grain trade, if they so want to conduct their business. But here is the catch. Mr. Thatcher's organization, the Farmers Union Grain Terminal Association, agrees to set up one-half of its net earnings in an insurance fund to protect the Government on loans it makes to the farmers for cooperative grain marketing, and any private grain house can have the same available credit with which to build cooperative elevators out in the country if such commission house will agree to set up one-half of its net earnings in an insurance fund to protect the Government and make the other half available in patronage dividends to the country elevators. You do not need an investigation to find that out—you can find that out by merely calling up the Farm Security Administration and the Farm Credit Administration.

I hope now, after having given my colleague from Minneapolis the facts, that he will be less inclined to speak out for the grain gang of Minneapolis.

My colleague from Minneapolis says that Mr. Thatcher has changed his position about cost of production for the farmers. That is not true. Mr. Thatcher was one of the group who asked for the McNary-Haugen bill and fought for it for years, and, as we all know, the Congress of the United States twice passed that bill and twice President Coolidge vetoed it. Eighty-seven organizations of the Minneapolis

grain gang wired President Coolidge to veto the McNary-Haugen bill.

I have before me a speech which Mr. Thatcher gave over the National Broadcasting Co. in Chicago on January 27 of this year. He points out in that address that there are four proposals that the Congress may consider, which deal with the agricultural question:

First. Do nothing.

Second. Just keep on appropriating out of the Treasury in harmony with the 1938 Farm Act and continue to increase the Federal deficit. The Farmers Union is opposed to that.

Third. He points out that his organization is for price fixing when the Congress is ready to protect the consumers so that they will have the money to pay fixed prices.

Fourth. And the one which Farmers Union is pushing is their income-certificate plan, which is nothing more than a 1940 version of the McNary-Haugen plan, and, by the way, Senator VANDENBERG recently, in his speech at St. Paul, endorsed a 1940 plan embodying the principles of the McNary-Haugen bill.

Mr. Thatcher has at no time abandoned his belief in the cost-of-production principle under proper safeguards to consumers; but, when unable to attain that objective, he has turned to making the program which could pass this Congress better. If he could not obtain all he wanted, he did not throw up the sponge and quit, but fought on to obtain the best possible legislation obtainable from this Congress. In that respect Mr. Thatcher is no different from myself. I, too, believe in the cost-of-production program and will vote for it every chance I get; but when efforts to pass such legislation are futile, I propose to direct my energies and whatever of ability I possess to making the legislation we can secure better than it was when presented to Congress. I personally know that Mr. Thatcher was more responsible than any man in the United States in securing the first Crop Insurance Act.

I have been in this fight for a better day for the farmers of the Northwest for 35 years. I know what a fight that has been. I can remember the day in North Dakota when we were compelled to sell our grain to line elevators only. These line elevators were established on railroad property, and the railroads would not permit the presence of an independent buyer. The line elevators were not only line elevators, but were lined up with the railroads directly, financially, and through overlapping directorships.

It took us 4 years to pass an act in the North Dakota Legislature to compel railroads to put in loading platforms so the farmers could ship directly to the grain markets. After the act was passed, the railroads circumvented the plan by refusing to deliver cars to farmers and independent grain dealers for the purpose of direct shipments. It took us another 4 years to pass a reciprocal-demurrage law compelling railroads to deliver cars. Our fight has been to free the farmers from the absolute control of their grain and livestock by the so-called line interests. The only organizations in the Northwest that have stood between the farmers and these organized interests and protected the farmer from this abject enslavement have been the Equity Society of America, the Equity Cooperative Exchange, and now its successor, the Farmers' Educational and Cooperative Union of America and its subsidiary set-ups.

The first great leader in that fight for a better day for the farmers of the Northwest was George S. Loftus, probably the greatest farm leader of all time. He was closely followed by such able and militant leaders as Milo Reno, of Iowa, and John A. Simpson, of Oklahoma. Today the responsibilities of that same leadership in the Northwest are carried on by M. W. Thatcher. He, like the others, will be condemned and ridiculed. The clouds of calumny will settle around his head, but in due course of time his ability and his fidelity to the cause of the Northwest farmers will be fully appraised and appreciated, and in the hearts of a grateful farm population he will be placed side by side with these other great leaders who have passed from this earthly scene of action.

The organized grain trade of Minneapolis is still at work. They see a chance to weaken the confidence of the farmers of the Northwest in the Farmers Union, and true to form they attack our leaders. This course of action is nothing new—they have been at it for 40 years. They used to attack the objects and purposes of the organization. Having always failed in that, they now seek the same end by attacking the men who have successfully piloted the farmers' cause. In this they must also fail because their case is built of falsehoods and malicious charges, which time alone will refute. Instead of weakening this farmers' movement, their attack upon its leaders will revive the same old fighting spirit that has held the Chamber of Commerce of Minneapolis at bay for a quarter of a century—and more—it will revive the fight to mop up the whole nefarious business of grain gambling indulged in by the "grain trade." This fight will not end until the farmers of America have a just and open market, ridded of the rats that have gnawed holes in the farmers' grain bin for the last 50 years.

No matter what some Congressman may be induced to say, we still have confidence in M. W. Thatcher and the Farmers Union.

With the permission of the House, I will file documents and audits which prove the statements here made by me to be absolutely true and a complete vindication of Mr. Thatcher and the Farmers Union before the people of this Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 76, noes 108.

So the amendment was rejected.

Mr. BURDICK. Mr. Chairman, under unanimous consent heretofore granted, I submit the following:

ROOSEVELT TOLD F. U. POSITION—M. W. THATCHER, IN PERSONAL INTERVIEW AT WHITE HOUSE, TELLS WHAT FARMERS WANT

In a personal interview at the White House on January 16, M. W. Thatcher, chairman of the National Legislative Committee of the Farmers Union, laid before President Roosevelt the views, aims, and wants of agriculture. This was embodied in a brief statement which was based upon the resolutions adopted by the Farmers Union national convention, held at Omaha, Nebr., November 20 to 22, 1939. This statement covers in concise and readable form what the resolutions carried at greater length, such as demand for the income certificate bill to assure parity price, qualified approval of the trade pacts, approval of national defense if the funds came from increased income tax, support of the debt adjustment bill, and gratification over the transfer of the Farm Credit Administration to the Department of Agriculture.

THE STATEMENT AS FILED

Following is the complete and exact text of the statement made to the President and filed with him:

AGRICULTURAL INCOME

The 1938 Farm Act is furnishing substantial assistance to agriculture. However, it fails to provide the objective for parity of income. Too, it does not cover many of the important agricultural commodities.

Through further legislation, more effective use of the present act, together with certain sound tax impositions, Congress can find ways and means to produce the revenue required to make the 1938 Farm Act fully effective. Agriculture fully expects the Congress to keep faith with its legislation.

We are supporting the income-certificate plan for wheat, cotton, and rice, and such other commodities as may prove properly applicable to such protection. The certificate plan is the employment of an internal tax to cover the gap between the cash farm price and the declared fair price. Therefore it is not a regressive sales tax, but, rather, a deficiency tax to establish a fair, stabilized price.

We intend to support a unified agricultural front as a means of protection for the whole farm family producing the important agricultural products.

AGRICULTURAL PRICES

The great majority of representatives of the agricultural trades, organized labor, and agriculture do not expect any substantial increase to agricultural prices arising from war conditions. If, however, prices should rise to parity, appropriated funds for parity payments would be returned to the Treasury.

Substantial increase in the national income will have practically no effect upon the price of such surplus crops as wheat, rice, tobacco, cotton, etc., when there is an excessive world supply of such commodities. Those who contend otherwise qualify as members of the ostrich class.

RECIPROCAL-TRADE TREATIES

We support the philosophy of reciprocal-trade agreements as the most likely assurance to bring international cooperation and peace, but we insist that, in the consummation of such agreements, necessary safeguards must be employed to protect parity prices for domestic agricultural products efficiently produced.

We are opposed to logrolling tariff legislation which has historically betrayed American agriculture.

GOVERNMENT IN BUSINESS

We vigorously oppose any department of government encroaching upon the field of agricultural distribution, when facilities and service charges are otherwise available at reasonable rates.

NATIONAL DEFENSE

Adequate armaments to maintain defense of our country meets our hearty approval, if the appropriations therefor are to be covered by revenue arising from additional Federal income taxes; provided, however, this character of expenditures is not made at the expense of health-sustaining assistance to deserving and unfortunate American citizens without self means.

Part of the national defense for efficient, industrious, and honest farm families is provided for in our farm debt adjustment bill now pending before the Congress. It would require no additional appropriation for many years, if ever, and would assure such farmers their first line of defense against the many troubles which erode them. Those who would conserve capitalism should pull their heads from the sand and insist upon a farmer-owned and operated agriculture, the foundation of capitalism.

FARM CREDIT ADMINISTRATION

We are most grateful for the tardy transfer of Farm Credit Administration to the Department of Agriculture. We hope the Secretary of Agriculture will soon be able to furnish a report of the administration of the Federal land banks, Intermediate credit banks, Federal Farm Mortgage Corporation, and production credits and collections, with its consequent ill effects upon agriculture.

Based on many years of experience with boards in control of agricultural credit, we will vigorously oppose any legislative proposal which again seeks to board it up.

ST. PAUL, MINN., *December 27, 1939.*

To Our Fellow Cooperators:

We are attaching hereto a lengthy communication to Mr. W. M. Kiplinger, of the Kiplinger Washington Service, Washington, D. C.

Two important weekly letters go out of Washington, D. C., to clients of the two organizations. One is the Whaley-Eaton Service, which goes out in an extraordinary form and manner and deals very little with personalities. The other is the Kiplinger Service, which deals largely in personalities and what some people call Washington gossip. Each of these organizations has an extensive clientele.

Another important news service at Washington is the United States News, which goes out in the form of a newspaper.

On behalf of the Northwest Farmers Union Legislative Committee, the National Farmers Union, and the National Federation of Grain Cooperatives, we have made a determined effort to liberalize the policy within the Farm Credit Administration, particularly as to farm mortgages. The purpose of this was, obviously, to create a new conception of agricultural credit.

Farmers, trying to hold onto their farms with some equity, are the last group in America willing to work for practically room and board. While the various branches of finance and industry are pampered with special legislation, special rights under charter, and organized labor secures more and more in the way of minimum wages, maximum hours, right to picket, right to strike, bargain collectively, etc., it does seem that good, national policy would recognize this last group, the American farmer, and encourage him to stay on the farm, when he is asking no such special privileges as the other groups enjoy.

In view of this, it seemed unconscionable that national policy should evict honest, industrious people from their farms because they could not pay so much in dollars and cents, when, as everyone knows, in most cases their inability to pay arose out of conditions over which they had no control, such as low prices, drought, etc.

That's what our fight has been all about in connection with Farm Credit Administration. It has finally ended in the Farm Credit Administration being transferred by the President to the United States Department of Agriculture. Also, it finally brought the resignation of Gov. F. F. Hill and the appointment in his place of Dr. A. G. Black.

We believe that the Secretary of Agriculture selected the outstanding man for this position when he recommended Dr. A. G. Black to the President. Naturally, we are delighted over the outcome.

In the attached letter, addressed to Mr. Kiplinger, you will find our remonstrance against his attack.

In the letter of December 23, 1939, issued by the Whaley-Eaton Service, this appears:

"5. Farm credit: Various public statements have been made to the effect that Farm Credit obligations are not guaranteed by the Government. The fact is more than $1,300,000,000 of Farm Mortgage Corporation bonds are fully and unconditionally guaranteed, with over another $600,000,000 still authorized.

"6. As to the $1,700,000,000 of land-bank bonds outstanding, there is no guaranty on the face of the bonds, but the Treasury has already put in $124,000,000 of capital and $189,000,000 of surplus as a buffer, and is contributing about $30,000,000 a year to make up for Congress' arbitrary reduction in the interest rate paid by mortgage borrowers. Also, the Government subscribed the total capital stock of the intermediate credit banks, amounting to $70,000,000.

"7. Policy: It is responsibly stated that Farm Credit operations will not be premised on compliance with other programs, such as soil conservation, and that it will not become a relief agency. It is also responsibly stated, however, that there will be a reversal of loan and foreclosure policies in the direction of 'humanizing' agricultural credit. The President sanctioned transfer of Farm Credit control to Wallace despite the strong protests of some farm organizations and of many of his own high financial advisers. The move is almost certain to be made an issue in the next campaign, since it reeks with politics."

The United States News, in its issue of December 26, 1939, carries the following:

"More than 1,000,000 farms in the United States are mortgaged to Government-owned or Government-controlled lending agencies.

"Owners of these farms, who owe the Government at least $2,700,000,000, eagerly read last week of a change in management at the Farm Credit Administration. The reason: Many farmers now hope for a moratorium on foreclosures.

"Involved in the change in management is a change in status for the F. C. A., the holding company for the various Government corporations making loans to farmers. Formerly F. C. A. was an independent agency, like the Federal Reserve Board and the Federal Deposit Insurance Corporation.

"Now F. C. A. is in the Department of Agriculture, where it is under direct control of Secretary Wallace.

"ARGUMENT, PRO AND CON, FOR CHANGE OF CONTROL

"This change has resulted in the resignation of Forrest F. Hill, Governor of F. C. A. since 1938. Mr. Hill protested that any attempt to integrate the credit agency with the general Department of Agriculture program would inevitably result in sacrificing sound financial procedures for sociological or humanitarian ends. He illustrated:

"It will be difficult to explain to farmers how one agency of the Department (Commodity Credit Corporation) can lend 57 cents on 50-cent corn while another agency (Federal Farm Mortgage Corporation) cannot lend $110 or $115 on $100 land."

Mr. Hill's determined fight to maintain the independence of the F. C. A. went to President Roosevelt for final determination. The President, however, ruled against Mr. Hill and in support of his Secretary of Agriculture. Secretary Wallace had maintained that integration of F. C. A. with other work of the Department of Agriculture was essential to keep all these public services to agriculture moving toward common objectives.

If Mr. Hill feared a trend away from sound banking procedures, many farmers and their Congressmen hope for it.

In announcing the appointment of a new F. C. A. governor, A. G. Black, former chief of marketing and research for the Department, Secretary Wallace declared:

"The acts of Congress authorizing the work of the Farm Credit Administration and prescribing its functioning, of course, remain unchanged. Mr. Black and his associates in the Farm Credit Administration will be responsible to me for * * * administering loans to individual farmers in a way that will completely safeguard the equities of borrowers and of investors."

However, Mr. Wallace added: "Of course, the F. C. A. faces some serious problems. The fact that former Governor Hill felt it necessary 2 months ago to suspend most foreclosures in certain areas reflects the existence of these problems."

Problems referred to by Mr. Wallace are not limited to those posed by current drought crop failures. They include the larger problems of how to keep farmers on the farms when they cannot meet payments on their mortgages, despite liberal cash subsidies from the A. A. A.

Originally, Government loans for refinancing farm mortgages were 5 percent, 30-year mortgages. In 1934, Congress amended the law, over a Presidential veto, to require no payment against principal and to reduce interest rates to 4 percent. Subsequently, over another veto, interest rates were further reduced to 3½ percent.

Foreclosures have continued, however, and some 12,000 to 15,000 families have been put off their farms each year. This procedure has distressed Congress. Last July, Senator WHEELER told the Senate:

"What has the Farm Mortgage Corporation been doing? They foreclose a mortgage and then put the borrower off the place. They buy the farm; and do they let the farmer come back and take it? No; they will take some other tenant and put him upon that piece of land, on exactly the same basis as the man who had been farming it over a long period of time and wanted to stay on it. They will not give him a chance, but will take some other man who may not have been a farmer."

PROPOSE REFINANCING LOANS TO RUN 40 YEARS

Further, as Congress sees it, the farmer who is put off the land goes into the city, there to compete in the overcrowded labor market while another Government agency, the Farm Security Administration, is loaning funds to other families, especially tenant farmers, to purchase and equip other farms.

Senator WHEELER and Senator LA FOLLETTE are jointly sponsoring a bill which would further liberalize the loan policy of the F. C. A. by permitting loans for refinancing up to 100 percent

on land. These loans would run 40 years at a maximum of 3-percent interest.

Supporting this measures are such influential Senators as Borah (Republican), of Idaho; CAPPER (Republican), of Kansas, NORRIS (Independent), of Nebraska, and GILLETTE (Democrat), of Iowa.

We have tried very carefully to prepare all this material, that you may be well informed on this whole controversy. This is particularly so because many informed people have stated that this will be the occasion of a big fight when Dr. Black's name comes before the United States Senate for confirmation. These same people say that it will become a powerful political issue and will be in the campaign. So far as we are concerned, that's just grand, because the only hope of changing for the better the philosophy of agricultural credit, to protect honest farmers, only can come out of a thorough debate and complete understanding of what is involved.

If we are certain of anything, it is that the Congress of the United States will protect honest farm families who are working hard in their farming operations, doing everything they can to protect their rights to work on those farms, and give them some hope that they may one day own them. We can say good-by to democracy when there is an end to farmer-owned and operated agriculture.

We shall be glad to have your reaction on this. Let us hear from you.

Sincerely yours,

M. W. THATCHER,
Chairman, Farmers' Union National Legislative Committee; Northwest Farmers' Union Legislative Committee.

ST. PAUL, MINN., *December 27, 1939.*

Mr. W. M. KIPLINGER,
In care of the Kiplinger Washington Agency, National Press Building, Washington, D. C.

DEAR MR. KIPLINGER: I have just completed reading your letter of the 16th inst. My first reaction to it is an assurance that you have gone much too far in prognosticating the policies which eventually will be adopted by Secretary Wallace and the new Governor of the Farm Credit Administration, Dr. A. G. Black, with reference to farm mortgages.

The Farm Credit Administration has been under the influence of an eastern group which has had little sympathy and often less understanding of the people of the farms all over the Nation. These farm people have just begun to move in the United States. It is their intention to share in the affairs of government from now on and to participate to a greater extent in the division of the national income.

These farm people are of the opinion that the change in the management of the Farm Credit Administration will aid them in that intention to share in governmental affairs and to secure that fairer division of the national income. Nor are they alone in this. I am just in receipt of a letter from a prominent administrator, versed in the operations of the Farm Credit Administration, in which he says:

"May I add that, in connection with some of the recent changes in Washington, so far as the Farm Credit Administration is concerned, I am looking forward with anticipation to working closely and effectively with the new Governor. I hope we will be successful as we go along in finding better ways of meeting a number of our serious problems than have been adopted up to this time."

If he, who is not under the harrow of debt and distress, feels that better ways must be found than have been adopted up to this time, is it strange that the farm people of our country entertain the same thought and recognize the change in the F. C. A. as a move for the better?

However, my particular reason for writing you at this time is to deal with a grave charge which your letter levels at Secretary Wallace, Senator WHEELER, and myself, ascribing to the three persons named a series of trades which, if true, involves a new low in political turpitude and treachery.

The paragraph in your letter of December 16 reads:

"Wallace's deal with the President was a two-way proposition: In exchange for a free hand with farm credit he was in position to offer support for trade agreements by the Farmers Union, whose membership is in the area of the hottest farm opposition to the trade agreements. Wallace got the President's promise, then 'delivered' the Farmers Union, which this week went on record for the trade agreements. This was done through a deal between Wallace and M. W. Thatcher, off the Farmers Union."

First, Secretary Wallace and M. W. Thatcher made no "deal." Second, Secretary Wallace never suggested to me that there would be any advantage to the Farmers Union, or to any of its business activities, if support were given by the Farmers Union to the reciprocal trade treaty philosophy.

The gross inaccuracy of your statement is proved by the language of the resolutions adopted by the Farmers Union business activities in St. Paul, December 15, 1939, on the trade pacts. It is evident that, when you speculated on the "delivery" of the Farmers Union, you had not before you the text of the resolutions adopted by the 1,500 representative farmers who were delegates to that annual convention. A true and correct copy of those resolutions follows:

RESOLUTIONS

"Be it resolved by the representatives of the Northwest Farmers Union activities in annual convention at St. Paul, Minn., December 15, 1939, That—

"Whereas, because of various conditions arising out of drought and extremely low prices over the years, farmers of the Northwest have not only become deeply indebted to the agencies of the Federal Government and to other groups, but they have been losing their homes by the thousands and are still in the process of losing their homes; and

"Whereas, because of the above-mentioned facts, farmers have arrived at an economic condition wherein they are desperately endeavoring to better their condition through cooperative marketing and compliance with the Triple A in reducing their acreages and livestock herds; and

"Whereas such conditions and circumstances will permit of no further deflation of prices or other contingent conditions or proposals which are likely to bring about further lowering of prices, nor admit of competition with the products produced in this section; and

"Whereas American agriculture, throughout the history of tariff legislation, has been sold 'down the river' for the benefit of other groups: Therefore, be it

"*Resolved,* That we are in favor of the philosophy of the reciprocal-trade agreement as the most likely assurance to bring international cooperation and peace, and further

"*Resolved,* That we are opposed to the consummation of any Federal trade agreements which have in their provision agreements admitting livestock or livestock products, grain or grain products, or poultry products, or dairy products, or any other agricultural products which can be efficiently produced in this country and which may directly or indirectly have a bearing on the supply of said products, or which may have a tendency to depress farm prices, and further

"*Resolved,* That we believe it against the public interest to repose in a single authority the responsibility for effectuating reciprocal-trade agreements and that the public interest will be best served by a requirement that all proposed reciprocal-trade treaties be subject to the review and approval of the United States Senate, and further

"*Resolved,* That copies of this resolution are directed to be placed in the hands of the Senators and Congressmen of the States of Montana, North Dakota, Minnesota, and Wisconsin, and of the Northwest Farmers Union legislative committee, and that a copy hereof be sent to Secretary Wallace, Secretary Hull, and to the committee in Washington which has been holding hearings on the Argentina trade agreement."

If, out of that, you or any other individual can twist evidence of a "deal" or a "trade" or any confirmation whatever for your charge, then the English language has become a mere vehicle of ambiguity and equivocation. On the contrary, I regard the language of the resolutions as complete proof of the gross inaccuracy of your charge.

Permit me to call to your attention the paragraph immediately following the one already quoted from your letter. It directly charges treachery on the part of the Farmers Union and the Secretary of Agriculture as against the candidacy of Senator Burton K. Wheeler. It reads:

"Undermining of Senator Wheeler also is directly involved. Wheeler is running for President. So is Wallace. Wheeler is sponsor of pending bill to make Government farm-mortgage loans easy * * * 3 percent, 40 years. It's a Farmers Union bill, written in Department of Agriculture, with aid of Black. Now backers of Wallace-for-President hope to have Wallace get the credit for easy mortgage loans * * * instead of Wheeler."

The facts and the record do not sustain any such charge as this. The Farmers Union cooperative business activities in the Central Northwest held their annual stockholders' meetings during the week ending December 16 at St. Paul, Minn. On the night of December 14 they gave their annual banquet in the municipal auditorium. On that occasion I had the distinct honor and privilege to entertain as our guests the distinguished Secretary of Agriculture and the distinguished Senator, the Honorable BURTON K. WHEELER. It was my privilege and honor to introduce these two speakers, who sat side by side and spoke from the same platform. My introduction of each and their speeches were carried over the radio. Everyone at the banquet and radio listeners could not help but understand from the introductory remarks our esteem of Senator WHEELER as the most desirable Presidential timber. That introduction included pointed reference to Senator WHEELER as the experienced Senator and prosecutor, in contrast with the prosecutor, inexperienced in statecraft, Mr. Dewey.

Everybody out here understands our great faith in Senator WHEELER as an outstanding statesman and one most desirable, from our point of view, as a potential occupant of the White House. Nobody in our organization, nobody in attendance at the banquet, and no radio listener could for a moment get the impression that we were undermining Senator WHEELER.

Our organization does not attempt to select political candidates. We are never in direct politics. We do not intend to be. We were obliged to work with Mr. Hoover when he was President and with his Federal Farm Board. It has been a great pleasure to work with President Roosevelt and Secretary Wallace in helping to give to the United States farmer his first real opportunity to participate in formulating policies of government and to enjoy a greater share of the national income.

Reverting now to the change in the Farm Credit Administration: You are doubtless aware that the thirty-fifth annual convention of the National Farmers Educational and Cooperative Union of America was held at Omaha, Nebr., November 20, 21, and 22, 1939, at which delegates from 18 States were present. Resolutions were adopted at this convention covering the 1940 program of the organization. A copy of these resolutions is enclosed and made a part of this letter.

If you will now refer to page 3 of these resolutions you will find this under the heading, "Legislation":

"The President of the United States, by Executive order last June, directed the transfer of the Farm Credit Administration to the Department of Agriculture. We sought this transfer because we needed the more sympathetic administrative attitude as exemplified in the administration of the Farm Security Administration. For some reason the transfer was deferred, thus leaving the Farm Credit Administration in its former relatively autonomous position.

"Believing the transfer would prove to be a contribution of immeasurable consequences, we respectfully urge the President to immediately effectuate his original order of last June."

You will observe that this deals definitely with the matter of agricultural credit and the changes deemed necessary and our reasons for the change. Senator Wheeler was the principal speaker at this convention and was accorded a striking ovation at the conclusion of his speech. If, as you charge, the Farmers Union was undermining him and dealing treacherously with him, we must have begun early at Omaha in November, though not an officer or delegate present knew it and, strangely enough, even the astute editor of the Omaha World-Herald saw no signs of betrayal and, instead, accepted our reception of him as indicating the approval of our national organization.

As I scan your letter of December 16, I am led to but one conclusion, which is that it is nothing short of scandalous. I am amazed that an institution with such a fine reputation as the Kiplinger Service should not have checked more thoroughly before making such strong statements as appear in your letter with reference to President Roosevelt, Senator Wheeler, Secretary Wallace, Dr. A. G. Black, the National Farmers Union, and myself.

I feel sure you will be willing to check on the facts, particularly with reference to those parts of your letter herein quoted and the resolutions of our organization contained herein and attached to this letter, to the end that, in one of your letters in the near future, the correction to which we are entitled will be made.

Respectfully submitted.

M. W. THATCHER,
Chairman, Farmers Union Legislative Committee, Northwest Farmers Union Legislative Committee.

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA, ANNUAL CONVENTION, OMAHA, NEBR., NOVEMBER 20–22, 1939—1940 PROGRAM

We, representing organized farmers of the United States, banded together as the Farmers Educational and Cooperative Union of America, assembled in our thirty-fifth annual convention at Omaha, Nebr., November 20, 21, and 22, 1939, submit our program to guide us in the crucial year of 1940, clearly mindful of our grave responsibility in a world of crisis, where chaos threatens to engulf all civilization, and where no class, nation, or age can escape economic consequences of the turmoil abroad today.

We reaffirm the historic and basic principles of the Farmers Educational and Cooperative Union to attain equity and justice through maintaining a democratic political system and building a cooperative economic system as the practical expression of the Christian ideal of brotherhood, which alone can bring lasting peace and security.

To permit no black-out of our objective to attain parity income for agriculture sufficient to cover production costs, to provide a home free from threat of dispossession, and a decent standard of living for ourselves and our families.

To cooperate with other organized groups who genuinely seek to provide economic security, preserve democratic processes, provide distribution of abundance for all the people, and maintain our civil liberties.

In order to attain these objectives by doing together what we cannot do alone, we adopt the following program of educational, cooperative, and legislative activities for the coming year.

EDUCATION

Believing that education, which assures an understanding of cooperative economics, is basic to the development of unity which is needed to effectuate our cooperative and legislative programs, we pledge our organization to continue and expand the work carried on by the department of education of the National Union.

We also pledge our organization to continue its policy through junior and adult education to build an understanding of the problems facing farmer and industrial worker alike.

COOPERATION

Believing that a system of cooperative business, owned by producers and consumers, is the only means by which the potential abundance of this Nation may be made available to all its people and by which true democracy may be maintained and safeguarded, we urge that our membership continue to actively encourage and promote the development of cooperative business institutions.

We also urge a continuation of the cooperative conferences which have been held during the past 3 years.

LEGISLATION

SECTION I. Agriculture is not only the basic industry of the Nation—it is, under control and ownership of farm families, the only foundation upon which may be built and sustained our declared form of a democracy. Therefore, in an admitted legislated economy to assure a democracy, agriculture must be assured a parity position with the other important and essential groups.

Agricultural security is, therefore, the first required prerequisite for a well-fed, clothed, and housed democratic society.

Such legislation must first provide for a revaluation of the farm plant now under mortgage so that the debt, principal, and service charges may be related to the potential production of the plant and also provide conservation of the farm plant and farm family.

Production insurance and income assurance against drought, insect pests, speculative price changes, and other causes beyond the control of the farm operators must be provided as a matter of national policy. We must soon be done with Federal programs which rest upon perennial political caprice and which contribute to the continuing increase of the Federal deficit.

In keeping with these objectives we urge passage of the following national legislation:

1. The Farmers Union debt-adjustment plan embodied in Senate bill 2549 and section 21 of Senate bill 2864 pending before the Rules Committee of the House of Representatives.
2. A farm tenancy act as embodied in Senate bill 1836.
3. The Farmers Union dairy bill, House resolution 6500.
4. The Farmers Union cotton-income certificate plan embodied in Senate bill 2434.
5. The Farmers Union wheat-income certificate plan embodied in Senate bill 2395.
6. Similar legislation for flax, rye, barley, rice, and other commodities.

Pending the enactment into law of the foregoing legislative proposals we request that loans made by the Commodity Credit Corporation shall be at 75 percent of parity permitted under the present law.

SEC. II. We recognize that Federal agricultural programs up to this time have many weaknesses and that legislation has not, as yet, provided for American farmers either cost-of-production or parity price. However, we believe it would be a serious set-back to American agriculture to lose any of the good parts of existing Federal programs. Therefore, we deal with this problem from the standpoint of maintaining the legislation which we presently have and seeking those changes and corrective amendments which, in our judgment, are necessary.

We propose the following:

1. Payments to cooperators in the soil-conservation program should be made on the basis of needed soil-conservation practices and should be separated from commodity-income programs.
2. Expansion of the program of the Farm Security Administration to meet the needs of our farmers with particular reference to farm tenancy, debt adjustment, land utilization, mortgage refinancing, rehabilitation, and emergency relief.
3. Transfer of the Farm Credit Administration to the Department of Agriculture, which has demonstrated through its administration of Farm Security Administration its capacity and intentions to deal sympathetically and intelligently with the problems besetting those farm people of the country who, through drought, insect pests, low prices, and other causes, have been reduced to abject poverty.

The President of the United States by Executive order last June directed the transfer of the Farm Credit Administration to the Department of Agriculture. We sought this transfer because we needed the more sympathetic administrative attitude as exemplified in the administration of the Farm Security Administration. For some reason the transfer was deferred, thus leaving the Farm Credit Administration in its former relatively autonomous position.

Believing the transfer would prove to be a contribution of immeasurable consequences, we respectfully urge the President to immediately effectuate his original order of June 1.

4. Use of cooperatives wherever available and serviceable and assurance that the Government stay out of the field of agricultural distribution.

In all the Federal laws dealing with warehousing and distribution of agricultural commodities, the Congress has provided directive language to use producers' cooperative associations when practicable. In too many instances Federal agencies have wantonly evaded the intent of Congress that producers' cooperative associations, when available, should be used.

The Commodity Credit Corporation is accumulating large supplies of cotton, corn, and wheat through loans to cooperators on a basis of a loan-unit price above the current market price. The Commodity Credit Corporation is making use of the facilities and services of the producers' cooperative associations, yet is gradually building the Government into the field of commercial distribution to the detriment of all who have invested in the facilities and services of agricultural distribution.

During the last session of Congress the House of Representatives disapproved a required appropriation for $119,000,000, without which the Commodity Credit Corporation could not have made cotton, wheat, and corn loans during the present year. Our organization expended a great deal of time and funds to gain approval of this $119,000,000 appropriation by the United States Senate. Subsequently the House concurred in the action of the Senate.

It would prove to be a fatal policy in the long-time interest of producers for the Farmers Union to continue to support appropriations for any agencies of the Federal Government which either fail to use existing facilities and services or would eventually force, by competition, existing cooperative marketing associations to liquidate their enterprises. We will henceforth support appropriations which at least do no harm to our cooperative associations; otherwise we will vigorously oppose such appropriations.

5. Continuation of the Federal Surplus Commodities Corporation and an expansion of the stamp plan as a method of distribution.

6. Usefulness of the Rural Electrification Administration should be expanded and accelerated.

7. Revision of the Crop Insurance Act insuring the top 75 percent of the loss; providing that in determination of loss, quality as well as quantity be considered; providing that indemnities paid be eligible to commodity loans and that the crop-insurance program be extended to other basic commodities at the earliest possible date.

8. Opposition to the assignment of any payment made under the various Federal farm programs, except for the purpose of paying crop-insurance premiums, for which Congress has already made legislative provision.

Section III. We also reaffirm our position relative to the following:

1. Protection of the family-sized farm shall be a constant and primary policy and aim in the formulation, amendment, and administration of all farm legislation.

2. Administrative personnel of Federal farm programs should be farmers democratically elected insofar as legally possible; all other administrative personnel should be persons who understand, participate in, and are sympathetic to farm organizations and the cooperative movement.

3. Adequate and effective legislation which will make possible the rapid development of the cooperative movement, and which will protect cooperatives in their infancy from large established enterprises.

4. Protection of the domestic market for American agriculture.

5. Permanent adjustment of interest rates on Federal indebtedness of agriculture to those rates enjoyed by private industry.

6. Levy of all taxes on the basis of ability to pay. Continued ability to pay must be based on net income, and we are unalterably opposed to any system of taxation not based upon this principle. Since a sales tax has historically been the method used to extort revenue from those least able to pay, we reiterate our continued and consistent opposition to that tax.

7. Refinancing of farmers' indebtedness at low interest—amortized repayment plan—funds provided by Government issue of currency.

8. Restoration to Congress of the power to coin and regulate the value of money.

9. Abolition of the practices under which tax-exempt Government bonds are issued.

10. Conservation of all natural resources.

11. Opposition to regulation of truck and water transportation rates that tends to increase transportation costs. We also oppose repeal of section 4 of the Interstate Commerce Act commonly known as the "long-and-short-haul clause."

LABOR

The Farmers Union is distinguished, among farm organizations, for its friendly attitude toward organized labor.

We reaffirm our historic position, expressing a continued desire to cooperate with our brethren in the mills, mines, and factories.

We emphatically condemn those individuals and organizations, who seek to foster intolerance, strife, and misunderstanding between farmers and organized laborers.

PEACE

We submit that war is a natural attribute of an economic system based upon the profit motive. The seeds of hatred, intolerance, and international conflict take root and flourish in a world where frenzied economic rivalry creates the tragic contrast of growing poverty for the masses and overwhelming abundance for a few.

The brotherhood of man cannot be achieved in an environment distinguished by economic contrasts.

We believe that a secure and lasting peace can be achieved only through the establishment of an economic system based upon the principles of cooperation. We reaffirm our historic position that the cooperative movement offers a practical pattern for the creation of a warless world.

We stand unalterably opposed to the appropriation of huge sums of money for armaments made at the expense of appropriations which are necessary in the solution of our domestic problems, both rural and urban.

We refuse to become engulfed, through propaganda and a defeatist psychology, in the tide of hatred, intolerance, and war, out of which nothing can be secured except more hatred, more intolerance, more war, and the probable destruction of our freedom to continue building a just society.

[Farmers Union Grain Terminal Association, St. Paul, Minn. Annual report, fiscal year ended May 31, 1939, and financial statement as of October 31, 1939]

OFFICERS AND DIRECTORS

Directors, D. L. O'Connor, New Rockford, N. Dak.; Oscar Horsford, Wolf Point, Mont.; A. E. Kathan, Brady, Mont.; Hayes Stark, Joplin, Mont.; C. L. Waring, Billings, Mont.; Elling Knudson, Edmore, N. Dak.; Alex Lind, Williston, N. Dak.; J. F. Fitzgerald, Merricourt, N. Dak.; V. H. Hanson, Herman, Minn.

Officers: D. L. O'Connor, president; Oscar B. Horsford, vice president; A. E. Kathan, secretary-treasurer; V. L. Boesel, assistant secretary; M. W. Thatcher, general manager; T. F. O'Neill, assistant to general manager.

THE REPORT TO THE STOCKHOLDERS

FARMERS UNION GRAIN TERMINAL ASSOCIATION,
St. Paul, Minn., December 12, 1939.

In this pamphlet we are submitting for the consideration and action of our stockholders the balance sheets of our association as at May 31, 1939, and October 31, 1939, together with the general-income and profit-and-loss accounts for the year ended May 31, 1939, and the 5 months' period October 31, 1939.

The Farmers Union Grain Terminal Association began its operations on June 1, 1938, immediately following the operations of the Farmers National Grain Corporation, which were concluded on May 31, 1938.

The Farmers Union Grain Terminal Association, while a new corporation, is the outgrowth of the work of the old Farmers Union Terminal Association which was merged with the Farmers National Grain Corporation in 1931, and where it lost practically all of its capital structure.

The Farmers Union Grain Terminal Association began with a capital structure of $30,000 invested by the Farmers Union Central Exchange and loan capital provided by the Farm Credit Administration in the amount of $300,000. The loan capital of $300,000, furnished by the Farm Credit Administration, was provided under an agreement that protected all other creditors of the Farmers Union Grain Terminal Association except stockholders, and, therefore, this loan capital constituted what approximated, so far as our operations were concerned, a capital structure investment.

This loan capital was made available under a loan agreement, which ran 18 months. We hoped we would be able to pay half of it within the 18 months and then renew the other half. With the financial aid made available to producers by the Farm Credit Administration, wherewith the producers could invest in the preferred stock of the Farmers Union Grain Terminal Association, together with a very satisfactory operation, showing substantial net earnings, we were, happily, able to pay the Farm Credit Administration debt of $300,000 within a period of 15 months.

As is shown by our financial statement of October 31, the net worth is $628,782.03 and is made up as follows:

Common stock at $1 per share	$1,354.00
Preferred stock purchased by Farmers Union Central Exchange	30,000.00
Preferred stock purchased by farmers and farmers cooperative elevator associations	337,325.00
Surplus as of May 31, 1939	144,842.47
Net earnings June 1, 1939, to Oct. 31, 1939	115,260.56
Total net worth Oct. 31, 1939	628,782.03

The net worth is after having set aside $15,145.33 as a general reserve for doubtful accounts. This is arrived at by so much per bushel and is in excess of what we believe are doubtful accounts.

The board of directors at their meeting on July 14, 1939, by appropriate resolution, disposed of the surplus as of May 31, 1939—$144,842.47—as follows:

Transferred to reserve for permanent surplus (10 percent of net earnings for year ending May 31, 1939)	$14,484.25
Transferred to reserve for retirement of preferred stock (50 percent of net earnings for year ending May 31, 1939)	72,421.23
Transferred to patronage dividends payable	51,965.49
Balance available for payment of interest on preferred stock at 3 percent	5,971.50
Total	144,842.47

The Farm Security Administration has made loans to low-income farmers, to enable them to participate in the purchase of the preferred stock of our association. To protect the Farm Security Administration in these loans, the farmer signs a marketing agreement and assigns his dividends both for interest on stock and patronage dividend; also, a retains agreement, which provides that a certain fraction of a cent per bushel be deducted from his wheat sales, all of this security being set up behind the note signed by the farmer and given to the Farm Security Administration.

As additional security to the Farm Security Administration, the Farmers Union Grain Terminal Association agreed to set aside half of the net earnings each year in a reserve fund to protect the Federal Government against the default of any of the farmers in meeting the notes given to the Farm Security Administration, which enabled the said farmer to purchase the preferred stock in our association; therefore, at the end of our first year's operations, we have set aside $72,421.24 in this reserve fund.

As can be readily observed, this first year's reserve is nearly 22 percent of the total amount loaned by the Federal Government to farmers for their investment in the preferred stock of our association. Based on our earnings so far this year, it looks as though by the end of the second year of our operations we will have created a reserve fund for the protection of the Federal Government of 50 percent of the amount loaned by Farm Security Administration to the farmers to invest in the preferred stock of our association.

Some of the trade papers and newspapers have made some pretty rash statements about this plan of financing our cooperative asso-

ciation. We doubt whether the Federal Government holds any security for any of its loans in as well-secured position as those loans which the Farm Security Administration has made to farmers, enabling them to purchase preferred stock of our association. Time will tell whether this was a bad deal for the Federal Government. Your loyalty and patronage will also be a determining factor. We have great confidence in the future of the Farmers Union Grain Terminal Association and unlimited confidence in the loyalty and patronage of the farmers, and that means that we are confident that the Government will be repaid every penny loaned by it to farmers who participated in providing the capital structure of our association.

It, of course, is necessary to preserve and determine the interest of all patrons during the first year of our operation, as to their interest in the reserve fund. We, therefore, have computed the patronage dividends covered by this reserve fund and they have been set up and each patron interested therein is being given his certificate of interest in this reserve fund. The distribution of the patronage dividends for the year amount to approximately 65 percent of commissions charged, and the distribution of the earnings as ordered by the board is as follows:

Cash covering the interest on preferred stock outstanding as at May 31, 1939	$5,971.50
Certificates of interest issued against the reserve fund	72,421.23
Preferred stock issued	51,965.49
Retained for permanent surplus	14,484.25
Total	144,842.47

The patronage refund amounts to the following per bushel:

	Cent
Wheat	0.009757
Flax	.013009
Rye	.006540
Barley	.006540
Oats	.003251
Corn	.006540

As to the net earnings for the current fiscal year, they will be increased or decreased in line with the decision and activity of the Federal Government, acting through the Commodity Credit Corporation. If the Commodity Credit Corporation decides to go into the grain business and liquidate the wheat and corn loans, of course that will prove costly to the operations of the local cooperative elevators and costly to the net savings of the Farmers Union Grain Terminal Association.

We have, and are expending, all the overhead expenses and the technical field service carried on by our field men in connection with the wheat-loan program. There are some 6,000,000 bushels of loan wheat in our affiliated country elevators, in addition to several million bushels back on the farms. If we are denied the normal commission earnings in bringing this wheat to market during the period of liquidation, of course, our picture will be one of having spent all the money incident to helping carry on the program, but without getting any income in connection with the movement and liquidation of the wheat off of the farms and out of the country elevators.

Together with other members of the National Federation of Grain Cooperatives, we have been battling with the Department of Agriculture against its encroachment in the field of business, and we will continue to fight in the best way we know how against the Government getting into this business. There is no warrant for their getting into business, because it will prove more costly to the producer if they do. With their limited experienced personnel in Washington, D. C., and the branch offices, the farmer's basic market price and the amount of his premiums and discounts will be adversely affected by a liquidation program carried on under Federal bureaucracy. Conversely, the farmer's best interests will be served by permitting the grain to flow to market in its normal, natural channel, permitting each farmer to move his grain at such time and through such country point as he may choose. There will be less dumping and less arbitrary action to be found in this procedure than by leaving it to some sole authority at Washington, D. C. Every wheat and corn farmer in the United States ought to write to his Representative in the House and his Senators, declaring his militant objection to this tendency to bring bureaucracy of the Federal Government into the field of commerce and distribution.

Our terminal elevator, during the past year, has been operated as close to capacity as any terminal elevator we know of in the United States. It is not operated as a mixing or merchandising house, but rather as a service house for the country elevators, the farmers, the Wheat Crop Insurance Corporation, the Federal Surplus Commodities Corporation, and the Commodity Corporation. We have maintained the integrity of the grain placed in storage and trust we have set an example as to the type of warehousing at the terminal markets that should be carried on by all warehousemen.

During the present crop season, we were obliged to concentrate more than three and one-half million bushels of our member loan wheat in other terminal elevators. We know what we put in those elevators and because of the size of our business as a customer, we are thus in a position to protect those who have stored to see that like quality grain is turned out eventually for their interest and account. This last statement is most important and should engage your serious thinking so that you can thoroughly understand the implications of this improved service.

Since the time we began operations on June 1, 1938, we have set up new local cooperative elevator associations, or have reorganized weak ones, as follows:

North Dakota	56
South Dakota	14
Montana	11
Minnesota	12
Total	93

We operated three elevators in our own line, as follows: Clinton, Minn., Ryder, N. Dak., and Williston, N. Dak.

Our volume of business for this year, as compared to last year, will probably increase by 25 percent.

The Farmers Union Grain Terminal Association is the largest cooperative grain marketing association in the United States. Together with other regional grain cooperative associations operating similarly as our own, we are a part of the National Federation of Grain Cooperatives, the officers of which are M. W. Thatcher, St. Paul, Minn., president; A. R. Shumway, Milton, Oreg., vice president; and Aksel W. Nielsen, Omaha, Nebr., secretary-treasurer.

The National Federation of Grain Cooperatives does no marketing. It is a body which keeps the regional members in close touch with each other as to marketing policies, problems of Federal administration, of agricultural programs, etc. Jointly, the National Federation of Grain Cooperatives works in harmony with the national farm organizations in matters of national legislation. The National Federation of Grain Cooperatives is interested in all matters affecting the grain producers, except that it does not go into the field of financing or actual grain operations.

During the first 17 months of operations of the Farmers Union Grain Terminal Association, the general manager has been obliged to operate on three fronts:

First. In effectuating a complete marketing service for the business at hand.

Second. In the development of new local cooperative associations in the country, to expand the cooperative movement and improve the usefulness of the Farmers Union Grain Terminal Association.

Third. As chairman of the national legislative committee for the National Federation of Grain Cooperatives and as legislative representative for the Northwest Farmers Union legislative committee, much of our time has been taken up in important national legislative matters affecting agriculture. Outstanding amongst these are:

(a) The bill which provides credit, without interest, enabling farmers to take out wheat crop-yield insurance.

(b) Administrative problems of Commodity Credit Corporation in connection with wheat loans, and particularly in causing the Commodity Credit Corporation to recognize and make an allowance in the form of additional loans for premium wheat.

(c) Preparing and causing to be introduced in the Congress the wheat income-certificate bill, as well as the important Federal debt-adjustment bill.

The Farmers Union Grain Terminal Association operates with 9 memberships in Minneapolis and 4 memberships at Duluth, and maintains branch offices at Minneapolis, Duluth, Fargo, Grand Forks, and Great Falls, with the home office at St. Paul, Minn. We maintain at the present time 114 people on our pay roll.

The stockholders' meetings begin on December 12 and conclude the night of the 13th of December. On the night of the 12th, we are giving a dinner for those in attendance who are directors of Farmers Union Grain Terminal Association and local cooperative elevator associations. On the night of the 13th, we are giving another dinner for the employees of the Grain Terminal Association, together with the managers of the local cooperative elevator associations who may be in attendance.

It is the intent and the hope that at these two meetings there will be complete informality and each one will say what is on his mind, which will contribute to the increased success and usefulness of the cooperative movement, as expressed by the local cooperative elevator association and the Farmers Union Grain Terminal Association. We will try to make our stockholders' meetings the place and the time for each one to say what is on his mind and offer every bit of criticism he thinks will be helpful so that we can improve the service of your marketing organization and can be most helpful in improving the success and service of your local cooperative elevators. The success of the Farmers Union Grain Terminal Association rests upon the confidence and satisfaction of the individual farmer, and his application in support of his local cooperative elevator association, and, finally, the Farmers Union Grain Terminal Association and the National Federation of Grain Cooperatives. We do have pride in our immediate success because it furnishes the needed financial stability to help us meet the problems ahead. There is no assurance that such substantial net savings can be realized in the future because we do not know whether we are to have crops or droughts; we do not know whether the Federal Government is going to invade the field of marketing; we just

are unable to foretell future developments. But we are glad that we have a sound financial statement, that we have adequate resources, and the full confidence of the Farm Credit Administration at Washington, which furnishes us loan operating capital. With crops, the confidence and the good will of the farmers, and the continued confidence of the Farm Credit Administration, and with careful, conservative management, we ought to go forward with continued success, if crops are available.

There is one thing the management desires to point out most particularly, and that is the policy and attitude which it holds toward the farmers, as individuals, and as a collective group. The management contends that it is most important that all of the cooperatives in the country and at the terminal be soundly administered and preserved against failure, but if all we're to do is to build sound cooperatives while our farmers continue to sink in the mire of debt and agricultural futility, then we believe it is all for no avail. Rather, as most of you know, the management of your association is determined that for your commodities, you must be provided national legislation to safeguard you against low prices and small income; otherwise, your business is one of futility.

Further, as most of you know, your management believes that the whole philosophy of agricultural credit must be reconstructed in the United States. To that end, it has led the development and fight for a sound adjustment of agricultural farm mortgage debt, to the end that farmers may be encouraged and helped to stay in their homes, with a white man's chance that they can eventually own them. We believe that the first line of defense against a disorganized and decaying democracy rests upon the security of the farm family on the farm. We feel encouraged that our debt adjustment bill likely will be enacted into legislation during the next session of Congress. It may not be all that we desire, but it will approximate a new philosophy of agricultural credit which will give the farm family a low rate of interest on its farm debt, a longer period of time in which to pay it, and protection in these annual payments against being dispossessed because of low prices or short crops.

The Farmers Union Grain Terminal Association can take some satisfaction out of the fact that it has developed and promoted the wheat-income-certificate bill, the debt-adjustment bill, and the crop-insurance credit bill, and it has, thus, given direction to State units of the Farmers Union, and, finally, been fully supported by the National Farmers' Union.

There has been a little criticism that the management of your Farmers' Union Grain Terminal Association has spent too much time in the creation and establishment of the National Federation of Grain Cooperatives and on national legislation. The stockholders' meeting, which is about to take place, offers the opportunity to go into the questions raised herein. It is for the stockholders to decide whether they are only interested in building cooperative marketing service, or whether, in addition to that, they believe that it is equally important that the management should direct its energy toward leading the fight for national legislation, to preserve commodity incomes and farm homes.

In addition to the loyal support of our patrons over the Northwest, permit me to take this opportunity to express to you my deep appreciation of the fidelity and intelligent cooperation that has been given the management by all of the employees of the Farmers Union Grain Terminal Association. In my 38 years of business experience, I have never seen an organization of people more thoroughly dedicated to the success of an institution than is shown by the employees of this organization. They are deserving of your enthusiastic support.

Respectfully submitted.

M. W. THATCHER,
General Manager.

Balance sheet as of May 31, 1939

ASSETS

Current assets:			
1. Cash on hand, in banks, and in transit			$104,850.07
Accounts receivable:			
2. Due from buyers for grain	$250,016.51		
3. Financed elevator accounts	257,199.05		
4. Contract elevator accounts	86,300.82		
5. Advances on grain	81,504.52		
6. Margin deposit clearing house	16,000.00		
7. Drafts for collection	700.00		
8. Freight I. W. and S	691.19		
9. Miscellaneous	1,630.95		
	694,043.04		
Less: Reserve for doubtful accounts	15,145.33		
		678,897.71	
Notes receivable:			
10. Employees (secured)	4,353.93		
11. Loans on warehouse receipts	2,965.80		
12. Government wheat loans	3,453.02		
13. Miscellaneous	21.55		
		10,794.30	
14. Stock in Central Bank for Cooperatives		11,300.00	
15. Inventory, grain		244,818.28	
Accrued:			
16. Open grain contracts			
17. Grain-handling charges	$54,246.01		
18. Insurance	3,200.70		
19. Interest	115.72		
		57,562.43	
			$1,108,222.79

Balance sheet as of May 31, 1939—Continued

Other assets:			
20. Memberships in grain exchanges	$19,672.86		
21. Advanced to employees for travel	2,065.38		
22. Meter deposits	25.00		
23. Due on stock subscriptions	103,216.00		
			$124,979.24
Contra (see liability):			
24. Deposited with trustees (securing elevator credit balances)	80,752.49		
25. Deposited, segregated bank (customers' margin)	22,023.60		
26. Deposited, clearinghouse (customers' margin)	7,000.00		
			109,776.09
Fixed assets:			
27. Automobiles	2,494.75		
28. Furniture and fixtures	10,985.91		
		$13,480.66	
Less reserve for depreciation		701.19	
			12,779.47
			1,355,757.59

LIABILITIES

Current liabilities:			
Notes payable:			
29. Farm Credit Administration, operating loan	$825,000.00		
30. Farm Credit Administration, commodity loan	2,100,000.00		
		$2,925,000.00	
Accounts payable:			
31. Customers for grain	39,927.20		
32. Advances received on grain	71,550.00		
33. Outstanding grain drafts	11,495.41		
34. Financed elevator accounts	102,590.40		
35. Farm Security Administration, retains on stock	13,012.47		
36. Miscellaneous	908.10		
		239,483.58	
Accrued:			
37. Grain costs	3,367.33		
38. Taxes	3,557.93		
39. State fees, I. W. and S	1,743.78		
40. Interest, expenses	8,637.26		
41. Open grain contracts	712.69		
		18,018.99	
Total current liabilities			$3,182,502.57
Contra (see assets):			
42. Elevator credit balance, secured		65,527.18	
43. Customers' margins		67,105.32	
			132,632.50
Deferred income:			
44. Facility income		13,567.28	
45. Service charges, refund		2,823.83	
			16,391.11
Net worth:			
Capital stock:			
Common, authorized 25,000 shares, at $1	25,000.00		
Less, unissued	23,646.00		
Outstanding	1,354.00		
Preferred, authorized 40,000 shares, at $25	1,000,000.00		
Less, unissued	632,675.00		
Outstanding	367,325.00		
Surplus as of May 31, 1939		144,842.47	
Net earnings, June 1 to Oct. 31, 1939		115,260.56	
Total net worth		628,782.03	
Total			3,960,308.21

Balance sheet Oct. 31, 1939

ASSETS

Current assets:			
1. Cash on hand, in bank and in transit		$319,583.89	
Accounts receivable:			
2. Due from buyers for grain	$67,147.76		
3. Financed elevator accounts	1,020,552.80		
4. Contract elevator accounts	47,353.02		
5. Advances on grain	6,941.00		
6. Margin deposit clearing house	9,000.00		
7. Drafts for collection	4,545.92		
8. Freight, I. W. and S	515.00		
9. Miscellaneous	2,472.35		
	1,158,527.85		
Less, reserve for doubtful accounts	15,145.33		
		1,143,382.52	
Notes receivable:			
10. Employees, secured	4,900.43		
11. Loans on warehouse receipts	8,812.62		
12. Government wheat loans	2,168,313.37		
13. Miscellaneous	50.00		
		2,182,076.42	
14. Stock in Central Bank for Cooperatives		45,000.00	
15. Inventory, grain		62,296.70	
Accrued:			
16. Open grain contracts			
17. Grain handling charges	23,118.50		
18. Insurance	770.47		
19. Interest	4,089.11		
		27,978.08	
Total current assets			$3,780,317.61

Balance sheet Oct. 31, 1939—Continued

Other assets:		
20. Memberships in grain exchanges	$19,672.86	
21. Advanced to employees for travel	2,005.35	
22. Meter deposits	25.00	
23. Due on stock subscriptions	6,200.00	
		$27,903.21
Contra (see liability):		
24. Deposited with trustees (securing elevator credit balance)	65,527.18	
25. Deposited segregated bank (customers' margin)	51,405.32	
26. Deposited clearing house (customers' margin)	15,700.00	
		132,632.50
Fixed assets:		
27. Automobiles	7,189.59	
28. Furniture and fixtures	14,034.77	
	21,224.36	
Less, reserve for depreciation	1,769.47	
		19,454.89
Total		3,960,308.21

ASSETS AND LIABILITIES

1. Cash:
   American National Bank, St. Paul.
   Midland National Bank, Minneapolis.
   First & American National Bank, Duluth.
   Great Falls National Bank, Great Falls.
   Cash in transit.
   Petty cash.
2. Due from buyers for grain:
   Represents the value of grain sold to buyers which has not yet been unloaded or the invoice completed.
3. Financed elevator accounts:
   Represents the amount due us from local cooperative associations financed by us on open account.
4. Contract elevator accounts:
   These elevators are operated by us under agreement with local associations. The agreement provides that we lease the elevators and operate them on a profit-sharing basis, with 50 percent of the net earnings accruing to the local association and the balance to ourselves. There are eight elevators so operated, and the balance due us represents advances made for the purchase of grain and fuel, together with the local expense involved. When the grain is eventually received by us the proceeds are credited to these accounts.
5. Advances on grain:
   This item represents the amount we have advanced to individual shippers on their consignments for sale or storage, including the freight charges. When the grain is sold and accounted for, these advances are then collected.
6. Margin deposits on grain:
   This item represents funds we have deposited with the clearinghouse to margin the open trades we have in hedges against our cash grain.
7. Drafts for collection:
   Represents the amount of our outstanding drafts on buyers to whom we made sales of cash grain for delivery at points other than Minneapolis or Duluth.
8. Freight—I. W. & S.:
   Amounts we have paid for freight, inspection, weighing, and switching which at the date of this report had not been collected.
9. Miscellaneous accounts receivable:
   This item includes a balance due us for loans made to local associations for acquisition of facilities to which we hold title pending payment in full.
10. Employees' notes receivable:
    Represents the amount due from employees for loans made to them for the purchase of automobiles which are used on official business of the corporation. We hold title to these cars pending full payment of these notes.
11. Loans on warehouse receipts:
    Loans made to individual farmers for approximately 65 percent of the net value of their grain represented by local and terminal storage tickets. We hold the warehouse receipts as collateral. Apparently these individuals are not eligible for Government wheat loans.
12. Government wheat loans:
    This item represents the amount we have loaned to farmers on local and terminal warehouse receipts, including farm storage. Title to the grain is vested in us as collateral to these loans. In the event the borrower does not redeem his loan before April 30, next, we will rediscount with Commodity Credit Corporation at the full amount advanced by us.
13. Miscellaneous:
    Notes receivable unsecured.
14. Stock central bank for cooperatives:
    Our borrowings from the central bank at Washington are subject to a deduction of 5 percent on operating loans and 1 percent on commodity loans. The amount so deducted is invested in the capital stock of the bank, and this stock is retired as the loans are repaid.
15. Inventory:
    This item represents the market value of our cash grain stocks as of the date of this report. This grain is all hedged, except barley, which cannot be hedged satisfactorily because of a very narrow futures market for it. Only a small stock of barley is carried.
16. Open grain contracts:
    The difference between the market price and the contract price of grain bought or sold and contract not completed.
17. Accrued grain-handling charges:
    Represents the amount due us for storage and handling charges on grain which have not been collected at the date of this report.
18. Accrued insurance:
    Represents the unexpired portion of insurance premiums paid.
19. Accrued interest:
    Interest due us as of the date of this report and not yet collected.
20. Memberships in grain exchanges:
    Eight memberships in the Minneapolis Chamber of Commerce and one membership in the Chamber of Commerce Clearing Association. Three memberships in the Duluth Board of Trade and one membership in the Duluth Board of Trade Clearing Association.
21. Advances for travel:
    Represents loans made to employees for travel. In other words, an advance payment of their traveling expenses.
22. Meter deposit:
    Deposited with the Montana & Dakota Utilities Co. for meter installed in our Williston elevator.
23. Due on stock subscriptions:
    Represents the amount of Farm Security Administration checks held by individuals awaiting their endorsement for transmittal to us in payment of preferred stock issued to them.
24. Deposited with trustees:
    Cash deposited in escrow to secure credit balances of those elevator accounts having executed the trust agreement. This item offset by a corresponding liability. The trustees are permitted by the agreement to reloan these funds when such loans are secured by proper collateral.
25. Deposited in segregated bank:
    Customers' margin money deposited in escrow in accordance with Federal requirements, "Commodity Exchange Act," to protect their trades in grain futures.
26. Deposited in clearing house:
    Customers' margin deposited with clearing house in accordance with requirements "Commodity Exchange Act"—similar to segregated bank.
27. Automobiles:
    Represents the cost, less depreciation of company-owned autos.
28. Furniture and fixtures:
    The amount invested in desks, chairs, typewriters, adding and calculating machines, accounting machines, files, stationery, and all other office equipment, etc.

29–30. Notes payable:
    Loans from (F. C. A.) Central Bank for Cooperatives, Washington, D. C. The operating loan is for our general working capital. The commodity loan represents borrowings secured by warehouse receipts, practically all of which include Government wheat loans.

31. Customers' accounts for grain:
    Represents the value of grain bought from or sold for customers, but the final returns not yet made to them as of the date of this report.
32. Advances received on grain:
    Represents the amount received from buyers on grain sold to them as an advance, pending the receipt of the unloading weights on the shipments.
33. Outstanding grain drafts:
    Drafts on us for the purchase of grain by elevators operating on the bid plan in the Great Falls area and our elevator at Williston, which drafts have not yet cleared through banks here.
34. Financed elevators:
    Credit balances of elevators who have not executed the trust agreement relating to such credit balances.
35. Retains for stock:
    Amounts deducted from the proceeds of shipments for credit to local elevator associations recently organized through loans by F. S. A. to individual members of such local associations. These funds are due F. S. A. for application on the notes given by these borrowers.
36. Miscellaneous:
    All other accounts payable.
37. Accrued grain costs:
    Represents the amount due shippers on track-purchases basis, a certain grade and protein, where delivered grade or protein was higher than contract.
38. Accrued taxes:
    Taxes on grain and pay rolls, old-age benefit, etc., due but not yet payable.

39. State fees—I. W. & S.:
Inspection, weighing, and switching service performed by the State and railroads, which charges are due but not yet payable.
40. Accrued interest and expense:
Interest owed and expense incurred but not paid as of the date of this report.
41. Open grain contracts:
The difference between the market value and the contract price of grain bought or sold where the contract has not yet been completed.
42–43. Contra accounts:
The offset to the assets indicated by numbers 24–25 and 26.
44. Deferred facility income:
Represents the collection of storage charges in advance of their earning. For example, the storage rate from August 1, 1939, to August 1, 1940, is 1 cent per bushel per month, with a maximum charge of 7 cents for the season. Prior to the maturity of the storage period, the storer paid the 7 cents; consequently, the amount received was taken into our income account and in order to correctly reflect the accounting records, the prepaid storage is set up as deferred income.
45. Service charge:
Represents an amount set up to retire claims for refunds of charges made by us on Government-loan redemptions last year. The balance represents deferred income inasmuch as a greater amount was set up than appears necessary to complete payment of these refunds.
46. Deferred liabilities:
A temporary loan from Farm Credit Administration, for working capital, containing a subordination clause relating to the rights of other creditors. This loan has since been paid in full.
47. Trustees' notes payable:
A loan from the trustees, secured by the deposit of warehouse receipts as collateral (see 24).

Income profit and loss statement, June 1, 1938, to May 31, 1939

Gross income from grain merchandising:		
Includes grain bought on track and terminal and line elevator operations		$137,747.02
Other income:		
Commissions on consigned grain and grain futures, storage, and handling, and miscellaneous income		323,521.08
Total gross income		461,268.10
Deduct:		
General, administrative, and facility expense:		
Advertising	$4,237.54	
Maintenance of equipment	1,886.57	
Dues and subscriptions	2,654.25	
Insurance, taxes, license, and bonds	11,371.31	
Exchange	3,666.40	
Branch offices	12,111.53	
Educational and organization	10,196.46	
Rent, light, and heat, office	6,917.33	
Postage and supplies	11,612.36	
Special and annual meetings	5,450.27	
Telephone and telegraph	11,138.34	
Custodian fees and miscellaneous	3,842.44	
Salaries (at home office; branch offices and fieldmen)	120,564.00	
Travel	29,822.76	
Facility expense (total expenses of terminal and line elevators)	65,808.74	
		301,280.30
Net profit from operations		$159,987.80
Less provision for doubtful accounts		15,145.33
Net earnings for the period		144,842.47

Income, profit, and loss statement, June 1, 1939, to Oct. 31, 1939

Gross income from grain merchandising: Includes grain bought on track and terminal and line elevator operations		$72,469.64
Other income: Commissions on consigned grain and grain futures, storage, handling, and miscellaneous income		229,792.84
Total gross income		302,262.48
Deduct:		
General, administrative, and facility expense:		
Advertising	$4,894.26	
Maintenance of equipment	682.41	
Dues and subscriptions	1,065.99	
Insurance, taxes, license, and bonds	7,799.47	
Exchange and interest	11,930.77	
Branch offices	6,282.16	
Educational and organization	7,121.50	
Rent, light, and heat, office	2,756.54	
Postage and supplies	7,485.07	
Special and annual meetings	282.71	
Telephone and telegraph	6,972.72	
Custodian fees and miscellaneous	6,360.30	
Salaries (at home office—branch offices and field men)	72,889.53	
Travel	18,685.66	
Facility expense (total expenses of terminal and line elevators)	31,783.83	
Total		186,992.92
Net earnings for the period		115,260.56

STRAND & ROE,
CERTIFIED PUBLIC ACCOUNTANTS,
Minneapolis, Minn., July 12, 1939.

CERTIFICATE

To the Board of Directors of the Farmers Union Grain Terminal Association, St. Paul, Minn.

GENTLEMEN: In accordance with your instructions, we have made an examination of the balance sheet of the Farmers Union Grain Terminal Association as at May 31, 1939, and of the statement of income and surplus for the year ended that date. In connection therewith, we examined or tested accounting records of the company and other supporting evidence and obtained information and explanations from officers and employees of the company; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

In our opinion, the accompanying balance sheet and related statement of income and surplus fairly present, in accordance with accepted principles of accounting maintained by the company during this the first year of operations, its position as at May 31, 1939, and the results of its operations for the year.

Yours very truly,

STRAND & ROE,
Certified Public Accountants.

Mr. MUNDT. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MUNDT: Strike out the final period and substitute a comma and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade agreement negotiations the following excise taxes and tariff schedules:

"(1) excise taxes imposed under the provisions of paragraphs 4, 5, 6, and 7 of subsection 'c' of section 601 of the Revenue Act of 1932, as amended, which are now a part of the Internal Revenue Code, subtitle 'c', chapter 29, subchapter 'b', part 1, sections 3420, 3422, 3423, 3424, 3425; and

"(2) rates of duty prescribed in schedule 7, of title I of the Tariff Act of 1930, which schedule deals with agricultural products and provisions."

Mr. MUNDT. Mr. Chairman, I hope all Members will listen to me carefully, because I have only a short time in which to explain this amendment. However, I have previously served notice on this House of its contents and of my intention to make it. I think it is of vital importance to a great many Members of the House. The first portion of it is the Disney amendment, word for word, and those who sincerely believe in the purposes of the Disney amendment are here given another chance to voice their convictions. The second portion simply exempts schedule 7 from further negotiations by the Secretary of State, and consequently accomplishes those things tried to be accomplished by the gentleman from Oklahoma [Mr. MASSINGALE] and by the gentleman from Florida [Mr. PETERSON] and the other gentlemen attempting to exempt certain other agricultural products. I submit this is at least a test of the sincerity of the Members of the House. If you believe in protecting these particular things about which we have been speaking so glibly today, you now have this opportunity to do so in a parliamentary manner.

Personally I am highly disappointed at the high-handed way in which the debate has been curtailed, but at least you have now a clear-cut way in which to vote and express your opinion.

You Members will recall in the speech I made on the floor when attempting to offer to the Disney amendment my amendment to exempt certain farm products from further tariff reductions—which amendment, incidentally, was ruled out on a point of order which the Chair candidly admitted was a very close decision—that I warned the House that when agricultural products came up for discussion you would see the New Deal leadership inevitably move to close debate and gag the House. The anticipated has happened. Since 11 o'clock this morning the Ways and Means Committee members have monopolized practically all the time given over to amendments and now that individual Members want to offer amendments to protect the farmers and other constituents, the majority leader forces through a motion gagging the House and allowing exactly 34 minutes in which to consider 16 proposed amendments. My friends, the country should know and evaluate the New Deal's repeated and continued attempt to sacrifice the American farmer not only by subjecting him to a flood of cheap foreign imports but even to the extent of ap-

plying the dictatorial gag rule by whipping the majority Members to vote to close debate and thus precluding anything resembling fair or adequate debate and discussion of the farmer's needs in tariff legislation.

The gentleman from Texas [Mr. RAYBURN] scoffed at President Ed O'Neal and the American Farm Bureau, and became highly sarcastic in criticizing this fine farm organization for daring to propose to Congress some amendments to protect the American farmer. He succeeded in leading his Democratic ditto-markers to victory in defeating the American Farm Bureau amendment, offered by the gentleman from Kansas [Mr. CARLSON], but I am proud to say that every Republican in the House voted for the amendment. The farmers of America have Democrats and Democrats alone to thank for the fact that this bill is being driven through by high-handed gag rules and power drives by the administration, with no attention being given to increasing protection for the American farmer against the foreign foods and fabrics which are already spelling his ruin and bankruptcy.

This latest Democratic drive to curtail free speech and to sacrifice legislative deliberation for the lure of a week-end adjournment from Friday night to Monday noon is the worst manifestation of indifference to the farmers' plight I have ever seen. It was for that reason I insisted on having tellers on the majority leader's vote to close debate. I wanted to stand where I was assigned to stand, charged with responsibility of counting the Members as they passed down the aisle on that ultra-un-American vote to stop debate before any possibility of adequate consideration could be given to 16 pending amendments.

I am glad I was one of the men counting the vote, as I can now inform the House that only one Democratic Member of this body joined with every Republican who was in the assembly at the time in voting against this harsh and heartless rule to gag the House. Again, I am proud that not a single Republican supported the motion to gag the House and close debate. I only wish some advance notice had been received of the majority's intention to move to shut off all debate so that more Members could have anticipated this unusual procedure. Had we had time to notify all Republican Members of this strategem on the part of the New Deal powerhouse, we could have swelled the vote to represent 100 percent of the Republican membership of this House, although I presume the same notice would have brought sufficient new dealers running in to obey administrative orders so the gag rule would still have prevailed. Suffice it to say, it is the sorriest example Americans have seen for a long time of the Democratic steam roller pushing down opposition to free trade protests and rolling over tariff walls designed to protect the American farmer in his right to supply the American markets with his own produce.

Now, friends, let it be clear to all who hear these remarks or who read this record, a vote for my amendment will accomplish precisely what the Disney amendment would have accomplished, plus giving added protection to the American farmer. It will give protection to the oil producer, the coal miner, the lumber interests, and the copper miner, and it will also give the same exemptions from further tariff reductions to every farmer in America on every crop, fruit, vegetable, or animal he raises. If the Democrats arguing for the Disney amendment were not simply engaging in a demonstration of demagoguery, they can now vote with Republicans, who will support my amendment 100 percent strong, and give legislative protection as well as lip service to the oil, lumber, and mining industries along with the American farmers. They can now demonstrate their determination to give protection against unconstitutional cuts in excise taxes and against un-American cuts in farm tariffs or they can fail to vote on my amendment.

However, I now serve notice that if rumors which I have heard are true and if many Democratic Members who spoke lustily for the Disney amendment in the first instance are now planning to leave the floor, fail to vote on my amendment, or even vote against it, I am determined that no cloak of secrecy shall hide their actions.

I have conferred with the minority members of the Ways and Means Committee. A motion to recommit the trade-agreements-extension resolution to committee will be offered by the members of the Republican minority on the Ways and Means Committee. You, and more especially your constituents, will be interested in the contents of this motion to recommit. It will include the language and purposes of the Disney amendment to exempt excise taxes from further slashes by the Secretary of State; it will include my amendment to exempt from further tariff reductions products of American farms selling for less than cost of production; and it will include the motion of the gentleman from New York [Mr. CROWTHER] to require congressional review and ratification of all new trade agreements. By your vote on this motion to recommit this resolution to provide these fair and just protections to the oil, lumber, mining, and farming industries, as well as to labor in industries now suffering from sweatshop foreign competition, will your sincerity of purpose be measured in the matter of placing protection of your own citizens above political protection for your partisan interests. The test will be clear-cut and the roll will stand in black and white as mute testimony of what every Member in this House does here today to protect and safeguard the economic security of his own people. I am mighty happy that the new dealers have, as yet at least, discovered no parliamentary trick for depriving the Republican minority from making this motion to recommit and from forcing an open roll-call vote on these fundamental issues of life and death for the economic pursuits of so many of our people.

Let me quote President Roosevelt himself on that portion of my amendment which deals with protection for the products of American farms. Speaking in Baltimore, Md., October 25, 1932, Franklin D. Roosevelt said in the following words that he believed American agriculture was protected to the full measure of tariff protection it was then enjoying. I quote the President:

> It is absurd to talk of lowering tariff duties on farm products. * * * I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer in the United States knows it and will not be deceived.

There, my good Democratic colleagues, you have the President's word for it. In spite of this plain pledge to American agriculture, a great many farm tariffs have been reduced to the point of bringing virtual ruin to a great many American producers. In my motion, and again in the motion to recommit which we shall offer, you have a chance to help redeem President Roosevelt's pledge to the American farmer. If you vacate your responsibility by ratifying the extension of these treaties, however, you join the President's revised attitude and support his move to sacrifice the American farmer in behalf of the foreign producer. The decision rests with you. By your vote today you can perpetuate this 10-year-old depression or you can join with us Republicans in at least repealing those sections of the trade-agreements program which are doing the most to reduce prices for farm products, force workingmen out of jobs, and prolong the New Deal depression.

THE NEW DEAL SELLS OUT TO WALL STREET

Before stopping I think I should mention one other matter. Perhaps a few of you vaguely remember the days when the new dealers and their President used to condemn Wall Street and talk about "economic royalists," "princes of privilege," and of a noble crusade to drive the money changers out of the temple. Here is some surprising news for those of you with memories long enough to carry you back to those intriguing phrases. We now have convincing evidence that the New Deal has sold out to Wall Street, lock, stock, and barrel. On my desk I have some interesting documents from Wall Street bankers—all of them urging Congress to continue the reciprocal-trade agreements. Most of the big city banks in New York City as well as the various brokerage firms are putting out literature attempting to influence women's clubs, service clubs, Members of Congress, and all and sundry who will read the propaganda that the reciprocal-trade agreements are a fine thing for industry and for America. Wall Street wants these agreements continued. So do the new

dealers. Serenely, now, they walk hand and hand down the aisle and join in mutual effort to stimulate international banking profits, but entirely forgetful of the ruin being wrought upon American producers of raw materials.

Mr. Leffingwell, a partner of J. P. Morgan in his broker's business in New York City, has written in glowing terms about the value and virtue of the New Deal reciprocal-trade agreements. Slyly avoiding his name, but significantly quoting his reasoning, the Democratic Members of this House have echoed these Wall Street sentiments throughout this debate. At least American farmers are entitled to know of this new unholy alliance—or is it new?—between the New Deal on Pennsylvania Avenue and the big-business barons on Wall Street.

Fifty-four Congressmen and Senators joined with the present speaker in protesting against the Argentine trade agreement when it was recently up for consideration. President Roosevelt and Secretary Hull resorted to smart politics when they permitted the discussions on the Argentine treaty to lapse just prior to the time the extension of this Executive treaty-making power was to be considered by Congress. However, we should remember the threat of these new treaties with Argentina is as real as ever—it has far from lapsed. Once this treaty-making power is again extended to the Executive to do with what he chooses regardless of local interests, we may well expect new discussions to begin and a new Argentine treaty to appear. In fact, President Roberto M. Ortiz, of Argentina, has already said these discussions came to an end because of "insufficient information and complete understanding." He further is quoted in an Associated Press dispatch from Argentina dated January 6 of this year as saying that he felt President Roosevelt would favor resumption of the negotiations "in the near future," and added, "For my part, I fully desire it." There, fellow Members, you have it in a nutshell. While I am naturally happy to have had a part in joining with 54 other Congressmen and Senators in giving America a breathing spell from these new, ruinous agreements with Argentina, I shudder to anticipate the effect which the revival of these discussions and the completion of a new Argentine give-the-American-farm-market-away trade treaty will have on our own producers.

Surely the duty of the 55 Members of Congress who protested against these treaties is clear on this issue. It is necessary, in order to be consistent in the attitude displayed when protests were made against that treaty, to vote in favor of the minority motion to recommit, because this recommittal motion would accomplish for American producers, permanently, precisely what was accomplished for them, temporarly, by insisting upon the abandonment of these Argentine agreements. More than that, a vote to recommit this resolution or to defeat it outright will give more protection to American producers than was secured by the abandonment of the Argentine agreements, because it will permanently exempt from further tariff reductions the oil, lumber, mining, and farming industry, and will give protection to labor by barring tariff reductions on articles now coming in from sweatshop foreign labor. In the interests of consistency and in the interests of all America I urge you to support my amendment and to support the minority resolution to recommit this trade agreement extension resolution to committee with instructions to rewrite it so as to afford adequate protection to assure American farmers and laborers of the American standard of living and give American producers of raw materials a fair chance to contribute to a new national prosperity. [Applause.]

The CHAIRMAN. The time of the gentleman from South Dakota has expired. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken; and on a division (demanded by Mr. MUNDT) there were—ayes 95, noes 118.

So the amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MOTT: After line 8, change the period to a colon and add the following: "*Provided, however,* That nothing in said section or any section of said act shall be construed to authorize the President to suspend the operation of section 304 of the Tariff Act of 1930, requiring imported articles to be marked with the name of the country of their origin, and all acts or parts of acts in conflict with said requirement of section 304 are repealed."

The CHAIRMAN. The gentleman from Oregon is recognized for a minute and a half.

Mr. MOTT. Mr. Chairman, if I may have the attention of my colleagues for the brief space of a minute and a half, in 1930 the Congress, after careful consideration and debate, passed with an almost unanimous vote, a law which requires imported articles to be marked with the name of the country of their origin, and that law has been on the statute books ever since. In 1938 an amendment was adopted giving the President discretion to suspend the operation of this law in event he should find it necessary to do so in making trade agreements. In doing this a majority of the Congress, I believe, made a very serious mistake, which it ought to take this opportunity to correct.

Admitting for the sake of argument that there may be good reason for reducing tariffs; admitting for the sake of argument, if you will, there may even be a reason why the President should make tariffs instead of the Congress; certainly I cannot see why the law requiring imported articles to be marked with the name of the country of their origin should be suspended under any circumstance. An American citizen buying merchandise in the American market certainly has a right to have notice whether the merchandise he is purchasing was produced in the United States or whether it was produced in a foreign country. I can see no objection that anyone could possibly have to the adoption of this amendment. I think it should be adopted.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oregon [Mr. MOTT].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT] to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: After line 8, insert the following new section:

"SEC. 2. Section 3420 of the Internal Revenue Code is hereby amended by striking out the words 'unless treaty provisions of the United States otherwise provide.'

"SEC. 3. Hereafter the term 'duties and other import restrictions', as used in said section 350 of the Tariff Act of 1930 as amended, shall not include the import tax on coal imposed by section 3423 of the Internal Revenue Code."

Mr. VAN ZANDT. Mr. Chairman, at the present time Russian coal is permitted to be shipped into our country duty-free. If my amendment is adopted, a duty must be levied on every ton of foreign coal imported.

The commercial agreement between the United States and Soviet Russia became effective August 6, 1937, and has since been annually renewed. It is now in effect until August 6, 1940. Under such agreement the Soviet Union receives benefits and concessions granted by the United States in trade agreements with countries other than Cuba, entered into under the authority of the Trade Agreements Act. One of the concessions entitles Soviet Russia to import coal into this country free of any duty. In 1936 approximately 400,000 tons of Soviet coal came into this country. In 1937 and 1938 the imports of Soviet coal approximated 200,000 tons annually. In 1939 for 11 months 189,000 tons of Russial coal were received. For the year 1940 Russia is permitted to ship up to 400,000 tons of her cheaply mined coal.

It is needless for me to again stress the plight of our own coal industry. It is in need of rehabilitation, and the stoppage of this Russian coal is of paramount consideration.

A vote for my amendment is a step in the direction of aiding our own coal industry by safeguarding the jobs of the American coal miners.

The CHAIRMAN. All time has expired on the amendment.

The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. SCHAFER] to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: After the period at the end of line 8 insert: "*Provided*, That no trade agreement shall reduce the existing tariff rates on live or dead turkeys."

The CHAIRMAN. The gentleman from Wisconsin is recognized for 1 minute.

Mr. SCHAFER of Wisconsin. Mr. Chairman, in 1 minute I cannot cover this important question, so at a later date I shall deliver a post mortem speech on the imported dead-turkey schedule of the Hawley-Smoot bill. The New Deal claims to have driven the money changers from the temple of our Government although the record indicates they have driven them into it. They have certainly driven Grundy, Smoot, and Hawley from the high protective and embargo tariff temple and the high priest in that temple now appears to be the gentleman from Virginia [Mr. ROBERTSON], who led the fight for this pending bill and vitriolically denounced a protective tariff on a number of occasions during the past few days. Mr. Chairman, I hold in my hand the printed hearings held by the Committee for Reciprocity Information on October 17, 1939. The gentleman from Virginia [Mr. ROBERTSON] testified at length in favor of continuing the 10-cent-per-pound or 40-percent tariff on imported dead turkeys under the Smoot-Hawley tariff bill. This notwithstanding the fact that we raise only 32,000,000 turkeys in the United States each year, or one for every four of our people, according to his testimony, and notwithstanding that the New Deal has made it possible for us to have a double-header Thanksgiving Day each year. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. GILCHRIST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILCHRIST: Page 1, line 8, after the period insert a colon and add the following: "*Provided*, That no import concession shall be made or concluded by the Trade Agreement Committee after the date of the enactment of this resolution with respect to livestock or any livestock product or to any agricultural or dairy or poultry product if such commodity or product is below parity price as fixed and determined by the Secretary of Agriculture."

The CHAIRMAN. The gentleman from Iowa is recognized for one-half minute.

Mr. GILCHRIST. Mr. Chairman, I have a half a minute only. This amendment of mine is one for parity for farm products pure and simple. You folks on the Democratic side have agreed to give that to the farmers. Now is your chance. You will not do it, will you? You Members on the Democratic side cry out, No! No!

Very well, I will go home to Iowa and say that the Democratic side of the House said, "We will not do it." [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], is recognized to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 1, line 8, after the period, insert the following proviso: "*Provided*, That no trade agreement shall be entered into, under Public Law No. 316, Seventy-third Congress, with any foreign country if the currency (money) of such foreign country has been depreciated, in exchange for American dollars, more than 3 percent under the average rate prevailing for the calendar year 1934. *Provided, further*, That any trade agreement heretofore negotiated under section 350 of the Tariff Act of 1930, as amended by Public Law No. 316, Seventy-third Congress, shall be automatically suspended from its operation, if the currency (money) of any beneficiary foreign country under any trade agreement shall have been or is depreciated more than 3 percent under the average rate prevailing for the calendar year 1934, in exchange for American dollars."

The CHAIRMAN. The gentleman from Minnesota is recognized for one-half minute.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment——

Mr. DOUGHTON. Mr. Chairman, I make a point of order against the amendment.

Mr. AUGUST H. ANDRESEN. I am sorry the distinguished chairman makes the point now, because I have already started. The gentleman's point of order comes too late.

Mr. RAYBURN. I beg the gentleman's pardon.

Mr. AUGUST H. ANDRESEN. The Chair recognized me for one-half minute.

The CHAIRMAN. The Chair recognizes the gentleman for one-half minute for the fourth time. [Laughter.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to protect the American producers from depreciated foreign currency. This amendment should be adopted. You will find if it is not, or if the Secretary of State and the President do not adjust the difference between depreciated foreign currency and the American dollar, we are headed for a tail spin, the same as we took in 1932, except that it will be worse than it was at that time, and we will all be in it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were ayes 96 and noes 125.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Montana [Mr. THORKELSON], has an amendment pending. Does the gentleman care to have the amendment voted on? All time for debate is exhausted, the Chair will state to the gentleman from Wisconsin.

Mr. THORKELSON. I would like to speak on it.

The CHAIRMAN. The Chair is unable to recognize the gentleman for that purpose.

Mr. THORKELSON. Not even to speak on the Constitution of the United States?

The CHAIRMAN. Not under present circumstances.

Mr. THORKELSON. All right; I thank the Chair.

The CHAIRMAN. The gentleman from New York [Mr. HALL], has an amendment pending.

Mr. HALL. Mr. Chairman, I will withdraw my amendment in view of the scarcity of time.

Mr. WHITE of Idaho. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Idaho: Page 1, at the end of the paragraph, insert: "If at any time after passage of this act an established domestic industry as a whole shall be damaged as a result of the inclusion of its product in a reciprocal-trade agreement, the President shall institute negotiations with the signatory country seeking to withdraw or sufficiently modify the concession made upon that product to remedy the damage inflicted upon said established domestic industry."

Mr. WHITE of Idaho. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Chairman and members of the Committee, I have offered this amendment to perfect the law that this bill proposes to extend. We have protective provisions in the existing tariff laws—one, the antidumping clause, which gives the President the authority to prevent importations of products that will damage our industries under certain conditions. We also have a provision to safeguard

the market for domestic products from subsidized importations under the authority given the President to impose a countervailing duty, a provision of the tariff law which I have invoked to protect the pea-growing industry in my State of Idaho. This perfecting amendment will provide a safeguard for our industries under this law by providing a way "to withdraw or sufficiently modify the concession made upon the product to remedy the damage inflicted." If we are to achieve the objectives we seek to obtain by the administration's reciprocal trade agreements program, which is to enlarge foreign markets and secure prosperous business conditions in our domestic markets, we must safeguard our domestic industries from the destructive effects of foreign competition. When an established domestic industry is damaged by the loss of our home market as a result of importations under the concession made by these agreements, it is easy to see that a change must be made and that the condition must be corrected if the objective of our reciprocal program is to be obtained.

This amendment is designed to provide a plan to safeguard our industries. I am in accord with the trade-agreement program of Secretary Hull. In studying the tariff issue long before the advent of the present administration, I reached the conclusion that the solution of this problem was for the whole program of foreign imports and tariff regulations to be delegated to a nonpolitical, impartial, and qualified commission, established to take control of our tariff-making policy and constituted to take into consideration the best interests of our country as a whole, and work out a comprehensive program of tariff schedules designed to safeguard our national prosperity—a commission authorized to prepare and present to the Congress such a program for its approval and enactment into law. And now, with our State Department delegated the authority to do this very thing, it is my idea that the same check and balance that our Constitution provides for ratifying treaties and confirming Federal appointments by the Senate should be extended to these reciprocal-trade agreements.

Mr. Chairman, if we can have these perfecting amendments made to the existing law, I shall support this bill, but if this House fails to provide these safeguards, I shall have to withdraw my support and defer my approval until the safeguards I advocate as amendments are included in some subsequent measure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The amendment was rejected.

The CHAIRMAN. The gentleman from South Dakota [Mr. MUNDT] has an amendment pending at the desk. Does the gentleman care to have the amendment voted on?

Mr. MUNDT. Yes, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MUNDT: Strike out the final period and substitute a colon and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade-agreement negotiations manganese ore as defined and protected by paragraph 302, section (a), of schedule 3, title I, of the Tariff Act of 1930."

Mr. MUNDT. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Chairman, I shall be very brief in explaining my amendment to protect American manganese from further foreign competition and in urging your support for this logical effort to improve our own national defense.

Mr. Chairman, manganese tops the list as the No. 1 strategic war material essential to our national defense. It is necessary to our defense program that this manganese be produced domestically and that this country cease to be dependent upon other countries for this basic raw material. Primarily, it is only inadequate tariff protection for our domestic manganese which has prevented this country from becoming entirely self-sufficient in the matter of manganese production. The drastic 50-percent cut which the New Deal reciprocal-trade treaties have given to manganese, as an appeasement policy to the steel industrial barons, has definitely set back the date of American self-sufficiency in manganese.

My amendment will automatically stop any further decreases in tariff protection for American manganese. But it will do much more than that. Pass this amendment, my colleagues, and you will serve notice on President Roosevelt and Secretary Hull that it is the will and wish of Congress to provide decent protection for the producers of American manganese. You will notify the administration that it is our desire not only to prevent further reductions in manganese protection but to rebuild a protective tariff on it so that our domestic manganese deposits may be profitably developed.

In my home State of South Dakota we have some of the greatest manganese beds in the world. They could provide a tremendous asset in our national defense. But today they remain undeveloped. The cause for this lack of development of South Dakota's vast deposits of manganese is primarily the fact that the New Deal has deliberately cut in half the tariff on manganese when it should, as a matter of sound government and wise national defense, have increased that tariff protection. Other States, too, have manganese deposits which can be developed behind American tariff walls.

On March 2, 1934, President Roosevelt said in his message to Congress asking for power to make Executive trade agreements which the New Deal now tries to make sound more attractive by labeling them reciprocal-trade agreements, said:

You and I know, too, that it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense, and that such interests cannot be sacrificed for passing advantage.

Judging from what has followed, the above was just another Rooseveltian promise gone wrong, but the logic of the President's statement remains sound today, even though his determination to carry it out has gone the way of all flesh and most administrative policies. On February 2, 1935, this same Executive authorized a 50-percent reduction in the duty on manganese. This has resulted in greatly increased imports from Brazil and Russia. This has given great aid to the Communists in Russia in securing money and resources with which to rape Finland, and it has played into the hands of American steel monopolists owning manganese mines in Brazil, but it has done nothing, surely, to help develop the great South Dakota manganese deposits or to strengthen our national defense by providing America with a self-sufficiency in manganese which is readily available.

Steel today is enjoying a tariff rate which is in reality a subsidy to the steel industry. A subsidy, if you please, paid in large part by the American farmers, who, instead of having a tariff rate which works as a subsidy, have their own tariff protection chopped away steadily and stealthily by the reciprocal-trade agreements. Restoration of the manganese duty, cut under the trade agreement, means only 7 cents added to the cost of an average ton of steel. It need result in no added charges on the cost of finished steel products. All that domestic manganese producers ask is treatment for manganese on a parity basis with steel products.

South Dakota can be depended upon to supply manganese ore in peacetime or wartime. South Dakotans will spend their returns from manganese purchases with American producers and manufacturers. South Dakota has manganese enough to supply the needs of America for years to come provided an American tariff policy is adopted and American capital is given a chance to produce manganese in an American commonwealth. Let us discontinue this subsidy of foreign nations and pass this amendment which will give protection to Americans at home.

I regret that the "gag" rule invoked by the Democratic leadership precludes adequate debate of this amendment. I hope you will adopt this important national-defense measure. I am gratified by assurance that the Republicans in the House will support it 100 percent. I urge you Democrats to put

patriotism above party in at least this one important instance and help us pass this amendment. Should it fail of passage here, I trust it will be added to any reciprocal-trade legislation which may pass the Senate following our disposition of this resolution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was rejected.

Mr. RISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RISK: Page 1, line 8, strike out the period, substitute a colon, and insert the following: *"Provided, however,* That no goods, whether subject to the provisions of any existing trade agreement between the United States and a foreign nation or hereafter entered into, shall be received for entry into the United States unless accompanied by a manifest which has affixed thereto a certificate by an American consul that the goods represented by such manifest have been produced in accordance with the provisions of sections 6, 7, and 12 of the Fair Labor Standards Act of 1938. (Public, No. 718, 75th Cong.)."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The question was taken; and on a division (demanded by Mr. RISK) there were—ayes 98, noes 122.

So the amendment was rejected.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Joint Resolution 407, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, directed him to report the same back to the House with the recommendation that the resolution do pass.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the resolution to final passage.

The previous question was ordered.

The resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TREADWAY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. TREADWAY. To offer a motion to recommit which is at the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TREADWAY. I certainly am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

MOTION TO RECOMMIT

Mr. TREADWAY moves to recommit the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to the Committee on Ways and Means, with instructions to report the same back to the House forthwith with the following amendment: Line 8, before the period, insert a colon and the following: *"Provided,* That no such foreign trade agreement concluded after the date of the enactment of this joint resolution shall take effect until it shall have been approved by the Congress by law: *Provided further,* That so much of said section 350 as suspends the application of section 516 (b) of the Tariff Act of 1930 (relating to appeal or protest by American producers) to any article with respect to which such foreign trade agreements have been concluded, or to any provisions of such foreign trade agreements, is hereby repealed: *Provided further,* That the authority conferred under said section 350 does not embrace authority to include in any trade agreement the excise taxes upon the importation of petroleum, coal, lumber, and copper imposed by subchapter B of chapter 29 of the Internal Revenue Code: *Provided further,* That no rate reduction shall be included in any foreign trade agreement which permits the entry into American markets of products of workers, farmers, or miners of foreign countries at total landed costs, all tariff duties paid, which total costs are less than the cost of production or wholesale selling price of competitive products of American workers, miners, or farmers where such American products are commercially available."

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TREADWAY. On that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 163, nays 222, answered "present" 3, not voting 37, as follows:

[Roll No. 30]

YEAS—163

Alexander	Engel	Kinzer	Routzohn
Allen, Ill.	Englebright	Knutson	Rutherford
Andersen, H. Carl	Fenton	Kunkel	Ryan
Anderson, Calif.	Fish	Lambertson	Sandager
Andresen, A. H.	Ford, Leland M.	Landis	Schafer, Wis.
Angell	Gamble	Leavy	Schiffler
Arends	Gartner	LeCompte	Scrugham
Austin	Gearhart	Lemke	Seccombe
Ball	Gerlach	Lewis, Ohio	Secrest
Bates, Mass.	Gifford	Luce	Seger
Bender	Gilchrist	McDowell	Shafer, Mich.
Blackney	Gillie	McLean	Short
Bolles	Graham	McLeod	Simpson
Bradley, Mich.	Grant, Ind.	Maas	Smith, Maine
Brewster	Gross	Marshall	Smith, Ohio
Brown, Ohio	Guyer, Kans.	Martin, Iowa	Smith, Wash.
Buckler, Minn.	Gwynne	Martin, Mass.	Springer
Burdick	Hall, Edwin A.	Mason	Stearns, N. H.
Cannon, Fla.	Hall, Leonard W.	Michener	Stefan
Carlson	Halleck	Miller	Sumner, Ill.
Carter	Hancock	Monkiewicz	Taber
Case, S. Dak.	Harness	Mott	Talle
Chiperfield	Harter, N. Y.	Mundt	Thill
Church	Hawks	Murray	Thorkelson
Clason	Hess	O'Brien	Tibbott
Clevenger	Hinshaw	O'Connor	Tinkham
Coffee, Nebr.	Hoffman	Oliver	Treadway
Cole, N. Y.	Holmes	Osmers	Van Zandt
Connery	Hope	Peterson, Fla.	Vorys, Ohio
Crawford	Horton	Pierce	Vreeland
Culkin	Hull	Pittenger	Wallgren
Curtis	Jenkins, Ohio	Plumley	Wheat
Dempsey	Jennings	Powers	White, Ohio
Dirksen	Jensen	Reece, Tenn.	Wigglesworth
Ditter	Johns	Reed, Ill.	Williams, Del.
Dondero	Johnson, Ill.	Reed, N. Y.	Winter
Douglas	Johnson, Ind.	Rees, Kans.	Wolfenden, Pa.
Dworshak	Jones, Ohio	Rich	Wolverton, N. J.
Eaton	Kean	Risk	Woodruff, Mich.
Elliott	Keefe	Rodgers, Pa.	Youngdahl
Elston	Kilburn	Rogers, Mass.	

NAYS—222

Allen, Pa.	D'Alesandro	Hook	Murdock, Ariz.
Anderson, Mo.	Darden	Houston	Murdock, Utah
Arnold	Davis	Hunter	Myers
Barden	Delaney	Izac	Norrell
Barnes	Dickstein	Jacobsen	O'Day
Barry	Dies	Jarman	O'Leary
Barton	Dingell	Johnson, Luther A.	O'Neal
Bates, Ky.	Disney	Johnson, Lyndon	O'Toole
Beam	Doughton	Johnson, W. Va.	Pace
Beckworth	Doxey	Jones, Tex.	Parsons
Bell	Duncan	Kee	Patman
Bland	Dunn	Kefauver	Patrick
Bloom	Durham	Keller	Patton
Boehne	Eberharter	Kennedy, Martin	Pearson
Boland	Edelstein	Kennedy, Md.	Peterson, Ga.
Boren	Edmiston	Kennedy, Michael	Pfeifer
Boykin	Ellis	Keogh	Poage
Bradley, Pa.	Evans	Kerr	Polk
Brooks	Faddis	Kilday	Rabaut
Brown, Ga.	Fay	Kirwan	Ramspeck
Bryson	Ferguson	Kitchens	Randolph
Buck	Fitzpatrick	Kleberg	Rankin
Bulwinkle	Flaherty	Kocialkowski	Rayburn
Burch	Flannagan	Kramer	Richards
Burgin	Flannery	Lanham	Robinson, Utah
Byrne, N. Y.	Ford, Miss.	Larrabee	Rogers, Okla.
Byrns, Tenn.	Ford, Thomas F.	Lea	Romjue
Byron	Fries	Lesinski	Sabath
Camp	Fulmer	Lewis, Colo.	Sacks
Cannon, Mo.	Garrett	Ludlow	Sasscer
Cartwright	Gathings	McAndrews	Satterfield
Casey, Mass.	Gavagan	McArdle	Schaefer, Ill.
Chapman	Geyer, Calif.	McCormack	Schuetz
Clark	Gibbs	McGehee	Schwert
Claypool	Gore	McGranery	Shanley
Cluett	Gossett	McKeough	Shannon
Cochran	Grant, Ala.	McLaughlin	Sheppard
Cole, Md.	Green	McMillan, Clara G.	Sheridan
Collins	Gregory	McMillan, John L.	Smith, Conn.
Colmer	Griffith	Maciejewski	Smith, Ill.
Cooley	Hare	Magnuson	Smith, Va.
Cooper	Harrington	Mahon	Smith, W. Va.
Costello	Hart	Marcantonio	Snyder
Courtney	Harter, Ohio	Martin, Ill.	Somers, N. Y.
Cox	Hartley	Massingale	South
Cravens	Havenner	May	Sparkman
Creal	Healey	Mills, Ark.	Spence
Crosser	Hennings	Mills, La.	Starnes, Ala.
Crowe	Hill	Mitchell	Sutphin
Cullen	Hobbs	Monroney	Sweeney

Tarver	Vincent, Ky.	Weaver	Williams, Mo.
Tenerowicz	Vinson, Ga.	Welch	Wood
Terry	Voorhis, Calif.	West	Woodrum, Va.
Thomas, Tex.	Walter	Whelchel	Zimmerman
Thomason	Ward	White, Idaho	
Tolan	Warren	Whittington	

ANSWERED "PRESENT"—3

Crowther Wadsworth Wolcott

NOT VOTING—37

Allen, La.	Drewry	Maloney	Rockefeller
Andrews	Fernandez	Mansfield	Schulte
Buckley, N. Y.	Folger	Merritt	Steagall
Caldwell	Gehrmann	Moser	Sullivan
Celler	Hendricks	Mouton	Sumners, Tex.
Coffee, Wash.	Jarrett	Nelson	Taylor
Corbett	Jeffries	Nichols	Thomas, N. J.
Cummings	Jenks, N. H.	Norton	
Darrow	Johnson, Okla.	Robertson	
DeRouen	Kelly	Robsion, Ky.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Jarrett (for) with Mr. Merritt (against).
Mr. Darrow (for) with Mr. Kelly (against).
Mr. Thomas of New Jersey (for) with Mr. Nelson (against).
Mr. Jenks of New Hampshire (for) with Mr. Drewry (against).
Mr. Caldwell (for) with Mr. Sullivan (against).
Mr. Gehrmann (for) with Mr. Schulte (against).
Mr. Wolcott (for) with Mr. Steagall (against).
Mr. Coffee of Washington ((for) with Mrs. Norton (against).
Mr. Rockefeller (for) with Mr. Mansfield (against).
Mr. Wadsworth (for) with Mr. Cummings (against).
Mr. Hendricks (for) with Mr. Moser (against).
Mr. Crowther (for) with Mr. Robertson (against).
Mr. Corbett (for) with Mr. Maloney (against).
Mr. Jeffries (for) with Mr. DeRouen (against).

General pairs:

Mr. Taylor with Mr. Andrews.
Mr. Sumners of Texas with Mr. Robsion of Kentucky.
Mr. Allen of Louisiana with Mr. Folger.
Mr. Fernandez with Mr. Nichols.
Mr. Johnson of Oklahoma with Mr. Celler.
Mr. Buckley of New York with Mr. Mouton.

Mr. WOLCOTT. Mr. Speaker, I voted "yea." The gentleman from Alabama, Mr. STEAGALL, had he been present, would have voted "nay." I withdraw my vote of "yea" and vote "present," as I have a pair with the gentleman from Alabama, Mr. STEAGALL.

Mr. WADSWORTH. Mr. Speaker, I am recorded in the affirmative. I have a pair with the gentleman from Colorado, Mr. CUMMINGS. Were he present, he would have voted "nay." In consideration of that pair, I ask to withdraw my vote and to be recorded as voting "present."

Mr. CROWTHER. Mr. Speaker, I have a pair with the gentleman from Virginia, Mr. ROBERTSON. If he were present, he would have voted "nay." I voted "yea." I therefore ask to withdraw my vote of "yea" and to be recorded as "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the resolution.

Mr. DOUGHTON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 168, answered "present" 3, not voting 36, as follows:

[Roll No. 31]

YEAS—218

Alexander	Bryson	Cooper	Eberharter
Allen, Pa.	Buck	Costello	Edelstein
Anderson, Mo.	Bulwinkle	Courtney	Ellis
Arnold	Burch	Cox	Evans
Barden	Burgin	Cravens	Faddis
Barnes	Byrne, N. Y.	Creal	Fay
Barry	Byrns, Tenn.	Crosser	Ferguson
Barton	Byron	Crowe	Fitzpatrick
Bates, Ky.	Camp	Cullen	Flaherty
Beam	Cannon, Mo.	D'Alesandro	Flannagan
Beckworth	Cartwright	Darden	Flannery
Bell	Casey, Mass.	Davis	Ford, Miss.
Bland	Chapman	Delaney	Ford, Thomas F.
Bloom	Clark	Dickstein	Fries
Boehne	Claypool	Dies	Fulmer
Boland	Cluett	Dingell	Garrett
Boren	Cochran	Doughton	Gathings
Boykin	Cole, Md.	Doxey	Gavagan
Bradley, Pa.	Collins	Duncan	Geyer, Calif.
Brooks	Colmer	Dunn	Gibbs
Brown, Ga.	Cooley	Durham	Gore
Gossett	Kleberg	O'Neal	Smith, Va.
Grant, Ala.	Kocialkowski	O'Toole	Smith, W. Va.
Gregory	Kramer	Pace	Snyder
Griffith	Lanham	Parsons	Somers, N. Y.
Hare	Larrabee	Patman	South
Harrington	Lea	Patrick	Sparkman
Hart	Lesinski	Patton	Spence
Harter, Ohio	Lewis, Colo.	Pearson	Starnes, Ala.
Hartley	Ludlow	Peterson, Ga.	Sumners, Tex.
Havenner	McAndrews	Pfeifer	Sutphin
Healey	McArdle	Poage	Sweeney
Hennings	McCormack	Polk	Tarver
Hill	McGehee	Rabaut	Tenerowicz
Hobbs	McGranery	Ramspeck	Terry
Hook	McKeough	Randolph	Thomas, Tex.
Houston	McLaughlin	Rankin	Thomason
Hunter	McMillan, Clara G.	Rayburn	Tolan
Izac	McMillan, John L.	Richards	Vincent, Ky.
Jacobsen	Maciejewski	Robinson, Utah	Vinson, Ga.
Jarman	Mahon	Rogers, Okla.	Voorhis, Calif.
Johnson, Luther A.	Marcantonio	Romjue	Walter
Johnson, Lyndon	Martin, Ill.	Sabath	Ward
Johnson, W. Va.	Massingale	Sacks	Warren
Jones, Tex.	May	Sasscer	Weaver
Kee	Mills, Ark.	Satterfield	Welch
Kefauver	Mills, La.	Schaefer, Ill.	West
Keller	Mitchell	Schuetz	Whelchel
Kennedy, Martin	Monroney	Schwert	Whittington
Kennedy, Md.	Murdock, Ariz.	Shanley	Williams, Mo.
Kennedy, Michael	Murdock, Utah	Shannon	Wood
Keogh	Myers	Sheppard	Woodrum, Va.
Kerr	Norrell	Sheridan	Zimmerman
Kirwan	O'Day	Smith, Conn.	
Kitchens	O'Leary	Smith, Ill.	

NAYS—168

Allen, Ill.	Engel	Kilday	Rogers, Mass.
Andersen, H. Carl	Englebright	Kinzer	Routzohn
Anderson, Calif.	Fenton	Knutson	Rutherford
Andresen, A. H.	Fish	Kunkel	Ryan
Angell	Ford, Leland M.	Lambertson	Sandager
Arends	Gamble	Landis	Schafer, Wis.
Austin	Gartner	Leavy	Schiffler
Ball	Gearhart	LeCompte	Scrugham
Bates, Mass.	Gerlach	Lemke	Seccombe
Bender	Gifford	Lewis, Ohio	Secrest
Blackney	Gilchrist	Luce	Seger
Bolles	Gillie	McDowell	Shafer, Mich.
Bradley, Mich.	Graham	McLean	Short
Brewster	Grant, Ind.	McLeod	Simpson
Brown, Ohio	Green	Maas	Smith, Maine
Buckler, Minn.	Gross	Magnuson	Smith, Ohio
Burdick	Guyer, Kans.	Marshall	Smith, Wash.
Cannon, Fla.	Gwynne	Martin, Iowa	Springer
Carlson	Hall, Edwin A.	Martin, Mass.	Stearns, N. H.
Carter	Hall, Leonard W.	Mason	Stefan
Case, S. Dak.	Halleck	Michener	Sumner, Ill.
Chiperfield	Hancock	Miller	Taber
Church	Harness	Monkiewicz	Talle
Clason	Harter, N. Y.	Mott	Thill
Clevenger	Hawks	Mundt	Thorkelson
Coffee, Nebr.	Hess	Murray	Tibbott
Cole, N. Y.	Hinshaw	O'Brien	Tinkham
Connery	Hoffman	O'Connor	Treadway
Crawford	Holmes	Oliver	Van Zandt
Culkin	Hope	Osmers	Vorys, Ohio
Curtis	Horton	Peterson, Fla.	Vreeland
Dempsey	Hull	Pierce	Wallgren
Dirksen	Jenkins, Ohio	Pittenger	Wheat
Disney	Jennings	Plumley	White, Idaho
Ditter	Jensen	Powers	White, Ohio
Dondero	Johns	Reece, Tenn.	Wigglesworth
Douglas	Johnson, Ill.	Reed, Ill.	Williams, Del.
Dworshak	Johnson, Ind.	Reed, N. Y.	Winter
Eaton	Jones, Ohio	Rees, Kans.	Wolfenden, Pa.
Edmiston	Kean	Rich	Wolverton, N. J.
Elliott	Keefe	Risk	Woodruff, Mich.
Elston	Kilburn	Rodgers, Pa.	Youngdahl

ANSWERED "PRESENT"—3

Hendricks Wadsworth Wolcott

NOT VOTING—36

Allen, La.	Darrow	Johnson, Okla.	Norton
Andrews	DeRouen	Kelly	Robertson
Buckley, N. Y.	Drewry	Maloney	Robsion, Ky.
Caldwell	Fernandez	Mansfield	Rockefeller
Celler	Folger	Merritt	Schulte
Coffee, Wash.	Gehrmann	Moser	Steagall
Corbett	Jarrett	Mouton	Sullivan
Crowther	Jeffries	Nelson	Taylor
Cummings	Jenks, N. H.	Nichols	Thomas, N. J.

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Merritt (for) with Mr. Jarrett (against).
Mr. Kelly (for) with Mr. Darrow (against).
Mr. Nelson (for) with Mr. Thomas of New Jersey (against).
Mr. Drewry (for) with Mr. Jenks of New Hampshire (against).
Mr. Sullivan (for) with Mr. Caldwell (against).
Mr. Schulte (for) with Mr. Gehrmann (against).
Mr. Steagall (for) with Mr. Wolcott (against).
Mr. Norton (for) with Mr. Coffee of Washington (against).

Mr. Mansfield (for) with Mr. Rockefeller (against).
Mr. Cummings (for) with Mr. Wadsworth (against).
Mr. Moser (for) with Mr. Hendricks (against).
Mr. Robertson (for) with Mr. Crowther (against).
Mr. Maloney (for) with Mr. Corbett (against).
Mr. DeRouen (for) with Mr. Jeffries (against).

General pairs:

Mr. Taylor with Mr. Andrews.
Mr. Allen of Louisiana with Mr. Folger.
Mr. Fernandez with Mr. Nichols.
Mr. Johnson of Oklahoma with Mr. Celler.
Mr. Buckley of New York with Mr. Mouton.

Mr. WADSWORTH. Mr. Speaker, in view of the announcement of the pairs, I ask that my vote in the negative be withdrawn from the record and that I be recorded as voting "present."

Mr. HENDRICKS. Mr. Speaker, I have a pair with the gentleman from Pennsylvania, Mr. MOSER. If he were present, he would vote "yea." I therefore withdraw my vote and vote "present."

Mr. WOLCOTT. Mr. Speaker, I have a pair with the gentleman from Alabama, Mr. STEAGALL. Were he present, he would have voted "yea." I voted "nay." For that reason, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENTS

Mr. LUDLOW. Mr. Speaker, my colleague from Indiana, Mr. SCHULTE, was unavoidably absent from the session of the House today. Had he been present, he would have voted against the motion to recommit and for the passage of the resolution.

Mr. SMITH of Washington. Mr. Speaker, I desire to announce that my colleague the gentleman from Washington, Mr. COFFEE, was unavoidably absent. Had he been present, he would have voted "yea" on the motion to recommit and "nay" on the final passage of the bill.

Mr. McKEOUGH. Mr. Speaker, I desire to announce that my colleague, the gentleman from Illinois, Mr. KELLY, is unavoidably absent because of being called home to Chicago yesterday. Had he been present, he would have voted "nay" on the motion to recommit and "yea" on the passage of the bill.

EXTENSION OF REMARKS

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial in the Philadelphia Record of February 22.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial appearing recently in the Boston Post.

The SPEAKER. Is there objection to the request of the gentleman from Massachusets?

There was no objection.

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial appearing in the Buffalo Courier.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the Honorable James A. Farley.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement I made before the Committee on Interstate and Foreign Commerce regarding the proposed oil regulation bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MACIEJEWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Chicago Daily Times.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some excerpts from the Business Survey of Indiana University.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RANKIN asked and was given permission to extend his own remarks in the RECORD.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein the legislative program of the National Grange.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the San Francisco Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made in the Committee of the Whole and to include certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial and certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GERLACH asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article by Mr. H. E. Spangler, of Cedar Rapids, Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by a former member of the House, Mr. Pettengill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BUCK. Mr. Speaker, I ask unanimous consent in connection with an extension of my remarks made this afternoon to include certain excerpts from the lobby investigation of 1929 and certain other extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by Mr. James M. Duffy, at the Columbus, Ohio, town meeting.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article from the Minnesota League of Women Voters regarding

the benefits to Minnesota from the reciprocal-trade agreements, and also to include a telegram from the president of the American Farm Bureau Federation.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks to include certain tables from the Department of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole House on the state of the Union and to include certain excerpts and statistical data from the hearings.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a recent speech of Mr. Stacy B. D. Belden, secretary of the Delaware County, N. Y., Taxpayers Association and editor of the Dairyman Press, of Franklin, N. Y.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different amendments, remarks made in the Committee of the Whole House on the state of the Union, and to include certain quotations and short statistical abstracts.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech given by my colleague the gentleman from New York [Mr. BARTON] in Buffalo, N. Y., on Lincoln.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNYDER. Mr. Speaker, due to the lateness of the hour I ask unanimous consent that my special order for today to address the House for 30 minutes may be changed to Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. O'BRIEN, for 4 days, on account of official business.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 6 minutes p. m.) the House (in accordance with its previous order) adjourned until Monday, February 26, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Monday, February 26, 1940, at 10 a. m., before the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

COMMITTEE ON ROADS

The Committee on Roads will resume hearings at 10 a m. Monday, February 26, 1940, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings at 10 a. m. in room 213, House Office Building, on the reapportionment of Representatives in Congress.

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will hold hearings Tuesday, February 27, 1940, at 9:30 a. m. Bills to be considered, H. R. 6116 and H. R. 8498.

COMMITTEE ON FOREIGN AFFAIRS

There will be a hearing Tuesday, February 27, 1940, at 10 a. m., before the Committee on Foreign Affairs on House Joint Resolution 412, House Joint Resolution 430, and House Joint Resolution 436, for the relief of the distressed and starving women and children of Poland.

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet at 10:30 a. m., Wednesday, February 28, 1940, for consideration of House Joint Resolution 428 and House Joint Resolution 429, to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 28, 1940, at 10 a. m. there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COX: Committee on Rules. House Resolution 388. Resolution providing for the consideration of H. R. 6324, to provide for the more expeditious settlement of disputes with the United States, and for other purposes; without amendment (Rept. No. 1664). Referred to the House Calendar.

Mr. WARREN: Committee on Accounts. House Resolution 387. Resolution authorizing an additional appropriation for the special committee authorized under House Resolution 258 of the Seventy-sixth Congress (Rept. No. 1665). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Accounts. House Resolution 389. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives, and for other purposes (Rept. No. 1666). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 6505. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (Rept. No. 1667). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 8399. A bill to prohibit the receipt, possession, or disposition of money or property feloniously taken from a bank organized or operating under the laws of the United States or any member of the Federal Reserve System; without amendment (Rept. No. 1668). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7265. A bill to amend the District of Columbia Unemployment Compensation Act; with amendment (Rept. No. 1669). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMS of Missouri: Committee on Banking and Currency. S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes; with amendment (Rept. No. 1670). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 206. Joint resolution creating a joint committee to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law; with amendment (Rept. No. 1671). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 8292. A bill for the relief of Erich Hecht, Grete J. L. Hecht, and Erich F. Hecht, Jr.; without amendment (Rept. No. 1659). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 5108. A bill for the relief of Jesse A. Lott; without amendment (Rept. No. 1660). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 5336. A bill for the relief of Peter Bavisotto; with amendment (Rept. No. 1661). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 7337. A bill for the relief of Harriet T. Johnston; with amendment (Rept. No. 1662). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 7072. A bill for the relief of Esther Ross; without amendment (Rept. No. 1663). Referred to the Committee of the Whole House.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6631. By Mr. BALL: Petition of sundry citizens of Willimantic, Conn., favoring legislation for the relief of Polish war sufferers; to the Committee on Foreign Affairs.

6632. Also, petition of Polish societies of the Second Congressional District of Connecticut, favoring the relief of Polish war sufferers; to the Committee on Foreign Affairs.

6633. By Mr. THOMAS F. FORD: Statement of the Dried Fruit Association of California, in support of the Reciprocal Trade Agreements Act, asserting their belief that these trade agreements had been of inestimable value in sustaining the position of their industry in the export markets, particularly as compared with the situation they would have faced in a continued retaliatory trade restrictive battle with other nations; to the Committee on Foreign Affairs.

6634. By Mr. HART: Petition of the conference of the representatives of the colleges of New Jersey, participating in the student-aid program of the National Youth Administration, opposing the proposed appropriation for the National Youth Administration contained in the 1940–41 Budget, and favoring an appropriation of at least the amount available during the current year; to the Committee on Appropriations.

6635. Also, petition of the American Legion, department of New Jersey, Trenton, N. J., urging that appropriate legislation be enacted, or that the Secretary of War be induced to initiate and support measures necessary and proper, to effectuate the Federal recognition of the First Battalion, New Jersey Guard; to the Committee on Appropriations.

6636. By Mr. LUTHER A. JOHNSON: Petition of the Corsicana Typographical Union, of Corsicana, Tex., by C. B. Haley, president, and E. L. Travis, secretary-treasurer, opposing the Neely bill; to the Committee on Interstate and Foreign Commerce.

6637. Also, petition of D. R. Newman, of Waxahachie, Tex., favoring the Neely bill; to the Committee on Interstate and Foreign Commerce.

6638. By Mr. MICHAEL J. KENNEDY: Petition of the Warehousemen's Association of the Port of New York, comprising the water-front and inland merchandise warehouses, in opposition to any further reduction in the quota of cane sugar to be permitted entry into the United States; to the Committee on Foreign Affairs.

6639. By Mr. KEOGH: Petition of Joseph A. Wynn Post, No. 260, Veterans of Foreign Wars of the United States, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn sugar-refinery workers; to the Committee on Foreign Affairs.

6640. By Mr. SCHIFFLER: Petition of Dr. Will F. Crow, secretary, and Clarence F. Lutes, chairman, Citizens Organization of Glen Easton, W. Va., lamenting the passing of the late Senator William Edgar Borah and extending sympathy to his widow, Mrs. Borah; to the Committee on Memorials.

6641. By the SPEAKER: Petition of the City-Wide Tenants Council, New York City, petitioning consideration of their resolution with reference to low-rent housing for the west side of Manhattan; to the Committee on Banking and Currency.

6642. Also, petition of the Associated General Contractors of America, Inc., Washington, D. C., requesting consideration of their resolution with reference to Work Projects Administration, restrictions, inheritance taxes, extension of Public Works Administration program of hospitals, sewers, and water supply—utilizing Public Works Administration Federal aid for highways, Public Buildings Administration program; to the Committee on Ways and Means.

6643. By Mr. BOLLES: Petition of sundry citizens of Racine, Wis., protesting against Senate bill 2420, the Federal mine inspection bill, known as the Neely-Keller bill; to the Committee on Mines and Mining.

6644. By Mr. ENGLEBRIGHT: Senate Joint Resolution No. 2, relative to discrimination in steamship service and freight rates between New York and California ports to the Panama Canal Zone; to the Committee on Interstate and Foreign Commerce.

6645. Also, assembly joint resolution No. 14, relative to the continuance of Japanese beetle suppression under Federal auspices; to the Committee on Agriculture.

6646. By Mr. HALLECK: Petition of sundry citizens of Otterbein, Ind., urging early enactment of legislation providing for an excise tax on retail stores; to the Committee on Ways and Means.

6647. By Mr. MARTIN J. KENNEDY: Petition of the New York State Association of Letter Carriers, Newark, N. Y., urging support of the Rogers court of appeals bill (H. R. 2569); to the Committee on the Civil Service.

6648. Also, petition of the New York State Association of Letter Carriers, Newark, N. Y., urging support of the Keogh longevity bill (H. R. 991); to the Committee on the Civil Service.

6649. Also, petition of the American Legion Auxiliary Unit of the Private Chauffeurs of New York, Post No. 1179, New York City, urging support of the American Legion's five-point program; to the Committee on Foreign Affairs.

6650. By Mr. KRAMER: Resolution of the General Welfare Federation of Southern California, relative to House bill 5620, etc.; to the Committee on Ways and Means.

6651. Also, resolution of the Associated General Contractors of America, Inc., relative to recommending extension of Public Works Administration; to the Committee on Appropriations.

6652. Also, resolution of the Associated General Contractors of America, Inc., relative to Federal aid for highways; to the Committee on Appropriations.

6653. Also, resolution of the Associated General Contractors of America, Inc., relative to program of hospitals, sewers, and water supply—utilizing Public Works Administration; to the Committee on Appropriations.

6654. Also, resolution of the Associated General Contractors of America, Inc., relative to Public Buildings Administration program; to the Committee on Appropriations.

6655. Also, resolution of the Associated General Contractors of America, Inc., relative to inheritance taxes; to the Committee on Ways and Means.

6656. Also, resolution of the Associated General Contractors in regard to Works Progress Administration restrictions; to the Committee on Appropriations.

6657. By Mr. MERRITT: Resolution of the Bindery Women's Union, Local 66, International Brotherhood of Bookbinders, American Federation of Labor, New York City, urging the Congress to support the equal rights amendment to the Constitution in an effort to bring it to a vote at the present session of Congress; to the Committee on the Judiciary.

6658. By Mr. PLUMLEY: Resolution of the Burlington Unit, Unitarian Fellowship for Social Justice, seeking investigation of the activities and possible Fascist connections of the Reverend Charles E. Coughlin, of Detroit; to the Committee on Rules.

6659. By Mr. PFEIFER: Petition of the Joseph A. Wynn Post, No. 260, Veterans of Foreign Wars, Brooklyn, N. Y., opposing the importation of refined sugar from the tropics; to the Committee on Foreign Affairs.

6660. By Mr. SCHWERT: Resolution of the Citizens Committee of Buffalo and vicinity that substantial financial aid be given to the Republic of Poland; to the Committee on Foreign Affairs.

6661. By Mr. SPRINGER: Resolution of the Steel Workers Organizing Committee lodges of the Indianapolis district in convention assembled on February 18, 1940, urging that the President of the United States call a conference of leaders in labor, agriculture, industry, and Government to work out a plan to establish prosperity and end unemployment; to the Committee on Labor.

6662. Also, resolution of the Steel Workers Organizing Committee lodges in the Indianapolis district, favoring the slogan "The Yanks are not coming," and urging a public attitude against participation in any war, except the war against poverty and unemployment in our own country; to the Committee on Military Affairs.

6663. By Mr. WIGGLESWORTH: Petition of the members of Local No. 21455, Atlantic Fishermen's Union, Boston, Mass., urging a congressional investigation of the fishing industry; to the Committee on Merchant Marine and Fisheries.

SENATE

MONDAY, FEBRUARY 26, 1940

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou who dost sustain man's spirit by an undying hope, satisfy us early with Thy mercy, for we would come to Thee while the day is young and life is full; we would choose Thee with all the kingdoms of the world before us and in preference to all the treasures of knowledge or the pleasures of sin. Do Thou quicken in us this true resolve, and hearken to the prayers of our hearts, which come in highest moments when we think not of ourselves but only of Thee.

Throughout this day do not Thou forget us nor release the hidden thread that binds us to our duties and our tasks. Help us with pure hearts and minds to live so honestly and fearlessly that no outward failure can dishearten us or take away the joy of conscious integrity. So may we strive in all things to render loyal service to our country and to Thee, our God, who art ever calling us to be followers of Him whose cross will one day win the world, even Jesus Christ Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 22, 1940, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (S. 2103) to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended.

The message announced that the House had passed a bill (S. 643) authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8068) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LUDLOW, Mr. O'NEAL, Mr. JOHNSON of West Virginia, Mr. MAHON, Mr. CASEY of Massachusetts, Mr. TABER, Mr.

McLEOD, and Mr. KEEFE were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 3138. An act authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande at Boca Chica, Tex.;

H. R. 4776. An act to amend section 6 of the Organic Act of Alaska;

H. R. 5784. An act to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes;

H. R. 7018. An act to amend section 289 of the Criminal Code;

H. R. 7019. An act to amend section 1 of the act providing punishment for the killing or assaulting of Federal officers;

H. R. 7020. An act to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions;

H. R. 7135. An act to authorize the leasing of the undeveloped coal and asphalt deposits of the Choctaw and Chickasaw Nations in Oklahoma;

H. R. 7147. An act to amend the service pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition, to include certain continuous service;

H. R. 7339. An act to exempt sail vessels from the provisions of section 13 of the act of March 4, 1915, as amended, requiring the manning of certain merchant vessels by able seamen, and for other purposes;

H. R. 7420. An act to amend laws for preventing collisions of vessels;

H. R. 7612. An act for the transfer of funds to the town of Wrangell, Alaska;

H. R. 7863. An act to amend section 602 (e) of the Communications Act of 1934, as amended, relating to a study of radio requirements for ships navigating the Great Lakes and inland waters of the United States;

H. R. 8033. An act to authorize the Secretary of War to furnish certain markers for certain graves;

H. R. 8151. An act to provide travel expenses of civilian officers and employees upon official change of station;

H. R. 8307. An act to change the date of transmission to Congress of the Budget of the United States in years in which a new President takes office;

H. J. Res. 219. Joint resolution to provide for the erection of a monument to the memory of the patriot priest, Father Pierre Gibault;

H. J. Res. 385. Joint resolution establishing a Greenville Memorial Commission to formulate plans for the construction of a memorial building to commemorate the Treaty of Greene Ville at Greenville, Ohio;

H. J. Res. 407. Joint resolution to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended; and

H. J. Res. 424. Joint resolution to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1850. An act to aid the States and Territories in making provisions for the retirement of employees of the land-grant colleges;

S. 2867. An act to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the Pennsylvania Railroad Co., for right-of-way purposes, a small strip of land at Veterans' Administration facility, Coatesville, Pa.;

S. 2868. An act to facilitate the procurement of aircraft for the national defense;

S. 2876. An act to amend the Annual and Sick Leave Acts of March 14, 1936;

H. R. 112. An act to facilitate control of soil erosion and flood damage on lands within the Ozark and Ouachita National Forests in Arkansas;

H. R. 1456. An act for the relief of Maj. Herbert A. Jacob;

H. R. 2860. An act for the relief of Ben Willie Jones, as legal representative of Thelma Jones, a deceased minor;

H. R. 3391. An act providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles;

H. R. 3794. An act to establish the Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes;

H. R. 4198. An act for the relief of M. L. Parish;

H. R. 6084. An act for the relief of Katheryn S. Anderson;

H. R. 7050. An act for the relief of certain former disbursing officers for the Civil Works Administration; and

H. J. Res. 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriation acts.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Calif.	Reed
Andrews	Davis	Johnson, Colo.	Reynolds
Ashurst	Donahey	King	Russell
Austin	Downey	La Follette	Schwartz
Bailey	Ellender	Lee	Schwellenbach
Bankhead	Frazier	Lodge	Sheppard
Barbour	George	Lucas	Smith
Barkley	Gibson	Lundeen	Stewart
Bilbo	Gillette	McCarran	Taft
Bridges	Glass	McKellar	Thomas, Idaho
Brown	Green	McNary	Thomas, Okla.
Bulow	Guffey	Maloney	Thomas, Utah
Byrd	Gurney	Mead	Tobey
Byrnes	Hale	Miller	Townsend
Capper	Harrison	Minton	Truman
Caraway	Hatch	Murray	Vandenberg
Chandler	Hayden	Neely	Van Nuys
Chavez	Herring	Norris	Walsh
Clark, Idaho	Hill	Overton	Wheeler
Clark, Mo.	Holt	Pepper	White
Connally	Hughes	Radcliffe	Wiley

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from New Jersey [Mr. SMATHERS] are absent from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE], the Senator from Arkansas [Mr. MILLER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

The Senator from Nevada [Mr. PITTMAN] is absent on official business.

The Senator from Maryland [Mr. TYDINGS] and the Senator from New York [Mr. WAGNER] are unavoidably detained.

Mr. McNARY. I announce that my colleague [Mr. HOLMAN] is necessarily absent.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

REPORT ON THE NATCHEZ TRACE (S. DOC. NO. 148)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, in response to Senate Resolution 222 (submitted by Mr. BILBO and agreed to February 1, 1940), a report of a survey of the old Indian trail, known as the Natchez Trace, made pursuant to an act approved May 21, 1934, with a view to constructing a national road on this route to be known as the Natchez Trace Parkway, which, with the accompanying report, was referred to the Committee on Public Lands and Surveys, and ordered to be printed, with illustrations.

PUBLIC LANDS IN ALASKA

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation to promote the development of the Territory of Alaska and to authorize the Secretary of the Interior

to lease public lands in Alaska, which, with the accompanying paper, was referred to the Committee on Public Lands and Surveys.

MONTHLY REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of January 1940, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PERSHING HALL, PARIS, FRANCE—FINANCIAL STATEMENTS

The VICE PRESIDENT laid before the Senate two letters from the director of the national legislative committee, American Legion, Washington, D. C., transmitting, pursuant to law, itemized statements of receipts and expenditures of the Pershing Hall fund from January 1, 1939, to December 19, 1939, and for the calendar year 1939, which, with the accompanying papers, were referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the twenty-first annual convention of the Idaho Department, American Legion, at Twin Falls, Idaho, favoring an appropriation for the establishment of an additional domiciliary and intermediary unit of 300 or more beds at the veterans' facility located in Boise, Idaho, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the second annual convention of the National Cotton Council at New Orleans, La., favoring enactment of the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Yavapai County Council, Arizona Small Mine Operators' Association, at Prescott, Ariz., favoring the appointment of a director of the Bureau of Mines whose professional attainments and personal integrity will insure the continued support and respect of the mining profession, which was referred to the Committee on Mines and Mining.

He also laid before the Senate a resolution adopted by the Yavapai County Council, Arizona Small Mine Operators' Association, at Prescott, Ariz., protesting against the proposed transfer of the Forest Service from the Department of Agriculture to the Department of the Interior, which was referred to the Select Committee on Government Organization.

He also laid before the Senate a telegram in the nature of a petition from Alex Murrell, of Craycraft, Ky., praying for the recall of the American Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics, which was ordered to lie on the table.

Mr. CAPPER presented a petition of sundry citizens of Beloit, Kans., praying for the enactment of the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table.

Mr. WILEY presented a petition of sundry citizens, being municipal employees of the city of Stevens Point, Wis., praying for the enactment of legislation to include all city employees under the operation of the Social Security Act, which was referred to the Committee on Finance.

Mr. HOLT presented a resolution adopted at Elkins by officers and members of American Legion posts, Department of West Virginia, of Morgantown, Mannington, Fairmont, Kingwood, Grafton, Philippi, Pickens, Elkins, Parsons, Davis, Keyser, Piedmont, Romney, Moorefield, Franklin, Petersburg, Berkeley Springs, Martinsburg, and Charles Town, all in the State of West Virginia, favoring the enactment of the bill (S. 3060) to authorize the acquisition of land for cemetery purposes in the vicinity of Grafton, W. Va., which was referred to the Committee on Military Affairs.

Mr. GIBSON. Mr. President, I have before me and now present for printing in the RECORD a petition signed by employees of the Middlebury, Vt., post office, asking consideration for Senate bill 487, which provides a system of longevity pay for postal employees as a reward for continuous service up to, but not extending beyond, the thirtieth year of employment.

There being no objection, the petition was referred to the Committee on Post Offices and Post Roads, and the body thereof was ordered to be printed in the RECORD, as follows:

MIDDLEBURY, VT., *February 20, 1940.*

Senator ERNEST W. GIBSON,
Washington, D. C.

MY DEAR MR. GIBSON: We, the employees of the Middlebury, Vt., post office, are very much in favor of the longevity bills, S. 487 by Mr. MEAD and H. R. 3649 by Mr. FLANNERY. A number of us have had from 20 to 30 years of service and feel that there should be some reward for length of service.

Yours very truly,

——— ———.

Mr. JOHNSON of California presented the following joint resolution of the Legislature of California, which was referred to the Committee on Irrigation and Reclamation:

Senate Joint Resolution 4

Relative to memorializing Congress to take action in respect to the existing emergency in the Tulelake district

Whereas the continued rising of the waters in the Tulelake sump has broken dikes and flooded thousands of acres of valuable land in the Tulelake district of the Klamath reclamation project; and

Whereas a permanent menace exists on account of the continued rising of these waters which threatens a rich agricultural area producing millions of dollars' worth of agricultural products; and

Whereas it appears that this menace can be averted and this condition remedied by the construction of a tunnel, and that a self-liquidating project has been devised for the construction of such tunnel; and

Whereas it appears that said project has been approved by the Federal agencies having jurisdiction over the matter, and that the expenditure of an estimated $974,773 would construct the necessary works to drain the area involved, rectify the present condition, and remove a continuing menace to a valuable agricultural area: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California jointly, That the Congress of the United States is hereby respectfully urged to enact such legislation as may be necessary to provide for the construction of all necessary drainage and flood-control works in the Tulelake district of the Klamath reclamation project and to make available funds for the construction of said tunnel project; and be it further

Resolved, That copies of this resolution be forwarded by the secretary of the senate to each Senator and Representative in Congress of the United States from California.

Mr. JOHNSON of California also presented the following joint resolution of the Legislature of California, which was referred to the Committee on Commerce:

Assembly Joint Resolution 9

Relative to discrimination in steamship service and freight rates between New York and California ports to the Panama Canal Zone

Whereas Congress has authorized the construction of additional locks at the Panama Canal at an eventual total cost of approximately $277,000,000, as well as an additional expenditure of approximately $35,000,000 for the construction of barracks, airports, etc.; and

Whereas large quantities of foodstuffs, materials, and supplies are imported annually into the Republic of Panama amounting in the year 1937 to $21,828,000, of which imports from the United States amounted to $11,377,000 principally from the Atlantic seaboard; and

Whereas materials and supplies will be imported into the Panama Canal Zone in large quantities as additional protection for national defense by the United States Government and for the Republic of Panama, including alfalfa, groceries, cold-storage products, drygoods, dairy products, raw materials, housewares, candies and tobacco, milk and cream, shoes, cattle and hogs, soaps, meats, lard, vegetables, lumber, petroleum products, cement, iron and steel, automobiles, chemicals, medicines, reinforced concrete frames and floor slabs, hollow tile filler walls, stucco exterior, tile and composition roofing, miscellaneous iron and steel, hollow metal work, metal lath and plaster, steel shelving, automatic refrigeration systems, waterproofing, cold-storage rooms, slate toilet partitions, glazed tile wainscoting, ceramic, cement and other quarry products, tile floors, paint, plumbing, electric fixtures, and various other types of materials and supplies grown, produced, and manufactured on the Pacific coast; and

Whereas the United States Government owns and operates the Panama Railroad Steamship Co., which is operated under the direction of the President of the United States and the War Department, which operates steamship service between New York and the Panama Canal Zone, and railway service between Atlantic and Pacific ports of the Canal Zone; and

Whereas freight rates upon said Government-owned line between the Atlantic seaboard and the Panama Canal Zone are materially less than freight rates on private lines operated between Pacific

coast ports and the Canal Zone, in some cases being as much as 50 percent less; and

Whereas if similar service and the same freight-rate basis were provided by the United States Government between Pacific coast ports and the Panama Canal Zone, California growers, producers, and manufacturers of supplies and materials to be used in said construction work, including the necessities of life, to be imported into the Republic of Panama as hereinabove set forth, would be in a position to compete with growers, producers, and manufacturers on the Atlantic seaboard; and

Whereas due to the withdrawal of ships under the jurisdiction of the United States Maritime Commission from export trade due to the war, there are now numerous vessels available for this service; and

Whereas private steamship lines operating between the Pacific coast ports and the Panama Canal Zone will not meet the New York-Panama rates of the Government-owned Panama Railroad Steamship Co., resulting in a practical monopoly in favor of shippers from the Atlantic seaboard to said Panama Canal Zone: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the President of the United States, the Congress and the Secretary of War are hereby respectfully requested to take such action as will be necessary to provide similar steamship service between Pacific coast ports and the Panama Canal Zone and at the same freight-rate basis in order that Pacific coast growers, producers, and manufacturers may be enabled to compete with growers, producers, and manufacturers on the Atlantic seaboard in supplying agricultural and manufactured materials and supplies to the Panama Canal Zone; and be it further

Resolved, That copies of this resolution be transmitted by the Governor of the State of California to the President and Vice President of the United States, to the Speaker of the House, to the Secretary of War, and to each Senator and Representative from California in the Congress of the United States.

Mr. JOHNSON of California also presented the following joint resolution of the Legislature of California, which was referred to the Committee on Agriculture and Forestry:

Assembly Joint Resolution 14

Relative to the continuance of Japanese beetle suppression under Federal auspices

Whereas a hearing has been called by the United States Bureau of Entomology and Plant Quarantine for February 27, at Washington, D. C., to consider whether or not that Federal agency shall continue to enforce regulatory measures to prevent the spread of the Japanese beetle within the United States, said agency having capably and effectively carried on this function for many years; and

Whereas the abandonment of enforcement of quarantine against the Japanese beetle by this Federal agency will cause such enforcement work to be assumed by the several States, thereby encouraging the development of 48 different kinds of quarantine measures, and will require greatly increased costs for the same objective; and

Whereas the Federal authorities have complete machinery already established and are in better position to conduct necessary investigational and research work relative to control and nursery inspection and certification techniques; and

Whereas the fullest protection to be afforded the agricultural industry against the rapid spread of one of the world's most serious fruit, crop, and garden pests appears best to be accomplished by an experienced and trained Federal agency: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California does hereby urge that there be no abandonment of quarantine enforcement, nursery certification, control methods, research, or procedures directed to Japanese beetle suppression by the Federal Government, and that the present Federal agency be requested to continue the effective work now in progress; and be it further

Resolved, That Congress be requested to make adequate financial provision for Japanese beetle suppression; and be it further

Resolved, That a copy of this resolution be forwarded, by the secretary of state, to the United States Secretary of Agriculture, the Chief of the United States Bureau of Entomology and Plant Quarantine, and the Senators and Congressional Representatives for California.

INTRODUCTION OF A BILL—PETITION OF THE NATCHEZ TRACE ASSOCIATION

Mr. BILBO. Mr. President, I ask unanimous consent to introduce a bill for appropriate reference.

The VICE PRESIDENT. Without objection, the bill will be received at this time. The rules of the Senate provide that, in their order, petitions and memorials, committee reports, and bills and joint resolutions shall be received; so the Chair is compelled to ask unanimous consent that the Senator be permitted at this time to introduce his bill for proper reference. Is there objection?

Mr. McNARY. Mr. President, I was much in accord with the announcement made by the able leader on the Democratic side a few days ago that unanimous consent would be withheld in the matter of making speeches upon the introduction of bills. If that is the purpose of the able Senator from Mississippi [Mr. BILBO], I shall have to object. A little later, I will say to the Senator, when the routine morning business shall have been concluded and we reach the unfinished business, he may have as much time as he pleases.

The VICE PRESIDENT. Objection is heard, and therefore the bill cannot be introduced at this time.

Mr. McNARY. No, Mr. President; I have no objection to the introduction of the bill. What I want to prevent is taking unnecessary time in making a speech in support of a bill which is introduced; that is all. If it is the mere introduction of a bill, I have no objection.

[There being no objection, Mr. BILBO introduced Senate bill 3436, which was referred to the Committee on Claims and appears under the appropriate heading "Bills and joint resolutions introduced."]

Mr. BILBO. In addition to introducing the bill, I ask permission to present a resolution, in the nature of a petition to the Congress, passed by the Natchez Trace Association of Mississippi at a convention held in January 1940. I ask unanimous consent that the petition be printed in the RECORD as a part of my remarks.

There being no objection, the resolution or petition was ordered to be printed in the RECORD, as follows:

Resolution

This resolution made, seconded, and passed by the Natchez Trace Association of Mississippi, this 24th day of January A. D. 1940.

Whereas under date of November 30, 1939, an unobligated balance of $1,660,884.85 of Federal funds was available for construction of the Natchez Trace Parkway in Mississippi, and because of these unobligated funds, the Director of the Budget has recommended to the United States Congress that only $2,000,000 be appropriated for parkway construction for the fiscal year 1941 and that the sum of $700,000 be allocated from this appropriation for use in connection with the Natchez Trace Parkway (Mississippi's share being $483,776); and

Whereas since the date of the Budget's recommendation the State of Mississippi has conveyed to the United States Government 50.48 miles of Natchez Trace rights-of-way for which approved contract plans call for an immediate expenditure of about $2,000,000, which is approximately $339,115.15 more than the funds which are available; that, in addition to the rights-of-way recently conveyed, the State of Mississippi is prepared to acquire and convey to the Federal Government approximately 35 more miles of Natchez Trace rights-of-way by June 1, 1940, and the United States National Park Service, in connection with the Public Roads Administration, can immediately obligate an additional $1,400,000 of Federal funds for grading and drainage work; that, as during the year of 1939, the Federal and State agencies in charge of the Natchez Trace Parkway have completed the mapping and surveying of the major part of the trace route through the State, if sufficient funds are made available by the United States Congress, the future of the parkway can progress very rapidly; and

Whereas the financial situation for Mississippi's part is as follows:

Balance, Nov. 30, 1939		$1,660,885
Grading lettings Dec. 29 on "L" and Jan. 5 on "M2"		803,385
		852,500
Bridge lettings Jan. 25 on "W"		167,545
		684,955
Grading lettings Feb. 15 on "D" estimated		350,000
		334,955
Grading letting about March on "N" estimated		350,000
		−15,045

"J" ready for grading in April, $430,000, grading money needed during 1941 fiscal year for "D2," "H," and "M2" bridges on "D," "K," "L," and "N," stabilization to protect expensive subgrade and base for future permanent paving on "M," "L," and K"; and

Whereas a finished roadway with no major intersections and infrequent minor intersections from Nashville, Tenn., to Natchez, Miss. (where a bridge across the Mississippi River is almost completed) would be of great military value in event of war; and

Whereas in certain sections of the State through which the parkway traverses local residents have suffered from crop failures caused by both drought and flood and the winter months have brought on unusually severe snows and freezes, causing death and disease to cattle and other livestock, and there exists in these localities a very serious unemployment situation; that the continuance of Natchez Trace developments will provide immediate jobs and work for these people who are in dire need of temporary relief.

Now, therefore, the Natchez Trace Association of Mississippi hereby petitions and recommends to the United States Congress that an appropriation of $5,000,000 be made for the development of the Natchez Trace Parkway for the fiscal year of 1941.

ROANE FLEMING BYRNES,
President, Natchez Trace Association of Mississippi.

REPORT OF COMMITTEE ON APPROPRIATIONS DURING ADJOURNMENT

Under authority of the order of the 22d instant,

Mr. McKELLAR, from the Committee on Appropriations, to which was referred the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes, reported it on February 24, 1940, with amendments, and submitted a report (No. 1235) thereon.

REPORTS OF COMMITTEES

Mr. HATCH, from the Committee on Privileges and Elections, to which was referred the bill (S. 3046) to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, reported it with amendments and submitted a report (No. 1236) thereon.

Mr. BROWN, from the Committee on Claims, to which was referred the bill (S. 3062) for the relief of the Rodgers Tile Co., reported it with an amendment and submitted a report (No. 1237) thereon.

He also, from the same committee, to which was referred the bill (S. 2994) for the relief of Joseph Soulek, reported it with amendments and submitted a report (No. 1238) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 456) for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany, reported it without amendment and submitted a report (No. 1239) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent the second time, and referred as follows:

By Mr. JOHNSON of California:

S. 3427. A bill for the relief of Raymond J. Miller; to the Committee on Claims.

By Mr. THOMAS of Idaho:

S. 3428. A bill to authorize the Secretary of the Interior to cooperate with the tribal council of the Coeur d'Alene Tribe of Indians in the construction of a church for the use of the Indians of such tribe (with an accompanying paper); to the Committee on Indian Affairs.

Mr. HATCH. Mr. President, I send to the desk, for appropriate reference, a bill introduced in behalf of the Senator from Texas [Mr. SHEPPARD] and myself.

I call attention to the fact that, so far as I am concerned, at least, this bill is introduced at the request of certain constituents of mine, who asked that the measure be presented to the Senate in order that hearings may be had on the bill. I in no sense act as a sponsor of the measure.

By Mr. SHEPPARD (for himself and Mr. HATCH):

S. 3429 (by request). A bill to safeguard investments of Federal funds in water utilization and control works within water courses in certain Western States, and to prevent interference with successful operations of interstate stream compacts, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. FRAZIER:

S. 3430. A bill to provide a method by which certain restricted Indian allotments in which several Indian heirs have undivided interests may be acquired by individual Indians; to the Committee on Indian Affairs.

By Mrs. CARAWAY:

S. 3431. A bill for the relief of W. H. Dunblazier; and

S. 3432. A bill for the relief of A. K. Shaw; to the Committee on Claims.

S. 3433. A bill granting a pension to Eliza Wheeler; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

S. 3434. A bill granting a pension to James H. Abbott (with accompanying papers); to the Committee on Pensions.

By Mr. REYNOLDS:

S. 3435. A bill to provide for domiciliary care and medical and hospital treatment for former members of the military and naval services who are suffering with tuberculosis; to the Committee on Finance.

By Mr. BILBO:

S. 3436. A bill for the relief of Ethel G. Hamilton; to the Committee on Claims.

By Mr. WALSH:

S. 3437. A bill for the relief of the Franco-American Construction Co.; to the Committee on Claims.

S. 3438. A bill for the relief of Harold C. Preble, naval architect; and

S. 3439. A bill providing for the rank of commanders of special naval units afloat; to the Committee on Naval Affairs.

By Mr. WHEELER:

S. 3440. A bill to amend the Locomotive Inspection Act of February 17, 1911, as amended, so as to change the title of the chief inspector and assistant chief inspectors of locomotive boilers; to the Committee on Interstate Commerce.

By Mr. BROWN:

S. 3441. A bill authorizing the naturalization of Ilhan New; and

S. 3442. A bill to authorize the cancelation of deportation proceedings in the case of Minas Kirillidis; to the Committee on Immigration.

By Mr. NEELY:

S. 3443. A bill for the relief of William A. Wheeler; to the Committee on Claims.

S. 3444. A bill for the relief of John S. Long; to the Committee on Finance.

S. 3445. A bill to authorize the Postmaster General to permit officers and employees in the Postal Service to make allotments of pay for certain purposes; to the Committee on Post Offices and Post Roads.

By Mr. MEAD:

S. 3446. A bill to establish the policy of the Government of the United States with reference to the provision of forages, subsistence crops, and roughages from available surpluses for ranch, farm, and dairy animals in emergency areas of the United States; to the Committee on Agriculture and Forestry.

S. 3447. A bill to amend the Home Owners' Loan Act by reducing the rate of interest on obligations of home owners, by abolishing certain deficiency judgments, and by providing a moratorium on foreclosures; to the Committee on Banking and Currency.

S. 3448. A bill to amend section 2111 (a) (1) of the Internal Revenue Code; to the Committee on Finance.

By Mr. SHEPPARD:

S. 3449. A bill granting a pension to Harry B. Likens; to the Committee on Pensions.

S. 3450. A bill to amend the act entitled "An act to give wartime commissioned rank to retired warrant officers and enlisted men," approved May 7, 1932; to the Committee on Military Affairs.

By Mr. BYRD:

S. 3451. A bill for the relief of the heirs of William H. Peters and Washington Reed; to the Committee on Claims.

S. 3452. A bill for the relief of Samuel Irick; to the Committee on Finance.

By Mr. MINTON:

S. 3453. A bill for the relief of Lawrence Frederick Denny (with accompanying papers); to the Committee on Naval Affairs.

S. 3454. A bill granting a pension to Thomas Williams, Jr. (with accompanying papers); to the Committee on Pensions.

(Mr. DAVIS introduced Senate Joint Resolution 214, which was referred to the Committee on the Library, and appears under a separate heading.)

By Mr. BYRD:

S. J. Res. 215. Joint resolution to establish a Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson; to the Committee on the Library.

TWO HUNDREDTH ANNIVERSARY OF UNIVERSITY OF PENNSYLVANIA

Mr. DAVIS. Mr. President, I introduce, for appropriate reference, a joint resolution, the purpose of which is to authorize the establishment of a United States University of Pennsylvania Bicentennial Commission providing for the representation of the Government and people of the United States in the recognition of the two hundredth anniversary of the founding of the University of Pennsylvania by Benjamin Franklin, and the beginning of university education in the United States.

Mr. President, I hope this resolution will receive favorable consideration. It is a tribute to an outstanding institution of learning in the United States and a leader in many fields of endeavor. Among the total enrollment of over 17,000 in all its schools are young men from all parts of the world and from all sections of the United States. Its Wharton School of Finance and Commerce is the accepted leading undergraduate school of finance and commerce in the world. Through its doors have come prominent citizens who have contributed greatly to the fields of business, government, liberal arts, law, medicine, and other sciences. It has ever been loyal to the standards and principles of its founder, Benjamin Franklin. The people of Pennsylvania and of the United States want to reaffirm once again, on this two hundredth anniversary, their allegiance to the sound principles of Franklin, and to build on them an even richer heritage for the future.

I ask unanimous consent that the joint resolution and a letter from President Thomas S. Gates, of the University of Pennsylvania, be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The joint resolution (S. J. Res. 214) authorizing the recognition of the two hundredth anniversary of the founding of the University of Pennsylvania by Benjamin Franklin and the beginning of university education in the United States, and providing for the representation of the Government and the people of the United States in the observance of the anniversary was read twice by its title, referred to the Committee on the Library, and ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 214

Joint resolution authorizing the recognition of the two hundredth anniversary of the founding of the University of Pennsylvania by Benjamin Franklin and the beginning of university education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary

Whereas there are to be held at Philadelphia, Pa., and at other places during the year 1940, celebrations commemorating the two hundredth anniversary of the founding of the University of Pennsylvania by Benjamin Franklin, said institution being the first university to be established in what are now the United States; and

Whereas in accordance with resolutions of the president and fellows of the University of Pennsylvania, there will take place in Philadelphia, Pa., on the 16th, 17th, 18th, 19th, 20th, and 21st of September 1940 formal ceremonies of celebration of the bicentennial, in the presence of the governing boards, faculties, students, and alumni of the university, the delegates of other institutions, distinguished guests, and a large number of friends and benefactors; and

Whereas the Commonwealth of Pennsylvania and the city of Philadelphia will be officially represented at the ceremonies; and

Whereas the University of Pennsylvania endeavors to foster and maintain the ideals of truth and freedom so dear to Americans: Therefore, be it

Resolved, That the Government and people of the United States unite with the University of Pennsylvania in a fitting and appropriate observance of the two hundredth anniversary of its founding, which marked the formal beginning of university education in the United States (Harvard, William and Mary, and Yale were founded before the University of Pennsylvania, but they were not universities until after the University of Pennsylvania became a university).

SEC. 2. There is hereby established a Commission to be known as the United States University of Pennsylvania Bicentennial Commission (hereinafter referred to as the Commission) to be composed of 15 commissioners, as follows: The President of the United States and 4 persons to be appointed by him, the President of the Senate and 4 Members of the Senate to be appointed by said President of the Senate, and the Speaker of the House of Representatives and 4 Members of the House to be appointed by said Speaker.

SEC. 3. The Commission, on behalf of the United States, shall cooperate with representatives of the University of Pennsylvania, the Commonwealth of Pennsylvania, and the city of Philadelphia in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of the University of Pennsylvania.

SEC. 4. The members of the Commission shall serve without compensation and shall select a Chairman from among their number, but the President of the United States shall be designated the "Honorary Chairman" of the Commission.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the Commission for expenses, including actual and necessary traveling and subsistence expenses, incurred while discharging its functions under this resolution. The Commission shall have power to select, hire, and fix the compensation of such officers and employees as shall be necessary for the performance of its duties without regard to the provisions of other laws applicable to employment or compensation of officers or employees of the United States.

SEC. 6. Any vacancies occurring in the membership of the Commission shall be filled by the President of the United States.

The letter presented by Mr. DAVIS is as follows:

UNIVERSITY OF PENNSYLVANIA,
Philadelphia, February 22, 1940.

The Honorable JAMES J. DAVIS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: As you undoubtedly know, the University of Pennsylvania is celebrating its two hundredth anniversary this year. The celebration began on the occasion of Benjamin Franklin's birthday, January 17, when we had as our guests His Excellency the French Ambassador, M. Rene Doynel de Saint-Quentin, Justice Owen J. Roberts, and ex-Senator George Wharton Pepper.

The main celebration will take place during the week of September 16, and the concluding ceremonies will be held on Friday, September 20, and Saturday, September 21. During this week symposia, meetings, convocations, etc., will be held, and the university will be hosts to a distinguished gathering of college presidents and leaders in the educational and scientific world.

The purpose of this letter is to ask if you will give favorable consideration to the introduction of a bill into the present session of the Congress providing for the appointment of a United States University of Pennsylvania Bicentennial Commission.

On the occasion of the Harvard Tercentenary a commission was appointed to represent the Government at the tercentenary celebration, and it consisted of President Franklin D. Roosevelt as honorary chairman and four gentlemen appointed by the President. These were Maj. Gen. Dennis E. Nolan, United States Army, retired, War Department; Admiral William H. Standley, Chief of Naval Operations, Navy Department; Dr. Frank P. Graham, president of the University of North Carolina; Dr. Robert G. Sproul, president of the University of California.

Of the Senate were appointed Hon. John N. Garner, Vice President; Hon. Marcus A. Coolidge; Hon. Robert J. Bulkley; Hon. Frederick Hale; Hon. Henry W. Keyes.

Of the House were appointed Hon. William B. Bankhead, Speaker; Hon. John J. O'Connor; Hon. Richard M. Russell; Hon. Richard B. Wigglesworth; Hon. Robert L. Bacon.

For your information I am attaching herewith a copy of the resolution which the Congress of the United States adopted in connection with the Harvard Tercentenary.

It should be pointed out, I believe, that the University of Pennsylvania was the first university in the United States. Harvard, William and Mary, and Yale were founded before the University of Pennsylvania, but they were not universities until after the University of Pennsylvania became a university.

We are, of course, asking the Pennsylvania State Legislature to adopt resolutions calling for commissions to represent the State of Pennsylvania at our bicentennial celebration, and the city of Philadelphia will also appoint a commission.

We are very hopeful that the Congress of the United States will take favorable action, and we are asking you as senior Senator from the State of Pennsylvania to be kind enough to sponsor the introduction of such a resolution before the Senate.

A resolution to be presented before the House is being prepared under the supervision of the Honorable CHARLES A. WOLVERTON. It will be a joint resolution presented by all the graduates of the University of Pennsylvania who are serving in the House. These gentlemen, in addition to Representative WOLVERTON, are J. PARNELL THOMAS, LEON SACKS, ALBERT G. RUTHERFORD, PIUS L. SCHWERT, and JOHN E. SHERIDAN.

Your interest in our behalf will be greatly appreciated, I assure you.

Cordially yours,

THOMAS S. GATES, *President.*

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 3138. An act authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande at Boca Chica, Tex.;

H. R. 7339. An act to exempt sail vessels from the provisions of section 13 of the act of March 4, 1915, as amended, requiring the manning of certain merchant vessels by able seamen, and for other purposes; and

H. R. 7420. An act to amend laws for preventing collisions of vessels; to the Committee on Commerce.

H. R. 4776. An act to amend section 6 of the Organic Act of Alaska; and

H. R. 7612. An act for the transfer of funds to the town of Wrangell, Alaska; to the Committee on Territories and Insular Affairs.

H. R. 5784. An act to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes; to the Committee on Civil Service.

H. R. 7018. An act to amend section 289 of the Criminal Code;

H. R. 7019. An act to amend section 1 of the act providing punishment for the killing or assaulting of Federal officers; and

H. R. 7020. An act to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions; to the Committee on the Judiciary.

H. R. 7135. An act to authorize the leasing of the undeveloped coal and asphalt deposits of the Choctaw and Chickasaw Nations in Oklahoma; to the Committee on Indian Affairs.

H. R. 7147. An act to amend the service pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service; to the Committee on Pensions.

H. R. 7863. An act to amend section 602 (e) of the Communications Act of 1934, as amended, relating to a study of radio requirements for ships navigating the Great Lakes and inland waters of the United States; to the Committee on Interstate Commerce.

H. R. 8083. An act to authorize the Secretary of War to furnish certain markers for certain graves; to the Committee on Military Affairs.

H. R. 8151. An act to provide travel expenses of civilian officers and employees upon official change of station; and

H. R. 8307. An act to change the date of transmission to Congress of the Budget of the United States in years in which a new President takes office; to the Committee on Appropriations.

H. J. Res. 219. Joint resolution to provide for the erection of a monument to the memory of the patriot priest, Father Pierre Gibault; and

H. J. Res. 385. Joint resolution establishing a Greenville Memorial Commission to formulate plans for the construction of a memorial building to commemorate the Treaty of Greene Ville at Greenville, Ohio; to the Committee on the Library.

H. J. Res. 407. Joint resolution to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended; to the Committee on Finance.

H. J. Res. 424. Joint resolution to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla.; to the calendar.

PROHIBITION OF ADVERTISEMENT OF ALCOHOLIC BEVERAGES BY RADIO—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table and to be printed.

DRAFTING MONEY FOR USE IN WAR—AMENDMENTS

Mr. LEE submitted amendments intended to be proposed by him to the bill (S. 1650) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government, which were ordered to lie on the table and to be printed.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT—AMENDMENT

Mr. LEE submitted an amendment intended to be proposed by him to the bill (H. R. 3800) to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

TRANSFER OF AMERICAN VESSELS TO BELGIAN REGISTRY

Mr. CLARK of Missouri submitted the following resolution (S. Res. 239), which was referred to the Committee on Commerce:

Resolved, That the United States Maritime Commission is requested to transmit to the Senate as soon as practicable the following information in connection with the transfer of vessels owned by the United States Lines to Belgian registry: (a) The date of construction of such vessels and the cost thereof; (b) the date they were purchased by the United States Lines or any predecessor in interest, and the price paid therefor; (c) the amount of mail pay received for the operation of such vessels by the United States Lines or any predecessor in interest; (d) a complete recitation of the financial transactions involved in the transfer of the vessels (including the amount of any mortgage taken by the United States Lines on any such vessel and the amount of stock owned by said United States Lines or any affiliated company, or any stockholder or director of said United States Lines, if any, in the Belgian company to which such transfer was made or in any successor in interest of such company); (e) a recitation of the facts, showing what control or interest is held by any American citizen in the Belgian company to which such transfer was made or in any successor in interest of such company; and (f) in general, all the information which would go to the bona fides of the transaction.

AMENDMENT OF BONNEVILLE PROJECT ACT—CONFERENCE REPORT

Mr. BAILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7270) to amend the Bonneville Project Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the matter contained in the Senate amendment, insert the following:

"That section 2 (a) of chapter 720 of the Acts of the Seventy-fifth Congress, first session (50 Stat. 731, 732), is hereby amended by inserting after the second sentence ending 'in the vicinity of the Bonneville project.', the following sentence: 'The Secretary of the Interior shall also appoint, without regard to the civil-service laws, an Assistant Administrator, chief engineer, and general counsel and shall fix the compensation of each at not exceeding $7,500 per annum. The Assistant Administrator shall perform the duties and exercise the powers of the Administrator, in the event of the absence or sickness of the Administrator until such absence or sickness shall cease, and, in the event of a vacancy in the office of Administrator until a successor is appointed.'

"SEC. 2. Section 2 (a) of said Act is hereby further amended by adding at the end of said section the following:

" 'The office of the Administrator of the Bonneville project is hereby constituted an office in the Department of the Interior and shall be under the jurisdiction and control of the Secretary of the Interior. All functions vested in the Administrator of the Bonneville project under this Act may be exercised by the Secretary of the Interior and, subject to his supervision and direction, by the Administrator and other personnel of the project.'

"SEC. 3. Section 4 (b) of the said chapter is hereby amended by striking out the words and figures 'January 1, 1941' wherever they occur therein and by substituting in lieu thereof the words and figures 'January 1, 1942'."

And the Senate agree to the same.

JOSIAH W. BAILEY,
MORRIS SHEPPARD,
Managers on the part of the Senate.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The report was agreed to.

ADDRESS BY SENATOR CAPPER ON RECIPROCAL-TRADE AGREEMENTS

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a radio address on the subject of reciprocal-trade agreements, delivered by him over the University of Chicago Round Table on February 18, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR CHAVEZ ON TOLERANCE AND PEACE

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on Tolerance and Peace delivered by Senator Chavez before the B'Nai B'Rith George Washington Day celebration, at New York City, February 25, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR SLATTERY AT DEDICATION OF NEW SALEM POST OFFICE

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an address delivered by Senator Slattery on February 12, 1940, at the dedication of the post office at New Salem, Ill., which appears in the Appendix.]

FACTUAL RECORD OF CENSUS INQUIRIES

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a factual record of census inquiries for 150 years and acts of Congress governing compulsion and fixing of penalties, which appears in the Appendix.]

WAR EXPORTS

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an editorial on war exports published in the New York Times of February 18, 1940, which appears in the Appendix.]

REPORT OF INDIANA BAR ASSOCIATION ON WALTER–LOGAN BILL

[Mr. VAN NUYS asked and obtained leave to have printed in the RECORD a summary of the report of the committee on administrative law of the Indiana State Bar Association, adopted at the annual meeting of that association in August 1939, which appears in the Appendix.]

MR. JUSTICE BLACK

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an editorial from Labor of the issue of February 20, 1940, entitled "Now They Are Praising Hugo Black" and an article by Ernest Lindley in the Washington Post of February 18, 1940, entitled "Black's Decisions Defend Minorities," which appear in the Appendix.]

THE CENSUS OF 1940

[Mr. TOBEY asked and obtained leave to have printed in the RECORD two articles written by Arthur Krock with reference to the census of 1940, which appear in the Appendix.]

MEXICO AND SILVER LEGISLATION

[Mr. MCNARY (for Mr. TOWNSEND) asked and obtained leave to have printed in the RECORD a statement issued by Senator TOWNSEND under the heading "Mexico and Our Silver Legislation," and also an article from the New York Times under the heading "Soviet Ship Loading Metals in Mexico," and an article from the Washington Times-Herald under the heading "United States Is No. 1 Source of 'Red' War Supplies;" which appear in the Appendix.]

GOLD AND SILVER INFLATION

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an article published in the New York Times referring to a letter of Hon. Marriner S. Eccles, concerning the Government's powers to inflate the currency; which appears in the Appendix.]

OUR CROSS OF SILVER

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an editorial entitled "Our Cross of Silver," published in the New York World-Telegram and the Washington Daily News, on February 22 and February 23; which appears in the Appendix.]

DEMONETIZATION OF SILVER BY GREECE

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an extract from the report of the American commercial attaché at Athens, Greece, as to a decree issued by the Government of Greece relative to the withdrawal from circulation of silver coins; which appears in the Appendix.]

BERMUDA AND THE AMERICAN MAILS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Bermuda and the American Mails," published in the Chicago Tribune of February 23, 1940; which appears in the Appendix.]

ADDRESS BY HON. R. H. HINCKLEY ON THE AVIATION INDUSTRY

[Mr. BAILEY asked and obtained leave to have printed in the RECORD a speech delivered by Hon. Robert H. Hinckley, Chairman of the Civil Aeronautics Authority, at the Honors Night dinner, Institute of Aeronautical Sciences, at the Hotel Biltmore, New York, on January 26, 1940, which appears in the Appendix.]

ADDRESS BY HON. PATRICK J. HURLEY TO BOYS' CLUBS OF WASHINGTON, D. C.

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address delivered by Hon. Patrick J. Hurley at a meeting of the Boys' Clubs of the Washington area at Washington, D. C., February 23, 1940, which appears in the Appendix.]

CASE OF THE "ALTMARK"—LETTER FROM JAMES W. RYAN

[Mr. MINTON asked and obtained leave to have printed in the RECORD a letter from James W. Ryan, chairman of the American Bar Association committee on law protecting Americans and their property in foreign countries and on the high seas, published in the New York Times of February 25, 1940, entitled "Case of the *Altmark*," which appears in the Appendix.]

REFORMATION OF ADMINISTRATIVE PROCEDURE — ARTICLE BY LUDWELL DENNY

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article by Ludwell Denny entitled "Sweeping Legislation" published in the Washington News, which appears in the Appendix.]

REFORMATION OF ADMINISTRATIVE PROCEDURE — ARTICLE BY ALFRED JARETZKI, JR.

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article by Alfred Jaretzki, Jr., published in the Louisiana Law Review for January 1940, entitled "The Administrative Law Bill: Unsound and Unworkable," which appears in the Appendix.]

ORDER DISPENSING WITH CALL OF THE CALENDAR

The VICE PRESIDENT. The routine morning business having been concluded, the consideration of bills on the calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the calling of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, COMMERCE, JUSTICE, AND THE JUDICIARY

Mr. MCKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 8319.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. MCKELLAR. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee? The Chair hears none. The clerk will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of State—Emergencies arising in the Diplomatic and Consular Service," on page 17, line 3, after "U. S. C.", to strike out "42" and insert "22", so as to read:

Contracts entered into in foreign countries involving expenditures from any of the foregoing appropriations under the caption "Foreign intercourse" shall not be subject to the provisions of section 3741 of the Revised Statutes (41 U. S. C. 22).

POLL TAXES

Mr. GUFFEY. Mr. President, I wish to direct the attention of the Senate to a vital question having a significant bearing upon our democratic institutions.

Recently, I am informed, the Department of Justice has inquired into the question of so-called poll taxes in several States, with a view to determining whether they constitute an infringement of the civil liberties of citizens under the Constitution of the United States.

It is my understanding also that some Members of Congress are drafting legislation to outlaw such taxes, and that we may be called upon to consider such legislation before the present session ends.

The question of poll taxes assumes particular interest in my own State of Pennsylvania, since our Republican-controlled general assembly only last year set in motion the machinery for the reestablishment of such a tax.

This tax, which was in effect for many years, led to such corruption and wholesale vote buying that it was overwhelmingly voted down in 1933, when the people of Pennsylvania amended their constitution in order to get rid of it.

In all countries and in all ages the poll tax has had a dishonorable history.

Such a tax was levied in the year 4 B. C. by the Emperor Caesar Augustus, and it was imposed upon conquered peoples as a badge of servility.

Among the payers of this poll tax were Joseph and Mary, who went up to Bethlehem to be enrolled as taxpayers.

Its history, however, dates even beyond that, for we find that in ancient Greece the philosopher Aristotle called it "a most ignominious imposition, which none but slaves paid to tyrants."

In England, more than 500 years ago, Wat Tyler led the peasants in a bloody rebellion against the poll tax.

The revolt was put down, but it achieved its purpose. Restrictions upon suffrage were gradually relaxed.

All poll-tax requirements of any kind were finally abolished in England in 1698, and they have never been restored.

The British brought the tax to America in 1663, and it prevailed throughout the Colonies until the Revolution.

In fact, this tax was one of the grievances of the colonists against the Crown; and North Carolina's revolt against it resulted in the Mecklenburg Declaration of 1775, a forerunner of the Declaration of Independence.

The Revolutionary fathers abolished the poll tax as one of the first and most important steps toward democracy, and it did not reappear until after the War between the States.

The movement for repeal of these taxes was launched more than two generations ago, with Maryland taking the lead; and today the tax remains in effect in only eight States.

It is a fact that the poll tax restricts suffrage. In the 9 States which had poll taxes in 1936 there were 12,472,000 persons of voting age, but only 334,590 votes were cast.

In 6 other States without poll taxes, having approximately the same number of persons of voting age, there were 9,817,094 who voted.

The 1936 vote for the Nation as a whole showed that only 24 percent of the eligible electors voted in the poll-tax States, as compared with 72 percent in the remaining 40 States.

When Florida abolished the poll tax, subsequent to the 1936 election, there was a phenomenal increase in the number of voters, as my friend the Senator from Florida [Mr. PEPPER] can testify.

The plain fact is that the poll tax makes it possible for cliques dominated by wealthy and often absentee property holders to control politics and elections.

This is a serious threat to the South. For with the infiltration of northern capital has come northern political influence—an influence designed to yoke the South in economic subjection by keeping great sections of its people in political thralldom.

It is futile to contend that the poll tax gives the elector a stake in government. Instead, the poll tax leads to the atrophy of democratic process, and the so-called stake becomes an ironic jest when precinct committeemen pay the tax in order to buy the vote.

In Pennsylvania the fight against the poll tax was begun nearly 70 years ago, in the constitutional convention of 1873, when it was attacked as a relic of our monarchial and aristocratic origin.

The fight was not ended until 1933, and by that time, according to the editorial columns of the Philadelphia Evening Bulletin, the tax had degenerated into a meaningless and expensive nuisance.

Despite the fact that the entire history of poll taxes in Pennsylvania had been marked by corruption and vote fraud, an attempt was made to restore the tax at the 1937 session of the general assembly. Members of the Republican minority sponsored the measure, which was blocked by the Democratic majority.

In 1939, with a Republican majority in the legislative saddle, the situation was different. A resolution to restore the poll-tax provision to the constitution was introduced by Dr. George Woodward, millionaire Republican State senator from Philadelphia, who shamelessly admitted he was acting as a spokesman for the underprivileged rich. The senator also admitted at the same time that he thought "we have too many voters." It was estimated that in his own district more than 5,000 voters, most of them his political opponents, would have been disfranchised by the Woodward measure—and may yet be if the proposal is approved once more by the legislature and accepted by the electorate.

This action could not have been taken by the Pennsylvania General Assembly without the connivance of Governor Arthur James, who controls it jointly with ghost governor Carl Estes, and Estes' boss, Joe Pew. It was a bold move to turn the clock backward in Pennsylvania; to thrust down the people's throats a discredited and repudiated relic of monarchy. Its practical purpose was to disfranchise the underprivileged; to deny them one of the greatest and most inalienable rights of citizenship.

When the Republican National Convention, as anticipated and announced, rededicates itself to fundamental American principles at Philadelphia this June—and I might add that such rededication is very much in order for a party leadership that has strayed so far from the principles of the founding fathers—it would do well to drop a hint to Joe Pew and Moe Annenberg, that their Harrisburg representatives strangely belie those fundamental principles in advocating a poll tax.

It is my hope that the Supreme Court will strike down all poll-tax qualifications throughout the Nation, in order that money may, nowhere in this Republic, be a prerequisite to full citizenship.

It is my belief that the Congress of the United States, so far as it be within its power, will do its utmost to achieve this end.

The poll tax is the negation of democracy, the basis of election fraud and corruption, and the root of much social and economic distress. It should be abolished throughout the United States—now and forever.

THE GENERAL ACCOUNTING OFFICE

Mr. TOBEY obtained the floor.

Mr. DANAHER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chandler	Guffey	Lucas
Andrews	Chavez	Gurney	Lundeen
Ashurst	Clark, Idaho	Hale	McCarran
Austin	Clark, Mo.	Harrison	McKellar
Bailey	Connally	Hatch	McNary
Bankhead	Danaher	Hayden	Maloney
Barbour	Davis	Herring	Mead
Barkley	Donahey	Hill	Minton
Bilbo	Downey	Holt	Murray
Bridges	Ellender	Hughes	Neely
Brown	Frazier	Johnson, Calif.	Norris
Bulow	George	Johnson, Colo.	Overton
Byrd	Gibson	King	Pepper
Byrnes	Gillette	La Follette	Radcliffe
Capper	Glass	Lee	Reed
Caraway	Green	Lodge	Reynolds

Russell	Stewart	Tobey	Walsh
Schwartz	Taft	Townsend	Wheeler
Schwellenbach	Thomas, Idaho	Truman	White
Sheppard	Thomas, Okla.	Vandenberg	Wiley
Smith	Thomas, Utah	Van Nuys	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. TOBEY. Mr. President, I rise to offer a resolution, and I wish to speak about 4 or 5 minutes on it.

I hold in my hand the recent annual report of the Comptroller General of the United States. Much of its contents is of necessity in the form of tables of figures and statistics, but the prose of this report presents a picture of a situation which is a challenge to each of us.

The present Comptroller General comes from my State, and is a former Member of this body. He is a man of integrity and frankness, and the latter quality is evident in his report.

The Congress created the Office of Comptroller General for the manifest purpose of having an independent agency to see to it that all expenditures by the various units of our Government were within the authority of the law. It provides as follows:

[The United States Code, title 31, ch. 2]

AUDIT AND SETTLEMENT OF ACCOUNTS

Section 72: Same; settlement of accounts. Accounts shall be examined as follows:

First, the General Accounting Office shall receive and examine all accounts of salaries and incidental expenses of the Office of the Secretary of the Treasury, and all bureaus and offices under his direction, all accounts relating to the Custom's Service, public debt, Internal Revenue, Treasury, and designated depositaries, mints and assay offices, Bureau of Engraving and Printing, Coast Guard, Public Health Service, public buildings, Secret Service, and to all other business within the jurisdiction of the Department of the Treasury, and certify the balances arising thereon to the Secretary of the Treasury.

Officials of the Internal Revenue have explained to me that it is difficult to give a definition of the term "audit" that would apply to all forms of auditing. Their interpretation is that to audit means to examine and to verify to the fullest extent possible under the circumstances of a particular case; wherever physical examination is possible, they regard this as a requisite of a real audit, and so do I.

That the work of the Comptroller General's office has tremendously increased is clear from the record of the volume of items presented for audit. But it is not with these that I am concerned.

I wish to read the foreword from the Report of the Comptroller General of the United States, as follows:

In making to the second regular session of the Seventy-sixth Congress the following report of the work of the General Accounting Office for the fiscal year 1939, as required by section 312 (a) of the Budget and Accounting Act, approved June 10, 1921 (42 Stat. 25), it should be stated that my responsibility for the work of the General Accounting Office began April 11, 1939, at which time the work during more than three-quarters of the fiscal year had already been performed under the direction of the Assistant Comptroller General of the United States.

So that the responsibility of Comptroller General Brown in his incumbency of this great office, as he himself sets forth, covers only the period from April 1939 to the beginning of the last fiscal year, which was July 1, 1939.

I am concerned, and seriously so, over the truths which the Comptroller General tersely sets forth. Let me read his own language. On page 101, chapter 4, under the heading "Financial statements," he writes:

The statements comprising this chapter are "matters relating to the receipt, disbursement, and application of public funds." They bring to the attention of the Congress, as fully as the accounting records of the Government make possible, information regarding the public funds on deposit in the Treasury of the United States and in other depositaries authorized by law, the value of gold and silver holdings of the Government, accounts receivable in isolated cases, investment holdings of the Government, all as reported, but not verified by audit by the General Accounting Office; and miscellaneous loans receivable reported in isolated cases but not verified by audit. In opposition to the assets there are set forth items representing certain ascertained liabilities, commitments in the form of appropriations, special deposit funds, and trust funds. Among such items are the exchange stabilization fund, which is exempted by law from audit by the General Accounting Office; public debt, the transactions of which have not been audited by the General Accounting Office; special deposit accounts and depositary accounts of Government corporations and agencies, many of which have not been audited by the General Accounting Office; and balances to the credit of disbursing officers, as to some of which the audit by the General Accounting Office is not current.

Each of the items contained in the statement (exhibit A) is described in some detail in the following paragraphs and is supported by statements on which comments deemed pertinent have been made:

I am reading now from the Comptroller General's Report under the paragraph—

GOLD UNENCUMBERED (SCHEDULE A–1)

This item shows the book value of gold unencumbered as recorded on the records of the Treasurer of the United States and shown to be in the custody of the superintendents of the several mints, assay offices, and Fort Knox, Ky.—

Listen, my colleagues—

Verification or physical inspection has not been made by the General Accounting Office.

So, according to the statement of the Comptroller General, the fact remains that the unencumbered gold in those different depositories, of a total value, according to the report of the Treasury, of $2,318,856,396, has never been examined physically and verified to exist.

I come now to—

SILVER UNENCUMBERED (SCHEDULE A–2)

This item states the book value of silver on hand as shown by the records of the Treasurer. The quantities held in Washington were verified by the General Accounting Office by actual count during the fiscal year 1938 and were at that time placed under seal in the vaults of the Treasury.

The Comptroller General is referring to that part of the silver which is in Washington. He continues:

The bulk of the silver, however, and as per his schedule A–2, the value of this is $615,085,905, is in the custody of the superintendents of the mints and assay offices and such quantities have not been verified by actual count.

We come now to the subdivision—

CASH—TREASURY OFFICES (SCHEDULE A–3)

This item reflects the cash (coin, currency, etc.) in Treasury offices as shown by the books of the Treasurer of a value of $34,131,730. No actual vertification of this amount has been made by the General Accounting Office.

DEPOSITARIES (SCHEDULE A–4)

This item reflects the amount on deposit with Federal Reserve banks and approved depositaries as recorded on the books of the Treasurer. The General Accounting Office has made no verification on this account.

ACCOUNTS RECEIVABLE (SCHEDULE A–5)

This item represents the amount of receivable items carried on the books of the Treasurer as being in the process of collection and has not been verified by the General Accounting Office.

On page 105 of this report he states:

NATIONAL DEFICIT

This item reflects the difference between the assets and liabilities as shown by this financial statement, and is subject to adjustment on account of several items such as the realizable value of the assets, particularly foreign obligations receivable under schedule A–8; accounts receivable of many type not included in the statement because of lack of reliable information; tax levies due and uncollected; whatever net worth may be applied to the Tennessee Valley Authority; and for other reasons of similar importance. The amount, therefore, should be considered only as a basis for adjustment of all of the elements when they become known.

If anything in printer's ink ought to be expressed by the algebraical expression "X," as an unknown quantity, the Comptroller's report is entitled to that distinction.

Where does this leave us? It leaves the Nation with a figure dollar balance of the value of gold bullion, silver, cash, and so forth, of billions of dollars. But that is all we actually know.

No one knows whether the gold, the silver, the cash, the bonds, and securities which are the actual assets behind the bookkeeping figures are in the several depositaries or not.

Of course, we all believe they are. There is no reason to suspect they are not.

But no actual audit or physical examination and verification has been made by the Comptroller General or any other independent accounting agency.

It is almost unbelievable, yet it is true.

Now, let us consider a little further into the situation. Our Government, and rightly so, sets up high standards for business which comes under its purview and demands their maintenance, but in the matter of its own wealth, measured in cash, gold, silver, bonds, and so forth, it is unbusinesslike and loose.

Who in this Chamber has so short a memory that he does not recall the tragedy which took place in the management of a large corporation a couple of years ago? The statement of that corporation's finances was an admirable one, insofar as the figures setting forth its assets went. But when some earnest accountant had the courage to go behind those figures and look into the actual assets as represented by inventory of merchandise, they found those assets seriously impaired and largely nonexistent.

Loss and shame accrued to all responsible therefor.

I would be the last to suggest that anything akin to that is present in connection with these Treasury assets, but I submit that we have a duty and responsibility in this matter which stands out clearly, and that is to take steps at once to have a physical examination and verification of the gold, silver, cash, receivables, and bonds which are Treasury assets and expedite this matter.

This report is a challenge to the Senate.

The nonexistence of any definite knowledge and verification is an amazing revelation.

It is a sin of omission.

As trustees for the people we cannot pass this by.

Such a situation cannot be permitted to continue.

To that end, Mr. President, I offer a resolution, Senate Resolution 238, as follows:

Whereas it is provided in section 312 of the Budget and Accounting Act, 1921, that the Comptroller General "shall investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds"; and

Whereas in that part of the annual report of the Comptroller General for the fiscal year ending June 30, 1939, which relates to such matters it is stated that information is presented "regarding the public funds on deposit in the Treasury of the United States and in other depositaries authorized by law, the value of gold and silver holdings of the Government, accounts receivable in isolated cases, investment holdings of the Government, all as reported, but not verified by audit by the General Accounting Office"; and

Whereas it is further stated in such report that the item "Gold unencumbered" shows only the book value of such gold "as recorded on the records of the Treasurer of the United States and shown to be in the custody of the superintendents of the several mints, assay offices, and Fort Knox, Ky.," and that "verification or physical inspection has not been made by the General Accounting Office"; and

Whereas such report further states that the item "Silver unencumbered" shows merely the book value of silver on hand as carried on the records of the Treasurer, that the General Accounting Office verified by actual count in 1938 the part of such silver held in Washington, but that the bulk of the silver, which is in the custody of the superintendents of the mints and assay offices, has not been so verified by actual count; and

Whereas the report further states that no verification has been made by the General Accounting Office of the amount of cash in Treasury offices or the amounts on deposit with Federal Reserve banks and approved depositaries, and that the records of the Treasurer of the United States and the Office of Commissioner of Accounts and Deposits with respect to the investment holdings of the Government are not complete; and

Whereas it is essential in the public interest that full and complete information shall be available to the public at all times with respect to the actual amounts of gold, silver, securities, and other assets of the Government, and that a proper audit shall be made of the accounts of the various agencies which have custody of any such assets, including the verification of the assets themselves: Therefore be it

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed (1) to make a full and complete study and investigation of the manner of auditing the accounts of the various agencies which have custody of Government assets (including gold, silver, coins, currency, and securities), and the failure of the General Accounting Office to verify the assets referred to in the annual report of the Comptroller General for the fiscal year ending June 30, 1939, as not having been verified; and (2) to report to the Senate thereon, together with the method which, in the opinion of the committee, is best calculated to insure an impartial and independent audit of the accounts of all agencies which have custody of any of such assets, including the proper verification of such assets by actual count or otherwise. The committee shall report to the Senate as soon as practicable, but not later than 60 days after the date this resolution is agreed to, the results of its study and investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the third session of the Seventy-sixth Congress, to employ clerical and other assistance, to require, by subpena or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to make such investigations, to administer such oaths, to take such testimony, and to incur such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. BARKLEY. Mr. President, I suppose the resolution just read by the Senator from New Hampshire will be referred to the appropriate committee.

The PRESIDING OFFICER. The resolution (S. Res. 238) will be referred to the Committee on Appropriations.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, COMMERCE, JUSTICE, AND FOR THE JUDICIARY

The Senate resumed the consideration of the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary for the fiscal year ending June 30, 1941, and for other purposes.

Mr. BARKLEY. Mr. President, what is the amendment now pending?

The PRESIDING OFFICER. The pending amendment is the first amendment of the committee, on page 17, line 3, after "U. S. C.", to strike out "42" and insert "22."

The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, under the subhead "Contributions, quotas, and so forth", on page 18, line 1, after the figures "$1,722.57", to strike out "Bureau of Interparliamentary Union for Promotion of International Arbitration, $20,000, including not to exceed $10,000 for the expenses of the American group of the Interparliamentary Union, including personal services in the District of Columbia and elsewhere, traveling expenses, purchase of necessary books, documents, newspapers, periodicals, maps, stationery, official cards, printing and binding, entertainment, and other necessary expenses to be disbursed on vouchers approved by the president and executive secretary of the American group."

Mr. BARKLEY. Mr. President, I trust the amendment at the top of page 18 will not be agreed to. It is a small item of $20,000, which has for many years been appropriated by Congress, one-half of which is a contribution by the United States to the maintenance of the Interparliamentary Union, an international organization that is more than 50 years old. This $10,000 appropriation to the maintenance of the Interparliamentary Union is an important item in its budget. The other $10,000 is to contribute toward the payment of the expenses of the American group in attending the conferences of the Union. I understand the committee struck out this item on the theory that there might not be any conference of the Interparliamentary Union this year, but whether there will be a conference this year may depend on whether the war in Europe continues for the remainder of the year. However, whether there is a conference this year or not, the Union must be maintained. It has certain expenses which it has to meet. It has a general secretary. It has offices which have to be maintained. Recently I received from the secretary of the Interparliamentary Union a letter in which it is stated that even though there should be no general conference this year, due to the European War, it is contemplated that there will be group conferences among the representatives of the nations not at war, or perhaps even some of those at war, looking toward the preparation of the ground for ultimate peace among the nations of the world.

If there is no general conference, and if there is no American delegation, there will be no expense, and the money will revert to the Treasury. So no harm could come from the appropriation of $20,000 for the purposes stated in the provision. I think it would be most unfortunate at this particular time to eliminate this small item for the maintenance of an organization which during the past half-century has

contributed to the development of the theory of cooperation and better understanding, economic as well as political, among the nations of the world. I think it would be especially unfortunate at this time to eliminate this appropriation and to announce to some 30 or 40 nations of the world that the United States Government is unwilling to spend the small sum of $20,000 a year to maintain this organization.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Michigan.

Mr. VANDENBERG. The personnel involved would have much to do with my point of view. Can the Senator tell me who is at the head of the American group?

Mr. BARKLEY. I shall be glad to answer the Senator. For a number of years I was president of the American group. A year ago a Member of the House of Representatives was elected. This year, in my absence and without my consent, I was again chosen as head of the American group. I urged that a Member of the House of Representatives be elected as head of the American group if the group were not willing to reelect the incumbent. They saw fit to elect me.

Mr. VANDENBERG. I wanted the Senator to make that statement, because, so far as I am concerned, that justifies the appropriation.

Mr. BARKLEY. I thank the Senator. However, I would not want the Senator's remarks to be interpreted to mean that anyone who has ever been the head of the American group was not worthy of the appropriation being made by the Congress.

This item is a small matter. I do not even like to take the time of the Senate to discuss it; but it seems to me the item should be retained. I do not know whether or not there will be a conference this year; but if one is not held, the money will not be spent. If there is one, the American Republic ought to be represented; and the small amount of $10,000 is a contribution toward the payment of the expenses.

The appropriation has never paid all the expenses. Anyone who goes as a delegate pays out more money than he receives from the $10,000; but the appropriation aids in defraying the expenses of those who go. Last year at Oslo there was a large delegation. Many of the delegates paid their own expenses, or had only a small part of their expenses reimbursed to them. However, not all the Members of the Senate and the House are in a position to go on these missions and pay their expenses out of their own pockets.

The committee has eliminated the item as a measure of economy. I am in sympathy with that viewpoint, and I shall help to eliminate as much as I can to bring about as much economy as possible in order that, if possible, we may avoid a tax bill at this session, or raising the debt limit of the United States. However, I do not think the $20,000 will contribute very much either to economy or to the avoidance of a tax bill.

Mr. ASHURST rose.

Mr. BARKLEY. I yield to the Senator from Arizona.

Mr. ASHURST. I shall take the floor when the Senator concludes.

Mr. BYRNES. Mr. President, I shall consume only a few minutes. I voted against retaining the item in the bill, and I wish to state my reasons for doing so.

I seriously doubt that anything has been accomplished by this organization. I have never been able to find out what has been accomplished. I went 1 year as a delegate; and after attending the sessions I was more than ever satisfied that the organization served no good purpose.

As a matter of fact, a meeting of the representatives of parliamentary bodies today to discuss international arbitration means a meeting of the few democracies. A representative will attend from Germany. How much power the representative of a parliamentary body in Germany would have to determine questions of international arbitration, Members of the Senate know. A representative from Russia will doubtless be present. How much power a parliamentary body in Russia has on a matter of international arbitration is open to question. The same thing is true of Italy. As a matter of fact, such a meeting means a meeting of representatives of France, Great Britain, and the United States.

The meetings are pleasant enough affairs. I listened to one or two speeches at the meeting which I attended. There were interpreters; and after the speeches were interpreted from French into German, and then into English, I concluded that the speeches were bad in any one of the three languages. [Laughter.] There were speeches by men who had no power to act. They could not accomplish anything. They could only speak. Everyone knew that they did not speak for the power in their countries, except as to the democratic countries.

I must say that the Senator from Michigan [Mr. VANDENBERG] made the only argument I know of in favor of the appropriation. If the Senator from Kentucky [Mr. BARKLEY] is to be a representative, I greatly dislike to oppose the item. I should be in favor of sending him, because he has taken a great interest in the organization and is well equipped to perform some service.

When it comes to sending a delegation this year to meet with representatives of other parliamentary bodies, I ask, What representatives will they meet? The representatives of what countries will they meet to discuss international arbitration next July?

In the first place, I like the Senator from Kentucky [Mr. BARKLEY], and I do not want him in the war zone this year. I do not want any other Member of the Senate over there. I know, too, that if they go over there we are likely to have some international complications. According to the press, last year, when the American delegation was abroad in August, the chairman of the American group—not the Senator from Kentucky, but the then chairman of the group, a Member of the other House—visited various foreign offices. We received daily information that the chairman of the American group was calling upon the Foreign Office in Berlin, the Foreign Office in France, and the Foreign Office in England; and about 1 week thereafter the war started. Judging by results, it was exceedingly unfortunate that we sent a delegation there for the purpose of encouraging international arbitration. However, I believe that the country was not as well informed on the subject as we were. Many were misled by the efforts on the part of the chairman in going to various foreign offices and attempting to conduct the foreign affairs of this country in that rather informal way. As a matter of fact, I do not believe the Congress had delegated any power to the chairman, nor had any instructions been given as to how far he should go in settling the affairs of Europe.

With the situation upon the sea as bad as it is, if Members of the Senate and House are sent across the water in the ships of other nations, and if one of those ships should be torpedoed, an international controversy would immediately arise. Mr. Welles is now traveling abroad representing the State Department for the purpose of discussing matters with foreign governments. If we should send a delegation from the Congress to discuss matters with representatives of the parliamentary bodies of Germany, Russia, and Italy, I cannot see that any good would be accomplished. I believe that this year we could afford not to make this appropriation, so that no gentleman would feel under obligation to go. If the money were appropriated, and Congress in that way should instruct the delegates to go, it would embarrass any Member of the Senate or House to refuse to perform this service for his country at a time of crisis in the affairs of the Nation. Such action should not be demanded of them. It might be misunderstood. If we should not make the appropriation, the secretary in this country would not have any negotiations to make, and there would be no occasion to pay a salary. Such a course would not save much money, but it would indicate that when it comes to a matter which involves the expenses of the Congress itself, we are willing to make a sacrifice and to do without contributing to this mission. Therefore we could economize on the executive departments with less hesitation than if we were spending this money, as I believe, unnecessarily.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Wisconsin?

Mr. BYRNES. I am through, unless the Senator desires to ask a question.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. WILEY. Mr. President, I merely wish to express my own opinion in relation to this matter. I was privileged to attend the conference held in Oslo last summer, and I wish to say to the distinguished Senator who has just spoken that, as I understand, Germany was not represented there, and neither was Russia, neither was Italy, neither was Japan.

My only purpose in rising to second the thought of the majority leader that the Senate retain and not strike out this $20,000 item is to suggest that, while the Interparliamentary Union does not consist of delegates who speak with authority from their governments, yet, nevertheless, it speaks with a certain degree of authority. We who were there met men of kindred minds—men who feel that parliaments mean something to the world. Fifty-odd years ago this organization came into being, and during that 50-year period America has contributed not only of her money to maintain the organization but has sent many of her fine statesmen to the meetings of the Union.

This morning it was my privilege to sit in the committee and hear the distinguished Secretary of State speak in behalf of the so-called reciprocity agreements. One of the points he made was, if the reciprocity agreements or authority to negotiate them is maintained in the President, that if and when the war ceases we will have an instrument which we can use to the benefit of our own country and all the other countries of the world. It seems to me that if the Congress should now snuff out this flame, when only ten or twenty thousand dollars are involved, it would be taking action detrimental to the cause of peace, if and when peace comes. It occurs to me that we should reinstate the $20,000 item and thus say not only to our own people but to democracies everywhere that we are in favor of parliaments and the parliamentary form of government; we are not going to let parliaments down, but are going to stand our burden or share of the expense of the Interparliamentary Union.

Mr. McKELLAR. Mr. President, this appropriation was considered and discussed both in the subcommittee and in the full committee. It was voted down in both by substantial majorities.

The theory, as I gathered it from the expressions of members of the committee, was that as our European neighbors are unfortunately engaged in war, it would be impossible to gather them together this year. If the war should be over by the middle of the summer, we would all be very happy, but the majority of the committee did not believe that it would be over in time for this organization to do any good this year, and we thought that the appropriation therefore should be omitted for this year.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Kentucky?

Mr. McKELLAR. I yield.

Mr. BARKLEY. Of course, the Senator realizes that if there should be no conference the $10,000 that would go to the payment of expenses of the delegates would revert to the Treasury, and only the other $10,000, which is a permanent contribution to the maintenance of the union, would be expended.

Mr. McKELLAR. That is true; $10,000 of the amount would not be used, but the other $10,000 would be used, and there was a considerable expression to the effect that a permanent appropriation of $10,000 a year to this organization would not be of very much, if any, value to the country. The majority of the committee took that view, and felt that certainly the amount should not be expended this year when probably no other nation would make a contribution and probably no meeting would be held. All we would be doing would be to contribute to the organization, and the committee was of the opinion that this amount ought to be saved. I think, under the circumstances, it should be saved, because I do not believe that either England or France will be able to send delegates to a meeting of the Interparliamentary Union this year; I am quite sure that Germany and Italy and Russia will not be able to do so; and I am quite sure that the Scandinavian countries will not be able to send delegates this year; in fact, I am quite sure that there will be no meeting of the union this year, and why we should appropriate this amount, under the circumstances, it is difficult for me to understand. It is a small sum, it is true. I regret exceedingly we cannot continue it, because of our distinguished leader on this side the Senator from Kentucky [Mr. BARKLEY], who, as we all know, has been a very active member of this organization for some time.

I digress sufficiently long to say that, while I could not understand all the speeches made in languages other than English, the only speech that was very much to the point at the meeting which I attended several years ago was the one delivered by the distinguished Senator from Kentucky, who make an excellent speech which won for him great applause and of which the American delegates were very proud. If it were on his account, if I thought there was any chance of his going over there this year, I would certainly be delighted to vote for the appropriation, but the committee has overwhelmingly taken the other view. I do not know what position they will take here on the floor, but in the committee overwhelmingly they took the other view, and there were only one or two votes, as I remember, in the subcommittee and only three or four in the full committee in favor of the appropriation.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. DANAHER. Does not everything the Senator says apply with equal force to the item on page 20, lines 15 and 16? Yet there the committee recommends an increase to $10,000 for participation by the United States in the International Labor Conference.

Mr. McKELLAR. Oh, no; the Senator is mistaken about that.

Mr. DANAHER. In what particular am I mistaken?

Mr. McKELLAR. The House decreased the amount that might be used for expenses of participation in the meetings of the International Labor Organization from $15,000 to $5,901, and the Senate committee restored $3,000. That is a different situation, although I doubt very much whether that appropriation can do any good.

Mr. LODGE. It is within the limitation, too.

Mr. McKELLAR. Oh, yes; it is within the limitation; there is no doubt in the world about that; and, furthermore, it was thought that this was of greater actual value to our country than the other appropriation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. Would there be any more danger in delegates to the Interparliamentary Union going to Europe than members of the International Labor Conference? If this appropriation is to be denied because of the solicitude of our colleagues that we might find ourselves in danger zones, I wonder wherein the distinction lies between the value of our lives and the value of the lives of those who might attend some other conference for which an appropriation is made?

Mr. McKELLAR. The appropriation was not denied for that reason. It was denied because it was thought there would be no meeting.

Mr. BARKLEY. I am speaking of the reason assigned by the Senator from South Carolina.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BYRNES. If some representative of a labor organization on his way to the labor conference should go down in a ship, I myself doubt whether it would cause quite as much disturbance as if a Senator or a Member of the other House on their way to serve as delegates from this country should go down.

Mr. BARKLEY. Regardless of the disturbance that might be created, after all, the value of the life of a delegate to the other conference might be greater than that of anybody here.

Mr. BYRNES. Irrespective of whether the value of one life would be greater than another, if the Senator from Con-

necticut would move to strike out the other item, I would like to support such a motion and to strike both out.

Mr. BARKLEY. I am not going to move to strike it out. I am talking about the relative importance of the two conferences as viewed by the Committee on Appropriations.

Mr. BYRNES. I am very anxious to save the lives of Senators and Representatives.

Mr. McKELLAR. Of course, it would depend on where the Interparliamentary Union Conference would be held. I do not know where it would be held. If held in South America, it would not be dangerous for those attending, but it will not be held in South America, and I think it has been held in this country only twice in all the history of the organization.

I wish to say that the majority leader was good enough to appoint me a delegate to one of the meetings. I went to the meeting, and enjoyed it very much, but, for the life of me, how it had any effect in the world on any American question I was unable to determine, because all the other members of the conference talked wholly about European questions and not at all about American questions. I do not recall that any American question was raised until we heard the very eloquent and patriotic address delivered by our distinguished leader, than whom none can do better, as we all know. But no American question was involved, and nothing that concerned America was even discussed at the whole conference, if I understood all that took place, and I am not sure that I did. I make that reservation. I think unquestionably that this year the matter should be left as it has been left by the committee. The item should be stricken out. In 2 or 3 years I would be very glad to have our delegates confer with delegates from Europe, if it should be thought desirable, but I think this $20,000, while a very small amount, legislatively speaking, is at least that much money saved this year, and it will be found from an examination of the three appropriation measures contained in the one bill that there has been a very great deal of economy recommended by the Appropriations Committee in reporting the bill.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LODGE. May I say that those of us on the committee on the minority side support everything the Senator from Tennessee and the Senator from South Carolina have said. It seems to me the record of accomplishment of the Interparliamentary Union is not of a character that can impress the casual student, and if there is any place where we can save the public funds it is on an activity of this sort at this time.

Mr. ASHURST. Mr. President——

Mr. McKELLAR. I yield the floor.

Mr. ASHURST. Mr. President, I am reluctant to enter this debate, and I shall remain in it but a short time. My diffidence in speaking on the amendment arises partly, if not wholly, from the fact that the item is opposed by such able Senators as the Senator from Tennessee [Mr. McKELLAR], the chairman of the subcommittee having the bill in charge; by the Senator from South Carolina [Mr. BYRNES], upon whose sagacity and judgment I long ago learned to depend; and by the able Senator from Massachusetts [Mr. LODGE]. As I say, their opposition gives me a certain diffidence in speaking on this subject; but, Mr. President, in view of all the circumstances I feel that this item should be retained.

I recall that in 1914, when Germany made an assault upon Belgium, and Belgium walked the Via Dolorosa that led to duty, death, and glory; and France, with a bravery and a resiliency beyond the range of eulogy, met the German impact, the United States Senate was ratifying so-called peace treaties. Those peace treaties were called breathing-spell treaties and were ridiculed by almost the entire world; indeed, many of our own most far-seeing statesmen ridiculed those peace treaties; but if those breathing-spell treaties had been applied, the stroke of apocalyptic vengeance which came upon the world in 1914 might have been averted.

Mr. President, when Prussian militarism was making its raid upon innocent and uncffending countries such as Belgium and France, it was Earl Grey who said, "The lights of Europe are going out." It looks now as if the lights of Europe are, indeed, going out. If they are, they will not be relumed within the liftime of any person now living. When these lights are going out, possibly not to be relumed within a hundred years, what a truly great act it would be for the United States, devoted to peace, to send, proudly, bravely, not on a warship but on a passenger vessel, its delegates to the Interparliamentary Union, if there should be one.

Mr. President, this conference has been called a gesture. It is, we will say, a gesture. Many years ago, I attended one of these Interparliamentary Union Conferences. I could not understand any language there spoken except the English. I could, now and then, catch a sentence of the French. No other language did I understand, but I had the consolation to know that, gibberish as some of the speeches sounded, those who made them were talking peace. Then a band played and the throbbing cellos and the bassoons sent out their notes, and every delegate knew what the band was talking about, because music speaks a universal language. That was one thing all delegates understood; and likewise the language of peace was understood because that is a universal language.

I do not want to smother the able majority leader [Mr. BARKLEY] with compliments, but I will say that he spoke ably at the Interparliamentary Union which I attended—it must have been 10 years ago. I did not presume to address the conference. I remember that another one of the delegates was a Member of the House of Representatives who has since achieved world-wide distinction and renown as a fearless, aggressive, and able leader, and is one of the most successful statesmen of our time, Fiorello H. LaGuardia. He delivered a superb speech; suggesting that reason and justice be applied in settling great questions.

Mr. President, I am reminded of an incident, in the history of Connecticut, which occurred probably 200 years ago. I do not know whether it was the town council or the town meeting that was in session. At that time there were no almanacs or radios to give news in advance of the occurring of an eclipse; but an eclipse came at midday. The sun was darkened; chickens went to roost; people were terrified. While the common council or town meeting was in session, somebody proposed to adjourn in order that the members might go to their own doom. One member, whose name for the moment I have forgotten, said, "No; if this be the end of the world, let us be found here doing our duty. Bring in candles," said he. Candles were brought in, and the town meeting or council proceeded with their work. The eclipse passed away, and light resumed its rule over the landscape.

So, Mr. President, if it be that the lights of Europe are to be extinguished—and it looks as if they may be—we are not going to intervene in any way. Europe must be the architect of its own destiny, for the destiny of a nation, like the destiny of a man, depends upon itself; and, as a man's salvation is wholly within himself, so is the salvation of a nation within itself. Europe will save itself only if and when Europe concludes that it has had enough of blood lust and ashes, and that there is a better forum than the supreme arbitrament of the sword in which to settle disputes.

So, Mr. President, I cannot find it in my heart to vote against this appropriation, although I commend the Senator from Tennessee for his efforts to economize. He has not singled out this item. I know that the Senator from Tennessee on many items, some of them affecting Arizona, has practiced economy, and it takes some courage to practice economy; but in the case of this particular item I believe that at this juncture we might let the world know that we are not intimidated; that we have not lost hope; and that, therefore, we will vote for a comparatively small sum to send some delegates to the Interparliamentary Union, there to discuss peace among the parliamentary governments of the world. Parliamentary governments are growing fewer and scarcer each month, and it seems to me we are the leader among parliamentary governments.

I close with the same note as the one upon which I began. I have made this speech with diffidence and with reluctance, as I say again, because the item is opposed by such

superb intellects as the Senator from Tennessee, the Senator from South Carolina, and the Senator from Massachusetts; but I shall vote to sustain this appropriation, so that at least here a light may send out its lambent beams, even if it costs $20,000.

Mr. ADAMS. Mr. President, I am in accord with the action of the committee. I am not in accord with it on the basis of trying to save ten or twenty thousand dollars. That is not the basis of my support of the committee amendment. The amount is small. I am opposed to the item because I disapprove of the visitation to Europe at this time of a roving congressional delegation.

Like some of the others who have spoken, I went one year as a delegate to the Interparliamentary Union. I felt when I went that it would be a great thing; that in place of conferences between the executives of the nations there would be a conference between the legislative bodies of the nations. I very promptly found that the things which might have been of interest were eliminated. The first rule was that nothing of a controversial nature should be discussed. When the controversial issues are eliminated, a conference of this kind is emasculated.

I came to the conclusion that the Interparliamentary Union conference was a futile thing. I did not oppose it at that time because I had no objection to Senators and Representatives visiting Europe and making pleasant, friendly contacts within and without the conference; but having thought it was futile as a result of my visit, after observing what took place last year, I came to the conclusion that it would be dangerous rather than futile this year. We already have abroad in Europe a sufficient number of United States citizens without sending a group selected purely at the wish of some individual. I am glad to have Senators take a friendly, comfortable junket; but I wish they would find some other place than Europe this year. The expense is immaterial. Ten thousand dollars is of no concern. It is of concern if we send 10 or 15 or 20 Representatives or Senators into the battle-torn, hostile fields of Europe. I think it can result in no good, but only in evil. So I am opposed to this appropriation, because I think this an unfortunate time for American citizens, and particularly for those in official life, whose positions would be misunderstood and misrepresented if they should go abroad to make such a trip.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. ASHURST. I merely ask the Senator to permit me to say that in my main remarks I overlooked stating that I do not expect to be appointed as a delegate. I would deem it an honor to be appointed, but it would not be possible for me to accept.

Mr. ADAMS. If I thought the Senator from Arizona would be selected to go, I would withdraw any objection. [Laughter.]

Mr. ASHURST. It would not be possible for me to accept, for the reason that I have more miles of political fence down in my State than I find comfortable, and at the particular time when this Interparliamentary Union would meet I would not be in Europe, but I shall be in the geographical center of Arizona, attempting to put in order some fences which are now in a sad state of disrepair.

With all due deference to those able Senators who have opposed the amendment—and now, joined to the other Senators opposing the appropriation, comes one of the most superb intellects the West has produced in my time, the present senior Senator from Colorado [Mr. ADAMS], I shall support the item.

Mr. LUCAS. Mr. President, will the Senator from Colorado yield?

Mr. ADAMS. I yield.

Mr. LUCAS. I understand that the Senator from Colorado has made one trip to Europe in connection with the Interparliamentary Union.

Mr. ADAMS. That is correct.

Mr. LUCAS. The Senator said something about this being a junket trip. Would he care to elaborate upon the word "junket," in view of his previous experience over there?

Mr. ADAMS. I do not believe it would be necessary. I will say to the Senator, in order to elucidate very briefly, that I went to the meeting in Paris, the year of the Paris Exposition [laughter] under the leadership of the majority leader of this body, along with the Senator from Tennessee. I had marvelous company. [Laughter.]

Mr. LUCAS. In all seriousness, Congress is frequently criticized, in the newspapers and by the people throughout the country, for what are called junket trips, and I should like to know, as one who has not been to Europe in connection with one of these Interparliamentary Union meetings, whether or not the Senator is really serious when he says that in his opinion participation by the American delegates is nothing more nor less than a junket trip.

Mr. ADAMS. I would not say it was nothing more nor less than a junket. I said that if there were to be junkets, there were other places far better this year than Europe for such a trip. I go so far as to say that I am very glad to have Senators and Representatives go about at Government expense, broaden their horizons, become more familiar with international affairs, and bring information back to Congress. I do not care how much pleasure they may get out of such trips. I am perfectly willing to see funds established for so-called junkets, if they have an educational aspect. The particular trip now proposed, in this particular year, I think would be fraught with danger, and I say that because of the experiences of last year.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. CLARK of Missouri. Is it not possible that the same experience might be had this year that was had on one previous peregrination of the American delegation to the Interparliamentary Union, which in 1914, under the leadership of the late Dr. Bartholdt, of Missouri, started out with a great flourish of trumpets to a meeting of the Union, with the avowed purpose of bringing about permanent peace, and preventing war? When they were in the middle of the ocean on the way to Europe they received word that the European war had broken out. They were on the *Kaiser Wilhelm der Grosse,* and those in charge of the vessel being a little bit fearful that a British cruiser might attack them, the ship was turned about and steamed back to the United States. So that the delegation had the privilege at that time of taking a short ocean trip at Government expense and seeing one-half of the ocean twice without ever getting to the meeting of the Interparliamentary Union, which was at that time in a free-for-all fight.

Mr. NEELY. Mr. President, will not the Senator from Colorado inform us what if anything these delegations to the meetings of the Interparliamentary Union have ever accomplished?

Mr. ADAMS. I think I can say, from my experience, that, so far as the purpose ascribed—the purpose to promote international arbitration—is concerned, nothing has been accomplished. Other things may have been accomplished. I think it is agreeable and profitable to bring American politicians into contact, in friendly days, with those of foreign nations. I think the American group is very weak in that it is made up of officials, and yet without any very definite official designation. We attend the meetings, not by appointment of the executive department charged with the conduct of our foreign relations, but by appointment of the chairman of the delegation, who was last year a Member of the House of Representatives, who proceeded to pick delegates as he saw fit. That is, the authority does not come from the Congress, or from the Senate, except as I understand in a general sense every Member of both Houses is theoretically a member. I ask the Senator from Kentucky whether that is not true.

Mr. BARKLEY. Yes; that is correct.

Mr. ADAMS. The selection of those who are to have the benefits of the trip and represent their associates is made, at least it was a year ago, by a very well-known Member of the House of Representatives.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. Every Member of the House and Senate is eligible to participate in the meetings of the Interparliamentary Union. They do not all do it, however.

Mr. FRAZIER. Mr. President, it seems to me this appropriation should by all means be continued. I agree with the Senator from Colorado that Europe would not be a good place for the meeting of the Interparliamentary Union this year, but I think it would be well to hold the meeting in the United States. If the delegates should come to this country to have a conference, say in Washington, they could visit our world fairs at New York and San Francisco, and they could see what is done in this, a peaceful country, in contrast with conditions in their own countries, where the people are at war. I believe a meeting in the United States this year would be a very good thing, and well worth the $20,000.

Mr. BARKLEY. Mr. President, I do not wish to prolong the discussion, but I cannot let go unanswered one or two suggestions which have been made in the debate.

First, I want it understood that I have no personal interest in this appropriation. I have no interest in knowing, or projecting, or suspecting, or suggesting, or prophesying whether, if it is continued, I will go to any conference, no matter where it may be held.

I have been active in the Interparliamentary Union for a number of years. The first conference I attended was at Stockholm, Sweden, in 1921, and I was chosen one of the delegates at that time from the House of Representatives by the then Senator from Illinois, Mr. McKinley, who was the president of the Interparliamentary Union.

Later an able Ohio statesman, one who distinguished himself in the House of Representatives and in the Senate for a number of years, Hon. Theodore Burton, became the president of the Interparliamentary Union, and I was included in the delegation which was selected by him.

Later a very distinguished statesman from Virginia, former Governor Montague, for nearly a quarter of a century a member of the House of Representatives, became the head of the American group, and I went as a delegate then. When he retired I was chosen by the members who had taken an interest in the activities of the Interparliamentary Union as the president of the American group. When I retired a year ago I did so with the expectation that I would not ever again head this organization, and I had no interest in doing so, and no desire to do so. But, as I stated a while ago in reply to a question of the Senator from Michigan, in my absence and against my own judgment the American group, largely attended by Members of the House of Representatives, not many Senators being present, selected me again as the head of the group.

I feel it my duty to defend the organization, and not merely as an obligation, but because of my experience with it. It is true that the delegates who go to the meetings are not authorized by the American Government to bind the United States in anything; and that is well. This is an organization that was founded for the purpose of bringing about arbitration and the settlement of disputes by peaceful methods rather than by the sword, and the mere fact that it has not always succeeded in so doing is no argument against the effort it has made.

I may say that the first and second Hague conferences called by the Czar of Russia were very largely due to the activities of the Interparliamentary Union. The conference which was called by Theodore Roosevelt, President of the United States, to settle the war between Russia and Japan, was called on the recommendation and at the request of the Interparliamentary Union; and as a result of that conference, held in the city of Portsmouth, N. H., the war between Russia and Japan was brought to a conclusion.

It is true, as we all know, and as the Senator from Arizona [Mr. ASHURST] has so eloquently said—and he can say the most commonplace things eloquently; if he ever says commonplace things, which he rarely does, he always clothes them with the choicest diction—that all over the world the parliamentary system is under attack from more sources than ever before in the last century. The question now is whether we shall succumb to the attack; whether we are willing to say that we no longer believe in making an effort to maintain the parliamentary system, and that we are not willing to spend $20,000 a year in order that our influence may be brought to bear upon the nations of the world.

Of course, if there is a conference held this year it may probably not be held in Europe, and probably will not be, but there are yet peaceful nations and peaceful locations in the world where such a conference can be held and can do much good. It might be held, as the Senator from North Dakota [Mr. FRAZIER] said a moment ago, in Washington. It might even be held in Ottawa. It might be held in some South American country. It might be held in a peaceful European country. There are still some democracies left in Europe. There are Belgium, Holland, Norway, Sweden, and I hope Finland.

At the last conference I attended, which was held 2 years ago, delegates were present from Italy, delegates from Spain, from practically every other country in Europe except Germany and Russia. The reason delegates were not in attendance from Germany and Europe was that parliament had been abolished in those two countries.

Are we now willing to say that because those in control in two or three countries in Europe have succeeded in abolishing legislatures, because in those countries the voice of the people is no longer heard, and because they have ruthlessly invaded democracies which were adjacent to them, that we are no longer interested in the preservation of the parliamentary system? The preservation of the parliamentary system is really more important than even a temporary peace that might be patched up between warring nations.

Parliaments represent democracy, and the parliamentary theory of government represents the democratic theory. It is true that at these conferences different languages are spoken, and interpreters have to be employed in order to interpret the speeches made by representatives of different nations, but everyone knows that that is true with respect to every international conference that has ever been held or ever will be held.

When the present war is over and Germany, Russia, Finland, England, France, Poland, Czechoslovakia, and all the others meet to settle the terms of peace, different languages will be spoken—German, French, Italian—if representatives of those nations should finally get together in such a conference. The Polish language will be spoken, and English will be spoken. There will have to be interpreters to interpret the speeches made by the representatives of the various delegations. That is no argument against this appropriation. It is certainly no valid argument against the holding of these conferences in which representatives of various countries, speaking different languages, meet together. Is it to be seriously contended that because all the delegates cannot understand all the languages which are spoken there, they ought not to meet?

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AUSTIN. The remarks of the Senator from Kentucky lead me to ask a question, Is it true that the organization under discussion is a bureau of the Department of State?

Mr. BARKLEY. No; it is not a bureau of the Department of State. The Interparliamentary Union, I will say, has been made up of delegates from 40 or 50 nations, and they maintain a bureau in Geneva, Switzerland. It has no connection with the League of Nations, but it is maintained there because Geneva is a convenient place in a neutral country. There are expenses necessary to maintain that bureau, year by year, permanently. The secretary of it has been the secretary for the last 15 or 20 years to my certain knowledge.

I will say to the Senator from Vermont that during the entire period of the World War the Interparliamentary Bureau was maintained. There was no conference of the Interparliamentary Union until the war was over, but during the entire 4 years of the existence of the World War, the bureau was maintained, and we made an appropriation of $10,000 a year to that bureau. Immediately after the war ended a conference was held in a European capital, and there has been one held every year since. The bureau is a permanent organization.

Mr. AUSTIN. Will the Senator yield for a further question?

Mr. BARKLEY. I yield.

Mr. AUSTIN. Has this bureau been in continuous existence for 50 years?

Mr. BARKLEY. Yes.

Mr. AUSTIN. May I ask further if there are archives and records of the activities of the Union throughout its 50 years of existence?

Mr. BARKLEY. There are. Records have been kept of the discussions. A stenographic report is made of every speech, of every resolution, of every motion, just as in any other conference, economic or political, that may be held, at which delegates from different nations assemble. There has been a continuous record kept of the conferences.

Mr. AUSTIN. Will the Senator yield further?

Mr. BARKLEY. I yield.

Mr. AUSTIN. I wish to ask in particular about the representation in that bureau of the United States of America. Has it archives and records showing its contribution to the common action in the bureau?

Mr. BARKLEY. It has. We have a permanent secretary of the American group, who happens to be Dr. A. D. Call, who is the secretary also of the American Peace Society, an old organization in this country. Because of his knowledge of world conditions and his connection with this and other associations, he has been for years the secretary of the American group, and he keeps records of all we do, all we recommend, and all activities, all correspondence, and all resolutions. He keeps in close touch with the general bureau which is maintained in Geneva, and arranges with them for the various activities of the American group when the conferences are in progress and before.

Mr. AUSTIN. Mr. President, will the Senator yield further?

Mr. BARKLEY. I yield.

Mr. AUSTIN. I wish to know, if the amendment should be agreed to by the Senate, would all that activity and the preservation and protection of those records be abandoned?

Mr. BARKLEY. I think so. I will say to the Senator there would be no appropriation out of which the secretary of the American group could be employed, and there would be no appropriation out of which we could make our contribution to the preservation of these records as they exist in the general office at Geneva.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LODGE. Is it not true that these records would not be abandoned; that they would be put into the Library of Congress for safekeeping?

Mr. BARKLEY. I suppose they might be placed somewhere for safekeeping, but the continuity of the records would be broken into, of course, and there would be no one in the United States charged with any responsibility, or who could afford to keep up the activity, unless we were willing to make this modest appropriation to carry on the work.

Mr. AUSTIN. Mr. President, will the Senator again yield?

Mr. BARKLEY. I yield.

Mr. AUSTIN. Then, is it true that agreeing to the amendment is the most effective way of completely terminating this activity, in which our country has cooperated for 50 years?

Mr. BARKLEY. Undoubtedly.

Mr. President, I hope the amendment will be defeated.

Mr. HALE. Mr. President, I am not a member of the subcommittee of the Committee on Appropriations which handled this matter. However, I did vote in the committee in favor of the majority action that was taken.

I have never had any faith in the usefulness of the Interparliamentary Union. In spite of what has been said today, I personally do not think it has ever brought about any concrete results that were of any particular benefit.

In any event, in spite of what the Senator from Kentucky has said, and in spite of what the Senator from North Dakota has said, I do not think there is much probability that any meeting of the union will be held this year.

This action on the part of the committee represents in part what the committee has been trying to do, and that is to cut down the appropriations for the next fiscal year. It is interesting to know whether the Senate is in favor of such action on their part, and this is a very good opportunity to try out the question. I hope very much that the Senate will sustain the committee in what it has done.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HALE. I yield.

Mr. BARKLEY. The Senate has given ample proof of its willingness to stand by the committee, and stand by its own convictions, and stand by the necessity for reducing expenditures; and I, myself, have indicated my own willingness to do so by voting to reduce appropriations as they have been reduced by the bills which have been reported by the Committee on Appropriations. But the Senate should be accorded the right now and then to have its own views—certainly about an insignificant item such as this. I wish to be able to continue to cooperate with the Committee on Appropriations in reducing appropriations, and I intend to do so, but certainly we are not obligated in every instance, without reference to the amount or the cause involved, to sustain the Appropriations Committee merely because it has made a certain recommendation.

Mr. HALE. I think in this particular instance no case has been made showing the usefulness of the appropriation.

Mr. President, the Senator from Kentucky [Mr. BARKLEY] has referred to the fact that the House had the right to choose the head of the American group, but turned that privilege over to the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HALE. I yield.

Mr. BARKLEY. The Senator is not quite correct. They made their own choice, but chose a Member of the Senate instead of a Member of the House.

Mr. HALE. Mr. President, I am wondering whether or not the reason for doing so was that the Senator, who is very popular in this body, and who is the majority leader of this body, could make a better case than any other Member of this body for putting the legislation through. I am wondering whether or not that is the reason why the Senator was chosen, aside from his sterling qualities.

Mr. BARKLEY. If the Senator wishes a categorical answer the answer is distinctly "No." We have never had any trouble in getting this appropriation through the Senate. It is the House that has heretofore hesitated about it.

Mr. HALE. But, Mr. President, the House having passed it this time, I think it was desired to make assurance double sure.

Mr. BARKLEY. I will say to the Senator that that element had no influence whatever. It was not even thought of, because no Member of the Senate or the House suspected that there would be any effort to eliminate the appropriation. The question of who should be the head of the American group did not enter into consideration at all. I do not wish to enter into that phase of the matter because, as I said, I did not want the position. I had served my time, and I felt that a Member of the House ought to have it, and so stated. I did not even attend the meeting at which I was chosen; but, having been chosen, I accept my responsibilities.

Mr. HALE. I do not mean to intimate that the Senator had anything to do with such plan; but I thought that some such idea may have occurred to the Members of the House concerned.

Mr. BARKLEY. The Senator is mistaken.

Mr. AUSTIN. Mr. President, I have only a word to say. As my interrogatories imply, I favor this appropriation; and, if necessary, I should favor a larger one, especially at this time, when all the world is in turmoil, and when everybody is on his knees praying for an ultimate peace that will be not merely a cessation of hostilities.

If this great country, the United States of America, is now to say to the world, in the crisis in which the world is suffering, that it is so cheap and small that it will discontinue the only service that a parliamentary body of this country has been rendering toward universal peace, merely because it costs $20,000, I want to cast my vote against such action and raise my voice in protest.

Mr. President, I believe there is a future for the world, not far away, which will be upon a higher plane of international relationship than any we have had before. As I harken back and hear history, speaking with venerable accent, I observe that civilization has moved along on a certain level for a time, then taken a plunge downward, and then surged upward to a still higher level. That course has been repeated throughout all time. We are now living in one of the depressions. We have dipped down, and I hope we have reached the bottom of the depression. I expect that we shall rise above the level upon which we previously lived. I look for a time—perhaps not in my lifetime but in the history of the world—when peace will depend upon the nations of the world exercising self-discipline, as men do, and avoiding the causes of conflict.

Certainly I want my country to stand for such sacrifices and such expenditures as it can well afford toward the ideal, toward perfection. We may never attain perfection, but we shall never make any progress unless we aim at perfection. This is a small contribution toward that end. If we can promote friendly and understanding relations with other parliamentary countries, if we can give them moral support and aid, and if we can take from them like help for our own consideration, we shall have done something toward reaching that ideal of relations among the nations of the earth.

When learned Senators rise and say that one cannot point to any definite benefit which has come from the Interparliamentary Union, I am a little inclined to believe that the essential facts are being ignored. As I have traveled about the world in different countries I have observed that relationships between governments depend somewhat upon the friendship of the nationals of those governments, and that if cordial relations exist between peoples it is easier to obtain accord between governments.

I favor the Interparliamentary Union. I hope it will be continued. I certainly should regret its being cut off for the consideration of $20,000 in the name of economy. I am for economy, but I mean to be for real economy. I do not think it is economy to do something which will discontinue an effort of this character, which has been proceeding for 50 years. If the Congress means only to suspend the activities of the Union for a time, I should like to see it provided with sufficient funds to take care of the permanent records, which show our relation to the Union for 50 years.

Mr. McKELLAR. Mr. President, just a word before we vote. It is true that this is a very small matter; but anyone who has served on the committee, and even those who have not served, must know what a tremendous pressure there is whenever the doctrine of economy is set up by the Appropriations Committee of either House. We have appeals to us from the bureaus and from the departments, and from all those who are interested in one way or another in the bureaus or departments; and it is a gigantic task to undertake to cut down appropriations. Anyone who has not tried it ought to try it once to see what a tremendous task it is.

The President has recommended a reduction of some $850,000,000 this year. The House and the Senate have been trying to aid those reductions. The President recognized the possible need for additional taxes of $450,000,000 or $460,000,000. The House and the Senate are both striving to reduce expenditures in order to avoid the imposition of further taxes on the people.

While the item under consideration is a small matter, it goes to the very life of what our committee is trying to do. We are trying to economize. We have economized in this bill. We are trying to cut down the appropriations in this bill. We have tried to cut down the appropriations in each of the bills before us. When we come to an item in which the Senate is interested, if we say, "We are in favor of economy when it comes to cutting down the bureaus and departments, but we are not in favor of economy when it comes to cutting off a junketing trip for Senators," in what sort of attitude are we placed? In my opinion, we are placed in a very awkward, embarrassing, and difficult situation.

It is true that the item under consideration is a small matter; but it brings up the whole question of economy and what we are going to do about economy. Under those circumstances the committee has eliminated this item. Ordinarily it would not make any difference; but at this particular time, when we are striving in every way to cut down appropriations so as to avoid the imposition of additional taxes on the people, it seems to me we ought to stand by the committee.

I hope the Senate will stand by the Appropriations Committee in its honest, earnest, and vigorous endeavor to bring about greater economy, and to avoid taxation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. The Senator knows that the President did not eliminate this small appropriation from his Budget.

Mr. McKELLAR. Oh, no. The President could not be expected to go through all the items and hunt out this item and that item and eliminate it from the Budget. No; the President did not do it. I will say to the Senator from Kentucky that innumerable items which the President had recommended have been eliminated or cut down. That is not the question. I have no doubt that the President would be opposed to this item at this particular time if we could have his views on the subject.

Nearly the whole world is at war, directly or indirectly, and we are talking about having a conference of a union over in Europe, right in the heart of the war zone. I doubt whether any Senator would want to go there under the circumstances. There is no reason in the world why we should not economize even in this small matter. It is not the amount of the economy which is involved, it is the principle which is involved. We can strike out this item and put back some other item, if that is what we want to do. Whenever any Senator is interested in an item, or any particular bureau or department is interested in an item, we should not say "Restore the item. Force it upon the House. Make the House take it whether it wants to or not. Make the Government pay whether it wants to or not. Let us not economize. If anything pertains to us as a legislative body, directly or indirectly, hold it in at all costs. It makes no difference about economy. It makes no difference about taxation. Hold it in! Hold it in!"

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. There is no element of forcing something on the House. The House included this appropriation in the bill. All I am asking the Senate to do is to stand by the House, not because we are trying to put something over on the House.

Mr. McKELLAR. Oh, no!

Mr. BARKLEY. The Senator intimated that we were trying to put something over on the House.

Mr. McKELLAR. No; I intimated nothing of the kind.

Mr. BARKLEY. The Senator intimated that if we should vote to restore this appropriation we would serve notice on the country that we are going to restore all appropriations.

Mr. McKELLAR. We would serve notice to the country that when any individual Senator is interested in an appropriation, however small, if it be merely $10,000, we would leave it in the bill, and economy would be "gone with the wind." Taxation, yes—put it on—but if any Senator is interested in an appropriation, or if the Senate, as a body, is interested, put it in or keep it in. I do not think we ought to

legislate in that way. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 18, line 1, on which the yeas and nays are demanded.

The yeas and nays were ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Adams	Clark, Mo.	Johnson, Calif.	Reed
Ashurst	Connally	Johnson, Colo.	Reynolds
Austin	Danaher	King	Russell
Bailey	Davis	La Follette	Schwartz
Bankhead	Ellender	Lee	Schwellenbach
Barbour	Frazier	Lodge	Sheppard
Barkley	George	Lucas	Smith
Bilbo	Gibson	McCarran	Stewart
Bridges	Glass	McKellar	Taft
Brown	Green	McNary	Thomas, Idaho
Bulow	Guffey	Maloney	Thomas, Okla.
Byrd	Gurney	Mead	Thomas, Utah
Byrnes	Hale	Minton	Tobey
Capper	Hatch	Murray	Townsend
Caraway	Hayden	Neely	Truman
Chandler	Herring	Norris	Van Nuys
Chavez	Hill	Overton	Walsh
Clark, Idaho	Holt	Pepper	Wiley

The PRESIDING OFFICER. Seventy-two Senators having answered to their names, a quorum is present. The question is on the amendment reported by the Committee on Appropriations, on page 18, beginning in line 1. On that amendment the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD] to the senior Senator from Maryland [Mr. TYDINGS] and will vote. I vote "yea."

Mr. STEWART (when his name was called). I have a pair with the junior Senator from Oregon [Mr. HOLMAN]. If he were present, I understand he would vote as I intend to vote. Therefore I am at liberty to vote and vote "yea."

The roll call was concluded.

Mr. McNARY (after having voted in the negative). I am reminded I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. I transfer my pair with him to the junior Senator from North Dakota [Mr. NYE] and permit my vote to stand.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from New Jersey [Mr. SMATHERS] are absent from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE], the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. GERRY], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Arkansas [Mr. MILLER], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Illinois [Mr. SLATTERY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The Senator from Iowa [Mr. GILLETTE], the Senator from Mississippi [Mr. HARRISON], the Senator from Arizona [Mr. HAYDEN], and the Senator from Montana [Mr. MURRAY] are detained in committee meetings.

The Senator from Ohio [Mr. DONAHEY], the Senator from Delaware [Mr. HUGHES], and the Senator from Nevada [Mr. PITTMAN] are absent on official business.

The Senator from Maryland [Mr. TYDINGS] and the Senator from New York [Mr. WAGNER] are unavoidably detained.

The result was announced—yeas 43, nays 27, as follows:

YEAS—43

Adams	Chavez	Johnson, Calif.	Russell
Bailey	Clark, Mo.	King	Schwellenbach
Bankhead	Danaher	Lodge	Smith
Barbour	Ellender	Lucas	Stewart
Bridges	George	McCarran	Taft
Brown	Glass	McKellar	Thomas, Idaho
Bulow	Green	Maloney	Tobey
Byrd	Gurney	Norris	Townsend
Byrnes	Hale	Overton	Truman
Capper	Hatch	Reed	Walsh
Caraway	Holt	Reynolds	

NAYS—27

Ashurst	Davis	La Follette	Schwartz
Austin	Frazier	Lee	Sheppard
Barkley	Gibson	McNary	Thomas, Okla.
Bilbo	Guffey	Mead	Thomas, Utah
Chandler	Herring	Minton	Van Nuys
Clark, Idaho	Hill	Neely	Wiley
Connally	Johnson, Colo.	Pepper	

NOT VOTING—26

Andrews	Harrison	Nye	Tydings
Bone	Hayden	O'Mahoney	Vandenberg
Burke	Holman	Pittman	Wagner
Donahey	Hughes	Radcliffe	Wheeler
Downey	Lundeen	Shipstead	White
Gerry	Miller	Slattery	
Gillette	Murray	Smathers	

So the amendment of the committee was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the Committee on Appropriations was, on page 20, line 16, after the word "exceed," to strike out "$5,901" and insert "$10,000"; on page 21, line 2, after the word "be," to strike out "necessary" and insert "authorized by the Secretary of State"; and in line 13, after the words "in all," to strike out "$1,093,000" and insert "$1,073,000", so as to read:

For payment of the annual contributions, quotas, and expenses, including loss by exchange in discharge of the obligations of the United States in connection with international commissions, congresses, bureaus, and other objects, in not to exceed the respective amounts, as follows: Cape Spartel and Tangier Light, Coast of Morocco, $1,176; International Bureau of Weights and Measures, $4,342.50; International Bureau of Publication of Customs Tariffs, $1,318.77; Pan American Union, $239,458.70, including not to exceed $20,000 for printing and binding; International Bureau of Permanent Court of Arbitration, $1,722.57; International Institute of Agriculture at Rome, Italy, $48,756, including not to exceed $11,700 for the salary of the American member of the permanent committee (at not more than $7,500 per annum), compensation of subordinate employees without regard to the Classification Act of 1923, as amended, expenses for the maintenance of the office at Rome, including purchase of necessary books, maps, documents, and newspapers and periodicals (foreign and domestic), printing and binding, allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (5 U. S. C. 118a), for the use of the American member of the permanent committee, and traveling and other necessary expenses, to be expended under the direction of the Secretary of State; Pan American Sanitary Bureau, $58,522.75; International Office of Public Health, $3,015.63; Bureau of International Telecommunication Union, Radio Section, $5,790; Inter-American Radio Office, $3,655; Government of Panama, $430,000; International Hydrographic Bureau, $5,404; Inter-American Trade-Mark Bureau, $14,330.20; International Bureau for Protection of Industrial Property, $1,471.63; Gorgas Memorial Laboratory, $50,000: *Provided*, That hereafter, notwithstanding the provisions of section 3 of the act of May 7, 1928 (45 Stat. 491), the report of the operation and work of the laboratory, including the statement of the receipts and expenditures, shall be made to Congress during the first week of each regular session thereof, such a report to cover a fiscal year period ending on June 30 of the calendar year immediately preceding the convening of each such session; American International Institute for the Protection of Childhood, $2,000; International Statistical Bureau at The Hague, $2,000; International Map of the World on the Millionth Scale, $50; International Technical Committee of Aerial Legal Experts, $6,745, including not to exceed $6,500 for the expenses of participation by the Government of the United States in the meetings of the International Technical Committee of Aerial Legal Experts and of the commissions established by that committee, including traveling expenses, personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended, stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (41 U. S. C. 5), rent, purchase of necessary books and documents, printing and binding, official cards, entertainment, and such other expenses as may be authorized by the Secretary of State; Convention Relating to Liquor Traffic in Africa, $55; International Penal and Penitentiary Commission, $4,332, including not to exceed $800 for the necessary expenses of the Commissioner to represent the United States on the Commission at its annual meetings, personal services without regard to the Classification Act of 1923, as amended, printing and binding, traveling expenses, and such other expenses as the Secretary of State may deem necessary; Permanent Association of International Road Congresses, $588; International Labor Organization, $163,511.64, including not to exceed $10,000 for the expenses of participation by the United States in the meetings of the General Conference and of the Governing Body of the International Labor Office and in such regional, industrial, or other special meetings as may be duly called by such Governing Body, including personal services, in the District of Columbia and elsewhere, rent, traveling expenses, purchase of books, documents, newspapers, periodicals, and charts, stationery, official cards, printing and binding, hire, maintenance, and operation of motor-

propelled passenger-carrying vehicles, and such other expenses as may be authorized by the Secretary of State; Implementing the Narcotics Convention of 1931, $10,551.85; International Council of Scientific Unions and Associated Unions, as follows: International Council of Scientific Unions, $19.30; International Astronomical Union, $617.60; International Union of Chemistry, $675; International Union of Geodesy and Geophysics, $2,316; International Scientific Radio Union, $232.40; International Union of Physics, $62.72; International Geographical Union, $125.44; and International Union of Biological Sciences, $154.40; in all, $4,202.86; and Pan American Institute of Geography and History, $10,000; in all, $1,073,000, together with such additional sums, due to increase in rates of exchange, as the Secretary of State may determine and certify to the Secretary of the Treasury to be necessary to pay, in foreign currencies, the quotas and contributions required by the several treaties, conventions, or laws establishing the amount of the obligation.

The amendment was agreed to.

The next amendment was, under the subhead "International Boundary Commission, United States and Mexico," at the top of page 26, to insert:

Fence construction on the international boundary: For construction of fence along the international boundary as authorized by the act of August 19, 1935 (49 Stat. 660), $25,000: *Provided*, That no part of this appropriation shall be expended for the acquisition of lands or easements for sites for boundary fences except for procurement of abstracts or certificates of title, payment of recording fees, and examination of titles.

The amendment was agreed to.

The next amendment was, under the subhead "Cooperation with the American Republics," on page 30, line 23, after the word "periodicals", to strike out "$155,550" and insert "$120,500"; and on page 31, line 3, after the word "respectively" and the colon, to strike out "Department of Agriculture, for the Office of Foreign Agricultural Relations, $35,000", so as to read:

Salaries and expenses: For all expenses necessary to enable the Secretary of State to carry out the purposes of the act entitled "An act to auhorize the President to render closer and more effective the relationship between the American Republics," approved August 9, 1939, and to supplement appropriations available for carrying out other provisions of law authorizing related activities, including personal services in the District of Columbia; not to exceed $45,000 for printing and binding; stenographic reporting, translating, and other services by contract, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5); expenses of attendance at meetings or conventions of societies and associations concerned with the furtherance of the purposes hereof; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; and purchase of books of reference and periodicals $120,500; and the Secretary of State is hereby authorized, subject to the approval of the President, to transfer to other departments, agencies, and independent establishments of the Government for expenditure in the United States and in the other American Republics not exceeding the following amounts, respectively: Civil Aeronautics Authority, $2,500; Department of Commerce, for the Coast and Geodetic Survey, $15,000; Federal Security Agency for the Public Health Service, including not to exceed two additional regular active commissioned officers, $25,000, and the Office of Education, $10,000; Department of the Interior, for the Office of the Secretary, $18,000, and the Bureau of Fisheries, $10,000.

The amendment was agreed to.

The next amendment was, on page 32, line 3, after the word "Department", to insert "or Federal Works Agency", so as to read:

The President, in his discretion, may assign officers of the Army or Navy or officers or employees of the Treasury Department or Federal Works Agency for duty as inspectors of buildings owned or occupied by the United States in foreign countries, or as inspectors or supervisors of buildings under construction or repair by or for the United States in foreign countries, under the jurisdiction of the Department of State, or for duty as couriers of the Department of State, and when so assigned they may receive the same traveling expenses as are authorized for officers of the Foreign Service, payable from the applicable appropriations of the Department of State.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Department of Commerce—Office of the Secretary", on page 33, line 2, after the word "Department", to strike out "$384,500" and insert "$546,500", so as to read:

Salaries: Secretary of Commerce, Under Secretary of Commerce, Assistant Secretary, and other personal services in the District of Columbia, including the Chief Clerk and Superintendent, who shall be chief executive officer of the Department and who may be designated by the Secretary of Commerce to sign minor routine official papers and documents during the temporary absence of the Secretary, the Under Secretary, and the Assistant Secretary of the Department, $546,500.

Mr. LODGE. Mr. President, I rise in opposition to the committee amendment on line 2, at the top of page 33, to increase the House figure by $162,000. It is my understanding that the able chairman of the subcommittee, my good friend the Senator from Tennessee [Mr. McKELLAR], will offer an amendment to earmark this increase for the personal services of experts and specialists in the Department of Commerce. Consequently I wish to discuss the increase on that assumption.

This is an increase of $162,000 to pay the salaries of 20 or more so-called business experts and specialists in the Department of Commerce. This item was put in last year, the argument being made at that time that the Secretary of Commerce would take out of business and the professions men who had been very successful, and that these men could do what civil-service employees could not do; namely, stimulate employment and perfect schemes for improving our economic system.

If Senators will glance at the record of the hearings beginning on page 159, I think they will agree with me that these experts really have accomplished nothing. All of us on the subcommittee made repeated inquiries of Dr. Thorp, of the Department of Commerce, who defended this item, trying to find out what the results of their labors have been. If Senators will look on page 159, they will see that Dr. Thorp said:

I think it is hard to indicate just what specific results have been accomplished, because in the first place while we were given the money as of the 1st of last July, it took some time to assemble the staff.

On page 162, the Senator from Nevada [Mr. McCARRAN] will be seen to have asked this question:

What beneficial result has flown from what you have described to us?

* * * * * * *

Dr. THORP. I do not think there is a beneficial result that applies as of the present moment.

Look again on page 163. After Dr. Thorp had described some of the studies these men had made, the Senator from South Carolina [Mr. BYRNES] said:

I wish you would send us sample copies of the reports which you issue. I should like to see them.

But the volume of hearings contains no sample of this work.

Altogether, there are only two things which these men have done. One is to initiate a certain amount of statistical work on inventory change. The other is to send up a man to represent the Department of Commerce before the meetings of the Temporary National Economic Committee. I think I am not far wrong when I say that the Temporary National Economic Committee—which, I am sure, is doing excellent work—has one of the largest appropriations any special committee has ever had, that it ought to be able to get along with the staff it has, and that if the Committee needs further assistance we can appropriate for that purpose. We do not need to appropriate $162,000 for a number of supposedly non-civil-service experts.

I desire to give one last illustration of the fruitless nature of the effort which has been made by these men.

On page 164 the Senator from Tennessee [Mr. McKELLAR] says:

I think the most important thing you have is special promotion of Latin-American trade. There ought to be something concrete from that activity. What have you done?

Dr. THORP. We cannot point definitely to orders that have been obtained by the two men who have been working at it. We can count, however, on things like this: A conference was held with the steamship people and the travel agencies to develop certain of the difficulties in the way of American tourist travel to Latin America. Those questions have been taken up with the representatives of the foreign countries. They are mostly matters of red tape.

Senator LODGE. Why are not matters of red tape a pure State Department function? What is the State Department for if it is not for that?

Dr. THORP. I suppose it could be handled through the State Department, except that it is not a matter which necessarily needs to go through all the formalities of diplomatic processes.

Senator LODGE. The State Department handles many things that do not go through the formality of diplomatic processes.

Dr. THORP. Our interest in it was to cut through and see if we could get something done quickly.

Senator LODGE. You do not mean to say that the State Department does not want to cut through and get things done?

Dr. THORP. No. I certainly do not want to leave that impression.

I give that example to show that this thing is a fifth wheel. It is simply a duplication of all sorts of functions that are being performed either by the State Department or by the standing bureaus of the Department of Commerce with the very able staff which I think they already have there. The only justification, if there is one, for this appropriation—which was so wisely stricken out in the House—is that there is some possibility in the future that these men will accomplish something; in other words, that they have some prospect of doing so. In order to decide that question, in order to decide whether there is any possibility that they ever will accomplish something, I think we ought to look at the fundamental nature of the problem.

During the meeting of our Committee, both the Senator from Tennessee and the Senator from South Carolina and myself dwelt on the tremendous importance of getting some of this trade in Latin America, particularly getting the development in manufactured goods which hitherto had been the province of German trade. We all agreed that the problem of South America is a problem of having them produce something that we want and do not produce; but as long as they compete with us in the production of cattle and in the production of cotton and in the production of other agricultural products which we also produce, we cannot possibly hope to make a real, substantial expansion of our export trade in manufactured goods. In other words, the desirable thing would be to see a production of rubber in South America, a production of tin in South America, an increased production of coffee in South America, of those things which we need and do not ourselves produce. That would increase our trade; but, Mr. President, just a glance at that proposition shows how absolutely absurd it is to think that by getting a group of high-pressure business executives down here for a few days we can really make a dent in that problem. It involves fundamental factors which are entirely beyond the reach of any governmental bureau.

I think these men are superfluous. It is another case of the secretary to the secretary to the assistant secretary who is on civil service to the expert who is not on civil service. We have so many wheels within wheels going on downtown that it is practically impossible to understand what they are all doing; and if Senators read this record even more carefully than I have given it to them, they will see that these men must be constantly getting in each other's way.

Of course, a good deal was made of the fact that these men had turned down big salaries in business in order to come here and work for Uncle Sam; that they were really "dollar-a-year men." I shall not go into that subject. I find that there are only 3 dollar-a-year men out of the 22 or 23 who are on the list. The idea was that they would just come in for 6 months, because we could not get really able businessmen to come down here for a longer time than that. Well, it will be seen in the hearings that with one exception none of them have agreed to leave at any time. I think you, Mr. President, who have been Governor of a State [Mr. CHANDLER in the chair], and others here on the Senate floor who have had experience in government, know that there are very, very few men who willingly leave a governmental office. It may be that this is a very, very patriotic, self-sacrificing activity on their behalf. It may be that they are losing $25,000 a year in some corporation in order to come here and work for $9,000. Perhaps that is so; but I doubt if there are on this list the names of very many men who are exceedingly anxious to get out of Washington. I think they like it here; I think they hope to stay here; and I say to you in conclusion that if we are going to have economy, this is one place where we can do it. We can do it without impairing the public service. We can do it without depriving the American people of any results or benefits that they are now getting. We can do it without the slightest hardship to any of the men who are on this list, because they are all, in the language of the street, what might be called big shots. They can all go back to their homes, and they will not starve.

I very much hope the committee amendment will not be agreed to.

Mr. McKELLAR. Mr. President, I dislike to oppose the suggestion of my distinguished friend the Senator from Massachusetts [Mr. LODGE]. I have served on the Committee on Appropriations for a number of years—about a fifth of a century—and I look upon the Senator from Massachusetts as one of the most excellent members of that committee, without regard to politics of any kind.

With respect to the item now under discussion, it is an increase of $162,000. I remind the Senate that last year the Secretary of Commerce came before the committee and secured an appropriation of about the same sum for the purpose primarily of increasing our Latin-American trade. He wanted business experts; and I have no doubt, considering the evidence, that for the most part he has secured business experts for the important places.

When he came before our committee he did not know that the war now in progress would be started and would give us the remarkable opportunity we now have to get a large part of the South American trade. We have a splendid opportunity to secure some of that trade. As everyone knows, Great Britain, Germany, Japan, and Italy are our principal competitors for what is known as South American trade. It is well known that Germany is out of the picture at this time because of being engaged in war, as is Great Britain to a lesser degree. Japan, also being engaged in war, is not so much in the picture as she previously was. Italy, for fear she might get into war, is not as active in South America, perhaps, as formerly.

There never was such an opportunity for our country to build up its trade with South America as we now have. Concrete instances were given of improvement in our trade, in one case there being an increase of $162,000 in one industry. In my judgment, the opportunity is ours, and I urged the officers of the Department of Commerce to bend their efforts solely to the retention of this trade in South America while we have the opportunity to hold it.

I doubt whether I would vote for such an item another year if all nations should be at peace. It may be that it should be discontinued next year; I think I would vote for its discontinuance after we had accomplished what we desired—that is, to increase our trade with South America. I happened to be in South America a year or two ago, and I know something about the possibilities. I believe it would be enormously beneficial for our Government to undertake to secure as much of the trade of South America as it is possible to secure. We have tried to be economical, and I doubt whether a bill ever reported to this body has shown greater economy than is exhibited in the particular bill now pending.

We are not asking the Senate to act on something that has been going on for 50 years, something from which we have never been able to see any results, but this appropriation is proposed in an effort to improve what has been going on for about 8 months only. Let us give it a show in the interest of our country, and in the interest of the trade of our country.

It was for these reasons that the committee put this item in the bill, and I think it should be kept in the bill and I ask my colleagues to let it remain in the bill. I hope the amendment of the committee will be agreed to.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McNARY. I think the Senator has on his desk a provision of limitation.

Mr. McKELLAR. I have.

Mr. McNARY. What effect would that have upon the bare amendment offered by the able Senator from Massachusetts? What would it do?

Mr. McKELLAR. As I understand, the Senator from Massachusetts desires to restore the House figures by striking out the Senate committee figures.

Mr. McNARY. If that should be accomplished, what would be the effect of the Senator's proposed limitation?

Mr. McKELLAR. There would be nothing in the limitation, if that were accomplished, because it would not be necessary. The limitation went out on a point of order in the House. I believe the House would have kept this item in the bill and this amount of money in the bill, but in the House the item went out on a point of order. I wish to read the proviso at this point. It comes immediately after the "$546,500."

Provided, That not to exceed $100,000 of this appropriation shall be available for expenditure by the Secretary of Commerce for personal services of experts and specialists at rates of compensation not in excess of $9,000 per annum without regard to the civil-service laws and regulations or the Classification Act of 1923, as amended.

Then I proceed to the next proviso, which is a part of this item, and which the committee has authorized me to offer as a committee amendment on the floor. I will speak of the first proviso for just a moment.

The reason for the proviso that appointments may be made without regard to the civil-service laws and regulations or the Classification Act is that it was desired by the Secretary of Commerce to get practical businessmen, so far as possible, to carry out the purpose he has in view, so that the United States might secure a greater portion of the South American trade. Now I read the second proviso:

Provided further, That no part of the said $100,000 shall be used for the payment of any person hereafter appointed at a salary of $5,000 per annum or more unless such person is appointed by the President, by and with the advice of the Senate.

If the Senate committee amendment shall be agreed to, I shall offer that amendment on behalf of the committee.

Mr. GILLETTE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Tennessee yield to the Senator from Iowa?

Mr. McKELLAR. I yield.

Mr. GILLETTE. As I understood the Senator, the amendment he proposes to offer—and I tried to follow it in the text—is identical with the limitation amendment proposed in the House of Representatives. Is that true?

Mr. McKELLAR. The first part of the amendment is identical with that which went out on a point of order in the other House. The second part of the amendment, which provides that "no part of the said $100,000 shall be used for the payment of any person hereafter appointed at a salary of $5,000 per annum or more unless such person is appointed by the President, by and with the advice and consent of the Senate," is an addition by the Senate committee.

Mr. GILLETTE. If this amendment should be agreed to, what limitation would there be, or what suggestion would there be in the law to limit the employment of these experts and specialists to those who, it is contemplated, will build up our South American or Central American trade? I call attention to the language, which authorizes the use of the amount of money specified "for personal services of experts and specialists" at not to exceed $9,000 a year. What would they be: trade specialists, political specialists, party specialists? What is the purpose, or what is the limitation?

Mr. McKELLAR. I shall be glad to read from the testimony, which I think will answer the Senator.

Mr. GILLETTE. It may clear it up, but I am asking about the language in the bill. What limitation is there in the proposal?

Mr. McKELLAR. The limitation in the bill is, of course, that only $100,000 of the $546,000 shall be used for the employment of this kind of help. In the next place, it cannot be used to pay compensation in excess of $5,000 per annum without the advice and consent of the Senate.

The purpose is shown in a question I asked in the hearings:

I suggested to Mr. Johnson and to these other gentlemen a while ago that we should like to have them cut down the $546,500 to an even half million dollars. They want the language referred to put back. I think, by all means, whether they wish it or not, it ought to be put back. They ought to get the best men they can, regardless of any civil-service law.

These are supposed to be experts; they ought to be men learned in business and in trade and commerce.

I suggested to Mr. Johnson cutting down the $546,500 to an even half million dollars and trying to get along on the smaller amount. We must cut down on expenditures to some extent, and a reduction of $46,500 would be very acceptable to this committee and would lead us to be very enthusiastic if you can get along with it.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. McKELLAR. First let me finish the quotation—

At this time of crisis in our business with South America, why can you not turn in and help the gentlemen whom you have employed, take the lead if necessary, and let us get something concrete? Let us get something beneficial to our country, just as we did in the contract we got with the aircraft concern for carrying our mail across the waters.

That referred to Mr. Johnson. That shows the purpose.

Mr. GILLETTE. Mr. President, will the Senator yield for another question?

Mr. McKELLAR. Certainly.

Mr. GILLETTE. For what is the $162,000 to be used? There is a provision for an increase of $162,000.

Mr. McKELLAR. That is for clerical assistance, stenographers, and bookkeepers, and others connected with the undertaking.

Mr. McNARY obtained the floor.

Mr. BYRNES. Mr. President——

Mr. McNARY. I shall be happy to defer to the able Senator from South Carolina.

Mr. BYRNES. If the Senator wishes to proceed, very well. I merely desire to speak for a few minutes.

Mr. McNARY. Mr. President, quite frankly I am going to discuss a point of order which I shall make. If the Senator wishes to discuss the matter on the merits I shall yield to him.

Mr. BYRNES. As I understand, the pending question is the amendment of the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, I have offered no amendment. I am simply opposing the committee amendment in line 2.

The PRESIDING OFFICER. The question before the Senate is on agreeing to the amendment of the committee.

Mr. BYRNES. On that amendment, Mr. President, I wish to make a statement. When this matter was before the committee last year I was greatly interested in it, because I believed that the businessmen of the country would be interested in having in the Department of Commerce some few men with long business experience, men successful in their own businesses, with whom the Department might discuss a number of matters which then were deemed of importance by the Secretary of Commerce. I must say that I thought it offered greater hope and greater encouragement than many other expenditures made by the Department. I believed that the man who is successful in his own business is unwilling to go through the trouble of the civil-service examination in order to serve under the Department; that the salary was not particularly attractive; and I was quite sympathetic with the desire of the Secretary of Commerce to induce a group of successful businessmen to come into the Department for a limited time to give their advice upon a number of very important matters. If he could not get them in that way, he did not wish to try to bring them in. He knew it would then be difficult to bring them in. Yet some of the great corporations of the country at times have shown a disposition to encourage some of their employees to accept assignments with the Government, and at other times businessmen desiring to render a service to the Government have shown a disposition to undertake such service. I was willing to let the Secretary of Commerce make a trial of such a program.

At the committee meeting last week the Department reported on what had been done. The Secretary had been successful in inducing a number of men of considerable experience in business to come into the Department to help in the effort he was making to bring the Department closer to business.

I realize it is difficult for an executive to evaluate in dollars and cents the services rendered by a group of businessmen of that character, and yet some things were said that interested me. I was impressed by the fact that a successful business executive who came into the Department had caused a new series of voluntary reports to be made by businessmen, and the necessary service is being furnished to those business houses that cooperate and subscribe for it. Under this man's direction more than 900 business houses are furnishing information weekly as to inventory.

The representative of the Department who appeared before the committee called attention to the fact that if in 1937 we had had such information as to how far production was ahead of consumption, the Government might have been able to step in and take effective action, but it did not do so because it did not then have the necessary information. Even last fall, when the situation arose which inspired the program which is now being developed most satisfactorily, we did not know whether consumption was of a speculative character growing out of the war, or whether it was of a solid, stable character.

From the weekly reports of inventories now obtained from the various industries it is possible to get a more accurate idea of the situation, which is of great importance to the business interests of the country.

Reference has been made to the Temporary National Economic Committee. The only statement concerning that committee was that one gentleman who had come into the Department had been sent from the Department to sit in with the committee simply as an observer, and no further mention was made of the matter, but the Senator from Wyoming [Mr. O'MAHONEY] who attended a meeting of the Appropriations Committee thereafter, paid tribute to the very excellent advice that was offered by this busy man respecting questions which arose before the committee.

In addition to what I thought last year with respect to the opportunity for service, I must say that after September 1, when the war began, I came to the conclusion that if there ever was a time for us to do anything in the countries to the south now is the time. I do not know what the Department of Commerce has done heretofore. Through the years, while serving on the Appropriations Committee, I have tried at various times through different administrations to get some accurate information, and have regretted that I did not see more practical results. But I know what ought to be done. In my opinion, now, when orders are cut off from Germany and from Great Britain, when they cannot be placed there with any hope of being filled, the United States should make every possible effort to extend its commercial relations with the nations to the south. I think a statement of mine brought about a discussion of what a few men, paid out of this appropriation, can do. One illustration was cited. An order for machinery was placed in Germany by a South American country about the time the war started. The president of an American machine company immediately came down to consult one of these businessmen assigned to the Department, whom he knew and with whom he was in contact, concerning that matter. I can readily understand how the businessman would come more readily to an individual whom he had known than to other employees of the Department. As a result of the visit, the order for that machinery was secured for this country. It gave employment to our people. Whether these business representatives in the Department should do more, I do not know. I think they should. I hope they will.

The members of the Appropriations Committee were of the opinion that inasmuch as these men were in the Department, we should direct their attention to what we considered was important at this time. We found that they shared that view, and they were interested in doing everything possible.

The United States is a great market for rubber. We buy more than 50 percent of the rubber produced. No rubber is produced in the United States. If, through the Bureau of Foreign and Domestic Commerce, we can induce Brazil to go into the production of rubber instead of cotton, to produce something for which we provide a market instead of something which is in competition with our producers—and other products were mentioned by these gentlemen in discussing the matter before the committee—if we could do that now, then after peace is restored, business relations will have been established which will be of inestimable value to the United States. The Department would fail to take advantage of the present opportunity if it did not proceed with all possible activity to develop the South American market.

At this time four men are serving for a dollar a year. One man was offered a salary of $20,000 or $25,000 elsewhere, but instead he came down here to accept $7,200 to serve the Government. The Senator from Massachusetts says there is no contract. That is true, but the Department is trying to induce these men to stay as long as they can in order to obtain the benefit of their advice. I think it is wise to do what we can so they may continue their efforts along this line.

The Senator from Iowa [Mr. GILLETTE] asked a question on that point. There is in the language nothing that would indicate that their efforts should be directed solely to that end. The statement gives the number of men employed, who they are, what they are paid, and what they have been doing. I can tell the Senator that they are not doctors of politics. And I think the statement was made the Department had no idea as to the politics of a single one of these men. I think I facetiously expressed regret that it did not have. But, as a matter of fact, they are engaged in work which is political, and notwithstanding the fear expressed by the Senator from Massachusetts, they are men who are anxious to get back to their businesses, and are not anxious to stay on the rolls at the salaries they are receiving.

Mr. McKELLAR. Since the hearings were held Mr. Kerlin, of the Department, has given us some concrete figures as to the changes in trade with South America on the part of the United Kingdom, Germany, and the United States. I should like to call the Senator's attention to them at this point.

Imports from Argentina, Costa Rica, and Haiti to Great Britain have decreased in the past 4 months from $25,865,000 to $19,362,000. Exports have decreased from $50,118,000 to $45,065,000.

With respect to Germany, imports from the same countries have decreased from $15,062,000 to $5,719,000; and exports have decreased from $12,993,000 to $2,117,000.

The total United Kingdom trade with the three countries named for the same 4 months has decreased from $75,983,000 to $64,427,000; and in the case of Germany the total trade has decreased from $28,055,000 to $7,836,000.

These are the figures for the 4 war months.

The imports of the United States from Latin America have increased from $151,424,000 to $200,233,000, while exports have increased from $186,819,000 to $265,643,000. General trade has increased in the same 4 months, as compared with 1938, from $338,243,000 to $465,876,000. Trade with Brazil, Chile, Peru, and Colombia has increased to an even greater extent.

If the Senator is willing, I ask that the statement to which I have referred may be printed in the RECORD at this point, to show the enormous increase in the business of the United States during the war period. It seems to me that as good businessmen we ought to aid in making the increases even larger.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

4 months (Sept. 1 to Dec. 31, 1939) trade of United Kingdom and Germany with Latin America

[All figures in United States currency—000 omitted]

UNITED KINGDOM

	Imports		Exports	
	1938	1939	1938	1939
Argentina	$25,213	$19,032	$49,932	$44,771
Costa Rica	287	119	166	294
Haiti	365	211	20	
Total	25,865	19,362	50,118	45,065

GERMANY

Argentina	$14,144	$4,950	$12,479	$1,775
Costa Rica	784	754	464	342
Haiti	134	15	50	
Total	15,062	5,719	12,993	2,117

	1938	1939
Total United Kingdom trade for same 4 months with above 3 countries	$75,983	$64,427
Total German trade for same 4 months with above 3 countries	28,055	7,836

The foregoing 3 countries are the only ones for which the full 4 months' figures are available. The statistics of those countries were used in each case as no English or German statistics have been received in the European section.

4 months' (Sept. 1 to Dec. 31) trade of United States with Latin America

[All figures in United States currency—000 omitted]

Month	United States imports from—		United States exports to—	
	1938	1939	1938	1939
September	$40,594	$41,861	$43,883	$54,517
October	38,046	51,577	45,936	66,062
November	35,594	52,228	44,778	68,498
December	37,190	54,567	52,222	76,566
Total for 4 war months	151,424	200,233	186,819	265,643

Total United States trade for same 4 months:	
1938	$338,243
1939	465,876

3 months (Sept. 1 to Nov. 30, 1939) trade of United Kingdom and Germany with Latin America

[In United States dollars—000 omitted]

UNITED KINGDOM

	Imports		Exports	
	1938	1939	1938	1939
Brazil	$7,505	$4,601	$5,474	$4,919
Chile	2,350	1,628	5,956	268
Peru	1,638	703	4,326	4,123
Colombia	1,647	1,976	181	238
Total	13,140	8,908	15,937	9,548

GERMANY

Brazil	$18,077	$2,941	$9,436	$613
Chile	7,914	3,359	2,102	289
Peru	2,982	988	1,806	76
Colombia	3,743	900	3,950	48
Total	32,716	8,188	17,294	1,026

	1938	1939
Total United Kingdom trade for same 3 months with above 4 countries	$29,077	$18,456
Total German trade for same 3 months with above 4 countries	50,010	9,214

The foregoing 4 countries are the only ones for which only 3 months' statistics, Sept. 1 to Nov. 30, 1939, are available. The statistics for those countries were used in each case, as no English or German statistics have been received for the 1939 period covered.

Mr. LODGE. Mr. President, I am much interested in what has just been said. Certainly the Senator from South Carolina [Mr. BYRNES] is one of the most brilliant of men. When he is defending a meritorious cause he is irresistible, and he is almost as irresistible when he is defending a cause without much merit. In this particular case he has made the best of a bad job.

I still think that the burden of proof rests on those who want to have this appropriation made. We hear the statement that businessmen in the country do not want to come to Washington and talk to a civil service bureau chief; that they are too shy, or too particular, or they feel too flustered in Washington when they talk to a civil-service bureau chief. I think that is an absurd argument. If businessmen are such sensitive flowers that they cannot talk to the Chief of the Bureau of Foreign and Domestic Commerce, or if the Chief of the Bureau of Foreign and Domestic Commerce is so incompetent that businessmen cannot get any results from a conference with him, then the whole system is hopeless, and we should do something drastic about it, and not merely tinker with it.

So far as the railroad order in the Argentine is concerned, I should like to quote what was said on that subject by Mr. Young in the hearings. Mr. Young is a regular Department of Commerce official. He is the Director of the Bureau of Foreign and Domestic Commerce. He is not one of the high-pressure, non-civil-service experts. I asked him how the deal for railroad equipment in the Argentine was put over, and this is what he said, on page 168:

In the case of this railway equipment, the vice president of the American company came to see us—

The "us" does not refer to the newly appointed, non-civil-service business experts. The "us" refers to the regular civil-service employees of the Bureau—

and called our attention to the fact that with the change in conditions he thought they might have a chance to bid for this order, and asked for our assistance. We immediately got in touch with the commercial attaché—

The commercial attaché is a regular official of the Department of Commerce. He is not somebody who was brought in during the past 6 months in order to try to work up some new business—

and got him to go to work on it, furnishing him from here all the information necessary; and he, in cooperation with the representative of the company, eventually succeeded in getting the order.

That is the famous Argentine railway matter. I think the evidence is conclusive that the result was due entirely to the regular staff of the Department of Commerce, working with the representatives of the American company.

Mr. McNARY. Mr. President, the able Senator from Massachusetts [Mr. LODGE] is asking the Senate to reject the committee amendment. In that request I concur. However, in order to consider the whole matter intelligently, I think we should keep in mind and revert to the proposal about to be offered by the Senator from Tennessee [Mr. MCKELLAR].

The bill as it now reads carries $546,500, for what? After enumerating the officials in the Department of Commerce, the language is:

To sign minor routine official papers and documents during the temporary absence of the Secretary.

It occurs to me that that language has nothing to do with encouraging American business in South America and Central America. Its purpose can be conceived only when we consider the proposal which is about to be offered by the Senator from Tennessee.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. BYRNES. The information which we have given to the Senate is the positive statement of the representative of the Department to the committee as to the purpose for which the money would be spent.

Mr. McNARY. I appreciate that; and I am not questioning the fairness of the statement. I am not complaining about

the attitude of the Senator. I am speaking about the limitations of the bill, and the proper construction to be given to the language of the bill. The language making the increase in appropriation of $162,000 states specifically that it is for an executive officer—

To sign minor routine official papers and documents during the temporary absence of the Secretary.

However, beyond the hearing, we have the committee amendment in the possession of the able Senator from Tennessee [Mr. McKELLAR], which amplifies the reasons for the expenditure of that money, and says specifically, with limitations, for what it is to be used. I am now addressing myself to the larger question.

Mr. BYRNES. The Senator will agree that in the second line of that section is the language, "and other personal services." The employment of persons is authorized under the organic act.

Mr. McNARY. The question has nothing whatsoever to do with the purposes stated by the able Senator from South Carolina. I am not quarreling with him.

Mr. President, in my opinion we should consider these proposals together. While the proposal of the Senator from Tennessee is not now before the Senate, I realize that if the amount of money recommended by the Senate committee is appropriated, no use will be made of that money unless it is tied in with the amendment to be offered by the Senator from Tennessee on behalf of the committee. Only then does it make sense. The proposal to be offered by the Senator from Tennessee is the only excuse for increasing the amount. It reads:

On page 33, line 2, following the figure "$546,500," insert the following: "*Provided*, That not to exceed $100,000 of this appropriation shall be available for expenditure by the Secretary of Commerce for personal services of experts and specialists at rates of compensation not in excess of $9,000 per annum without regard to the civil-service laws and regulations or the Classification Act of 1923, as amended: *Provided further*, That no part of the said $100,000 shall be used for the payment of any person hereafter appointed at a salary of $5,000 per annum or more unless such person is appointed by the President, by and with the advice and consent of the Senate."

Mr. President, in my opinion, that language comes within the prohibitive rule. It is language which may not be inserted in an appropriation bill, because it is legislative language in character. Being legislative language in character—and I shall make the point of order—it is useless to consider the increase for salaries if the very purposes of the increase are denied by the Senate, and the Chair in his wisdom removes the question from the consideration of the Senate.

Mr. McKELLAR. Mr. President, from the information I have, and from the knowledge I have of the rules of the Senate, I think it is unquestionably true that that particular part of the proviso is subject to a point of order. We thought so in the committee, and for that reason it was to be offered as a separate amendment. Of course, that means that the bill must lie over another day when the point of order is made, because when we reach the question under the regular routine of the Senate I shall give notice of a motion to suspend the rule.

The PRESIDING OFFICER. The Chair gives notice that if and when the point of order is made he will rule upon it; but until it is made the Chair is not in a position to rule.

Mr. McKELLAR. The question is not now before the Senate.

Mr. McNARY. The amendment has not yet been offered. However, it will be. I shall then make the point of order. However, in order to discuss fully and completely the value of the amendment offered by the able Senator, it is necessary to consider the whole transaction.

Mr. McKELLAR. The Senator is entirely correct. As a matter of fact, the committee determined that part of the amendment was subject to a point or order, and directed the chairman of the subcommittee to offer it as a separate amendment. During the day I shall conform to the rule and make a motion to suspend the rule. Of course, whether or not the rule shall be suspended will depend upon how the Senate votes.

Mr. McNARY. Mr. President, I do not know who guides the committee in its deliberations. However, the mere fact of authorizing one Senator to present a committee amendment does not in any way affect the rule. The amendment might as well have been written into the bill.

Mr. McKELLAR. The difference is that under the rules of the Senate, if it had been written into the bill it would have had to go back to the committee; so we left it out of the bill. As a matter of fact, the committee did not think it would be objected to; but it has been objected to, or rather the Senator has given notice that it will be objected to. Therefore I shall make the motion to suspend the rule; and, of course, the matter will have to go over when it is reached.

Mr. McNARY. I disagree also with that statement. It is, in my opinion, an erroneous view, that the mere raising of a point of order sends the whole bill back to the committee. It does not do so. That question has been ruled on several times within the last few years. However, I do not care anything about that, but I shall make the point of order when the proper time comes. I may add that I cannot see the reason why the Senator wants to persist in urging this amendment providing an increase of $162,000 unless he accompanies it with language explaining it.

Mr. McKELLAR. It is the purpose, of course, to have the accompanying language in both provisos. I think it very wise to do that; but, of course, if the Senator makes the point of order when it comes up, we will have to conform to the rule.

Mr. McNARY. Let me suggest that the question of the increase be passed over for the present, and if the Senator offers his proposal, I shall make a point of order and see what the future has in store for the bill.

Mr. BYRNES. Mr. President, I think we should proceed in order. The question is on the amendment as to the amount. If the Senator sees fit to make a point of order, we will cross that bridge when we come to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. GILLETTE. Mr. President, as to whether or not it is advisable to hire experts to develop South American trade is a controversial matter which may well be debated, with logical argument presented on both sides, but there can be no controversy, in my opinion, as to the obligation of the Congress of the United States to legislate intelligently. There is no excuse under the sun for the Senate of the United States or the Congress of the United States to continue legislating in a nebulous, hazy, and uncertain way, and leave to administrative officials the duty of interpreting what we are not able to interpret here on the floor. If it is wise and necessary to authorize the employment of experts to develop South American or Latin American trade, why not present the matter on that basis and state the number to be appointed, how much they shall be paid, and what duties they shall perform?

I wish to call the attention of the Senate to the situation in which we find this proposal at the present time.

I read from the bill that is on our desks:

Salaries: Secretary of Commerce, Under Secretary of Commerce, Assistant Secretary, and other personal services in the District of Columbia, including the Chief Clerk and Superintendent * * * $546,500.

That lump-sum appropriation is made available by this proposal, without the amendment to be offered by the Senator from Tennessee, for the purpose of paying the salaries of the Secretary, the Under Secretary, the Assistant Secretary, the Chief Clerk, the Superintendent, and other personal services in the District of Columbia.

Incidentally, the sum of $546,500 is 70 percent more than the high point when Mr. Hoover was Secretary; it is 60 percent more than the high point when Mr. Roper was Secretary. If the provision is left in its present shape, the amount of money proposed to be appropriated will be for the purpose of paying the specific salaries indicated.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. GILLETTE. I yield.

Mr. BYRNES. I think the Senator is aware that under our procedure when the President submits a request for a certain amount for the Secretary, the Under Secretary, the Assistant Secretary, and personal services, the Budget submits to the Congress a statement setting forth in detail the salaries of those for whom the amount is appropriated, and the Appropriations Committee of the Senate holds the departments affected by this bill close to the statement of the Budget as to the purpose for which the money is to be spent. So there is information as to the amount of the salaries.

Mr. GILLETTE. There is no question in the world that there is information or suggestion, but there is no obligation on the part of the Congress to follow that recommendation.

Mr. BYRNES. There is the obligation that the department shall follow it. If the department should vary from it, as the Department of Justice did in using some of the funds appropriated in a general administrative lump sum for the employment of a personnel official when the estimate was not submitted to the Budget, and the amount specifically requested by the Budget, Congress may take appropriate action. Indeed, in this bill the appropriation requested for the official in question has been disallowed and he will have to be discharged.

Mr. GILLETTE. That is a matter of control later by making the money available or not making it available.

Mr. BYRNES. If, during the year, a department employs a man, under a lump sum, when his services were not set forth in the appropriation bill we would not know it until the department again comes before the Appropriations Committee.

Mr. GILLETTE. If the contention of the able Senator from South Carolina is correct—and I am sure he feels it is, and far be it from me to dispute with him on any ordinary matter—that the control of this sum of $546,500 is in the estimates submitted by the Bureau of the Budget, there is no occasion whatever for the limitation offered by the Senator from Tennessee, because it is limited by the Budget recommendation and by that alone.

Mr. BYRNES. There is only one reason for the amendment of the Senator from Tennessee. Under the language of the bill as it now stands, taken in connection with the Budget and everything else, those who are appointed must be appointed from the civil-service eligible list. The purpose of the amendment of the Senator from Tennessee is to permit the appointment of a certain number, not more than then could be included within $100,000, outside the eligible list.

Mr. GILLETTE. The amendment goes much further than that. The amendment attempts to limit the appropriation in the sum of $100,000 to certain experts and specialists.

Mr. BYRNES. I can say to the Senator that if he will read it closely there can be no question that the purpose is that $100,000 of this amount shall be spent for experts and specialists appointed without regard to the classification law. If it were not for that, it would be in order; but that makes it subject to a point of order. That is the only reason for the amendment.

Mr. GILLETTE. I am not debating the point of order; but let me say that, while there may be no doubt or question in the mind of the distinguished Senator from South Carolina or in the mind of the distinguished Senator from Tennessee, there is doubt in the mind of members of the committee, because this afternoon on the floor I asked a member of the committee what the extra $62,000 was for, and he said it was to be used for traveling expenses.

Mr. McKELLAR. Oh, no. It is for clerks and clerical assistance.

Mr. GILLETTE. I am not referring to the able Senator from Tennessee. I said another member of the committee.

Mr. McKELLAR. Very well.

Mr. GILLETTE. I asked a question of the able Senator from Tennessee, and he said the $62,000 was to be used for stenographers and certain clerical assistants, but I am referring to the fact that the Senator from South Carolina said there could be no doubt, when there is a doubt in the minds of members of the committee.

Mr. McKELLAR. Mr. President——

Mr. GILLETTE. Just a moment. He said that the amount is to be used for traveling expenses, when there is a provision in the bill that all traveling expenses in all the bureaus and divisions must be paid out of the $238,000 appropriation for that specific item.

Mr. BYRNES. My statement was not that there could be no doubt was a positive way of making the statement. I will withdraw it, because there may always be doubt in the minds of some individuals—and it is not a criticism of any individual to say so—but there is no justification for the doubt, I should have said.

Mr. GILLETTE. I will say, from my limited experience in the Senate, I am always convinced when the Senator from South Carolina makes a statement, that there is no doubt in his mind as to the conclusion he has reached. Unfortunately, sometimes I cannot reach the same conclusion, but I always credit him with logically reaching his.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. McKELLAR. Does the Senator propose to move to amend this amendment? What is the Senator's proposal?

Mr. GILLETTE. I have not yet proposed an amendment. I am trying to present the picture as it appears to me. With this bill in the form in which it is presented, with no limitation on the $162,000 increase except the hoped-for limitation suggested by the Senator from South Carolina, if the amendment is adopted as proposed by the Senator from Tennessee, it will limit the $100,000 but not the $62,000, which is left exactly as this provision of the bill now provides. The $100,000 will be limited to the employment of experts and specialists, with a maximum salary of $9,000 a year, and the elimination of the requirement as to civil service, and the added provision that if they are paid over $5,000 a year they will have to be confirmed by the Senate. There is, however, no limitation as to what type of experts or specialists shall be appointed and no limitation whatever as to what they may be used for. There is no suggestion that they are to be used to develop trade with the Latin American countries, but they are to be merely experts or specialists, to be hired in any number, to be hired under any salary, with a $9,000 limitation, limited only by the $100,000 appropriation, and there is no limitation at all of the $62,000 to the use that is designated in line 17, namely, to the salaries of the Secretary of Commerce, the Under Secretary, the chief clerk, the superintendent, and other services.

That is the point I am making.

Mr. McKELLAR. Mr. President, if the Senator will yield to me, if he will look on page 161 of the hearings he will find the list of those who are now employed; and, as I understand, most of them, at any rate, will continue to be employed unless they resign or vacancies occur, which will be filled.

There is one at $9,000, one at $7,500, one at $7,250, another one at $7,000, one at $6,600, one at $6,000, two at $5,600, three at $5,000, two at $4,600, four at $4,000, one at $4,200, one at $3,800, one at $3,500, one at $3,200, and one at $2,600.

Those are the men who are now in this division. They were employed as experts or specialists in trade; and it is for the purpose of keeping them at work that this appropriation is made.

Mr. GILLETTE. Mr. President, whenever a question is raised here on the floor, the Senators in charge of the bill call attention to the hearings. The hearings are valuable to develop for a committee or a subcommittee the facts in a case on which they may base the legislation they bring in here as our agents. I should like to have them call attention to something that is in the bill. Is there anything in the bill to require hiring the list of men the Senator from Tennessee has just read, or at the salaries named, or to limit

their employment to that number, or to curtail that number?

We are legislating on the bills which are presented here. We develop in the hearings the facts for our guidance, which are helpful or not helpful, depending on what is developed; but the Senate is here to act on the report made by our agents. Our agents brought in here a proposal to spend $546,500 for the salaries, among others, of a half-dozen men without a limitation, an increase of $162,000. It is proposed by this amendment to limit $100,000 of the amount, but not to limit the remaining $62,000; and there is no limitation as to the number that may be employed, or for what purpose they may be employed.

The only point I have been trying to make, in my weak way, is that the time has long since passed when we should enact legislation and leave it to the tender mercies of some administration official, no matter who he may be. I am not questioning their honor or integrity or earnestness, but why can we not legislate intelligently, so that the administrative officials may properly interpret our legislation, and have a reasonable idea of what we are trying to place on the statute books?

Mr. HOLT. Mr. President, I am very happy that those in charge of the bill have decided to call this an appropriation for experts and specialists, because if they had listed this amount for secretaries there would not be enough titles to go around for the different types of secretaries.

I made a survey of the official titles of the secretaries in the office of the Secretary of Commerce. It is very interesting, and I thought the Senate ought to have the benefit, and since we are going to call these people "experts and specialists," there would be less danger of confusing their titles. But here are the official titles, as listed in the Budget, of the secretaries in the office of the Secretary of Commerce:

The Secretary.
The Under Secretary.
Three Assistant Secretaries.
The administrative assistant.
Seven assistants to the Secretary.
Secretary to the administrative assistant.
Secretary to the Secretary.
Confidential assistant to the Secretary.
Secretary to the Under Secretary.
Secretary to the Assistant Secretary.
Secretary to the assistant to the Secretary. You have to watch yourself on that, or you will get confused in the tongue twister.
Confidential assistant to the Assistant Secretary.
Four special assistants to the Secretary.
[Laughter.]

All those are in the office of the Secretary; not in any bureau or division of that Department except in the office of the Secretary of Commerce.

I am sure these individuals are not underpaid, because here are their salaries:

The Secretary of Commerce gets $15,000, even if he is not there.
The Under Secretary gets $10,000, and we recently created his office. That was a noble act.
An Assistant Secretary, at $9,000.
Two special assistants to the Secretary, at $9,000 each.
An administrative assistant, at $9,000.
An assistant to the Secretary, at $9,000.
Two special assistant secretaries, at $7,500 each.
Two assistants to the Secretary, at $7,000 each. They were not quite as good as the other assistants.
Two assistants to the Secretary, at $6,000 each.
An assistant to the administrative assistant, at $5,800.
Two assistants to the Secretary, at $4,900 each.
A secretary to the Secretary, at $3,800.
A confidential assistant to the Secretary, at $3,200.
A secretary to the Assistant Secretary, at $3,100.
A secretary to the assistant to the Secretary, $3,100.
A secretary to the administrative assistant, at $3,100.
A secretary to the Under Secretary, at $2,600.
A confidential assistant to the Assistant Secretary, at $2,600.

Mr. President, you can imagine what a problem I faced the other day when I was told to call a secretary in the office of the Secretary of Commerce. With all those secretaries, whom should I call? Of course, it would be necessary to call an expert to find that out. I thought I would get an expert. I found four men not listed as secretaries but listed as experts, at $3,200, $3,800, and $4,000. Of course, these experts are little experts. They have bigger experts in addition to the little experts with a few middle-sized experts, and now we are going to add some more of them—some individuals who are supposed to know about South America. I found nine individuals as big experts, and here are their salaries: Three, at $5,000; two, at $5,600; one, at $6,000; one, at $6,600; two, at $7,000.

If the experts cannot solve the problem you may call up the Director of Personnel; if he is not in then you may call the assistant to the Director of Personnel, and if he is not in and if you are desperate you may call the secretary to the Director of Personnel, and find out what you wish to know.

Shades of bureaucracy! Think of that—a secretary to the secretary to the Assistant Secretary of the Secretary of Commerce! [Laughter.] And now they say we need some more experts. We do to untangle this. I am glad they have called them "experts," because if they had called them "secretaries" we should have had to go into some other language for an official title for them.

Mr. LODGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Smith
Andrews	Danaher	La Follette	Stewart
Austin	Davis	Lee	Taft
Bailey	Ellender	Lodge	Thomas, Idaho
Bankhead	Frazier	Lucas	Thomas, Utah
Barbour	George	McKellar	Tobey
Barkley	Gillette	McNary	Townsend
Bilbo	Green	Maloney	Truman
Brown	Gurney	Mead	Vandenberg
Bulow	Hale	Minton	Van Nuys
Byrnes	Hatch	Neely	Walsh
Capper	Hayden	Norris	Wheeler
Caraway	Herring	Reed	White
Chandler	Hill	Russell	Wiley
Chavez	Holt	Schwartz	
Clark, Idaho	Hughes	Schwellenbach	
Clark, Mo.	Johnson, Calif.	Sheppard	

The PRESIDING OFFICER. Sixty-five Senators have answered to the roll call. A quorum is present.

Mr. McKELLAR. Mr. President, in conformance with the provisions of rule 40, I give notice in writing that I shall move to suspend the rules in order that I may offer an amendment to the bill, and I send the notice to the desk.

Mr. McNARY. Mr. President, I deferred making the point of order until after disposition was made of the pending amendment.

The PRESIDING OFFICER. Will not the Senator permit the notice to be read? Is there objection to that?

Mr. McNARY. As I understand the parliamentary situation, we are now discussing whether we shall agree to or reject the committee amendment.

Mr. McKELLAR. That is all.

Mr. McNARY. This proposal follows, and is in anticipation of what I stated a while ago, that I was going to make a point of order to the substance of the amendment to be offered by the Senator from Tennessee on behalf of the committee. I maintain that if the committee amendment shall be defeated, this proposal will be wholly out of order.

The PRESIDING OFFICER. This is merely a notice which the Senator from Tennessee desires to give.

Mr. McKELLAR. I withdraw it for the present.

The PRESIDING OFFICER. The Senator from Tennessee withdraws the notice, and the question is now on agreeing to the amendment of the committee on page 33, line 2.

Mr. McKELLAR. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from New Jersey [Mr. SMATHERS] are absent from the Senate because of illness.

The Senator from Arizona [Mr. ASHURST], the Senator from Nebraska [Mr. BURKE], the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Arkansas [Mr. MILLER], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

The Senator from Maryland [Mr. TYDINGS] and the Senator from New York [Mr. WAGNER] are unavoidably detained.

The Senator from Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Mississippi [Mr. HARRISON], the Senator from Utah [Mr. KING], and the Senator from Montana [Mr. MURRAY] are absent attending committee meetings.

The Senator from Nevada [Mr. MCCARRAN], the Senator from Louisiana [Mr. OVERTON], the Senator from Florida [Mr. PEPPER], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained on departmental business.

The Senator from Nevada [Mr. PITTMAN] and the Senator from Ohio [Mr. DONAHEY] are absent on official business.

The Senator from Virginia [Mr. GLASS] has a general pair with the Senator from Minnesota [Mr. SHIPSTEAD].

The Senator from New Jersey [Mr. SMATHERS] is paired with the Senator from Rhode Island [Mr. GERRY]. I am advised that, if present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. In his absence, I transfer that pair to the Senator from Florida [Mr. PEPPER] and will vote. I vote "yea." I am not advised how either Senator would vote if present and voting.

Mr. AUSTIN. My colleague Mr. GIBSON is absent because of illness in his family. He has a general pair with the Senator from Pennsylvania [Mr. GUFFEY].

Mr. MCNARY (after having voted in the negative). Again announcing my pair and transfer, I permit my vote to stand.

Mr. BROWN. I have a pair with the senior Senator from Utah [Mr. KING]. If I were permitted to vote, I should vote "yea." The senior Senator from Utah, if present, would vote "nay."

Mr. STEWART. I have a pair with the junior Senator from Oregon [Mr. HOLMAN], who I understand, if present, would vote "nay." I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

The result was announced—yeas 25, nays 38, as follows:

YEAS—25

Andrews	Ellender	McKellar	Stewart
Barkley	Green	Mead	Thomas, Utah
Byrnes	Hatch	Minton	Truman
Caraway	Hayden	Neely	Wheeler
Chavez	Hill	Schwartz	
Clark, Idaho	La Follette	Schwellenbach	
Connally	Lucas	Sheppard	

NAYS—38

Adams	Danaher	Johnson, Calif.	Thomas, Idaho
Austin	Davis	Johnson, Colo.	Tobey
Bailey	Frazier	Lee	Townsend
Bankhead	George	Lodge	Vandenberg
Barbour	Gillette	McNary	Van Nuys
Bilbo	Gurney	Maloney	Walsh
Bulow	Hale	Reed	White
Capper	Herring	Russell	Wiley
Chandler	Holt	Smith	
Clark, Mo.	Hughes	Taft	

NOT VOTING—33

Ashurst	Gibson	Murray	Shipstead
Bone	Glass	Norris	Slattery
Bridges	Guffey	Nye	Smathers
Brown	Harrison	O'Mahoney	Thomas, Okla.
Burke	Holman	Overton	Tydings
Byrd	King	Pepper	Wagner
Donahey	Lundeen	Pittman	
Downey	McCarran	Radcliffe	
Gerry	Miller	Reynolds	

So the amendment of the committee was rejected.

Mr. LODGE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. TOBEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCNARY. Mr. President, I think it is fair to assume that the Senator from Tennessee does not intend to propose his amendment.

Mr. MCKELLAR. No; it is not at all necessary.

The PRESIDING OFFICER. It was withdrawn.

Mr. MCKELLAR. It has been withdrawn.

The PRESIDING OFFICER. It is not now before the Senate. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, under the subhead "Bureau of the Census," on page 39, line 4, after the word "services", to strike out "$120,000" and insert "$100,000", so as to read:

Salaries and expenses, Social Security Act: For salaries and necessary expenses for searching census records and supplying information incident to carrying out the provisions of the Social Security Act, approved August 14, 1935 (42 U. S. C., ch. 7), including personal services in the District of Columbia; binding records; supplies; services; $100,000.

The amendment was agreed to.

The next amendment was, under the heading "Title III—Department of Justice—Office of the Attorney General," on page 53, line 20, after the name "Department of Justice," to strike out "including traveling expenses of probation officers and their clerks but"; on page 54, line 1, before the word "*Provided*", to strike out "$812,000" and insert "$589,000"; in line 2, after the word "exceed", to strike out "$7,500" and insert "$3,500"; in line 4, after the name "Bureau of Prisons", to strike out "and the Probation Service", and in line 6, after the name "Attorney General", to strike out the colon and the following additional proviso: "*Provided further*, That United States probation officers may be allowed, in lieu of actual expenses of transportation, not to exceed 3 cents per mile for the use of their own automobiles for transportation when traveling on official business within the city limits of their official station"; so as to read:

Traveling expenses: For all necessary traveling expenses, Department of Justice, not including traveling expenses otherwise payable under any appropriations for "Federal Bureau of Investigation", "Salaries and expenses of marshals", "Fees of witnesses", and "Penal and correctional institutions" (except as otherwise hereinbefore provided), $589,000: *Provided*, That this sum shall be available, in an amount not to exceed $3,500, for expenses of attendance at meetings concerned with the work of the Bureau of Prisons when incurred on the written authorization of the Attorney General.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Prisons", on page 58, line 11, after the word "prisoners", to strike out "$318,000" and insert "$303,000"; so as to read:

Salaries: For salaries in the District of Columbia and elsewhere in connection with the supervision of the maintenance and care of United States prisoners, $303,000.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous appropriations," on page 59, line 9, after the name "District of Columbia", to strike out "$1,250,000" and insert "$1,400,000", so as to read:

Enforcement of antitrust and kindred laws: For the enforcement of antitrust and kindred laws, including experts at such rates of compensation as may be authorized or approved by the Attorney General, except that the compensation paid to any person employed hereunder shall not exceed the rate of $10,000 per annum, including personal services in the District of Columbia, $1,400,000.

Mr. LA FOLLETTE. Mr. President, I should like to ask the Senator in charge of the bill with regard to this item on page 59, which proposes to increase the sum provided for the enforcement of the antitrust and kindred laws by $150,000 over and above the amount provided in the bill as it passed the other House.

There is great interest in the activity of the antitrust division, and I am particularly concerned in the effort which it has been putting forth in relation to the enforcement of the antitrust laws insofar as they affect the dairy industry. The Senator may be aware of the fact that an effort was made

in the House of Representatives to increase the item for the purpose of making certain that a sufficient amount of money would be available to the Antitrust Division to carry forward their activities in relation to the enforcement of the antitrust laws, as affecting the dairy industry.

Representative HULL, of Wisconsin, offered an amendment on the floor of the House providing for the appropriation of $100,000 additional in order to make certain that the work of the Antitrust Division in relation to the particular phase of its work to which I have alluded could be effectively and vigorously prosecuted.

I wish to ask the Senator from Tennessee a question. With the increase of $150,000 which the committee has made in this item, can we be assured that there will be a sufficient amount of money available to the antitrust division so that its activities in relation to the dairy industry and the alleged monopoly practices which exist in it, can be carried forward, assuming the item is retained?

Mr. McKELLAR. I, myself, have no doubt about it. The Senator will find on page 133 of the hearings, and on the following pages, a full discussion of the entire matter by Mr. Arnold, the head of the Antitrust Division in the Department of Justice. As I recall, he asked for one and a half million dollars, and the committee, after most careful consideration, finally concluded to give him $1,400,000, which is $150,000 above the amount approved by the House.

Mr. Arnold and those with him made an excellent case. They testified, as the Senator will see from the hearings, concerning the dairy or milk cases in Chicago and elsewhere. In connection with those cases they cited the success of the Department in doing away with the evil customs and practices which existed in the industry. I, myself, do not believe that an increase of $150,000 will give Mr. Arnold ample money to carry on the work he has begun. Unquestionably, he has made fine progress. I think there were two or three items with respect to which there was an increase, and this was one of the few items where an increase was given, because the committee believed that Mr. Arnold would enforce the law to the benefit of the dairy industry, as well as to the benefit of other industries in similar situations.

Mr. LA FOLLETTE. With that assurance from the Senator from Tennessee, Mr. President, I shall not offer an amendment to increase the amount. I am very much interested, as I have indicated, in the work of the Department being efficiently carried forward insofar as it relates to the dairy industry, and I will say also, while I am on my feet, that I think the testimony shows that the antitrust division has collected in fines and in judgments about $4 for every dollar which has been appropriated to it.

Mr. McKELLAR. No; not quite that much. The amount that was collected last year in the way of fines was $2,400,000 in round figures. Unquestionably, as the Senator recalls, for a number of years, the provisions of the antitrust law were not vigorously enforced, but they have been vigorously and effectively enforced lately. Many of those prosecuted have come forward and agreed to conform to the law and not engage in practices in violation of the antitrust law. I will read the amounts collected in fines——

Mr. LA FOLLETTE. From what page?

Mr. McKELLAR. From page 96 of the record.

Mr. Arnold in testifying said this:

> I can show you the results concretely in terms of fines. To be sure, we do not run this division to collect fines, but for the period 1929 to 1936, when you appropriated the bare essentials for the office here in Washington, $300,000 a year, we collected only $73,000 in fines. Last year you appropriated $1,300,000, and in 6 months' time we had collected, up to the first of the year, $2,430,000 in fines. That is nearly 4 to 1.

He says it is nearly 4 to 1. He figures only 6 months' time. He figures that at the same rate it would be 4 to 1.

Mr. LA FOLLETTE. That was the statement I had in mind when I referred to the collection of fines.

Mr. McKELLAR. Yes. As a matter of fact, what they actually collected in the first 6 months was $1,430,000.

Mr. LA FOLLETTE. I appreciate the Senator's statement.

Mr. MINTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MINTON. What amendment is pending?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 59, beginning in line 9.

Mr. MINTON. I wish to offer an amendment to the committee amendment, on page 59, line 15, to strike out "$5,000" and insert "$7,500." In referring to the committee amendment it will be seen that it provides that if the Department desires to employ anyone in this service, and to pay him out of this appropriation a salary of $5,000 or more per year, it can only be done if such person is appointed by the President, by and with the advice and consent of the Senate. The amendment I offer is to raise that limit to $7,500.

The PRESIDING OFFICER. The Chair is of the opinion that the amendment is in order.

Mr. McKELLAR. Mr. President, I hope the Senate will not agree to that amendment to the amendment. I see no reason in the world why the limit should not be $5,000 instead of $7,500. The committee after very careful consideration fixed the amount at $5,000, and I think that figure should be retained. By the way, I think in a number of other appropriation bills the sum of $5,000 was fixed, though in this particular bill last year it was $7,500. I think the bills ought to be made as uniform as possible, and I believe $5,000 is the proper limit.

Mr. MINTON. I ask the Senator from Tennessee if it is the uniform practice to make the limit $5,000.

Mr. McKELLAR. It is not the uniform practice, but I hope it will become the uniform practice. Five thousand dollars is the amount that is usually put in the appropriation bills.

Mr. LA FOLLETTE. Mr. President, will the Senator from Indiana yield?

Mr. MINTON. I yield.

Mr. LA FOLLETTE. Let me ask the Senator if it is not a fact that in the work of the Antitrust Division some of the attorneys do not remain with the Division a great length of time, but come in and work on specific cases, and when the cases are disposed of, go back to their private practice. If I am correct in that assumption, it seems to me it is an additional argument in favor of the amendment of the Senator from Indiana, because it should not be necessary, in order that a man may be retained to do specific work in the Department, that his nomination should have to come before the Senate and be confirmed.

Mr. MINTON. The Senator is correct in his observation. We have distinguished lawyers in various divisions of the Department of Justice who are perfectly capable of making proper selections of lawyers in minor capacities there. It does not seem to me to be at all necessary for the Senate to concern itself about the approval of the nomination of anyone having a salary of $7,500 or under. Frequently the head of the Division, as in the case of the Antitrust Division, wishes to employ a lawyer whom he knows, whose ability he knows, and he wants to set him to work immediately, because it may be necessary to do so. As the Senator from Wisconsin has observed, many of these attorneys are not employed for any fixed period, and are frequently employed for only a short time. But the Department may have knowledge of some lawyer who is particularly qualified for a special job, and it may be necessary that he be put to work on that job immediately. Therefore, it should have authority to employ that kind of a lawyer and put him into the field immediately. instead of having to wait to have his nomination confirmed by the Senate.

Mr. McKELLAR. He can always be given a temporary appointment.

Mr. MINTON. But he could not be paid out of this appropriation, temporarily or permanently, if he received $7,500 or more, unless his appointment was approved by the Senate. All I say is that that amount should be raised from $5,000 to $7,500.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana to the committee amendment on page 59, line 15.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 59, beginning in line 9.

Mr. LEE. Mr. President, I had intended to make a statement in support of the increased appropriation for the Antitrust Division, but it seems unnecessary to take the time of the Senate to do so. Therefore, in order that the material which has been furnished me by the Department may be available to the Senate, I ask unanimous consent to have a statement printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement presented by Mr. LEE is as follows:

PROTECT THE CONSUMER BY FREEDOM OF TRADE BETWEEN THE STATES

The narrow question before us is how much we are willing to appropriate for the Sherman Act. The real issue is whether this Congress is willing to do anything to protect the American consumer. Holding down the appropriation of the Antitrust Division is not an economy measure. It does not mean that the Government will spend less than if this appropriation were increased by another quarter million. It means just the opposite. For every dollar we cut off this appropriation we lose more than a dollar of fines from violators of the law. Already this year the United States Treasury has collected in fines from violators of the antitrust laws more than three times the amount which the Antitrust Division has spent in preparing and trying the cases. Of course, we would not appropriate money just to collect these fines, but if we think the law is worth enforcing economy does not offer us a shadow of an excuse for not enforcing it. It not only costs us nothing to enforce it, it costs us less than nothing.

We are preparing to spend nearly a billion dollars for commodities in industrial markets highly organized and shot through with restraints of trade. The only insurance the consumer has to prevent that spending from raising prices instead of lowering them is the maintenance of competition in industry.

In many industries, particularly the equipment industries, prices have been kept high for years on the plea that with so small a volume a high price was necessary to prevent bankruptcy. In some of these industries in which markets are controlled we have increased volume by spending and subsidies, but the consumer has seen prices rise with increased volume instead of falling. It has not worked. No one is satisfied. And today the consumer is demanding as the first obligation of Government the removal of artificial restraints and trade barriers so that he can buy in a free market.

The consumer today wants tangible evidence of some practical action to protect his interests. The experience of the past year, particularly in the building industry, has shown the consumer, that the best practical action to protect his interest is in the Nation-wide enforcement of the Sherman Act. He is today making his voice heard in support of that enforcement in the distribution of other necessities.

The American consumer has been unorganized and unrepresented for a long time. He is beginning to organize today. He is demanding representation. He is tired of seeing a rising prosperity suddenly end in what the economists call an inventory boom which he knows simply means unsold goods and will result in unused productive capacity. And it is for that reason that this small appropriation has a significance which goes far beyond its dollars and cents figures. It is an attempt to revive a traditional economic policy which has been too long forgotten—the policy of maintaining free competitive enterprise. Indeed, this appropriation is one of the few gestures, and perhaps the only gesture, which is being made by this Congress in the consumer's defense. We are appropriating billions for subsidies, for national defense, for public works, for relief, for Government guaranties of private credit, but most of this money must inevitably be spent in highly organized industrial markets, and all we are willing to give to protect the American consumers from the extortions which inevitably arise from large purchases in highly organized markets is less than a million and a half; and there are some who wish to cut down even that insignificant amount.

The consumer has been kicked around long enough. He has suffered long enough from the idea that economic salvation lies in restricting production and raising the prices which he must pay. He has cheerfully submitted to paying taxes for Government subsidies and Government credit given for the benefit of agriculture, housing, industry, public works, and relief, in the hope that they would be a stimulus to greater volume of production and thus give him more of the goods which he needs at the lower prices which increased volume should afford him. He is becoming tired of seeing those very subsidies and that very credit used to subsidize inefficient methods of distribution; to perpetuate the power of those who are restraining free trade in America.

The consumer has seen what has happened in industry after industry. The most familiar example of the kind of thing the consumer is tired of is found in the construction industry. In 1936, under the influence of Government subsidy and credit in the construction industry, the volume of housing doubled—the housing boom looked to be on the way. Everybody hoped for the increased purchasing power which that vast area of possible employment might give. What happened? In spite of the fact that there was no scarcity of labor or materials, in 10 of our principal cities the cost of a house to the ordinary consumer went up 25 percent. The ordinary citizen on a low income, needing a roof over his head, was set back on his heels 25 percent of the entire cost of the house because of this greater volume of subsidized production. Thus the consumer had to pay for the housing program in two ways—first, out of increased taxes, and second, out of increased prices. The consumer is learning that he is in danger of being consumed himself. He thinks that if he pays these taxes it is enough without also paying increased prices. Today he wants the restraints of trade which create that situation removed from the industry. He sees no reason for the hundreds of petty exactions which organized groups in the building industry are taking out of his pocket. He does not understand why subsidized housing should not reduce the prices instead of raising them.

AID TO FARMERS

One of the greatest groups of consumers is the farmers. Farmers are unorganized. When prices drop they must produce more in order to buy the goods they need, and this makes prices drop still further. To meet this unbalanced situation the farmer has been getting, and is probably going to continue to get, temporary subsidies to help him out of a situation where farm products are losing their value as a medium of exchange for manufactured goods. The farmer is observing, however, that his own subsidies are reacting on the prices of things he would buy in the same way that they reacted in the building industry. He needs gasoline to run his farm. He observes the great oil companies claiming the right to put a floor under gasoline prices. Gasoline sold at prices which he can afford to pay is called distress gasoline and removed as a competitive evil. At the same time he observes that the price of the can in which his product is sold represents 40 percent of the wholesale price of the entire product, and 15 percent to 25 percent of the retail price. He sees the price of bread go up for no reason that can be explained by the law of supply and demand.

The farmer in his capacity as a consumer is not an unreasonable man. He is not opposed to size in industry where that size passes on the efficiency of mass production to consumers. He only thinks that he has a right to demand that the privileges of large organizations should be limited to those who use them for cheaper distribution, and that such privileges should be taken away from those who use them to erect an economic toll bridge across the road of trade.

The consumer needs protection today as he never needed it before because we have passed and are probably going to pass laws, which if abused will throw our price structure still further out of balance. We are giving special privileges to retailers. We must see that they are not abused. The Government is going to make huge purchases for war materials. We must see that they are a stimulus to industry instead of a further burden on consumers. There is only one practical way of removing barriers to the distribution of goods, and that is to take up one industry at a time and one product at a time. There is only one instrument which has survived the test of 50 years which permits us to take up one industry at a time and that is the Sherman Antitrust Act.

I feel it is my duty as a representative of an agricultural State to attempt to get a consumer movement started in this country to get consumers to realize what the freeing of competitive forces and the removal of obstacles to free trade within the States will do in giving them more goods. I want to see this movement started with respect to the necessities which the American public must buy and those which the Government must buy. I want to see this done in housing. I want to see it done in war materials. As a representative of the farmers I would like to see commenced on a broad front the removal of restraints from the distribution of food products. And finally, I want to see the trade barriers between the States, which I believe to be in violation of our antitrust laws, removed by effective prosecution.

For the first time in our history we are beginning to enforce the Sherman Act, and with that enforcement is coming a public response which proves to me that the consumers are waking up. I am informed by a valuable agency, the Consumers' Counsel, that there are over 1,400 active consumer organizations in the country today. I want to see them educated as to what free trade within the borders of America can do for them. I am not talking about protective tariffs against other nations. That is not involved here. Whatever our policy on such questions may be, I think no reasonable man can deny the necessity of free exchange of goods within our own borders without paying tribute to unnecessary organizations which use their power against the interests of the consuming public.

This broad question of maintaining our traditional American policy is involved in the appropriation which I am discussing. The appropriation is not sufficient but at least it is a start. To spend hundreds of millions for war materials in a highly organized market without at least this protection is incredible folly. To spend money for subsidies, or credit, in an organized market and expect them to have a stimulating effect, without at least this insurance, is plain stupidity. In the last war we went through the experience of letting price fixing by private organizations get out of control. I know of no excuse for our going throught it again.

LOWERS COST OF HOUSING

There can be no doubt that the American people want the antitrust laws enforced. In the half century since the passage of the Sherman Act there has never been a time when either political party platform has mentioned the antitrust laws except to endorse them

and to call for their enforcement. Last year Congress gave the Division enough money for the first time to make a systematic attack upon restraints of trade that affect housing. The public acclaim of that work has been practically unanimous.

Why do the American people want the antitrust laws enforced? There are two reasons. The first is that they know from the point of view of their own incomes and their own jobs that any failure to enforce these laws is a false economy. It is estimated that within the last year the buyers of goods in seven industries have been saved about $270,000,000 as a result of antitrust investigations. Suppose that these estimates are exaggerated by as much as 250 percent. The American people are still getting back, in these seven industries alone, $100 for each dollar spent by the Division. In the city of Pittsburgh last year two low-cost housing units were being built, practically identical in size and specifications. The Antitrust Division began to investigate price-fixing rings in the building industry after the bids had been let on the first but before they were let on the second. As a result of its work, the cost per room in the second unit will be $188 less than the first—a total of $1,100,000 saving in the cost of the project. Every family which wants to build a house and every family which rents one and knows that the rents are affected by the cost of construction, understands that its housing bill will be lower when houses are built without conspiracies to fix prices. On this one Pittsburgh project the saving was nearly as large as the whole appropriation for the Antitrust Division. Is it any wonder the American people think it would be false economy not to enforce the antitrust laws? Is it any wonder that newspapers throughout the country have carried editorials of alarm and remonstrance for fear the housing campaign of the Antitrust Division might be endangered through lack of funds?

What is true of housing is true of many other things that the American people buy. During the last year the Antitrust Division has been investigating fertilizer and the basic raw materials of which it is made. Potash is one of these materials. Nearly half of our supply of potash in recent years has come from foreign sources, most of which are cut off by the war. During the first World War, when we were far more dependent upon foreign supplies, the price of potash went up from about $45 a ton to more than $400 a ton. The recent investigation by the Antitrust Division has been directly responsible for the fact that domestic producers have announced that although imports have been cut off by the war blockade, the price of potash to the farmer will not be increased. It has been estimated that an increase of from $10 to $15 per ton might have been anticipated and that the savings to the farmers because of this pledge of the domestic producers amounts to from four to six million dollars, three or four times the total budget of the Antitrust Division. Is it surprising that American farmers believe that it will be false economy to deny the Antitrust Division the money it needs to keep prices down?

The cases I have discussed come from work already in progress. The effect already accomplished in such investigations as those of housing and fertilizer will be dissipated if the Division's appropriation is not increased. Why is it that in Pittsburgh when the electrical contractors were indicted, prices fell not only on electrical work but on sand and gravel, lumber, plumbing, and other building supplies? It is because people in these other trades knew that unless they cleaned house it would only be a matter of time before they, too, would be called before a grand jury. The deterrent effect of antitrust prosecutions depends upon the fact that the Government stands ready to undertake more prosecutions if they should be necessary. But the Antitrust Division has now started so many cases and indicted so many people that its present appropriation will scarcely be adequate to try the cases that are already in progress. To renew this appropriation unchanged is to offer a practical guaranty to the groups that have not yet been indicted that they have nothing to fear. It is to give them an assurance that the lightning will not strike again for at least 1 more year. Indeed, it is to prevent the trial of some of those who have already been indicted or investigated, for the Division estimates that at least a million and a half dollars will be needed merely to carry on the work on cases already under way. There is no simpler way to change the great investigations of housing and fertilizer from constructive methods of restoring competition in whole industries into mere punitive activities against a small number of unfortunate individuals. It is false economy to destroy the effect of the work already done.

But even in the housing investigation the Division is still doing only part of its job. It is also a false economy not to appropriate enough money to meet the more pressing needs for the same kind of work in other cities. Unless the appropriation is increased, important cities which have not yet been reached by the effects of the housing campaign will continue to suffer from restraints upon building which make low-cost housing impossible. At points as far apart as Atlanta, Ga., and Great Falls, Mont., the Antitrust Division has been urged to investigate housing conditions by the local housing authority, which feels that its efforts to provide low-cost housing are being intolerably handicapped by cost-raising combinations. In Portland, Oreg., the school board and the chamber of commerce have both asked the Division to investigate; in Peoria, Ill., a request has come from the local realty board and the local manufacturers' and merchants' association. In addition to organized appeals such as these, the Division constantly receives appeals from groups and individuals in the building industry. At present such appeals have to be filed without action because the Division has not men enough to investigate them.

SAVES CONSUMERS MILLIONS OF DOLLARS

Unless the appropriation is increased the Division cannot break up the combinations which raise the price of milk in other cities as it broke up those in Chicago. After the milk rings in Chicago were indicted under the Sherman Act, the price of milk there fell from 2 to 4 cents a quart, saving Chicago consumers at least $7,000,000 annually. After the judge dismissed the indictment the retail price rose again, and after the Supreme Court reversed him, the price once more went down. Today most Chicago consumers are getting their milk at least 2 cents cheaper without any reduction in the price paid to the farmer. Consumers in Lincoln, St. Louis, Los Angeles, Pittsburgh, Birmingham, and New Orleans are just as anxious as those in Chicago to buy their milk without paying an unnecessary toll to organized middlemen.

It is also false economy to prevent antitrust investigations from being extended to other basic industries. The Division should be allowed to investigate not only housing but the other major items on which the consumer spends his income. Consider food. From 15 to 25 percent of the retail value of canned foods is represented by the cost of the container alone. There are complaints of price-fixing by canning companies, can manufacturers, bread manufacturers, cheese manufacturers, and milk distributors. The income of the farm producer today is far below its prewar parity in spite of special efforts of the Government to help him. The food manufacturing and distributing industries are taking an ever larger share of the consumer dollar. From time to time there have been sporadic prosecutions of particular groups—meat packers in 1920, poultry dealers in 1924 and 1930, wholesale grocers in 1924, peanut shellers and fish wholesalers in 1925 and 1933, bakers in 1926, candy jobbers in 1928, sugar refiners in 1931, and cornstarch manufacturers in 1932. But there has never been a systematic effort to deal with the restraints that raise the cost of food as the Antitrust Division is now dealing with the restraints that raise the cost of housing. The American people, who annually spend about $14,000,000,000 for food, would not regard $100,000 to do this work as an extravagance. Rather, they will regard the refusal to do it as a false economy.

The consumer has no money to spend in paying tribute to monopolies and combinations in restraint of trade. He wants the antitrust laws enforced as a simple and practical way of increasing his standard of living. It is just as important to him not to be unreasonably taxed by arbitrary monopolies and private combinations as it is not to be unreasonably taxed by his Government.

When any considerable number of such combinations are engaged in restraining trade, their restricted output destroys jobs and cuts off workers' incomes, their restricted purchases of supplies reduce the farmers' market, and their high prices make it impossible for the consumer to buy. The ordinary man tries to make ends meet with a smaller income to be spent at higher prices. Such restrictive combinations create idle equipment, unemployment, and unsold inventories. They intensify the need for unemployment relief and so heighten the problems of taxes and unbalanced budgets. They lower the farmers' selling prices and raise his buying prices and thus require farm subsidies which unbalance the budget still further. The community's inability to buy becomes a reason for business to discharge more men, paying less for raw materials, and keep prices high in order to break even on a low volume of production. The unemployment relief and farm subsidies become an argument for lack of confidence in Government spending policies and so for a further refusal to produce goods in quantity at low prices. The problems of economic balance and of Government finance are difficult enough at best; but when they are complicated by widespread restraints which stop commerce they become insoluble. The American consumer realizes that enforcement of the antitrust laws is a necessary part of any policy which is to take consumers off relief and subsidies and give them again a steadily rising national income and a rising standard of living.

It is not only the consumer interest which demands the removal of obstacles to trade in the United States. To the American farmers a business community which restrains trade is one which cuts down the volume of buying of farm crops, which combines to buy farm produce at low prices, and which then combines to sell the farmer the finished product at high prices. The Division is now investigating the tobacco industry to discover why the net profits of a few large tobacco manufacturers are from 33 percent to 100 percent as large as the gross income from tobacco received by farmers in the four leading tobacco States. The Farm Bureau Federation recently expressed the farmer's desire for enforcement of the antitrust laws by adopting a resolution heartily commending such enforcement, whether against labor, industry, or agriculture.

The interests of the American workingman require that the antitrust laws be enforced. Combinations that restrain trade are combinations that limit the number of jobs and increase the amount of unemployment; and when unemployment is large, wage rates are vulnerable. So long as a high level of industrial activity creates more jobs and higher wages than does a stagnant industry, the interests of labor will be served by enforcing the antitrust laws.

Finally, the interests of businessmen require the enforcement of the antitrust laws. A single combination to restrain trade looks attractive to its members, but similar combinations by other businessmen do not. In a field such as housing, in which restraints have become general, every group in the industry has been urging the Antitrust Division to end an intolerable situation. No one has a more direct interest in freedom to do business than businessmen themselves. It was a businessman who complained to the Antitrust Division that he was not allowed to buy building materials and had to have them bootlegged to him at night by a friend whose purchases were acceptable to the ring. It was businessmen who told the Antitrust Division that they were not allowed to engage in the business of glazing wood sash in Cleveland because a single concern had been set up there to monopolize that market and no other sash would be installed. It is businessmen such as these who look to the

Antitrust Division to preserve their freedom to buy, their freedom to sell, and their freedom to set their own prices. When a broad campaign like that in building offers a chance of reviving the whole industry, the businessmen involved gain as directly as the consumer, and the entire business community gains from the increased markets which result from more jobs and a higher level of production.

INDUSTRY AND CONSUMER BOTH GAIN

Many parts of American public policy involve a conflict of interest between those who are hurt and those who are helped by the Government's action. The antitrust laws are not of this character. For 50 years the ideal of the antitrust laws has furnished a common ground for American political groups and economic interests, but during most of that time this ideal was expressed in ceremony rather than in administration. Within the last 2 years we have seen the development of a plan to enforce the antitrust laws effectively. Within the last year we have seen the first examples of how that plan works and we have found that it is practical, that it gets results quickly, and that it wins general support. Only one question remains. Do we want to carry out the plan or do we want to find some way of running away from it? To limit the work of the Antitrust Division to what is now being done is probably an even more effective way of defeating the enforcement of the antitrust laws than to cut the appropriation, for the public may not notice the first and it would certainly notice and resent the latter. The enforcement of these laws means that the Antitrust Division must continue to grow until it has a large enough staff to deal with several major industries at once and to continue to watch those in which it has already restored competition. To stop that growth is to reject the laws at the very time when there is a chance to make them effective. It is to say that we want to make antitrust law enforcement once more a mere ceremony; we do not want to make it a fact.

This is the simple issue that lies before us today. Shall we say we only believe in the antitrust laws so long as we are sure they will not be effective? Or shall we provide for a further step toward restoring and preserving competition in our major industries and thereby save money both for the Government of the United States and for the American people?

I believe that removal of restraints which block the exchange of goods between farmers and organized industry, and the distribution of goods to low-income groups constitutes one of the most important domestic issues which confront us today. I think that it is time to stop talking and get down to the tiresome, detailed, but necessary, job of examining one industry at a time by the case by case method of our common law judicial process which has developed in 50 years through the Sherman Act. And I want to do my part in helping the consumers of America realize the importance of this issue.

The Antitrust Division's appropriation is unlike most of the others with which we have to deal. We are appropriating, not for a going concern, but for one which is just getting started. Until 4 years ago so few people and so little money were used to enforce the antitrust laws that the so-called enforcement was a mere ceremonial. Not until last year did we give the Antitrust Division as much money as we give to the National Capital Park and Planning Commission, or the Smithsonian Institution. Even with the present appropriation we are asking the Division to enforce the antitrust laws throughout the United States on less than half the sum we appropriate for the Police Department of the District of Columbia. The coordinated investigations of major industries, which ought always to have been the center of the Division's work, were only begun last year. Every lawyer knows that it costs more to try an antitrust case than to investigate it. We committed ourselves last year to a scale of investigation which automatically calls for an increased appropriation this year to finish the work. The question here is not economy. Enforcement actually brings in revenue. The only question is, Do you want these laws enforced or do you not?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 59, lines 9 to 17, inclusive.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 61, line 7, after the word "elsewhere", to strike out "$375,000" and insert "$325,000", so as to read:

Salaries and expenses, veterans' insurance litigation: For salaries and expenses incident to the defense of suits against the United States under section 19 of the World War Veterans' Act, 1924, approved June 7, 1924, as amended and supplemented, or the compromise of the same under the Independent Offices Appropriation Act, 1934, approved June 16, 1933, including office expenses, lawbooks, supplies, equipment, stenographic reporting services, by contract or otherwise, including notarial fees or like services and stenographic work in taking depositions at such rates of compensation as may be authorized or approved by the Attorney General, printing and binding, the employment of experts at such rates of compensation as may be authorized or approved by the Attorney General, and personal services in the District of Columbia and elsewhere, $325,000.

Mr. BARKLEY. Mr. President, I wish to inquire of the committee what facts were taken into consideration in reducing the appropriation by $50,000. The Bureau of the Budget recommended $425,000 for this particular service. The House reduced that amount by $50,000. The Senate committee has reduced it by another $50,000. What were the facts justifying the further reduction?

Mr. McKELLAR. Mr. President, I shall be very happy to state what the committee had in mind.

The war-risk insurance business has been dwindling very rapidly in the past few years. Several years ago every court in the country was full of war-risk insurance suits, and the Department asked for and obtained an appropriation of about $300,000 to defend such suits in the various courts of the country. Almost every district court in the country was full of them.

They have now decreased to the point where there are very few cases. There are only 1,231 cases pending in the entire country. While the cases have greatly dwindled in number, the appropriation has gone down exceedingly slowly. After a most careful examination of the witnesses in connection with the item, and a careful examination of the proof, we came to the conclusion that $325,000 was ample to defend the remaining 1,231 war-risk insurance cases.

Some of the cases have been pending for 10 years. Hardly a lawsuit in any court in which the case has been pending for 10 years is of very much value to the litigants. A plea of laches could probably be brought in any such case. The cases are not as important as they were. Last year the committee gave notice to those who had charge of this division that the appropriations must come down. We believe that the district attorneys in the several districts should handle every one of the 1,231 cases. A small organization in Washington is needed to give the facts, although I think the Veterans' Bureau has the facts. The Department of Justice engaged in war-risk cases in Washington, D. C., must obtain the facts from the Veterans' Bureau; and there is no reason why the Veterans' Bureau cannot give the information directly to the district attorney in each district, and thereby save the Government quite a large sum.

If there ever was justification for the reduction of an appropriation, the lack of business in this case is ample justification. I know one district which was said a few years ago to have more war-risk insurance cases than any other district in the country. Today that district has two cases.

Mr. BARKLEY. Mr. President, I wish to submit for the RECORD a statement which has been furnished to me by the Department of Justice with reference to this particular item. The statement is as follows:

The Bureau of War Risk Litigation was organized as a Division in the Department of Justice in September 1933 pursuant to Executive Order No. 6166. Its function is to defend suits against the United States on contracts of war-risk term and United States Government life insurance, authorized by the War Risk Insurance Act of October 6, 1917 (40 Stat. 398), revised and reenacted by the World War Veterans' Act of June 7, 1924 (43 Stat. 607), and subsequent amendments. Prior to September 1933 this litigation was largely handled by the Veterans' Administration and United States attorneys. Since that date sole responsibility for the defense of this character of litigation has been fixed in the Department of Justice.

There were approximately 11,800 cases pending when the Bureau of War Risk Litigation took the work over, and 3,336 new cases have been instituted since then. Over 13,500 cases have been disposed of by this Bureau during the little more than 6 years it has functioned, of which approximately 88.7 percent were won by the Government, representing a saving to the Government of approximately $135,899,446.40.

There were 1,231 cases pending as of January 1, 1940, involving an estimated liability of approximately $16,987,800. New suits are being brought at the rate of 20 to 30 each month. In general each case involves a minimum contractual liability of $13,800. In this connection it is important to note that there were 606,071 insurance contracts in force as of June 30, 1939, involving a potential liability to the Government of $2,562,353,868, aside from those now in litigation, and it is reasonable to expect that many more suits will arise from these policies.

The Bureau is composed of a Director, a Trial Division, a Compromise Division, and an Appeals Division. There are 73 attorneys and 79 stenographers, clerks, and messengers employed in the Bureau, Central Office, and field, representing a monthly pay roll of $37,061.21.

The appropriation for the current fiscal year (1940) was $485,000. The Bureau of the Budget recommended $425,000 for the next fiscal year. The House reduced this to $375,000 and the Senate committee has recommended a further cut to $325,000. This reduction, if adopted, will necessitate the termination of the services of from 25 to 40 persons. It will also mean fewer cases can be disposed of during the next year, which means a delay to those veterans entitled to receive insurance benefits. It may also mean insufficient preparation and perhaps inadequate representation of the Government in those cases which are tried. The loss of five cases would more than offset the saving represented by the $50,000 cut proposed by the Senate committee.

In voting on this amendment I think the Senate should have the benefit of the statement prepared by the Department of Justice.

Mr. McKELLAR. Mr. President, before the vote is taken, let me say that in this Division in 1937 there were 75 attorneys, and there were 5,125 cases all told, or an average of 68 cases for each attorney; in 1938 there were 71 attorneys and 3,874 cases, or 54 cases for each attorney; in 1939 there were 73 attorneys and 2,679 cases, or 36 cases for each attorney; in 1940 there were 73 attorneys and 1,663 cases in all, or 23 cases for each attorney.

Most of us have practiced law and some of us very vigorously. I should feel almost ashamed, as a trial lawyer, if I could not try more than 23 cases a year, and yet that would be all that would be imposed upon each of the attorneys in this Division. The number would be even less than that. I believe next year there would be about 18 cases for each lawyer if the appropriation were made substantially what it is for the current year.

I very much hope the reduction will be agreed to.

Mr. KING. Mr. President, I shall be glad to be corrected if I am in error, but my understanding is that the lawyers do not try all of the cases attributed to them. A case may be assigned to a lawyer and he may examine it and there may not be any trial.

Mr. McKELLAR. Not only that, but if a lawyer goes from Washington to Connecticut, Massachusetts, New Hampshire, or Nebraska and tries a case without regard to the local district attorney, he is doing a very doubtful piece of business for the reason that local attorneys have every advantage, and the district attorney ought to be required to try the cases. The best results are obtained when the district attorney is required to try the cases.

I suggested to those who appeared before the committee that next year they had better look to having all the work done by the local district attorneys and by the proper organization in the Bureau in Washington. I think probably in another year, if the cases follow the reductions shown by the figures for the past 4 years, the number of cases will be reduced to such an extent that there will be no necessity for any appropriation for a separate organization.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 61, line 7.

The amendment was agreed to.

The next amendment was, on page 63, line 7, after the word "duties", to insert a colon and the following additional proviso: *"Provided further,* That no part of this appropriation shall be used for the payment of any person hereafter appointed at a salary of $5,000 or more and paid from this appropriation unless such person is appointed by the President, by and with the advice and consent of the Senate," so as to read:

Salaries and expenses of special attorneys, and so forth: For compensation of special attorneys and assistants to the Attorney General and to United States district attorneys employed by the Attorney General to aid in special cases, and for payment of foreign counsel employed by the Attorney General in special cases, $575,000, no part of which, except for payment of foreign counsel, shall be used to pay the compensation of any persons except attorneys duly licensed and authorized to practice under the laws of any State, Territory, or the District of Columbia: *Provided,* That the amount paid as compensation out of the funds herein appropriated to any person employed hereunder shall not exceed the rate of $10,000 per annum: *Provided further,* That reports be submitted to the Congress on the 1st day of July and January showing the names of the persons employed hereunder, the annual rate of compensation or amount of any fee paid to each together with a description of their duties: *Provided further,* That no part of this appropriation shall be used for the payment of any person hereafter appointed at a salary of $5,000 or more and paid from this appropriation unless such person is appointed by the President, by and with the advice and consent of the Senate.

The amendment was agreed to.

The next amendment was, under the subhead "Penal and correctional institutions," on page 68, after line 14, to strike out:

Probation system, United States courts: For salaries and expenses of probation officers, as authorized by the act entitled "An act to amend the act of March 4, 1925, chapter 521, and for other purposes," approved June 6, 1930 (18 U. S. C. 726), $810,000.

Mr. McKELLAR. Mr. President, I should like to explain this amendment to the Senate. Congress passed a law giving authority to the officers of administration in the judiciary, and we turned over to this organization of the judiciary certain functions previously performed by the Department of Justice. The language is merely transferred to another part of the bill. The appropriations are given to the functionaries who perform the duties under the new law.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 69, line 14, after the word "sidewalks", to strike out "$1,750,000" and insert "$1,550,000", so as to read:

Support of United States prisoners: For support of United States prisoners in non-Federal institutions and in the Territory of Alaska, including necessary clothing and medical aid, discharge gratuities provided by law, and transportation to place of conviction or place of bona fide residence in the United States, or such other place within the United States as may be authorized by the Attorney General; and including rent, repair, alteration, and maintenance of buildings and the maintenance of prisoners therein, occupied under authority of sections 4 and 5 of the act of May 14, 1930 (18 U. S. C. 753c, 753d); support of prisoners becoming insane during imprisonment and who continue insane after expiration of sentence, who have no relatives or friends to whom they can be sent; shipping remains of deceased prisoners to their relatives or friends in the United States and interment of deceased prisoners whose remains are unclaimed; expenses incurred in identifying, pursuing, and returning escaped prisoners and for rewards for their recapture; and for repairs, betterments, and improvements of United States jails, including sidewalks, $1,550,000.

Mr. DANAHER. Mr. President, while we are on page 69 may I ask the Senator from Tennessee a question?

Mr. McKELLAR. Certainly.

Mr. DANAHER. May I invite his attention to page 69, line 20, and ask him if there is any reason he can tell us why we should not strike out the word "hereafter" in line 20?

Let me read the provision as it would read with the word "hereafter" eliminated:

None of the funds appropriated by this title may be used to pay the compensation of any person employed as an attorney unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, Territory, or the District of Columbia.

There is no reason, is there, may I ask the Senator from Tennessee, why we should now be hiring as attorneys persons who are not entitled to practice as such?

Mr. McKELLAR. Mr. President, there are a few men in the Department of Justice—I have forgotten just how many—who have been performing the work of lawyers for many years. My general recollection is there are fewer than 10 of them all told. The language referred to by the Senator from Connecticut has been employed in order to protect those men who have been in the Department a long time. It has no reference to anything else, except to a few men who may not have been duly licensed to practice law but who have learned the law, who have made efficient officers, and the Department of Justice did not want to turn them out; they are mostly old men who have been there for many years.

Mr. DANAHER. Then, it would be the position of the committee that from now on there should not be any such person hired?

Mr. McKELLAR. That is correct; that is the intent of the provision.

Mr. DANAHER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 69, line 14.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, on page 71, after line 15, to insert:

This title may be cited as the "Department of Justice Appropriation Act, 1941."

The amendment was agreed to.

The next amendment was, under the heading "Title IV—The Judiciary—Court of Claims", on page 74, line 13, after the word "court", to strike out $127,660" and insert "$131,000", so as to read:

Salaries: Chief justice and four judges; chief clerk at not exceeding $6,500; auditor at not exceeding $5,000; and all other officers and employees of the court, $131,000.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous items of expense", on page 78, after line 17, to insert: insert:

Probation system, United States courts: For salaries and expenses of probation officers, as authorized by the act entitled "An act to amend the act of March 4, 1925, chapter 521, and for other purposes", approved June 6, 1930 (18 U. S. C. 726), $810,000: *Provided,* That the salary of no probation officer shall be less than $1,800 per annum nor more than $3,000 per annum: *Provided further,* That nothing herein contained shall be construed to abridge the right of the district judges to appoint probation officers, or to make such orders as may be necessary to govern probation officers in their own courts.

The amendment was agreed to.

The next amendment was, on page 79, line 14, before the name "United States", to insert the word "ten", so as to read:

Miscellaneous expenses (other than salaries): For such miscellaneous expenses as may be authorized or approved by the Director of the Administrative Office of the United States Courts, for the United States courts and their officers, including rent of rooms for United States courts and judicial officers; supplies and equipment, including the exchange of typewriting and adding machines, for the United States courts and judicial officers, including firearms and ammunition therefor; purchase of law books, including the exchange thereof, for United States judges, and other judicial officers, including the libraries of the ten United States circuit courts of appeals, and the Federal Reporter and continuations thereto as issued, $317,000:

The amendment was agreed to.

The next amendment was, on page 80, line 3, after the name "Judiciary", to strike out "$250,000" and insert "including traveling expenses of probation officers and their clerks, $473,000: *Provided,* That this sum shall be available, in an amount not to exceed $4,000, for expenses of attendance at meetings concerned with the work of Federal probation when incurred on the written authorization of the Director of the Administrative Office of the United States Courts: *Provided further,* That United States probation officers may be allowed, in lieu of actual expenses of transportation, not to exceed 3 cents per mile for the use of their own automobiles for transportation when traveling on official business within the city limits of their official station", so as to read:

Traveling expenses: For all necessary traveling expenses, not otherwise provided for, incurred by the Judiciary, including traveling expenses of probation officers and their clerks, $473,000: *Provided,* That this sum shall be available, in an amount not to exceed $4,000, for expenses of attendance at meetings concerned with the work of Federal probation when incurred on the written authorization of the Director of the Administrative Office of the United States Courts: *Provided further,* That United States probation officers may be allowed, in lieu of actual expenses of transportation, not to exceed 3 cents per mile for the use of their own automobiles for transportation when traveling on official business within the city limits of their official station.

The amendment was agreed to.

The next amendment was, on page 80, after line 16, to insert:

As used in this act, the term "circuit court of appeals" includes the United States Court of Appeals for the District of Columbia; the term "senior circuit judge" includes the chief justice of the United States Court of Appeals for the District of Columbia; the term "circuit judge" includes associate justice of the United States Court of Appeals for the District of Columbia; and the term "judge" includes justice.

The amendment was agreed to.

The next amendment was, under the subhead "Administrative Office of the United States Courts", on page 81, line 9, after the numerals "1223" and the parenthesis, to strike out "$177,500" and insert "$192,500", so as to read:

Salaries: For the Director of the administrative office of the United States courts, the Assistant Director, and for other personal services in the District of Columbia and elsewhere, as may be necessary to enable the Director to carry into effect the provisions of the act entitled "An act to provide for the administration of the United States courts, and for other purposes," approved August 7, 1939 (53 Stat. 1223), $192,500:

Mr. DANAHER. Mr. President, I should like to ask the Senator from Tennessee if there is in the hearings before us anywhere an explanation of the increase which appears on page 81, line 9?

Mr. McKELLAR. That is not an increase; it is merely a transfer of so much money from the Department of Justice to the Judiciary.

Mr. DANAHER. Yes; but I notice that the House reported the same transfer at $177,500 while the Senate committee recommends $192,500. I am not complaining about it; it is probably entirely correct. I merely wish to know if it is explained in the hearings.

Mr. McKELLAR. Yes; it is explained in the hearings. On pages 146 and 153 the Senator will find the whole transaction explained. It is merely a transfer of funds. The total amount of the bill is not increased by the change in this item.

Mr. DANAHER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 81, line 9.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the heading "Title V—General provisions", on page 83, after line 14, to insert:

SEC. 503. No part of the funds appropriated by titles III and IV for salaries of judges, the Attorney General, Assistant Attorneys General, Solicitor General, district attorneys, marshals, and clerks of court shall be used for any other purpose whatsoever, but such salaries shall be allotted out of appropriations herein made for such salaries and retained by the Department or the administrative office of the United States courts and paid to such officials severally, as and when such salaries fall due and without delay.

The amendment was agreed to.

The next amendment was, on page 83, after line 23, to insert:

SEC. 504. No part of any appropriation contained in this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve of the nomination of said person.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments as printed in the bill.

Mr. McKELLAR. By direction of the Committee on Appropriations, I offer an amendment to come in on page 3, line 23, which I ask the clerk to read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 23, after the words "including rental and repair thereof", it is proposed to insert "translating services by contract without regard to section 3709 of the Revised Statutes (41 U. S. C. 5)."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee on behalf of the committee.

The amendment was agreed to.

Mr. LODGE. Mr. President, the bill is now open to amendment, is it not?

The PRESIDING OFFICER. The bill is before the Senate and open to amendment.

Mr. LODGE. On page 6, line 10, I move to strike out the words "Union of Soviet Socialist Republics."

Mr. President, the effect of the amendment, if adopted, would be to remove the United States Ambassador from Moscow. It is simply a gesture of protest indicative of the feelings which I know are entertained by virtually all Americans.

It is not necessary for me to go into a long history of the various activities of the Soviet Union; they are extremely well known; in fact, it would be accurate to say that they are notorious.

There is every reason to believe that the Soviet Union has not lived up to the understanding which most Americans thought existed at the time our Government extended recognition to it. The removal of our ambassador from Moscow would not endanger the peace of the United States; it would be a negative act; it would not cause us to enter the struggle; it would simply put the Soviet Union on a par with Germany so far as our relations with them are concerned. We do not have an ambassador in Berlin, and it seems to me the same logic impels us to the conclusion that we should not have an ambassador in Russia.

Mr. VANDENBERG. Mr. President, I wish to support the proposal submitted by the able junior Senator from Massachusetts [Mr. LODGE] to withdraw the appropriation to sustain an American Ambassador in Moscow. I think it important that we keep the record straight in connection with these Soviet relationships. I confess I am somewhat perplexed to deal with what is in fact a matter of foreign policy through the medium of an amendment to an appropriation bill.

Mr. MINTON. Mr. President, would that come under the head, if the Senator from Michigan please, of keeping the record straight?

Mr. VANDENBERG. Yes. What I am about to say is that when I am confronted with the necessity of voting an appropriation to maintain an ambassador at Moscow when, in my judgment, the basis upon which we originally sent an ambassador to Moscow, the contract, so to speak, under which the recognition occurred, has been persistently and contemptuously violated, it seems to me that I must resist the appropriation for the salary of the Ambassador as the only method by which I can assert my belief that this broken contract should no longer be acknowledged by the Government of the United States. There comes a point where patience ceases to be a virtue. We cannot defend international integrity by blindly condoning its rape.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Indiana.

Mr. MINTON. Does not the Senator think that that judgment lies in another branch of the Government; that after all it is not for us to say whether or not that contract has been kept, especially in the indirect manner the Senator proposes to approach it, by denying the appropriation for the salary of the Ambassador to Russia?

Mr. VANDENBERG. But the Senator ignores the fact that I must vote for or against an appropriation to sustain this Ambassador, and I am unwilling to vote for an appropriation to sustain this Ambassador for the reasons which I now intend to submit to the Senate.

Mr. MINTON. One of which is, as I understand, that the Senator does not think we should have an ambassador in Russia.

Mr. VANDENBERG. As I shall presently indicate to the Senator my attitude is based on the clear and unequivocable fact that the Litvinov-Roosevelt correspondence upon which our recognition was made contingent has not been worth a scrap of paper for the last 6 years. It might as well never have occurred—yes, better that it never occurred than that it should be an offense to the dignity and honor and to the domestic security of the United States.

Mr. McKELLAR. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Tennessee.

Mr. McKELLAR. I wish to say to the Senator that I do not differ with him greatly as to the actions of the present Russian Government. I agree with the Senator that the Russian Government has violated its expressed or its implied agreement with this country when we recognized that Government some years ago, and, according to my present feelings, I would have to change my mind if I should not vote for any bill that would do away with our relationship with the present Government of Russia.

The Senator however is a member of the Foreign Relations Committee. The measure before us is an appropriation bill. I recall I think when I first came to Congress nearly 30 years ago that I voted in the other House to break off diplomatic relations with Russia. That was one of the first bills, as I recall, for which I voted early in my service in the Congress, and I am inclined to think I would vote for a similar bill now for the reasons which have been suggested in part by the Senator from Michigan. But I think the proper way to do that is for the Senator to submit a resolution and have it referred to the Foreign Relations Committee, of which I know he is a member, and not undertake to do something indirectly which should be done directly.

Mr. CLARK of Missouri. Mr. President——

Mr. VANDENBERG. I will yield in a moment. I thank the Senator from Tennessee for his suggestion, but I have been here long enough to be something of a realist in dealing with legislative problems. I submitted a very innocent resolution 3 or 4 weeks ago merely asking for a little information about Soviet-American relationships, and that resolution is still in a pigeonhole in the Foreign Relations Committee.

I have a pretty fair idea of how far I would get with a proposition of the pending character if I were to introduce it de novo. The same argument, intensified tenfold, would be made that I was invading the executive function, and it would have far more validity than in the present instance because it would be unrelated to a legislative function.

Not so today. Here is the exercise of a legislative function. Shall we vote $17,500 for a Moscow Ambassador? I am going to undertake to prove to you that we ought not to do any such thing, and for purely domestic reasons that touch foreign policy only as a resultant incident.

Mr. CLARK of Missouri. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. If the Senator will permit me for just a moment, I should like to call the attention of the Senator from Tennessee to the fact that there is very high precedent for this very action in connection with this very ministership. President Jefferson, during his first term, sent to the Senate the name of William Short as Minister to St. Petersburg, which was then the capital of Russia. The Congress of the United States, not wishing to have a Minister to St. Petersburg, refused to make an appropriation to send a Minister to St. Petersburg; and Mr. Short, not wishing to go at his own expense, did not go, and so we did not have any ministry to Russia.

Mr. VANDERBERG. I thank the Senator for his historic observation and precedent. He is always helpful.

Mr. McKELLAR. But that was not during a time of war, as I recall.

Mr. CLARK of Missouri. Russia was engaged in a war.

Mr. McKELLAR. But we were not.

Mr. MINTON. Mr. President——

Mr. VANDENBERG. I yield.

Mr. MINTON. That seems to me to be an entirely different case. We already have an Ambassador in Russia, and failure to make this appropriation would be recalling an Ambassador. By our proposed action here we seem to me to be invading the province of the State Department and the Executive Department in determining whether or not the Ambassador who is in Russia should be recalled. That is the effect of what we would do here by not making this appropriation.

Mr. VANDENBERG. That is the Senator's view. I am discussing a pending appropriation, upon which it is the responsibility of the Congress to act, and I am saying that I am unwilling to approve this particular appropriation. That is a legislative function and nothing else. That involves my legislative duty.

This proposal has not anything to do with our neutrality, as the able Senator from Massachusetts has indicated. It has not anything to do with an attempt to help some external cause, like that of Finland or Poland or any other country which is the victim of Soviet duplicity of a different character. It has to do solely with the integrity of the internal situation of the United States in respect to subversive

activities within the United States; and I submit that we have a congressional right to deal with that object on its own inherent merits at any time it confronts us.

Very briefly let us see what the record is.

This whole story of American-Russian relationships starts with Secretary of State Colby, under President Wilson. Secretary Colby declined to recognize Soviet Russia in one of the most powerful state papers ever written, insisting that we dared not fraternize with a regime which openly proposed to make war upon God and upon our institutions, and particularly because it boasted that it never would keep its word if it was to its own advantage to break its word.

Secretary of State Hughes, under President Harding, declined recognition, saying:

> There is conclusive evidence that those in control at Moscow have not given up their original purpose of destroying existing governments wherever they can do so throughout the world.

President Coolidge declined recognition, saying:

> Our Government does not propose to enter into relations with another regime which refuses to recognize the sanctity of international obligations.

Secretary of State Kellogg, under President Hoover, declined recognition, saying:

> It is the conviction of the Government of the United States that relations on a basis usual between friendly nations cannot be established with a governmental entity which is the agent of a group which hold it as their mission to bring about the overthrow of the existing political and economic and social order throughout the world and to regulate their conduct with other nations accordingly.

That brings us down to 1933.

President Roosevelt concluded to end this breach and to bring Soviet Russia and the United States into diplomatic partnership; but he knew he might be dealing with potential treachery, and he sought to tie its hands. Litvinov came over and discussed the matter with the President. They exchanged a series of letters, all dated November 16, 1933. Russia readily agreed to a number of self-serving promises. She agreed to settle her debts; but the most important thing was that she agreed to quit all relationships with internal revolution inside the United States. She agreed to keep her communistic hands off the United States.

Now let us be specific about this matter. I read the Litvinov pledge to the President, the indispensable prerequisite to recognition, the price of recognition, the test of the propriety, and the continuance of recognition.

A promise—

> 1. To respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its Territories or possessions.
> 2. To refrain, and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquility, prosperity, order, or security of the whole or any part of the United States, its Territories or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim the violation of the territorial integrity of the United States, its Territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its Territories or possessions.
> 3. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which makes claim to be the Government of, or makes attempt upon the territorial integrity of the United States, its Territories or possessions; not to form, subsidize, support, or permit on its territory military organizations or groups having the aim of armed struggles against the United States, its Territories or possessions, and to prevent any recruiting on behalf of such organizations and groups.
> 4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its Territories or possessions.

Mr. President, that pledge on November 16, 1933, repeated verbatim in a letter from the President of the United States to the Commissar of Foreign Relations of the Union of Soviet Socialist Republics, was the basis of our act of recognition; and there can be no question in the world about it. Without this exchange of correspondence, without these pledges, there still would have been no act of recognition.

Now let us see what happened.

It did not take long to demonstrate that the leopard had not changed its spots and that the undependable Russia of yesterday was still the undependable Russia of today and tomorrow.

First, the debt negotiations broke down. Mind you, they had agreed to negotiate a settlement of their debts. Russia owed us what is now $394,992,000. There were some desultory conversations on the subject; but on January 31, 1935, the State Department issued a statement which said, in conclusion:

> In view of the present attitude of the Soviet Government, we feel that we cannot encourage the hope that any agreement is now possible.

It never was possible. It never has been possible. There never has been any sort of an agreement. Soviet Russia is just as much of a defaulter now as she was on the pious day when she agreed to quit being a defaulter.

Thus came the first, prompt disillusionment; but that was relatively inconsequential, because there are plenty of other defaulters. But 6 months later we came to grips with reality, the thing that counts. Our State Department wrote Moscow as follows—this is Mr. Hull writing to the Commissar of Foreign Relations at Moscow:

> Under instructions from my Government I have the honor to call attention to the activities involving interference in the internal affairs of the United States which have taken place on the territory of the Union of Soviet Socialist Republics in connection with the Seventh All-World Congress of the Communist Internationale, and, on behalf of the Government of the United States, to lodge a most emphatic protest against—

What?—

> against this flagrant violation of the pledge given by the Government of the Union of Soviet Socialist Republics on November 16, 1933, with respect to noninterference in the internal affairs of the United States.

This is 1935. Please note that the State Department in this communication refers to earlier violations of our understandings. Earlier violations—this was not the first violation. The earlier violations, whatever they were, were condoned; but here was the climax in violation, and it prophesied, according to our State Department, serious consequences. The State Department addressed the situation in stern language.

Russia dismissed the protest as meaning nothing. It had what it wanted, and it was not concerned with subsequent events. It wrote the State Department a curt dismissal of our entire challenge. Whereupon the State Department issued the following statement, from which I quote only in part:

> The American Government having previously made oral complaints of failure by the Soviet Government to carry out its pledge, and being deeply concerned over the growing instability of international relationships and the dangerous consequences thereof to peace and economic recovery, sought most earnestly in its note of August 25, to impress upon the Soviet Government the sanctity of its pledge, to the end that there might be between the two Nations continued development of friendly and official relations and valuable collaboration in many beneficial ways. When in its reply the Soviet Government indicated an intention entirely to disregard its promise to prevent such activities as those complained of, it struck a severe blow at the fabric of friendly relations between the two countries.

Two weeks ago I offered a resolution asking for submission officially from the Executive of an answer to the question whether or not at the present time the record shows that the Union of Soviet Socialist Republics had fulfilled the obligations upon which recognition was based. I repeat, that resolution is still in a committee pigeonhole. But the State Department, over the signature of Secretary Hull, did not hesitate frankly and significantly to write the Committee on Foreign Relations a very illuminating letter. In response to my resolution the State Department referred back to this 1935 episode, in its letter of 2 weeks ago, and said that it had made an irrefutable case against Moscow. Irrefutable,

but, alas, again nothing happened. We swallowed the offense, and carried on in our injured innocence. The offense, mind you, was an assault upon the domestic security of our internal institutions. The offense was, in effect, a conspiracy to overthrow the Government of the United States by force.

Then came 1936. Rear Admiral J. K. Taussig, testifying before the House Committee on Appropriations, said:

Members of the Third International are very active in the United States in furtherance of their plan for world revolution, which includes the overthrow of our present form of government.

Please do not mistake me; they are not seriously worrying me with their plans to overthrow our Government by force. We shall take care of that. That is not the point. The point is that our recognition was based upon a contract which has been torn into a thousand pieces of worthless paper. The question is whether or not we should continue to condone an act of international treachery in respect to our own domestic security. The question is whether, in the face of this affront to written engagements with us, America should continue to be the only Republic in this New World, in North and South America, which still maintains full and complete diplomatic hospitality to Moscow. The question is whether we should not emulate our good neighbors, which present a united diplomatic front against the official infiltration of communism.

Now we come to 1939 and 1940. A committee of the House of Representatives to investigate un-American activities in the United States officially reported on January 3, 1940. This is Report No. 1476, of the third session of the Seventy-sixth Congress, House of Representatives, and in the report the committee states:

Hundreds of pages of testimony have established the fact that the Communist Party of the United States can make no more than a superficial claim that it is a political party in the sense in which the American people understand those words. It is, on the contrary, a constituent member of the Communist International and is its agent in the United States. The Communist International in turn is completely dominated by the Communist Party of Soviet Russia.

The committee feels—

The committee being the committee of the House of Representatives—

The committee feels that a careful examination of the facts justifies the assertion that the Communist Party of the United States is a foreign conspiracy masked as a political party.

The committee—

Speaking for the House of Representatives—

The committee is forced to conclude that in practice, the Communist Party is actually functioning as a "border patrol" on American shores for a foreign power—the Soviet Union.

Since the Communist Party of the United States—

Continuing to read the official document and the indictment of the House of Representatives committee itself—

Since the Communist Party of the United States has the avowed purpose of drastically changing the form of government of the United States, it is the opinion of the committee that the party's activities constitute a violation of the Treaty of Recognition entered into between the Government of the United States and the Government of the Union of Soviet Socialist Republics in 1933.

Mr. President, I could proceed in great detail, but I have presented enough.

The contract was made in 1933. It was broken in the first instance almost as soon as it was made. It was broken again, directly and specifically, within 2 years to a degree which called for a vigorous and unqualified protest from our own State Department, which in turn was spurned by Moscow. It has since been broken in innumerable instances, as set forth in great detail in this House document from which I have read. There is no contract any longer in existence, and the fruits of the contract should no longer inure to the Union of Soviet Socialist Republics. International comity and good faith are not one-way streets. The domestic security of the United States is the stake. If it was important enough to defend in the Roosevelt-Litvinov correspondence of 1933, upon which Bolshevik recognition hinged, it is important enough to protect in 1940 in the face of these violated pledges.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. All the things to which the Senator has alluded occurred prior to the appointment and confirmation of Mr. Steinhardt as Ambassador of the United States to Russia. If we are to concede, as I think is true, that the conduct of our diplomatic relations, the recognition of governments, and the appointment of ambassadors, ministers, and other diplomatic representatives is an Executive and not a legislative function, except insofar as the confirmation of ambassadors may be concerned, does not the Senator think the time to have objected to having an ambassador from the United States to Russia was when his name was sent to the Senate by the President for confirmation by the Senate of the United States, and that he should not wait until he is appointed and goes to Russia and then try to take his salary away from him as a representative of the United States?

Mr. VANDENBERG. The only way in which the original recognition of the Soviet Union came before the Senate was on the question of the confirmation of Mr. Bullitt. It was only in that indirect fashion that we could record ourselves.

Mr. BARKLEY. And the Senate confirmed him.

Mr. VANDENBERG. And the Senator from Michigan voted against confirmation in the committee, spoke against it on the floor, voted against it on the floor, and continues to be consistent with that position now.

Mr. BARKLEY. In spite of that, the Senate confirmed Mr. Bullitt.

Mr. VANDENBERG. That has nothing to do with my point of view.

Mr. BARKLEY. I understand, but it does have something to do with the Senate's point of view.

If I may further interrupt the Senator——

Mr. VANDENBERG. Just a moment. Let me take the Senator question by question, before he overwhelms me with his cumulative inquiries.

Yes; the Senate confirmed Mr. Bullitt, but if the Senate had known that the contract upon which Mr. Bullitt's appointment was based was a fiction and a fraud, it would not have confirmed him for one single moment, and the Senator from Kentucky would have been one of the first to vote against his confirmation.

Mr. BARKLEY. The Senate had all the means of obtaining any information it desired at the time Mr. Bullitt was confirmed.

Mr. VANDENBERG. The Senate could not have known what was going to happen under the contract, because that was in the future.

Mr. BARKLEY. Leaving Mr. Bullitt out of it, since he is no longer Ambassador to Russia but Ambassador to France, and since then all these things have happened to which the Senator has referred, there has been a vacancy in the ambassadorship to Russia, and Mr. Steinhardt has been appointed; and on the 17th day of last March, less than a year ago, the United States Senate confirmed Mr. Steinhardt as our Ambassador to Russia, and it had or could have had the same information then which the Senator from Michigan has now, but it did not obtain it, or, if it had it, it did not act upon it, assuming that it was the presidential function to name ambassadors, subject, of course, to confirmation by the Senate. Having agreed to the appointment as Ambassador to Russia of Mr. Bullitt, and having agreed to the appointment as Ambassador to Russia of Mr. Steinhardt, it seems to me it does not now lie in the mouth of the United States Senate to say that, having confirmed Mr. Steinhardt, we will not pay him for his services.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. VANDENBERG. In just a moment. I think the Senator from Kentucky begs the question. The pending problem is whether or not for the next fiscal year each Member of the United States Senate upon his own individual responsibility is prepared to vote "aye" upon an item of $17,500 to maintain an ambassador at Moscow. I do not care who the Ambassador is, when he was confirmed, how or why he was confirmed. The pending question is whether the Members of the Senate, in the face of this record, are

willing to vote for the subsistence and maintenance of an ambassador in Moscow during the next fiscal year. And there is not anything in the President's prerogatives that can relieve me from the responsibility of facing that legislative responsibility. That is the thing I am facing in connection with the statement I made, and that is where I vote "no."

I now yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, is it not true that since last March we have had the Russian alliance with Germany, we have had the Russian invasion of Finland, and we have had the Russian persecution of the unfortunate people in Poland?

Mr. VANDENBERG. All of which is true. But I base my attitude solely upon domestic considerations. The case has finally accumulated to a point where I think no one can read the letter sent to the Foreign Relations Committee by the Secretary of State himself, without finding in it a substantial sympathy with the viewpoint which I now submit to the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. Since that time and during that period we have seen another nation overrun two or three nations; we have seen that other nation persecute men because of their race and religion; we have seen the most brutal outrages perpetrated by one nation which is in alliance with Russia. If we are to compel our Ambassador to Russia to serve without pay, why not do the same with respect to our Ambassador to that other country? And the fact that our President may have recalled our Ambassador to another nation does not make any difference, because he may send him back whenever he sees fit.

Mr. VANDENBERG. I think the Senator from Kentucky begs the question, Mr. President.

Mr. BARKLEY. I am not begging the question.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. Let me comment on what the Senator from Kentucky has said, and then I will yield to the Senator from Arizona. I think the Senator from Kentucky begs the question when he tries to parallel this matter of the Russian recognition with that of any other recognition in the world, because here is the only instance where our designation of an ambassador is based upon a contract and an agreement. There is nothing like it anywhere else in our foreign relationship. Here it is all by itself. That agreement has been violated. What shall we do about it?

Mr. BARKLEY. Does the Senator think the Senate of the United States has any function to perform in the matter of the recognition of the government of any country?

Mr. VANDENBERG. The Senator from Michigan thinks that the Senate is about to vote on an appropriation, and the Senator wants to know why the appropriation is here if he is not a free agent to vote on it as he believes the equities dictate.

Mr. BARKLEY. No; the Senator is begging the question. I asked him whether he thought the Senate of the United States had any function to perform in the recognition of a government.

Mr. VANDENBERG. No; not originally.

Mr. BARKLEY. Then the Senate had no right to object to the recognition of Russia when it was recognized.

Mr. VANDENBERG. It had a right to criticize. The Senate had no prerogative of original interference.

Mr. BARKLEY. Not at all. Neither has it any prerogative of interference in the conduct of those diplomatic relations that are resumed after the recognition of any country.

Mr. VANDENBERG. I disagree with that statement.

Mr. BARKLEY. Well, except in the matter of confirming or rejecting an appointee as an ambassador or a minister. We cannot conduct the foreign affairs of the United States.

Mr. VANDENBERG. No; and I do not want to conduct them, except as they involve a collateral legislative function, as in the present instance.

Mr. BARKLEY. But the Senator is willing to vote and is going to vote to deny to an American ambassador the salary to which he is entitled by reason of the regularity of the sequence of events that resulted in his appointment, because, as the Senator says, Russia has not kept her treaty agreement with the United States or her contractual relationship with the United States. Now, if the Senator is going to deny our ambassadors and our ministers their compensation, because the countries to which they are assigned have not kept all of their agreements with the United States, we will call home most of our diplomatic representatives, and not pay them any salary whatever, because there is scarcely any nation in Europe which can be said to have kept its contracts with the United States.

Mr. VANDENBERG. Has the Senator concluded?

Mr. BARKLEY. For the time being.

Mr. VANDENBERG. I should like to comment now on what the Senator has said. No matter what disagreement we may have with other foreign countries, the disagreements are in respect to external matters. This disagreement is in respect to the internal stability and sanctity of the United States, our own Government, and there is no such situation or relationship involved in our contacts with any other government on earth.

Mr. LODGE. Mr. President, will the Senator again yield?

Mr. VANDENBERG. In just a moment. The Senator from Kentucky preached a sermon to me, and I have to preach one back, and then I will yield to the Senator from Massachusetts.

Mr. BARKLEY. Mr. President, I hope the Senator from Michigan, instead of preaching a sermon back in reply to mine, will be on the mourner's bench and hit the sawdust trail.

Mr. VANDENBERG. I hope at least one or the other of us will pronounce the benediction shortly.

Mr. President, as I was about to say, here is the situation involving the sanctity of contracts in respect to the internal safety and stability of our own Government and our own country. That has no parallel in connection with any other foreign relationship we have.

Mr. BARKLEY. Mr. President, will the Senator yield right at that point?

Mr. VANDENBERG. No. I will yield in just a moment. The Senator from Kentucky says: "Why, even if they have broken their contract, even if they have spurned us, even if they have treated us with utter contempt in respect to their promises to us, would you take the salary away from a poor ambassador who is over there?"

Well, I certainly think that begs the question. There will not be any ambassador there to pay if there is no pay voted. So we do not need to worry about the ambassador.

The question is whether or not the Senate will vote $17,500 to pay an ambassador to the Union of Soviet Socialist Republics. It does not make any difference how much Senators think the President ought to control foreign relations. It does not make any difference what Senators think the function of the Congress is in this respect. Senators must vote "yes" or "no" on $17,500 this afternoon for an ambassador to Moscow.

That is a legislative function, and it cannot be any other kind of function. Senators cannot avoid that vote by saying, "No; this is the President's job." Senators cannot avoid saying "yes" or "no" on their legislative responsibility with respect to the legislative question as to whether or not $17,500 shall be appropriated for an ambassador to Moscow for the next fiscal year.

I just happen to vote "no" at that point.

I now yield to the Senator from Arizona, and then I think we might vote and go home.

Mr. HAYDEN. Mr. President, I should like to inquire of the Senator from Michigan how taking away $17,500 from the American ambassador to Moscow will in any way compel Russia to keep the treaty that she made with us? How does that cure the situation in any way? How does cutting off the ambassador's salary stop Communist activity in the United States?

Mr. VANDENBERG. Mr. President, I am not talking about stopping the Communist activity in the United States,

much as I should like to do so when it advocates the overthrow of our Government by force. It will take a far more severe protest than anything of this nature to stop that activity. The only way it can be done fundamentally is to cure the economic ills of our country so the Communist movement in the United States does not have anything on which to feed.

The thing I am trying to do is so to establish that we have been defrauded in respect to an international contract involved in a pending appropriation and to put our stamp of disapproval upon that action.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MINTON. As I understand the Senator, he is trying to answer this legislative question as to whether or not we shall appropriate $17,500. Now, it seems to me that would prompt the first inquiry, Have we an Ambassador? Do we have one in Russia?

Mr. VANDENBERG. Oh, yes.

Mr. MINTON. Should he be paid?

Mr. VANDENBERG. Oh, he will be paid as long as he stays. This appropriation is for the next fiscal year.

Mr. MINTON. Well, for the next fiscal year.

Mr. VANDENBERG. You will not have one if you do not make this appropriation.

Mr. MINTON. Oh, yes; we will. He might stay over there without pay if you cut it off.

Mr. VANDENBERG. Oh, yes.

Mr. MINTON. We have an ambassador. When the Senator says we have an Ambassador and that we ought to pay him he answers the legislative question of whether to appropriate.

Mr. VANDENBERG. No.

Mr. MINTON. Otherwise the Senator will have to go into the question of recognition, which is a matter for the State Department and the Executive.

Mr. BARKLEY. The salary could be withdrawn, but he could still stay there without being paid.

Mr. VANDENBERG. I think the matter is still in the hands of the President and that he can still deal with it if he wishes to, but I think we have a right to say that we do not believe there ought to be an ambassador at Moscow under a contract that has been contemptuously and ruthlessly broken. Whatever ultimately happens to the Ambassador or to the Embassy is none of our immediate concern or responsibility. We have at least said for ourselves that we are not willing longer to sit silent under a contemptuous violation of our domestic rights as set forth in the equivalent of a treaty engagement.

Mr. BARKLEY. So it does not resolve itself down simply to a legislative matter as to whether we shall pay our Ambassador, but it resolves itself into a diplomatic matter to determine whether we shall have an ambassador.

Mr. VANDENBERG. So far as the Senate is concerned it is a question of voting for or against an appropritaion.

Mr. BARKLEY. Yes. And so far as the Senator from Michigan is concerned, in the back of his head is the thought that there should be a repudiation of our ambassadorship and our diplomatic relationship with Russia.

Mr. VANDENBERG. And so far as the Senator from Michigan is concerned, he votes "No."

Mr. McKELLAR. Mr. President, just a moment before the vote is taken. The action of the Appropriations Committee was that such a matter ought not to be taken up before the Appropriations Committee of the Senate, because it was a legislative matter, as the Senator from Michigan has said. We have a Committee on Foreign Relations, of which the Senator happens to be a member, and if any committee of the Senate should take it up it should be taken up by that committee, and a bill reported by it. Certainly it is not the duty of the Appropriations Committee to pass upon this question, and the committee so held.

I hope the amendment will be rejected.

Mr. BARBOUR. Mr. President, I do not wish to prolong this discussion, because obviously it has already been covered very ably by the distinguished Senator from Michigan [Mr. VANDENBERG], but I am compelled to say for the record that I was one of the small group of Senators who voted against the confirmation of Mr. Bullitt when he was sent as Ambassador to Russia. One of the reasons why I voted against Ambassador Bullitt's confirmation was that I was convinced, at that time, that Russia would not keep its word with the United States; that it would not live up to its obligations; and that it would not keep its contractual relations; and that that vote against the confirmation of the Ambassador was the only concrete way in which I could register and express my disfavor and disapproval of the recognition of the so-called Russian Government.

Again I have only this means—other than merely talking about it—of expressing and registering my opposition to and disapproval of the continuation of this unhappy and humiliating state of affairs. Certainly my vote originally was not directed against the Ambassador personally; nor is my vote at this time directed against the present Ambassador in any personal sense whatever. I know that we made a great mistake when we recognized Russia. I believe that the people of the United States feel that we made a great mistake. The record shows that a great mistake was made. I will have no part in that mistake. I did not then. I will not now.

For that reason I shall vote to eliminate the appropriation for the Ambassador's salary as being the only concrete way in which I can register my opposition to Soviet Russia and all her ways.

Mr. NORRIS. Mr. President, to begin with, I concede that any Senator has a perfect right to take the position taken by the Senator from Michigan [Mr. VANDENBERG]. However, I believe he is inconsistent. I do not believe it would be advisable for us as a Nation to withdraw our ambassador from Russia or from any one of several other countries in the world which I think are susceptible to the same argument that can be made against recognition of Russia. As I see it, such action would be an indirect method of taking away the recognition which we have heretofore accorded to Russia. It is a way which Congress sometimes takes, but I think it must be admitted that it is indirect. It is not the proper way to do it.

If a resolution were introduced to withdraw our Ambassador from Russia, or from any other country, and the Foreign Relations Committee should refuse to act on that resolution, as the Senator from Michigan says was done with respect to his resolution, the rules of the Senate provide a way to meet just exactly that kind of a situation. The Senator from Michigan may introduce a resolution any day, and if his resolution prevails, a report may be required from the Committee on Foreign Relations, or he may bring the matter directly before the Senate without any recommendation from the committee. So there is an easy and rather expeditious way to bring the question before the Senate and pass upon it.

On the question of withdrawing our recognition of Russia and several other countries, including Germany, Italy, and Japan, to my mind the countries named are all in the same class, and great argument could be made in favor of doing so, although I believe the better argument is against it in all cases.

In the present terrible condition in which the world finds itself, are we better off or worse off with ambassadors in the capitals of the various nations? Of course, I am not a diplomat. I do not know much about such matters; but it seems to me that during the continuance of the present war in Europe, with the likelihood of its spreading, we should be in better shape with an ambassador in each of those countries than without one. Is it not desirable, through our representatives, to obtain as much information as possible on both sides of the controversy? Are we not better able to obtain it through an ambassador than through any other agency?

To me it seems clear that we ought not at this time to withdraw our recognition of any of these countries, although we do not agree with them in regard to certain fundamental principles of human liberty.

The nations to which I refer are now practicing before the eyes of the world the principle that, without any dispute,

without any quarrel, simply because the greater nation wants to swallow up the smaller nation, any nation has a right to destoy any other nation by starvation, by bombs from the air, by murdering women and little children, or by any means.

That is the principle of international law which it seems to me is at stake. Russia is not the only nation which practices such doctrines. I think Russia is guilty of it, but the other nations I have mentioned are likewise guilty. If that is a good reason why we should withdraw recognition of one of those countries, then we ought to withdraw it from all of them, although in my humble opinion we should place ourselves in a disadvantageous position if we should do it. In my opinion, the same reason exists in one case as in the others.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. Practically all the nations to which the Senator refers have broken treaties to which they and we are parties.

Mr. NORRIS. Yes. They have not only broken treaties to which we are a party, but they have violated a principle of international law, and if such violation is continued, our civilization, or anything like it, will be blotted from the face of the earth. It cannot live with that kind of a principle in vogue.

So, it seems to me that we are confronted with the question whether or not it is better to continue relationships. In view of our desire to stay out of the war, we ought not to do anything unless we can do it without injury to ourselves, and unless it be legal under international law. We ought not to do anything which would put us in a position in which we should be more likely to get into the controversy than we otherwise would be.

Therefore it seems to me that the contention of the Senator from Massachusetts and the Senator from Michigan is not sustained by what I regard as good logic, logic which will control me in my vote, although I very frankly concede that Senators have a perfect right, if they desire, to vote against any appropriation they see fit; and I am not criticising them for it.

Mr. President, another reason which I think we ought to consider is that the recognition or nonrecognition of a foreign government is an Executive function. Foreign governments have been recognized by the Executive authority. Everybody concedes that that matter is within the limits of the rights and prerogatives of the Executive authority. It is true that we may cut off appropriations if we so desire; and if we feel justified, of course, we will do it. However, we have already recognized Russia; and I want Russia recognized. I should not want to withdraw recognition from Russia unless at the same time we should withdraw it from the other nations I have mentioned. Recognition is an Executive function. It has been performed in legal ways, and it is up to us to appropriate the money.

In the past we have destroyed the effectiveness of an office by refusing to appropriate money to maintain it, but that is an indirect way to do it. It seems to me we ought not to do so except in a very desperate case.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. DANAHER. In the performance of his function in this particular, in appointing an ambassador in the first instance, the President performed a constitutional function; did he not?

Mr. NORRIS. As I see it he did.

Mr. DANAHER. I agree. If we have a right to exercise a restraint upon an ambassador, or even to withdraw his salary under the circumstances explained by the proponent of this amendment, we could with equal propriety express our disapproval of decisions of the Supreme Court by withholding an appropriation from it.

Mr. NORRIS. Absolutely. We certainly could.

Mr. DANAHER. And this group as a legislative body fundamentally has no right whatever to impinge upon the honorable status of the constitutional prerogatives of the President in this particular as I see it. Is not that a fair statement in its fundamental aspects?

Mr. NORRIS. I think it is. We have a right to refuse an appropriation for anything we see fit. We may refuse, if we want to do so, to appropriate for any particular specific judge, or any marshal, or any other official for whose salary we ordinarily appropriate money. Sometimes we do it; but when we do it we feel that it is rather a desperate case, and I do not believe we ought to do it in any other case. But we hold the purse strings, and, of course, we have a right to tighten them up in anyway whenever we see fit. I think we should make a mistake to do it in this case if we should refuse to appropriate the money for this ambassadorship.

Mr. KING. Mr. President, though I was opposed to our Government according recognition to the Bolshevik regime, I do not feel disposed to prevent the appropriation to meet the salary of our Ambassador at Moscow. In my opinion we made a mistake in having political dealings with the Soviet Government. Personally I should be glad to see appropriate action taken to sever diplomatic relations with the Stalin regime. Its attack upon Finland and its avowed purpose to destroy democratic governments and to superimpose communism upon the world, warrant action by our Government in recalling our Ambassador and in severing diplomatic relations with Russia.

The Bolshevik regime has disregarded many of its obligations to us as well as to other countries and has sought opportunities to bring governments and peoples under its political control.

I spent some time in Russia and became acquainted with some of the Communist leaders. They frankly confessed that if treaties with other countries were entered into they would avail themselves of every opportunity to spread communism and to undermine what they denominated bourgeoisie governments.

I agree with the Senator from Nebraska [Mr. NORRIS] that it is not the function of Congress to accord recognition to a foreign government, but that the authority rests with the President of the United States. Under the circumstances, though I would support a resolution respectfully addressed to the President asking that recognition of the Stalin regime be withdrawn, I am unwilling to vote against the appropriation carried in the provision of the bill under consideration.

Mr. President, on the 25th of last month I briefly addressed the Senate and referred to the Bolshevik Government and to the union of Hitler and Stalin in their efforts to destroy democratic nations. I called attention to the fact that democracy was alien to their philosophy and that their purpose was to overthrow democratic governments and to establish a hateful and oppressive rule upon millions of people not only within the boundaries of their states but in many other countries.

I called attention to the fact that I had not favored the recognition of Russia and that when a representative of the Stalin regime was in Washington attempting to negotiate a treaty with the United States, I believed that certain facts relating to the matter should be brought to the attention of the Executive. I thereupon prepared a memorandum which I submitted to the executive department on the 13th of November 1933. In that memorandum I presented a number of reasons why I believed recognition of the Bolshevik Government should not be accorded by our Government.

I do not desire to take the time of the Senate to traverse the ground covered in the address which I delivered on the 25th of January, but I ask unanimous consent to have inserted in the RECORD as a part of my remarks excerpts from the address, together with the memorandum which I submitted to the executive department.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excerpts and memorandum are as follows:

"No circumstances have arisen to date that would alter my attitude, heretofore expressed in the Senate and elsewhere, on the question of recognition by the United States of the Soviet Government of Russia.

"I have always felt the most profound sympathy for the Russian people and have entertained keen regret that they should be

subjected to a regime of political and economic dictatorship represented by the present authority in Russia. I have believed that as an American I have no right to interfere with the internal or economic affairs established and maintained by another sovereign nation.

"On the other hand, I have always contended that recognition of a foreign government by our Government is not a duty nor an obligation on our part but an act of policy dictated by considerations which appear to be in our best interest.

"I supported the position of President Wilson in refusing to recognize the Bolshevik regime; and after having visited Russia, where I spent several months and traveled more than 8,000 miles, I was more firmly convinced that the best interests of our country would not be served by extending recognition to the Soviet Government until and unless that Government should change its policy with respect to internal affairs as well as external matters, and, moreover, that it should give ample and convincing proof of its intention to assume in its international relations a clear obligation to act in accordance with the generally recognized standards of friendly intercourse among nations. I am therefore opposed to extending recognition to the Soviet Government until such proof is forthcoming.

"If it should become the policy of our Government to reconsider at this time our official attitude toward the Soviet Government, our first step should be the creation of a competent commission to ascertain, both independently and in consultation with the representatives of the Soviet Government, the necessary facts upon which a judgment can be based as to whether or not the Soviet Government is prepared, in fact, to assume international obligations common to all civilized nations. Specifically, before extending recognition to the Soviet Government, we should know:

"(a) Whether or not that Government is prepared to undertake to conduct no subversive propaganda in our country or our Territorial possessions, either directly through its accredited representatives or indirectly through such an agency as the Third International."

May I interpolate here that I emphasized that point in my memorandum because of conversations which I had with Bolshevik leaders when in Russia, in which they indicated that recognition would afford opportunities for the dissemination of the principles of the communistic faith.

The second point I suggested was:

"Whether or not that Government is prepared to and will dissociate itself from the Third International and will agree to no longer subsidize it or contribute to its maintenance or activities."

May I add in passing that when in Moscow I visited the Third International headquarters. There I saw Mr. Radek, who was, in the absence of Zinoviev, in control of the headquarters. Sitting with him was Bill Haywood, who, as Senators will recall, was prosecuted for transgressions of law during the World War, and convicted. He fled to Russia, forfeiting his bail of $50,000. When I saw him in the Third International Headquarters he greeted me and stated that the United States "didn't get" him. He was frank in indicating that, as a member of the Third International, he was using his best efforts to spread communism in the United States and in other countries. I might add in passing that he remained in Russia until the time of his death, which was several years later.

I might add, for the benefit of my colleagues from the South, that sitting with Mr. Radek was also a colored man from Alabama, who frankly stated that he was a Communist and was a member of the Third International, and was engaged in the spread of communism among his race in the United States.

The memorandum continues:

"(c) Whether or not that Government is prepared to and will guarantee an open public and fair trial to any American citizen who may be charged with the violation of any law, rule, or regulation of such Government;

"(d) Whether or not that Government is prepared to and will recognize former subjects of Russia who are naturalized American citizens as American citizens and will accord to them all the rights of American citizens;

"(e) Whether or not that Government is prepared, with respect to the war loans extended by our Treasury to fully accredited representatives of the Russian Government then in power, to place itself on the same footing as all the other governments which had borrowed from us during the war—that is, to acknowledge the obligation and to enter into proper negotiations for the discharging of such obligation;

"(f) Whether or not that Government is prepared to enter into negotiations for the satisfaction of the claims of our citizens who had suffered property damage because of acts initiated and carried out by authority of that Government.

"The willingness of the Soviet Government to assume the undertakings herein enumerated should be embodied in formal declaration precedent to our act of recognition. The experience of other important nations, notably Great Britain and France, which had recognized the Soviet Government unconditionally, should serve as sufficient warning to us as to the difficulty of protecting and maintaining our national interests in the face of the international policies pursued by the Soviet Government in the absence of previous clearly defined undertakings on the part of that Government.

"It is often asserted that recognition of the Soviet Government would result for our country in a large expansion of our export trade to Russia. This, it is held, would be of sufficient benefit to several important branches of agricultural and industrial production in the United States to render the act of recognition a step in the direction of promoting our best national interests.

"The truth of this assertion should be another necessary field of inquiry for the American commission suggested above. From my personal investigation of this subject, I am convinced that no foundation whatever exists for the extravagant claims advanced in favor of outstanding trade benefits that would accrue to us as a result of our extending recognition to the Soviet Government. The possibility of our purchases from Russia, the proceeds of which could be used to pay for our exports to that country, is admittedly very limited. Our sales to Russia, over and above our purchases from her, would have to be governed by one of the following factors:

"(1) A net balance in favor of Russia in her trade with her principal customers; that is, Germany, Great Britain, Italy, and France;

"(2) Exports of gold by her; and

"(3) New credits extended to her in this country.

"I am credibly informed that for some time ahead any visible net balance in favor of Russia in her trade with the principal European nations is bound to be absorbed by her payments to these countries on account of credits already extended to her by their citizens. Similarly, her stocks and current production of gold are relatively small. Hence, there would appear to be but a slight businesslike basis for the extension to her of any substantial volume of new credits.

"All these questions will have to be thoroughly and authoritatively investigated before adequate judgment can be formed as to whether or not the recognition of the Soviet Government would, in fact, be in our best economic interest. Surely, no officials of our Government would be so oblivious of the disastrous consequences of our huge loans to foreign countries during the post-war years as to lay the foundation for a resumption of substantial loans abroad without a most careful investigation as to the soundness of such investments. In short, an unconditional recognition of the Soviet Government, prior to an adequate and authoritative investigation, and unaccompanied by a definite assumption by the Soviet Government of trustworthy undertakings along the lines here suggested, would be a rash and precipitate action, likely to be profoundly deplored all too soon after it is taken."

Mr. President, though not a prophet, time has vindicated the position which I took.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. I ask for a division.

On a division, the amendment was rejected.

Mr. NORRIS. Mr. President, I desire to ask the Senator from Tennessee [Mr. MCKELLAR], in charge of the bill, a question or two about the Federal Bureau of Investigation, beginning on page 54. There is no amendment by the committee to any part of that item. Can the Senator tell me how much in the aggregate is included in the bill for that particular Bureau? How much do these various items total?

Mr. McKELLAR. I will tell the Senator in a moment. My recollection is that the amount is $7,000,000. I shall have to find the place.

Mr. McNARY. It is on page 56, line 1.

Mr. McKELLAR. The amount is $7,222,000.

Mr. NORRIS. I am wondering if, for instance, the items at the bottom of page 56, commencing with line 18, and all of page 57, where various items are included, are part of the $7,222,000?

Mr. McKELLAR. No; they are not. They are emergency items. The amount is $7,222,000.

Mr. NORRIS. Then the other items must be added to that amount to make the total.

Mr. McKELLAR. They are emergency items pure and simple, and are added to it, of course.

Mr. NORRIS. How much do they amount to?

Mr. McKELLAR. They amount to $2,488,000.

Mr. NORRIS. So the total amount for the Bureau of Investigation would be a little more than $9,500,000?

Mr. McKELLAR. Yes, sir. That Bureau has increased right and left, from a very small beginning to a very large Bureau.

Mr. NORRIS. Did the committee take any evidence on the activities of the Bureau?

Mr. McKELLAR. No. The committee, as is usual with all appropriations, invited the head of the Department of Justice, as it did the heads of the other departments, to appear if there were any objections to what the House had done. There was nothing about the Bureau of Investigation, and no evidence was brought before the committee in reference to it. The Senator will recall that a few years ago I undertook

to cut down the appropriation for the Bureau of Investigation, and it was added to instead of being cut down.

Mr. NORRIS. Frankly, I am worried about the activities of this Bureau. I must confess, to begin with, that I have no concrete evidence which I could offer in court to sustain the position which I take. Yet it seems to me this is a subject which should be looked into. We are appropriating in this bill a little more than $9,500,000 for this Bureau, and under the law creating the Bureau, and in connection with its activities, it does not seem to me it can utilize that amount of money. My information to a great extent depends upon items of news which have appeared at various times in the newspapers and magazines. In one article in particular, appearing in the New Republic, this Bureau is very severely criticized. I do not know whether it is in this article or not, but in many of the newspapers I have read statements to the effect that the methods resorted to by the representatives of the Bureau are, to say the least, rather abhorrent to one who believes in constitutional liberty, and the rights we think we all have as citizens of the United States under the Constitution.

It is alleged, and it was circulated in the newspapers at the time, as I remember, that a large number of people, to give an illustration, were arrested in the nighttime in Detroit. Several raids were made, if they may be denominated raids, in different cities of the United States, where similar arrests took place. As I understand from the newspapers, those arrested were charged with having engaged in what was admittedly illegal, perhaps, under the statute, that is, enlisting as soldiers in the Loyalist Army of Spain during the unfortunate revolution which took place in Spain. That, I understand, is a technical crime under the laws of the United States, a statutory crime, but it does not imply any malice, anything that is mean, such as would be charged against a bank robber, or a kidnapper, or a man who had persistently violated the Mann Act, or something similar, showing an evil intent. It was a statutory offense. As I understand, men and women were arrested at 4 o'clock in the morning and taken out of their homes without any notice that they were to be arrested. They were handcuffed, and in that condition were taken to the common jail, and some were held in custody in other places, where the handcuffed men were charged with a statutory offense, which had attached to it no ignominy, because we must all admit that our people were very much divided on the question whether we should assist the Loyalist cause in Spain. There was no malice.

If this charge be true, it seems to me this bureau is engaging in an activity not in consonance with our idea of constitutional right, an activity which cannot be excused. If these charges are only partially true, it is a matter of taking the law into their own hands and punishing people who are not convicted of a crime, who are not charged with any malicious crime, who are not charged with anything which has attached to it any element of criminality.

I ask unanimous consent to have included as a part of my remarks the editorial on this subject in the New Republic of February 19, 1940, to which I have referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New Republic of February 19, 1940]

AMERICAN OGPU

When the Russian Ogpu and German Gestapo commit their raids, we shudder that any government should make such indecencies technically lawful. In our country, Congress and the Supreme Court forbid "dirty business" by law-enforcement officers. No Federal detective, we assume, can take a man's papers from him without lawful warrant. No G-man, we assume, will descend suddenly on citizens, to rush them on a moment's surprise notice before a grand jury, with their books or records. Nor, we assume, would a Federal agent get a man or woman into his office for a star-chamber examination, under the pretext of a subpena requiring him to appear before a grand jury.

Nevertheless, these things were done by our own Federal Bureau of Investigation to the Veterans of the Abraham Lincoln Brigade between February 6 and 10, 1940, in the civilized city of New York. At the same time the F. B. I. launched raids against this organization in Detroit and Milwaukee—raids condemned by the Civil Liberties Union as "high-handed," by Representative COFFEE of Washington, who said they "smell bad," by the Michigan Conference for Civil Rights, by the conservative Milwaukee Journal, and by many others. The Journal said in an editorial that the F. B. I. gave the impression "of a Gestapo that can haul citizens off to prison and court in ignominy, imposing any kind of conditions the captors wish without accountability." The Journal added that chaining the captives made them look like "a chain gang being led away. * * * Why arrest a man at 4 a. m. who can be found any time during the day? And why handcuff him when his record or the offense charged * * * contains no intimation of a violent element? Is it that Chief Hoover and his men want to create a wartime hysteria in this country?"

Three weeks before these raids, agents of this most powerful secret-service bureau virtually admitted to the New York Times that they regarded their arrest of the young Christian Fronters on the charge of conspiring to overthrow the Government "as a formality" (the quotation is from the Times' paraphrase) "that enabled the Government to hold the men" for other purposes—a well-known device not wholly alien to the device of protective custody.

A week before that, the Bureau's request for a special appropriation of $2,500,000 to combat subversive activities by means of its spy and detective service was discussed by Representative MARCANTONIO. He called to the attention of his colleagues testimony given in support of the request by the Bureau's chief, J. Edgar Hoover. MARCANTONIO warned the House that Hoover's activities "constitute a real, serious menace to civil liberties." They "lay the foundation," he said, "for Palmer raids, for a Palmer system and for a Gestapo system in the United States." There is every reason to keep track of genuine foreign spies and saboteurs, but this can be done better if it is not confused with spectacular assaults on the rights of citizens.

Last September Hoover's Nation-wide protection of the country against subversive elements was well under way. He asked everybody, especially banks, business houses, railroads, and local authorities, to help rid "America of those who desire to undermine the Federal Government." But he appears to suspect that some of the undermining is planned at meetings for which the local authorities themselves grant permits. He disseminated a suggestion received from one mayor that local authorities notify Hoover's bureau of every permit issued anywhere in this country for any public assemblage, "before the meeting starts." In other words, he is engaged in an effort to bring under the eye of his centralized detective service meetings in the parks and city streets anywhere and everywhere in America.

Hoover's talent for finding radicals illustrates what Representative COFFEE said to the Michigan civil-rights conference about the current hysteria. "We're going simply crazy on this subject of 'reds' in the United States. We see 'reds' everywhere, under every bed and table." Hoover himself found a Communist issue in the attempt of the Federal Civil Service Commission to require him to select from civil-service lists the additional agents he will hire in his attack on subversive activities. He charged that the Commission had previously tried to send him Communists, to work in the very midst of his detectives.

Now, while Hoover is getting additional millions from Congress, the protests against his type of law enforcement are piling up. His actions in Detroit will probably be investigated by Attorney General Jackson. The head of the latter's criminal division, John Rogge, in a straightforward speech to the Michigan conference, said that the whole incident is being studied. Statesmanlike action in this affair will enable the Government not only to undo the lawlessness that has been practiced but also to offset the fast-growing suspicion that the administration has deliberately embarked on an "anti-red" campaign. Valuable as is the inquiry into this chain-gang incident, it should not mark the limit of the new Attorney General's investigation. He should study the whole record of the lawlessness of Hoover's bureau, and also the widespread salesmanship by which Hoover has made himself much too powerful to be easily curbed by a superior.

In foreign countries people are forced by their governments to submit to their gestapos. In this country Hoover has the voluntary support of all who delight in gangster movies and 10-cent detective magazines. Already, in the minds of many Americans, the great Department of Justice is merely its G-men. At every entrance of the massive building in which it is housed, the only placard for the visitor to read is one which directs him to the gory dime museum organized by Hoover at public expense. Hoover has been made known to young and old by radio, by newsreels, by motion pictures based on the propaganda he furnishes to script writers, by speeches, and by the widespread franking of those speeches.

But the glamor that surrounds him also conceals the growth of a power inconsistent with our conception of democratic institutions. That power is exercised through the forty-odd branches the Government maintains for his Bureau throughout the country. Without interference from civil service, he picks and rules his detectives with an iron hand. Through his branch chiefs, he maintains close contact with Federal judges and with Federal prosecuting attorneys everywhere. And on almost any Federal official, as well as any "red," Hoover can have a dossier at Government expense.

Last spring he had to come to Congress for a quarter of a million dollars he had overspent, as reported in the New York Times, "without authorization of law." Representative WOODRUM of Virginia opposed Hoover's request for an appropriation of twice the amount of his overdraft on Uncle Sam. WOODRUM said that he did not wish to "detract from the fine service" rendered by the F. B. I. in kidnaping cases, "although I do not hang any halo about its

head. * * * It has to abide by the law, and it ought to be the first one to live within the law." The Times reported that the application for double the amount unlawfully spent "was shouted down." But the House legalized the amount to which Hoover on his own authority had already decided to commit Congress.

Attorney General Jackson might well take to heart what was done toward combating wartime hysteria by some of his predecessors, whom he equals in courage and experience. One of the greatest of the Attorneys General, Harlan Stone, now on the Supreme Court, reduced the Bureau to its normal size, after it had become swollen under William J. Burns, as it is now swollen under J. Edgar Hoover. When Herbert Hoover became President, he created a commission whose greatest achievement was a thorough study of the lawlessness of law-enforcement officials. J. Edgar Hoover was then operating a small bureau, no more important than the modest, small, efficient secret services in the Departments of the Treasury and the Post Office. In those days the F. B. I. was not an American Ogpu. Its law-enforcement activities could be kept within the limits of law observance.

Mr. NORRIS. Mr. President, it seems to me this matter should be inquired into, and I was wondering whether the committee had any information as to the activities of this Bureau, and whether it has been given any information as to the other things which have been charged against it.

Mr. McKELLAR. No; the committee does not have such information.

Mr. NORRIS. I am not alleging these matters as facts of which I have personal knowledge, for I have not. I rely for my information upon the general news of the day, and particularly upon the editorial in the New Republic magazine, for which I think we all have the profoundest respect, and which ordinarily is not guilty of making any assertions or charges without due and proper investigation.

Mr. McKELLAR. In connection with what the Senator from Nebraska has stated, in order that the Senator and others interested may have the information, I may state that the appropriations for this Bureau began in 1930 with a regular appropriation of $2,307,720, and there was a deficiency of $350,000 added. The appropriation has gradually increased until the regular appropriation for this year is $7,244,000. I ask unanimous consent that the figures showing the increases from 1930 to 1941 be inserted in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

APPROPRIATIONS

1930	$2,307,720
Deficiency	350,000
1931	2,781,419
1932	2,978,520
1933	2,775,000
1934	2,589,500
1935	2,880,000
Deficiency	1,563,349
1936	5,000,000
1937	6,025,000
1938	6,000,000
Deficiency	159,702
1939	6,043,200
Supplemental	300,000
Deficiency	[1] 700,000
1940	7,000,000

ESTIMATES

1930	$2,307,720
Deficiency	395,000
1931	2,781,419
1932	3,000,000
1933	2,826,210
1934	2,599,619
1935	2,840,670
Deficiency	1,960,339
1936	4,700,000
1937	5,800,000
1938	5,925,000
Deficiency	159,702
1939	6,043,200
Supplemental	126,000
Deficiency	[1] 826,000
1940	7,000,000
1941	7,244,000

[1] Includes $250,000 for construction of target range at Quantico, Va.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. NORRIS. If I am wrong I desire to be corrected, but I had understood that this bill carried an appropriation of about $9,500,000 for this Bureau. The Senator has not included what he calls the emergency appropriation.

Mr. McKELLAR. That is true; and, in order that the whole picture may be in the RECORD, I ask unanimous consent that I may insert the table on page 113 of the hearings in the House committee on the Justice Department appropriation bill, which will include the figures of the emergency fund, the total allowed by the Budget being $9,932,000.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total estimate for 1941 approved by Budget Bureau for regular and national defense

	Approved for regular work	Approved for national defense work	Total allowed by Budget Bureau, 1941
Personal services, departmental	$2,016,480	$243,000	$2,259,480
Employees:			
Special agents	(44)	(11)	(55)
Clerks	(1,112)	(136)	(1,248)
Total employees	(1,156)	(147)	(1,303)
Personal services, field	$3,532,080	$1,057,000	$4,589,080
Employees:			
Special agents	(797)	(250)	(1,047)
Clerks	(303)	(154)	(457)
Total employees	(1,100)	(404)	(1,504)
Total personal services	$5,548,560	$1,300,000	$6,848,560
Total employees:			
Special agents	(841)	(261)	(1,102)
Clerks	(1,415)	(290)	(1,705)
Total employees	(2,256)	(551)	(2,807)
Other expenses:			
Supplies and materials	$140,889	$310,000	$450,889
Storage of vehicles	40,000	15,000	55,000
Communication services	159,500	100,000	259,500
Travel expenses	858,414	250,000	1,108,414
Transportation of things	25,000	10,000	35,000
Heat, light, and power	7,000	3,000	10,000
Rentals	158,893	120,000	278,893
Repairs and alterations	71,200	15,000	86,200
Special and miscellaneous	[1] 25,000	25,000	[1] 50,000
Confidential fund		100,000	100,000
Equipment	209,544	240,000	449,544
Total, other expenses	1,695,440	1,188,000	2,883,440
Total, all expenses	7,244,000	2,488,000	9,732,000
Emergency fund	200,000		200,000
	7,444,000	2,488,000	9,932,000

[1] Includes $20,000 for regular confidential fund.

Mr. DANAHER. Mr. President, I should like to direct a question to the Senator from Tennessee, and therefore I call his attention to page 51, line 5, and the succeeding lines down to line 9. For convenience I will read. On page 51 it purports to award an appropriation to the Patent Office—

For investigating the question of public use or sale of inventions for 2 years or more prior to filing applications for patents, and such other questions arising in connection with applications for patents and the prior art as may be deemed necessary by the Commissioner of Patents.

Is it customary, I ask, for an authorization for an investigation of that character to be included in a general appropriation bill?

Mr. McKELLAR. It is. It has been done for some time.

Mr. DANAHER. Will the Senator tell us what is the nature of the proposed investigation?

Mr. McKELLAR. The amount is stated as $68,000.

Mr. DANAHER. That is correct.

Mr. McKELLAR. Out of that, provision is made for a great many things. If the Senator will begin on line 25, page 50, "Miscellaneous expenses," he will find that the provision is:

For purchase and exchange of law, professional, and other reference books and publications and scientific books; expenses of transporting publications of patents issued by the Patent Office to foreign governments; directories, furniture, filing cases; exchange of labor-saving office devices; for investigating the question of public use or sale of inventions for 2 years or more prior to filing applications for patents, and such other questions arising in connection with applications for patents and the prior art as may be deemed necessary by the Commissioner of Patents.

So the Senator will see that that is just one of a number of items for which the entire amount is appropriated.

Mr. DANAHER. I thank the Senator; and he has accurately read the entire subdivision, I agree. But what is the

investigation referred to in line 5, page 51, "for investigating the question of public use or sale of inventions?" What does that mean?

Mr. McKELLAR. That language has been in similar bills, I am advised, for a number of years. The Patent Office is now to investigate the question of public use or sale of inventions for 2 years or more prior to the filing of applications for patents.

Mr. DANAHER. Does not the Senator remember that last year we cut down the number of years of the waiting period from 2 to 1. Then why should we continue this investigation, if the Senator is correct in saying that this is a continuing investigation?

Mr. McKELLAR. I do not recall that we cut it down from 2 years to 1 year. Has the Senator located that language in the act?

Mr. DANAHER. I will say that I have examined the Senate hearings, and I do not find a word about that in the Senate hearings.

Mr. McKELLAR. No, there is not a word about it in the Senate hearings, and there is nothing about it in the House hearings this year, because provision was made for cutting the period of waiting from 2 years to 1 year. This is an item that is a continuous appropriation, and this language has been used year after year.

Mr. DANAHER. The Senator does not know how much of the $68,000 would go for the investigation?

Mr. McKELLAR. No; I do not.

Mr. DANAHER. But the Senator is satisfied that it is an appropriation which for this year, anyway, ought to be continued?

Mr. McKELLAR. I cannot say that I am satisfied about it because the Senate committee did not investigate that particular item.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DANAHER. I gladly yield.

Mr. NORRIS. I should like to know from the Senator from Connecticut or the Senator from Tennessee what authority, if any, there is in the law in regard to prohibiting or allowing the sale of a patent or invention prior to the filing of an application for a patent. Is that permitted? I am asking for information. Is there a law, for instance, which prohibits the sale of an invention prior to the application for a patent?

Mr. BARKLEY. Of course, no one would have a right to infringe upon an existing patent by the manufacture and sale of something which would constitute an infringement. But whenever anyone invents a new device which is not an infringement upon any patent right already existing he may sell that invention or use it. Of course he is not given a monopoly through a patent if he does not patent it, but he may sell it so long as it does not infringe upon other patents.

Mr. NORRIS. If he did not apply for a patent it would be open to anyone to make use of it.

Mr. BARKLEY. I think the item is simply to investigate the extent to which inventions are used.

Mr. NORRIS. The question which arises in my mind is: Suppose I have a new invention and sell it before I apply for a patent, and then I apply for a patent.

Mr. BARKLEY. The fact that you may have used it or distributed it, so long as it does not violate any existing patent, would not preclude you from applying for a patent at any time you saw fit to do so.

Mr. DANAHER. Mr. President, if the Senator will permit me, I will call attention to page 9 of the House hearings, in which we find this language:

> An inventor had the privilege, under the old law, of publicly using an invention for 2 full years before he was required to file a patent application. If he filed his application within the 2-year period, his public use of the invention did not bar him from receiving a patent.

Last year we passed a bill which would reduce or shorten the public use from 2 years to 1 year. We did that for the purpose of expediting the termination of the life of the whole patent, so that no monopoly could be continued too long, and at the same time we passed legislation to try to expedite the handling of applications in the Patent Office.

But now to come back to what the Senator from Tennessee said. My questions were directed to the objectives sought to be achieved by year after year providing for the continuation of an investigation, the results of which we have already acted upon, as a consequence of which we passed additional legislation. How long are we to continue this sort of investigation for "2 or more years," as the language says? It was with those thoughts in mind that I directed my question to the Senator from Tennessee.

Mr. McKELLAR. I thank the Senator for doing so. I am not a member of the Patents Committee, but I recall the law to which the Senator refers.

Mr. DANAHER. Mr. President, to bring the matter to a head—and we all want to have a vote taken on the bill—in the item for miscellaneous expenses of the Patent Office on page 51, line 5, after the word "devices" and the semicolon, I move to strike out:

> For investigating the question of public use or sale of inventions for 2 years or more prior to filing applications for patents, and such other questions arising in connection with applications for patents and the prior art as may be deemed necessary by the Commissioner of Patents; for expense attending defense of suits instituted against the Commissioner of Patents.

Mr. McKELLAR. I have no objection to that language being stricken out.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. DANAHER] on page 51, beginning in line 5.

The amendment was agreed to.

Mr. BROWN. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 52, line 11, it is proposed to strike out "$639,500" and to insert "$650,600; including $46,460 for the Division of Personnel Supervision and Management."

Mr. BROWN. Mr. President, the amount of money actually involved is $11,100. It relates to the rejection by the Senate Committee on Appropriations of an amount sufficient to pay the Director and the Assistant Director of the Division of Personnel, in the Department of Justice.

I understand the action was taken in the House subcommittee originally as in the nature of a punishment of the Director and the Assistant Director because they continued to hold their positions after the Appropriations Committee subcommittee on the State, Commerce, and Justice Departments appropriation bill had advised that no appropriation would be made for the purpose. I think it was a very unfair action. Attorney General Jackson, the present Attorney General, as well as Attorney General Murphy, indicated very strongly that the Department of Justice needed these two officials.

The effect of the action of the Senate committee and of the House committee is to have a division upon which the sum of $39,000 will be spent without an executive head.

It happens that Mr. Brownrigg is from the State of Michigan. It happens that he resigned a $7,500 position to come to Washington and take this job at a reduction in salary of $1,000 at the request of the former Attorney General. The effect of the action of the Senate subcommitee will be to provide no funds to pay either the Director or the Assistant Director. It seems to me we ought to strike out the entire appropriation of some $51,000, or else have a director.

I should like to ask the chairman of the subcommittee why that action was taken.

Mr. McKELLAR. Mr. President, the reason was that the Department made application for the establishment of the two offices last year and the House refused to establish them, as did the Senate. That was early in the year. The Department had time to come before the committee last spring and did not do so. It waited until after Congress adjourned, and then established the offices anyway, and undertook so to arrange the appropriation as to pay the salaries

of the new offices out of what are called lapses, or vacancies caused by employees of the Department being separated from the service by death, resignation, or otherwise, although in the natural order of things others would be appointed to take the places of those thus separated from the service. Notwithstanding the fact that the House specifically turned down the Department, it went ahead and established these two offices and paid for them out of the lapses that occurred during the year.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. REYNOLDS. What right did the Department have to pay them, in view of the fact that previously the House had absolutely refused to appropriate for them?

Mr. McKELLAR. The House regarded it as an act of bad faith, and on that account refused to make the appropriation of $11,100.

Mr. BROWN. Mr. President, will the Senator yield to me to answer the Senator from North Carolina?

Mr. McKELLAR. I yield.

Mr. BROWN. The subcommittee of the House Committee on Deficiency Appropriations had this matter before it. An appeal was made to the subcommittee to take care of the situation. It was the first committee to which the Department of Justice could apply. This action took place as explained by the Senator from South Carolina [Mr. BYRNES] in examining Mr. Brownrigg:

Senator BYRNES. I notice you did tell the Congressman who was interested in this matter that [quoting]:

"It might clarify the matter if I said that this position was established prior to the meeting of the deficiency committee, and while that committee did not appropriate or recommend an appropriation of money to cover the position—"

Because they had surplus funds on hand sufficient to cover it—

"they, nevertheless, very heartily sanctioned the personnel program that was presented. They indicated that they were heartily in accord with the program, provided the money to finance it could be obtained out of present appropriations."

And it was in the current appropriation in the form of something like $9,000 of excess money and surplus funds.

They said that, in view of the great need for economy, this program should be financed out of existing appropriations.

The situation was that the Department applied to the first committee which had jurisdiction of the situation, which was the deficiency subcommittee. That committee approved what the Department had done, and told the officials to go ahead. These men were caught in the conflict of jurisdiction between the deficiency subcommitee and the subcommittee on the Department of Justice of the Committee on Appropriations of the House; and because they did not go to the subcommittee on the Department of Justice, it now appears that these gentlemen are to be eased out of their jobs, and that we are to have a division without a head.

Mr. McKELLAR. Not without a head, because the Department has a personnel officer. It had one before, and it has had one all the time. It was trying to establish a different arrangement, a new personnel division.

Let me read the testimony of Mr. Brownrigg, who testified about it:

Senator McKELLAR. This committee had a hearing on the Department of Justice bill in May. Why was it that you did not come before this committee to see about these positions?

Mr. BROWNRIGG. They were not presented with the regular budget because the Director of the Budget decided to present the matter of the money for all of these personnel programs in the various departments to Congress in a separate appropriation item, and submit it to the deficiency appropriation committee, which was done.

Senator McKELLAR. And they were all turned down, were they not?

Mr. BROWNRIGG. Yes, sir; with the language that Congress approved the program, but that the program should be financed out of moneys already appropriated.

Mr. BROWN. Which they had.

Mr. McKELLAR. I continue to read:

Senator McKELLAR. You had an opportunity to come before this committee at that time. Why did you not do it, instead of overruling the committee? The committee turned you down. You overruled the committee.

Mr. BROWNRIGG. Senator, I am just a civil-service employee, and had nothing to do with what appeals should be made or how the fiscal affairs should be conducted.

Senator McKELLAR. Who established the position?

Mr. BROWNRIGG. The position was established by the Attorney General through regular civil-service procedure. The positions were created, and classification sheets were prepared and submitted to the Civil Service Commission in the regular way and approved by the Commission.

These gentlemen went through the process of going to the Appropriations Committee of the House and asking for appropriations for this very purpose. The House committee turned them down; and, simply overruling the House committee, disregarding the House committee, they went right ahead, just as though the House committee had told them to go ahead, and created the offices anyway.

Mr. CLARK of Missouri. They were merely trying to make two blades of grass grow where one grew before. [Laughter.]

Mr. BROWN. Mr. President, the Senator refers to the committee. It was a subcommittee.

Mr. McKELLAR. Yes.

Mr. BROWN. One subcommittee had approved the idea.

Mr. McKELLAR. This is what the full committee had to say about it: I now read from the report of the House committee:

Administrative Division: The work of the Administrative Division shows a continuing growth and it appears that increases in appropriations made to other divisions of the Department have been proportionately much greater during the past several years than the additional sums granted this unit to bear its proportionate share of the increased departmental activities. In the bill for 1940 the committee approved several increases in personnel throughout this Bureau on the basis of testimony presented the committee indicating that a genuine need existed for the positions requested. It appears, however, that instead of filling positions, the justification for which had been established to the satisfaction of the committee, the Department set up two new positions—one at $6,500 and one $4,600—without securing previous congressional approval for such use of the funds. Appropriations made in good faith for particular purposes must be used in good faith for such purposes and the tables of expenditures and estimates in the Budget must present a true picture with respect to each position authorized. The committee are eliminating the $11,100 from the appropriation which represents the sum used for the purpose of filling these two positions.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. McKELLAR. I have not the floor.

Mr. BROWN. I yield to the Senator from Massachusetts.

Mr. LODGE. Will the Senator permit me to ask a question?

Mr. McKELLAR. Certainly.

Mr. LODGE. Is it not true, moreover, that the committee have adopted this year the policy of not making any increases for purposes of personnel management?

Mr. McKELLAR. That is entirely new. We have not done it in other departments.

Mr. LODGE. Although other departments have made such requests.

Mr. McKELLAR. They have made such requests. It has not been done; and we are treating this Department in the same way as the others.

Mr. BROWN. As a matter of fact, the entire appropriation will be less than it was last year.

Mr. McKELLAR. That may be true; but that is not the question involved. I think the departmental employees and officers ought to be fair and frank with the Congress. When they come and ask for appropriations for a certain purpose, they ought not to take the appropriations they obtain and use them for an entirely different purpose with which the Congress is not made acquainted. For that reason our committee agreed with the House committee, and the item was left out.

Mr. BROWN. Mr. President, I have been reliably informed by the gentleman who was acting chairman of the House subcommittee that there is considerable feeling in that committee that a mistake was made because of the fact to which I have alluded—the fact that the Subcommittee on Deficiency Appropriations had told these officials to go ahead in the manner in which they did go ahead. In view of that statement, is not the Senator willing to take the matter to conference and see if it can be worked out to the satisfaction

of the entire conference committee, rather than doing what seems to me to be an injustice to these two men, who are the victims of their superiors? Certainly they are the victims of the President and the Attorney General, because the President and the Attorney General told them to go ahead and take these positions, which they did.

I ask the Senator if he will not take the amendment to conference under those circumstances.

Mr. McKELLAR. Mr. President, I should be glad to do so if this were an ordinary case in which something had been left out and had not come before the committee, especially on the request of the Senator from Michigan, for whom I have the highest admiration and esteem and personal regard and fondness.

Mr. BROWN. I know now the Senator is going to turn me down. [Laughter.]

Mr. McKELLAR. I wish I could do it; but the committee has voted on the matter, and I feel that it would put me in an improper position before my own committee to yield to the blandishments of my friend from Michigan.

Mr. BROWN. If the Senator would call me some appropriate names that were not complimentary and agree to my amendment, I would feel better about the matter than I now do. [Laughter.]

Mr. McKELLAR. I could not do that.

Mr. BROWN. But I sincerely believe that a great injustice is being done to two men who absolutely are not responsible for this condition.

Mr. McKELLAR. I think there is something in the Senator's contention, at that.

Mr. BROWN. Under those circumstances, I think the matter ought to go to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 8319) was read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of Carroll Miller, of Pennsylvania, to be an Interstate Commerce Commissioner for a term expiring December 31, 1946 (reappointment).

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVILIAN CONSERVATION CORPS

The legislative clerk read the nomination of James J. McEntee to be Director of the Civilian Conservation Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CALIFORNIA DEBRIS COMMISSION

The legislative clerk read the nomination of Maj. Robert C. Hunter, Corps of Engineers, United States Army, to be a member of the California Debris Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. Mr. President, I ask that the Army nominations be confirmed en bloc, and that the President be notified.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc, and the President will be notified.

That concludes the Executive Calendar.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENT

Mr. BARKLEY. As in legislative session, I ask unanimous consent that the Committee on Appropriations may be authorized to make reports during the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO THURSDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.), the Senate adjourned until Thursday, February 29, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26, 1940

CIVILIAN CONSERVATION CORPS

James J. McEntee to be Director, Civilian Conservation Corps.

CALIFORNIA DEBRIS COMMISSION

Maj. Robert C. Hunter to be a member, California Debris Commission.

APPOINTMENTS IN THE REGULAR ARMY

Walter Campbell Short to be major general.

Robert Henry Lewis to be brigadier general.

Col. Virgil Lee Peterson to be the inspector general, with the rank of major general.

Col. Howard Kendall Loughry to be chief of finance, with the rank of major general.

Col. Joseph Andrew Green to be chief of Coast Artillery, with the rank of major general.

PROMOTION IN THE REGULAR ARMY

Charles Carlton to be major, Infantry.

POSTMASTERS

KENTUCKY

Benjamin F. Bailey, Adairville.
Jerry D. Shain, Madisonville.

OKLAHOMA

Sam J. Pointer, Sallisaw.

PENNSYLVANIA

James A. Yuengert, Reynoldsville.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 26, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O blessed Saviour of love, sympathy, and patience, we come to Thee for the forgiveness of sins and for the bread of life that Thou mayest be all in all to us. As daily life

rushes on, enable us to know ourselves to be true. Let selfishness be transformed until it embraces our friends, our community, our country, and our world. Heavenly Father, sanctify all bereavement, and grant that some leaves from the tree of life may fall and be caught for the healing of sorrow. We pray that Thy abundant blessings may be upon all Thy ministers of every name. Clothe them with power that they may make known the counsel of God for the welfare of men. Oh, unite Thy people by the affinities of the Christ love that charity and godliness may go forth throughout our land, crowning it with the glory of the Lord. We invoke Thy divine care to abide with our Speaker and the Congress. In our Redeemer's name. Amen.

The Journal of the proceedings of Friday, February 23, 1940, was read and approved.

FIRST DEFICIENCY APPROPRIATION BILL, 1940

Mr. WOODRUM of Virginia, from the Committee on Appropriations, reported the bill H. R. 8641 (Rept. 1672), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes, which was read a first and second time, and with the accompanying report ordered printed and referred to the Union Calendar.

LEAVE TO ADDRESS THE HOUSE

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent that after the regular business tomorrow I be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a speech I delivered at Akron, Ohio.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of the Reciprocal Trade Treaty Act.

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a list, prepared by official sources, of career employees at the Mare Island Navy Yard.

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a speech delivered over the radio by Hon. Leonard Eriksson, of Minnesota, on the Minnesota old-age pension assistance lien law of Minnesota.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short article written on the Platte National Park by Jack Diamond, editor of the Sulphur Times-Democrat.

The SPEAKER. Is there objection?

There was no objection.

PROBLEM OF UNEMPLOYMENT

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, on Thursday last every Member of the House received a letter signed by 24 of his colleagues inviting him to come to a meeting this evening at 7:30 o'clock in the World War Veterans' Committee room, No. 356, in the old House Office Building, for a discussion of the unemployment problem. I rise at this time simply to remind the Members of that meeting and to assure them that it has no preconceived purpose; that the meeting is to be precisely what the letter said, an attempt to enable us through an interchange of views to sharpen our viewpoint toward the central problem of this century and to focus our attention upon it more directly, with the aim of thinking through to a broad general and effective approach to a solution thereof.

The SPEAKER. The time of the gentleman from California has expired.

BALANCING THE BUDGET

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD by placing therein a brief statement which I made in 1937.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, the Appropriations Committee of the House of Representatives is to be congratulated upon the jealous care with which it has been scrutinizing all appropriations during the present session of the Congress. Substantial reductions have been made even below the Budget estimates for the next fiscal year. If this policy is persisted in and the House continues to support our Appropriations Committee until final adjournment of the present Congress, it is not unlikely we shall have made a good start toward approximating, at least, an essential but long-deferred balance between Federal expenditures and Federal income. Let the good work go on.

I have been taking the medicine I am prescribing. I have voted against billions of dollars of appropriations for worthy purposes which, nevertheless, I have been convinced, elementary financial prudence demanded we should either do without or at least postpone. I have voted against appropriations for excellent projects and worthy purposes which would have been of advantage to Colorado and to Denver. I have done this despite some protests from home. But I believe such action has the approval of those in Denver who realize that the evil day inevitably cometh, soon or late, to the Nation, as to the individual, that pursues indefinitely the policy of spending more than is received.

That I am no recent convert to the policy of prudent economy in Federal expenditures, appears from a statement made by me in this House during consideration of an appropriation bill on May 20, 1937. (See vol. 81, pt. 5, pp. 4861–62 of permanent bound edition of CONGRESSIONAL RECORD.)

Such warnings needed then, 2 years and 9 months ago, are imperative now.

My former statement is as follows:

Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no particular objection to the paragraph which has just been read; but, as a very ardent Democrat and as a supporter of the administration, I wish to express a very solemn warning.

Within the last 4 years I personally have voted against billions of dollars of appropriations for worthy purposes, which, however, we could not afford. In addition thereto, I have voted against more billions of dollars of authorizations for appropriations for excellent purposes, which should be deferred. With all the earnestness of my soul, I say we are in a position comparable to that of one drifting in a boat down the river above Niagara Falls. If we value our safety, we had better pull to the shore. Day by day, if we but listen, we can hear more and more clearly the roar of those falls—the falls of national insolvency and then of inflation, with its attendant misery and suffering, which bear hardest upon the poor and those of moderate means. The President has given us warning again and again. He has suggested. He has warned. He has entreated. The leaders of this House have done the same. As you love our country and its people, my colleagues, remember we are not spending our own money. No. We are spending the money of the people of the United States. From every district in this Nation have come protests against extravagance. Repeatedly I have written in answer to earnest and persuasive pleas from special pressure groups for appropriations for excellent but costly schemes. "We cannot do it at this time. We cannot afford it."

I entreat you when we come to vote seperately in the House on some of the amendments that have been adopted in Committee of the Whole to be reasonable. Think of the fact that we are not spending our own money. We are spending the people's money.

Please remember another thing. The receipts by the Treasury are hundreds of millions of dollars below the estimates from the revenue act which was passed last year. Furthermore, we have exceeded in this and some other appropriation bills the figures approved by the Budget. The Budget figures were based on esti-

mates of much larger returns from the tax bill passed last year than we now know we can hope to receive. In short, we now know that our income will be less than we had expected and our expenditures are greater than we had planned. And daily we are borrowing more money to run the Government.

I entreat you, as one who has in his own part of the country many worthy projects which I should like to have the Government undertake if we could afford it, for Heaven's sake be reasonable.

EXTENSION OF REMARKS

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short editorial from the Christian Advocate.

The SPEAKER. Is there objection?

There was no objection.

AMENDING BONNEVILLE PROJECT—CONFERENCE REPORT

Mr. DONDERO. Mr. Speaker, at the request of the gentleman from Texas [Mr. MANSFIELD], chairman of the Committee on Rivers and Harbors, I submit a conference report and statement on the bill H. R. 7270, an act to amend the Bonneville Project Act for printing under the rule.

EXTENSION OF REMARKS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my own remarks and incorporate therein two editorials from the Sheboygan Press relating to the St. Lawrence waterway project.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a release from the Department of Commerce, a letter, and a short quotation from the Washington Post and from the CONGRESSIONAL RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks by including an editorial and some excerpts from articles published in the Tribune and Times in such remarks as I may make this afternoon in relation to the deficiency appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPORTATION OF HARRY BRIDGES

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I have a letter from the San Francisco Industrial Union Council, affiliated with the C. I. O., criticizing me for the introduction of my bill to deport Mr. Harry Bridges. I am going to insert this in the RECORD and I am going to insert my answer thereto. I will ask the privilege of doing that.

It is a terrible indictment of the American Government, particularly the Secretary of Labor, that this undesirable alien, Harry Bridges, has not already been deported. It begins to appear that they think more of undesirable aliens in this country than they do honest, decent laboring people. I hope that everyone in the House will read the criticism that the C. I. O. has given me and my answer thereto.

Mr. Speaker, I ask unanimous consent to insert those letters in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The letters referred to are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 21, 1940.

MR. HERMAN STUYVELAAR,
Secretary-Treasurer, San Francisco District Industrial Union Council, 593 Market Street, San Francisco, Calif.

MY DEAR SIR: This will acknowledge receipt of your letter of February 16, 1940, addressed jointly to myself, Congressmen FRANCK HAVENNER, and RICHARD J. WELCH.

Since when have you become the judge of all that is right and rightful, or the judge of what may be in other people's minds? I ask this after reading the second and third paragraphs of your joint letter. In my opinion, you are just about as honest and sincere when you write this letter as you are when you mislead labor in this country.

My bill is aimed at those who are against America and Americanism, who preach a doctrine of destruction of the American form of government. Naturally, if you uphold Communists and those who preach destruction of the American form of government, you would not agree with my bill.

If you were really sincere, you would welcome a bill that would purge all labor of these Communists. I do say to you that if socialism, fascism, nazi-ism, or communism ever prevailed in this country, every single labor union would be wiped out, and I defy you to show me any labor union in Italy, Germany, or Russia.

I am going to ask you the question whether you, yourself, are a citizen of the United States.

Another thing you won't agree with me on is this. I don't believe any foreigner, who is not a citizen of the United States, has any right to represent American citizens in collective bargaining.

I have many enemies among the Communists and groups who preach destruction of the United States, and I want to say to you that I have always stated that a man can attain a certain high standing by reason of the quality of his enemies, and I thank God every night for every damn one of them.

Yours truly,

_____.

P. S.: With reference to the fourth paragraph of your letter, wherein you say that Mr. Bridges was completely exonerated by the trial examiner, Dean James M. Landis, in my opinion he might have been whitewashed, but he never was exonerated.

SAN FRANCISCO DISTRICT INDUSTRIAL UNION COUNCIL,
San Francisco, Calif., February 16, 1940.

Congressman LELAND FORD,
House Office Building, Washington, D. C.
Congressman FRANCK R. HAVENNER,
House Office Building, Washington, D. C.
Congressman RICHARD J. WELCH,
House Office Building, Washington, D. C.

GENTLEMEN: We understand that Congressman LELAND FORD has introduced into Congress a bill calling for the deportation of aliens who "sympathize with or use the support of Communists," etc.

We hope and trust you are not being misled by Mr. FORD as to the intent of this bill—namely, the deportation of Harry Bridges and other labor leaders that have been engaged in militant and conscientious labor activities.

It is obvious that Mr. FORD'S bill is merely intended to satisfy personal prejudice, antiunion and antilabor sentiments, and has no relation at all to promote the economic, social, and political welfare of our country.

As you know, Mr. Bridges, after an open and objective hearing, was completely exonerated by the trial examiner, Dean James M. Landis.

We are confident that intelligent Congressmen and Senators will brand Mr. FORD'S attempts as completely un-American and that his bill will be promptly consigned to the wastebasket.

Respectfully,
SAN FRANCISCO DISTRICT INDUSTRIAL UNION COUNCIL,
HERMAN STUYVELAAR, *Secretary-Treasurer.*

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address made by me on Washington's Birthday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short article I have here, published by a very strong Democrat in my section.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE DIES COMMITTEE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I rise at this time to express my opposition to the Dies committee holding its hearings in secret.

From press reports we are to believe this is necessary lest possibly unpleasant political questions might be raised which could have an ill-effect on the coming Presidential campaign. To avoid this it is proposed that the hearings be held in secret.

Granted open sessions of this committee may have political repercussions, desirable or otherwise. What of it? Of what

political party or faction are those who advocate this procedure so solicitous that they would resort to this secret procedure? We thought the committee was instructed by Congress to investigate communism and communistic activities in the United States. It is our impression it was to search out their sources and fearlessly expose them wherever they might be found, regardless of whether any political faction might be helped or injured.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. THOMAS of New Jersey. I would like to say that the Dies committee did not vote secret hearings. It did appear in the press, however, that the committee was considering secret hearings, but the Dies committee never did vote secret hearings.

Mr. SMITH of Ohio. I am glad to hear that. I understood that to be the case. I understand also the gentleman from New Jersey, a member of the committee, is opposed to holding these meetings in secret. However, according to newspaper reports the gentleman from Texas [Mr. DIES], chairman of the committee, has proposed that these meetings be made secret.

Would not any other course the committee might pursue be dishonorable? Would it not be a clear breach of trust?

Indeed, does not the raising of this question cause suspicion of preconceived bias in those who raise it?

To hold these meetings in secret would be wrong in any event. In the first place, the committee is not guided by any fair rules of procedure having the approval or sanction of the public or which could receive judicial approval. This is not our criticism but that of members of the committee itself in the recent discussion in the House relating to the extension of the life of the committee. Though members of the committee at that time expressed their desire to adopt rules of procedure, the public has no assurance that such rules, even if adopted, would always give full protection to the citizens who appear before it. Under these conditions we should be short-sighted and arrogant indeed if we did not recognize the danger of injuring witnesses and suspects. Under such circumstances the power which the committee has to summarily order these people to appear before it for investigation is by no means a light procedure, even if it is done openly before the public. To do this in secret is going entirely too far, and Congress should put its foot down on it and in no uncertain way stop any such attempt.

Every man is entitled not only to his day in court but in open court. Furthermore, no man is guilty until he is so proven by a properly constituted court. It should be fully recognized that the work of this committee is of such a nature as to require each one of its members to be exceedingly fair and wholly unbiased. The members who are possessed of these qualities have no need whatever for secret meetings. Should there be any who do not have them they are wholly unfit to serve on the committee.

To hold these meetings in secret would be unwarranted, entirely un-American, subversive of the very purpose for which they are intended. They would be directly in line with the machinations of communism and totalitarianism, the very thing Congress authorized it to expose.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a short resolution from the Oregon Farm Bureau on reciprocal trade agreement extension.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ST. LAWRENCE-GREAT LAKES WATERWAY DEVELOPMENT

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, the two Governments, Canada and the United States, for several weeks have been negotiating a new treaty having to do with the St. Lawrence waterway program. This proposition means more to the consumers of the United States than anything else that will come before Congress for consideration at this session. It means that the Atlantic seaboard will be moved some 2,770 miles inland, and Duluth, Minn., where I reside, will become the head of navigation for the Atlantic seaboard. There is only one thing that will stop the march of progress and that is failure of ratification of that treaty in the Congress of the United States.

TREATY—CANADA AND THE UNITED STATES

Mr. Speaker, there are hopeful indications that we may expect a treaty between the Governments of Canada and the United States providing for the St. Lawrence-Great Lakes waterway development, a project that has been described as one of the greatest engineering undertakings of modern times. It is as important to the people of the North American Continent as was the building of the Panama Canal. In 1933 and 1934 a similar treaty was negotiated between the United States and Canada. It was submitted to the Senate of the United States for ratification, but met with defeat by the narrow margin of four votes. It may be expected that the new treaty will again come before the Senate of the United States for consideration before this session of Congress adjourns. It behooves every friend of the St. Lawrence seaway project to furnish the Senate with information as to the value of this project to the United States. The new treaty will be referred to a Senate committee where hearings will be held and interested proponents and opponents will be given an opportunity to present their views.

DEEPENING OF CHANNELS

If a treaty is ratified, it means that the ocean or Atlantic seaboard will be moved inland to Duluth, Minn., and Superior, Wis., at the extreme western end of Lake Superior, a distance of 2,770 miles. Every city and harbor on the Great Lakes shares this advantage. Certain channels in the St. Lawrence River will have to be deepened so that ocean-going vessels with a draft of 25 or 30 feet can pass through the same. Until these channels are deepened neither the eastern seaboard, nor the Middle West can have the advantages that come from ocean transportation rates. I do not here discuss the details, for the cost and other factors are just details. Nor do I talk about the vast amount of new electric power that will be created. That, in itself, is an unanswerable argument for the deepening of the channels.

OPPOSITION TO SEAWAY

This proposition to build a seaway to Duluth, Minn., is not a new one. People interested in doing things that will benefit the people of the world have backed the plan with time and energy in the years past. The march of progress requires that natural resources be used and developed for the general welfare of all the people. Also, the same law of conduct means that cheaper means of transportation inure to the advantage of every consumer on the continent.

Strange indeed therefore is the fact that we find powerful opposition to the ratification of a treaty with Canada. I have before me a communication from the Niagara Frontier Planning Board of New York State claiming that support for the seaway is based on a 1934 report that is unreliable, and calling attention to a resolution now pending in the House of Representatives for further investigation.

The communication states that there is opposition to the St. Lawrence seaway from the Maritime Association of Boston, the Maritime Association of New York City, the port authorities of New York City and Albany, the Virginia port authorities, the Lake Carriers' Association, the Association of American Railways, and also other groups and organizations.

NO BASIS FOR OPPOSITION

As I have indicated, the opposition is desperate, for the feasibility and great value of the waterway has been investigated and favorably determined many times. In 1909 there was created the International Joint Commission to deal with boundary waters between the United States and Canada. That Commission reported favorably upon the St. Lawrence seaway project. In succeeding years there have been many

other favorable reports. We need no further investigation at this time. It can only serve to delay the hopes and aspirations of those who see an inland waterway reaching to the sea.

MISTAKEN POLICY OF RAILROADS

The railroads have always adopted the mistaken idea that any waterway development will injure them. The very reverse is true. There is nothing that can take the place of cheap waterway transportation over long distances. Goods either move by water or they do not move when a long haul is necessary. Rather than see waterway development permitting such movement of freight by water, by the St. Lawrence waterway dug deep enough for oceangoing boats, the railroads would rather see no movement of freight at all. This is a short-sighted policy. Development of great water freight tonnage from the Atlantic seaboard to the inland empire of the West would mean a greater freight tonnage carried by the railroads. It would mean more work for the railroad employees. Every time this proposition comes up railroad employees are misled. They are told that the St. Lawrence waterway means fewer jobs on the railroads, and the usual propaganda is carried on to get the railway workers to help defeat the project. As I have pointed out, the waterway means more freight to be handled by the railroad employees in the Midwest, and more work for them.

THE MENACE OF SECTIONALISM

There is a philosophy adopted by some of our friends in the East that considers anything of advantage to another section of the United States, ipso facto, to be to the detriment of the East. Any such viewpoint would naturally consider the St. Lawrence seaway project to be terribly bad if it benefited the great Northwest, with a population of 40,000,000 people. I prefer the sounder doctrine that what is for the good of one section of the United States is for the good of all the people of this country. What harms one portion of our people harms all of them. The more advantages that the Northwest gains through projects such as the St. Lawrence seaway the more value it is to other sections of the United States. Not all of the East is sectional. Many eastern sections, and this is true of New York likewise, recognize that the St. Lawrence seaway project will benefit both the Midwest and the Atlantic seaboard. I congratulate them upon their broad viewpoint.

ATLANTIC SEABOARD WILL BENEFIT FROM WATERWAY

In 1929, Henry I. Harrington, president of the Boston Chamber of Commerce, prepared a book called New England and the St. Lawrence seaway. To those easily alarmed and frightened by the thought that what the northwest gains by the seaway, in corresponding proportion will other sections lose, I sincerely commend this book. Mr. Harrington points out that, with few exceptions, the Atlantic seaboard will gain by the building of the St. Lawrence seaway project. He says on page 32 of his book, in giving his views, based on careful study:

> I am convinced that the St. Lawrence seaway is of as great importance to New England as to the Middle West, and that New England should unitedly, heartily, and enthusiastically support the project.

What Mr. Harrington said 11 years ago is just as true today. When this project is studied without fear or prejudice, and with an open mind, the party interested will reach the same conclusions as were reached by Mr. Harrington.

SOME ORGANIZATIONS FAVORING THE SEAWAY

The seaway project has powerful support from many groups, and I list a few of them. This Congress has a great responsibility when the new treaty with Canada comes before us.

Some organizations favoring the seaway are: Akron Chamber of Commerce; the American Bankers Association; American Farm Bureau Federation; American National Livestock Association; Associated Industries of Massachusetts; Board of Supervisors of the County of Clinton, N. Y.; Board of Trade of Duluth, Minn.; Border Cities Chamber of Commerce, Canada; Bowmanville Chamber of Commerce; Brantford Chamber of Commerce; Bruce Mines Board of Trade; Canadian Deep Waterways and Power Association; Canadian Manufacturers Association, Toronto; Chamber of Commerce of the United States; Chambers of Commerce of St. Joseph, Benton Harbor, Lansing, Manistee, Traverse City, Saginaw, Bay City, South Haven, Grand Haven, Battle Creek; Champlain Valley Council (association of trade bodies on both sides of Lake Champlain); Chicago Association of Commerce; Chicago Board of Trade; Chicago Clearing House Association; Cleveland Chamber of Commerce; Collingwood Chamber of Commerce; Community Councils of Greater New York; Cornwall Board of Trade; Denver Civic and Commercial Association; Des Moines Chamber of Commerce; Detroit Board of Commerce; Detroit Transportation Association; Dominion Marine Association; Duluth Board of Trade; Duluth Chamber of Commerce; Dunnville Board of Trade; Eastern Ontario Municipal Power Union; Farmers Union of Nebraska; Fort William Board of Trade; Galt Board of Trade; Goderich Board of Trade; Grand Rapids Association of Commerce; Great Lakes Harbors Association; the Great Lakes Port Association; Great Lakes-St. Lawrence Tidewater Association; Hamilton Board of Trade; Hamilton Harbor Commission; Illinois Manufacturers' Association; Illinois State Chamber of Commerce (comprising the major cities of Illinois, however not including Chicago); Indiana Deep Waterway Commission; Indiana Manufacturers Association; Indiana Public Service Commission; Indiana State Chamber of Commerce; Indianapolis Chamber of Commerce; Institute of American Meat Packers; Kansas City Chamber of Commerce; Kingston Board of Trade; Lake Erie and Ohio River Canal Board; Massena Chamber of Commerce; Michigan Federation of Women's Clubs; Michigan Tourist and Resort Association; Milwaukee Association of Commerce; Milwaukee Civic Association; Minneapolis Civic and Commerce Association; Minnesota Federation of Farm Bureaus; Minnesota Federation of Farmers Clubs; Minnesota Livestock Breeders' Association; Minnesota Railroad and Warehouse Commission; Montana Livestock Commission; Muskegon Chamber of Commerce, Muskegon, Mich.; National Association of Real Estate Boards; National Hardware Manufacturers Association; National Waterways Association of Canada; Nebraska Farmers' Elevator Association; New York State Development Association (association of chambers of commerce, civic clubs, individuals, manufacturers, and bankers); New York State Grange; the Northern Federation of Chambers of Commerce (represents the public opinion of the entire area of northern New York State); North Minnesota Development Association; Ogdensburg Chamber of Commerce; Omaha Chamber of Commerce; Omaha Grain Exchange; Ontario Hydro-Electric Power Commission; Port Arthur Board of Trade; the Power Authority of the State of New York; Retail Merchants Association of Ogdensburg, N. Y.; St. Catharine's Chamber of Commerce; St. Lawrence County Board of Supervisors; St. Paul Traffic Association; Sault Ste. Marie Board of Trade; South Dakota Development Association; South Dakota Federation of Farm Bureaus; South Dakota Grain Dealers Association; Springfield Chamber of Commerce; Terre Haute Chamber of Commerce; Toledo Port Commission; Toledo Produce Exchange; Toronto Board of Trade; Toronto Harbor Commission; United States Farmers National Grain Dealers; United States Grain Dealers Association; the Upper Mississippi Waterway Association; West Coast Lumberman's Association (source the St. Lawrence navigation and power project by the Institute of Economics of the Brookings Institution); Western Ontario United Boards of Trade; Windsor Chamber of Commerce; Wisconsin Deep Waterway Commission; Wisconsin Railroad Commission.

By unanimous consent, Mr. PITTENGER was granted permission to revise and extend his remarks and include a list of some of the people and groups who are favoring the St. Lawrence waterway project.

EXTENSION OF REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short article from the Topeka Daily Capital.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include statistical information concerning veterans of the World War.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a radio address I made yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RODGERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a brief address made by me at Frederick, Md., on the occasion of the George Washington Birthday observance.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article from the Putnam (Conn.) Patriot.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a speech by Mr. A. M. Piper, editor of the Council Bluffs Nonpareil.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my remarks and include a statement by Mr. MacLeish and a radio address by Mr. Cameron.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELSTON asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of business on the Speaker's table and the legislative program for the day, I may address the House for 15 minutes on the Potomac Electric Power Co.; and I ask that the gentleman from Mississippi [Mr. RANKIN] be present, because I want to show that the Potomac Electric Power Co. is earning about 10 percent on its invested capital, not 60 percent, as some people would have us believe.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I wonder if the distinguished gentleman from Williamsport, Pa.——

Mr. RICH. Woolrich, Pa.

Mr. RANKIN. Williamsport—would also mind discussing the enormous overcharges the people of the Williamsport area of Pennsylvania are now having to pay for electric light and power.

Mr. RICH. Mr. Speaker, I can take up only one city at a time. It will take me 15 minutes to convince the gentleman from Mississippi in regard to the Washington situation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania that he may address the House for 15 minutes on next Wednesday after the disposition of the legislative program for the day?

There was no objection.

EXTENSION OF REMARKS

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a copy of an address delivered by Hon. James A. Farley, Postmaster General, at a public banquet preceding the first-day sale of the Samuel L. Clemens commemorative stamp, Mark Twain Hotel, Hannibal, Mo., on Monday, February 12 last.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE LATE ROYAL C. JOHNSON

Mr. RANKIN. Mr. Speaker, by direction of the Veterans' Association of the House, I ask unanimous consent that on next Monday, after the reading of the Journal and the disposition of matters on the Speaker's table, 1 hour may be devoted to memorial exercises for our former colleague, the Honorable Royal C. Johnson, first chairman of the Committee on World War Veterans' Legislation.

Mr. FISH. Mr. Speaker, reserving the right to object, and I will not object because I hope the request will be granted, I want to ask those who served with Royal Johnson, particularly the veterans, to be here next Monday when eulogies will be paid to the memory of our former colleague, who was wounded in the World War and who was the first chairman of the Veterans Committee. Mr. Speaker, I trust the request will be granted.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that on Monday next, after the reading of the Journal and the disposition of matters on the Speaker's table, 1 hour may be devoted to a memorial service for the late Royal C. Johnson. Is there objection?

There was no objection.

THE TRADE-AGREEMENTS PROGRAM

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I take this minute to do what I did not have opportunity to do Friday afternoon because of the lack of time. It was a typical case of gag rule and limited debate such as always seems to arise when agricultural measures are being considered.

In particular I want to thank two Members on the Democratic side of the House, the gentleman from Washington [Mr. SMITH] and the gentleman from Montana [Mr. O'CONNOR], who saw fit to support the National Farm Bureau Federation amendment as exemplified in the amendment offered by the gentleman from Kansas [Mr. CARLSON]. As a member of the Farm Bureau, I want to express to them sincere appreciation, they being the only two Democratic Members who stood up and thus acknowledged the need for the amendment as expressed by the Farm Bureau Federation convention last November. [Applause.]

[Here the gavel fell.]

REPUBLICAN CANDIDATES

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, it has been frequently insinuated by my colleagues on the left that I am too harsh in my criticism of the minority. I do not feel that I ever have been critical, but, if some have regarded my remarks as such, I wish to say they have been in just criticism of the Republican Party and not of any individual Member. However, today, not in criticism of the Republican Party or any Member, I wish to commend the minority leader the gentleman from Massachusetts [Mr. MARTIN] upon his splendid judgment in resigning from the Republican National Committee. It appears to me again that he is a gentleman of keen insight and judgment, unwilling to be used by the caliber of Presidential candidates of his party.

Mr. Speaker, at this time I also wish to congratulate another outstanding Republican, the great little fighting giant, mayor of New York, Mayor LaGuardia, who has given such good advice to the Republican candidates now in the field and who, if I have not misread the reports, made it plain to the American people that there is only one candidate that deserves their unanimous support, and that is our great President, Franklin D. Roosevelt. I feel that the American people will demand of him that he again serve in the interest of our country and the world for another 4 years, and in the interest of humanity and democracy he will be compelled to do so. [Applause.]

FISH RESTORATION AND MANAGEMENT PROJECTS

Mr. BUCK. Mr. Speaker, I ask unanimous consent that the bill (H. R. 6321) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes, previously referred to the Committee

on Ways and Means, be rereferred to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

EXTENSION OF REMARKS

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. LAMBERTSON]?

There was no objection.

DISTRICT OF COLUMBIA

The SPEAKER. This is District of Columbia Day. The Chair recognizes the gentleman from West Virginia [Mr. RANDOLPH].

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 7265) to amend the District of Columbia Unemployment Compensation Act, and I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. RANDOLPH. Mr. Speaker, I shall be glad to do that. The only purpose of this amendment is to withdraw newspaper carrier boys under 18 years of age from the provisions of the present act. It is very difficult to keep proper records of these boys whose employment is irregular. They do not need the protection of the law and it is felt by the Commissioners of the District of Columbia that this bill should be passed. The measure is brought to the House with the unanimous report of the committee.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 (a) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended, is further amended by adding a new paragraph:

"(7) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution."

SEC. 2. This amendment shall be effective January 1, 1940.

With the following committee amendments:

Page 1, line 3, strike out the parenthesis "(a)" and insert parenthesis "(b)."

Page 1, line 6, strike out parenthesis "(7)" and insert parenthesis "(9)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RANDOLPH. Mr. Speaker, that completes the calendar for the District of Columbia Committee.

FIRST DEFICIENCY APPROPRIATION BILL—1940

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8341) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes; and pending that motion, I ask unanimous consent that general debate shall continue for 2½ hours, to be confined to the bill and the time to be equally divided between myself and the gentleman from New York [Mr. TABER].

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

Mr. TABER. Mr. Speaker, reserving the right to object, has this bill been reported?

Mr. WOODRUM of Virginia. Yes; it has been reported.

Mr. TABER. Mr. Speaker, I desire to reserve all points of order against the bill.

The SPEAKER. Without objection, the gentleman from New York reserves all points of order against the bill.

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

Mr. TABER. Mr. Speaker, further reserving the right to object, I have a great many requests to speak on this bill, and I am going to take care of them the best I can. I hope when the controversial items are reached the Committee may be reasonably liberal under the 5-minute rule.

Mr. WOODRUM of Virginia. Just so we finish the bill today.

Mr. TABER. I do not know about other items, but there is one item that will take quite a while.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8341, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the first deficiency bill, 1940, just presented, was based on an aggregate of Budget estimates of $94,039,843.11. The bill carries a total of $90,069,139.11. The committee made reductions in the estimates totaling $4,020,704. One item of $60,000,000 was added to the bill in the full committee. I believe I shall say just a word about that at this time and leave a more detailed discussion of it to be given by one of the gentlemen more familiar with the subject.

It seems that a situation has developed with respect to the fund of the Department of Agriculture for the fiscal year 1940 for making soil-conservation and domestic-allotment payments under the soil-conservation program. When the Department of Agriculture fixed the rates to be paid farmers under the 1939 program, of course they had no accurate way of knowing how many would participate in that program. There has been a much larger participation than was expected. Congress also, by the Agricultural Adjustment Act of 1938, authorized an increase in the small payments. The cost of this increase was estimated, but the amount due to this cause has been larger than could be foreseen. These two factors, increase in small payments and larger participation than expected, make necessary an additional $24,000,000. The law also authorizes advances to farmers for grants of aid—fertilizer, and so forth—and for crop insurance, and provides for payment of expenses of county associations, these costs all to be deducted from amounts of payments finally due to farmers. This latter group of expenses amounts to $36,000,000 and represents an adjustment between fiscal years 1940 and 1941. This character of expense is recurring each year and there will need to be adjustments also in the future as between 1942 and 1941, and so forth. The total of these two sums, $24,000,000 and $36,000,000, or $60,000,000, was placed in the bill with the very distinct understanding, I wish to emphasize, on the part of the Department of Agriculture, the Executive, the Bureau of the Budget, the Appropriations Committee of the House, and the agricultural leaders in the Senate, that an equivalent amount will be deducted from the agricultural appropriation bill, 1941, which is now pending in the Senate

committee. If the House today approves the $60,000,000 in this bill, then I confidently believe the House expects the conference committee on the agricultural bill, when they bring that bill here with Senate amendments, to see to it that a corresponding reduction is made in the amount in that bill in the item of $498,560,000 for soil-conservation and domestic-allotment payments. This $60,000,000 is merely lifted, if this agreement is carried out, from that amount. It does not increase the Budget or the amount ultimately appropriated for this purpose, but it has the effect of lifting it out of the bill which is pending in the Senate and which would not become a law soon enough to meet these payments, and putting it in this deficiency bill. So I want to emphasize that point in this presentation to the Committee of the Whole, with the confident expectation that at the proper time the agreement that we have had with these gentlemen will be lived up to.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I am wondering if the acting chairman of the deficiency subcommittee is at liberty to quote the statement of the chairman of the subcommittee on agriculture of the House Committee on Appropriations in regard to this matter.

Mr. WOODRUM of Virginia. Yes; I feel confident I may with propriety quote the gentleman from Missouri [Mr. CANNON]—I do not see him on the floor at the moment—because he gave to the full committee the assurance that the House conferees would see to it that that amount was deducted from the bill pending in the Senate and stated that the leaders on the Appropriations Committee in the Senate had assured him they would make such a reduction.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. TABER. The only way the amount can be deducted is by the Senate doing it. The House cannot deduct anything from that bill at this time. We have passed on it and it is up to the Senate now. Unless the Senate will take it out we cannot stop it.

Mr. WOODRUM of Virginia. If the House puts this amount in the bill today, we are entirely at the mercy of the Senate, the Executive, the Bureau of the Budget, and the Department of Agriculture keeping faith with the House on this item. As far as I am concerned, I am not going to make a kick about it because I hope the time has not come when we have a definite and distinct understanding that we do not live up to it.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. The gentleman did not say so, but I suppose he implies that he has a Budget estimate for this $60,000,000.

Mr. WOODRUM of Virginia. Word just came in this morning, so I am told, by a radiogram from the President that he had approved the Budget estimate.

Mr. LAMBERTSON. Came in from where?

Mr. WOODRUM of Virginia. From the President, on the high seas.

Mr. LAMBERTSON. I am going to raise the question of the legality of such a procedure.

Mr. WOODRUM of Virginia. Of course, the gentleman from Kansas knows that the House can put the item in a bill whether it has a Budget estimate or not, but when the Deficiency Subcommittee of the Committee on Appropriations had the hearing on the matter they did not put the item in the bill because there had been no Budget estimate. I feel confident that the full committee in its session this morning would not have put the item in the bill except for the fact that a radiogram from the President of the United States was received stating that he had signed the Budget estimate and that in due course of time it would be in the hands of the Congress.

There is another point involved, that had this item not been put in the bill in the House it undoubtedly would have been put in in the Senate. We feel that Members of the House who are interested in this subject have some right to take care of these problems without always waiting for it to go to the other body.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Texas.

Mr. MAHON. Does not what the gentleman is saying simply mean that whereas the House in the agricultural bill appropriated $500,000,000 for soil conservation and domestic-allotment-plan payments, if this amount is placed in this bill the $500,000,000 will be reduced to $440,000,000, and the expenditure over a 2-year period will be identical?

Mr. WOODRUM of Virginia. That is the correct inference.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Montana.

Mr. O'CONNOR. Will the $60,000,000 to which the gentleman has referred take care of the payments that are due those farmers who participated in 1939 under the Agricultural Adjustment Act but have not received their entire payments for the year 1939?

Mr. WOODRUM of Virginia. That is the purpose of putting it in the bill, I may say to the gentleman, and that is the reason that motivated the committee in accepting it.

I do not want to take up a lot of the time of the Committee, so I shall very briefly outline some of the more important items in this bill.

There is an item in here with regard to W. P. A. which I believe should have a very brief explanation. When we passed the relief act of the current fiscal year we placed a limitation of $50,000,000 on the amount which might be used by W. P. A. for administrative expenses, reducing by $20,100,000 the amount the Budget had requested to be used for administrative expenses. We did not take the money out of the bill, but we placed a limitation on the amount which might be used for administrative expenses, and that limitation was $20,100,000 less than the Budget had placed it, thereby having the effect of making $20,100,000 more of their funds available to pay relief clients rather than to pay administrative employees.

The committee knew, of course, when we made that drastic reduction that it was a drastic reduction, and we meant to make a drastic reduction, but before the bill had finally passed and became law Works Progress Administrator Colonel Harrington, conferred with the conferees of the House and the Senate and demonstrated rather forcefully that the cut had been so drastic that his administrative set-up in the several States and the District would be so cut that, perhaps, we would accomplish the very reverse of what we were trying to accomplish, which was a better administration of W. P. A.; and the committee unanimously agreed tentatively with the Works Progress Administration that at this session of Congress we would make some further relaxation in that limitation on administrative expenses. The amount discussed then was that there would probably be another $6,000,000 needed. W. P. A. has made some reductions and made a good deal of progress in trying to straighten out their administrative difficulties and in curtailing the expenses of salaries, communications, travel, printing and binding, and so forth, but they do need this $3,950,000 for administrative expenses, and there is carried in this bill authority for W. P. A. to use of their funds not exceeding an additional $3,950,000 for administrative expenses.

May I reiterate that this is not increasing the amount appropriated for W. P. A., it is further liberalizing the amount they may use for administrative expenses. We understand they will go through the fiscal year without asking for a deficit and, perhaps, have an unexpended balance; and I would like to emphasize at this point that this is one of the few times that the relief program has gone through the year

without some kind of a deficiency or supplemental amount being asked of the Congress. I believe the Congress can take some measure of credit for reforms written into W. P. A. and for its careful check and supervision of its program, which has made this possible.

There is an item carried for forest-fire control of $3,550,000. It has been the custom for many years to carry a nominal item of $100,000 in the agricultural appropriation bill for fighting forest fires on Government reservations.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MOTT. Mr. Chairman, will the gentleman yield for a question on forest-fire protection?

Mr. WOODRUM of Virginia. Yes.

Mr. MOTT. Is that the same amount that has been carried heretofore?

Mr. WOODRUM of Virginia. No; this is the amount estimated by the Budget. What amount does the gentleman refer to as being the same amount that has been carried heretofore?

Mr. MOTT. One hundred thousand dollars for forest-fire protection.

Mr. WOODRUM of Virginia. Yes; the custom has been always to carry $100,000 for fighting forest fires, and after the season is over to appropriate whatever they have used of their own funds for that purpose.

Mr. MOTT. And was that amount carried last year?

Mr. WOODRUM of Virginia. One hundred thousand dollars is carried every year, but we appropriate at the end of the session whatever they have had to use for fighting fires.

Mr. MOTT. And this year it is $3,550,000?

Mr. WOODRUM of Virginia. Yes; they cannot anticipate how much it is going to amount to.

Mr. MOTT. There used to be an item in the agricultural bill of $80,000 to help take care of forest-fire protection on land under the jurisdiction of the Interior Department. That was dropped, and I was wondering, when the gentleman mentioned this item, whether it had been restored.

Mr. WOODRUM of Virginia. This is not the same item. This is under the Department of Agriculture.

Mr. MOTT. This item of $80,000 was carried in the agricultural appropriation bill, but it was for the purpose of fire protection on lands under the jurisdiction of the Interior Department, such as revested grant land. That is not carried here?

Mr. WOODRUM of Virginia. That is not in this bill, and I do not know about the other bill.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. CARLSON. I notice the Budget recommended an appropriation of $3,000,000 for the Bureau of Entomology and Plant Quarantine for insect-pest control and the committee is recommending $2,000,000, a reduction of $1,000,000. Evidently the committee had some reason for making that reduction.

Mr. WOODRUM of Virginia. The reason is that they have a $400,000 carry-over. As the gentleman knows, this fund has been largely used for grasshopper control, and we have been told by the Department of Agriculture and the Bureau of Entomology that these surveys indicate the grasshopper infestation should not be as intensive as last year. We are hopeful that the $2,400,000 will take care of the grasshoppers, the chinch bugs, and the other pests.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Montana.

Mr. O'CONNOR. Referring to the $3,550,000 item under the head of Forest Service, do I understand that this total amount of $3,550,000 will be available for the purpose of putting out and suppressing fires in the Government and forest reservations throughout the country?

Mr. WOODRUM of Virginia. No; it is not available for it; it is to reimburse other appropriations that have already been spent. We have always handled this program by letting them use their general fund and then reimbursing them because we cannot anticipate what their needs may be. They will proceed in the next year just as they have done this year and use whatever funds they have to use for forest-fire fighting, and we will then reimburse them just as we have always done.

Mr. O'CONNOR. May I ask what the gentleman's attitude will be in the event we have a dry season in the forest territory, as we have been having in the past, and fires break out and we have not sufficient money with which to put them out? What will be the gentleman's attitude about an emergency bill or a deficiency bill covering such a situation?

Mr. WOODRUM of Virginia. That will not be necessary, because they are authorized to use their general funds for that purpose and come in and be reimbursed. They have never had any difficulty about that item.

Mr. O'CONNOR. And I ask the same question with relation to the amount set forth in the bill providing for insect control. Suppose we have another outbreak of grasshoppers and other insects such as we have had in the past, what will the gentleman's attitude be in the future with reference to a deficiency appropriation or an emergency bill to take care of such situation?

Mr. WOODRUM of Virginia. We will try to give it careful and sympathetic consideration.

Mr. Chairman, just one other item I want to mention which I think we will hear a good deal about. That is the item of $5,000,000 for the housing census. The committee put this in the bill. In the first place there is a Budget estimate. In the second place, it is authorized, and in the third place, as late as February 8, on the direct issue, on a roll call on the appropriation bill providing for the Departments of State, Commerce, and Justice, for 1941, which carried $2,166,000 for this housing census, the gentleman from New York [Mr. TABER] moved to recommit the bill and to take the money out of the bill and provide that none of the funds should be used for the housing census. On that roll call the vote was yeas, 135, nays, 210. Therefore, with such an emphatic recent expression of the sentiment of the House, plus the facts shown in the hearings, and the House having expressed its desire to have the housing census taken, it was stated, and not controverted, that it could be taken while the population census was being taken at just about half what it would cost at any other time—under those circumstances, the committee felt fully justified in placing the item in the bill.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes.

Mr. McLEOD. It is a fact, is it not, that at the time the vote was taken it was the general understanding of the House that there was to be no penalty for refusing to answer these questions?

Mr. WOODRUM of Virginia. I do not know what the understanding of the House was, but the direct issue was raised, and the roll call which is in the RECORD of February 8, on page 1250, shows that on the vote to strike it out, 135 voted yea and 210 nay; so it seems to me that the Committee on Appropriations had specific instructions to put it in this bill. However, it is back here again for the consideration of the Committee.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes.

Mr. STEFAN. The gentleman will agree that there is considerable opposition to this census because of some embarrassing questions that are to be asked.

Mr. WOODRUM of Virginia. I have understood there is considerable opposition to some of the questions to be asked in taking the housing census, but it is understood they are usual questions.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes.

Mr. IZAC. I notice on page 2, the appropriation for rivers and harbors has been cut to $1,500,000 from the Budget estimate of $2,000,000. Would the gentleman seriously oppose an amendment to put that $500,000 back?

Mr. WOODRUM of Virginia. What appropriation?

Mr. IZAC. For the dredging of San Diego Harbor.

Mr. WOODRUM of Virginia. I do not now recall the details of that. It seems to me that the committee came to the conclusion that work could be carried on as rapidly as they needed now considering the funds they have had, the money in this bill, and the allocation to be carried in the regular 1941 bill. If the gentleman can make any showing, he will have an opportunity to do so. The committee thought that would be a sufficient sum to carry on the work.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes. I am going to confine what I have to say to one subject in this bill, because if I have anything else to say it will be said with reference to amendments that might be offered. There is an item on page 9, line 15, extending over to page 10, line 2, for $5,000,000 for part of the so-called housing census. This is the situation as I view it. Unless this Congress comes to a realizing sense of its responsibility and stops inquisitorial practices such as are set forth in the hearings on pages 124 to 127, inclusive, with reference to this housing census, this country is in a bad way. That is one feature of the housing census. It is an inquisitorial proposition. They want to know the monthly rental, the monthly value of the property, they want to know the number of persons living in the property, the rental value of the property, and they want to know how much money these people have available to expend. They want to know about the mortgages on the property and almost every other conceivable thing. There seems to be a concerted movement on the part of the people of the country in opposition to this proposition. In many cases housewives are organizing, stating that they will take the broom to these census enumerators. I am receiving letters by the dozen from all over the country. Is it not about time that we became responsive to what confronts us in the country? That is one feature of the proposition. The other is this.

This housing census is conceived as part of a larger housing program, one which has already gotten the Government of the United States into debt $1,600,000,000 for guaranties to these localities who have constructed these outfits, and it is designed by the promoters to get the country into debt many billions of dollars more.

The result of these housing operations of the Federal Government has been business stagnation on the part of the building industry, and just so long as we go along with that kind of performance we will have stagnation. There is only one way to bring about economic recovery in this country and to put the housing industry of this country to work, and that is to meet our Federal situation, balance our Budget, stop the foolish wasting of the people's money. There is never going to be a better time to start than right now. If we stop this operation, if we throw out this $5,000,000, we will not only save $5,000,000, but we will save $8,000,000, because stopping this money right here means that we will stop the whole housing census program. We will get rid of that inquisitorial performance and we will set the star of hope burning in the breasts of the American people, because we will have done something to stop the wasting of money by the billions, which has been going on for the past 8 years and which has prevented the possibility of economic recovery.

Now, the question is, Is there going to be any sense of responsibility on the part of individual members of the House of Representatives, or are we going to be carried away by the press of that crowd which has been endeavoring to foist regimentation and inquisition on the people of this country for the last 7 or 8 years? Have we the courage to stand up and be counted in favor of honest business, in favor of freedom and of saving the people's money, or are we going to be on the run in a continuous state of emergency? Are we going to keep the people of the United States in a continuous state of emergency?

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. REES of Kansas. From what source comes this demand for this expenditure of $5,000,000 to make this inquisition? Who is demanding that we spend this $5,000,000 to ask the questions enumerated here?

Mr. TABER. From the bureaucrats who believe in regimentation and have no regard for the rights or money of the American people. The whole pressure for that proposition comes from them. Nothing will be sacred enough to any individual so that he can keep it to himself if we go along with the performances that are laid out here.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield.

Mr. TABER. I yield.

Mr. GILCHRIST. Are these inquisitors to be under civil service or are they patronage for the party which is in power, who will draw this money?

Mr. TABER. Oh, they will be patronage, of course. There is a possibility of 200 questions in each case with reference to which the family secrets will be available to the inquisitor.

Mr. REES of Kansas. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. REES of Kansas. I would like to call attention to the fact that under some W. P. A. projects, housing information was gathered throughout the States, and I think you will find over in our Library a document which we had here a few days ago, showing a lot of information with reference to housing conditions in this country. It seems to me that if these bureaucrats, who want this information, must have it, they can get it from that source and at least save several million dollars.

Mr. TABER. There are several questions that the W. P. A. could not ask with reference to the intimate affairs of people. This bureaucratic crowd not only wants to spend money, regardless of whether there is any reason for it, but they want to spend it for the purpose of annoying the ordinary citizen of this country. They are so far superior, in their own minds and in their own ideas, to the ordinary folks of this country that they have absolutely no regard for the rights of the people here.

I hope that an amendment will be adopted wiping out this language. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I will try to carry on where the gentleman from New York [Mr. TABER] stopped because of his time limitation and say at the outset that I am definitely opposed to appropriating another dollar for the Census Bureau until they eliminate from their questionnaire certain questions considered by many competent authorities as illegal questions; certainly questions never authorized by any law that I have been able to find.

I have received 10 to 15 letters a day for the past few weeks on this subject, letters coming from very substantial citizens, Democrats and Republicans alike. I recall one letter I received this morning from a man who said:

> I have no objection to filing with the Internal Revenue Department the facts relating to my income. I have no objection to abiding by the laws of my State and filing in the town clerk's office the mortgage that is on my home. But—

He says—

> I definitely do object and will refuse to answer any questions asked me by a political appointee who comes around asking the amount of mortgage on my home, when I pay the interest, whether I reduce the principal at the time I pay the interest, and what my income from various resources amounts to.

The attitude of the Census Bureau on this matter has been all wrong.

I wrote a letter to the Bureau in good faith asking them about these questions that I was hearing about in my mail, but all I got in explanation was the statement that the census had been taken for 150 years. I knew that, but there never has been a census taken where they went into a citizen's home and asked him the amount of his income.

It has been said and will be said today that there is a severe penalty imposed against a census taker who discloses any of the information he obtains. This promise does not mean a thing to the average citizen today, and I will tell you

why. The average citizen has lost confidence in the promises of his Government. I hate to admit that fact, but there is the reason, they have lost confidence. We assured the people of the Nation that the contents of their income-tax returns would be confidential, in fact, almost sacred; yet just a few months ago the President, by an Executive order authorized the Internal Revenue Department to turn over to a committee of the Senate, the La Follette Committee, certain income-tax returns. If that can be done with an income-tax return, what assurance has the average citizen that a month or 2 months from now the President will not issue another Executive order making public the information disclosed to the census takers?

And the Members of the House can well be reminded that these questions are to be asked by men who have received their appointment solely and purely because of their political connections. I have no great objection to that, although I do feel that there should not be a man hired for that work until the last of those on the civil-service registers had been used. I realize there are not enough on that list and I have no objection to the remainder of the jobs being used as patronage, but I have no confidence that the information the enumerators obtain will not be noised about, particularly in the small communities.

The suggestion was made on the floor of the House a few days ago that the census enumerators might well be taken from eligibles on the relief rolls, on the waiting list. The gentleman from Mississippi [Mr. RANKIN] said that that had never been done before and that it will not be done now. It has never been done before because we never before have had 10,000,000 of unemployed on waiting lists for public relief when a census was taken. To say that people on the waiting lists of the relief agency are not competent to take this census is a reflection on the fine men and women on those lists. I know several people in my own district who have one or more college degrees, yet who are standing around waiting for a chance to get 40 hours' work a month from the W. P. A. To brand such people incompetent is, in my estimation, an unfortunate reflection on the W. P. A. waiting list. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I simply want to point out in this brief time the conditions existing in my own State and surrounding States with reference to insects, grasshoppers, and so forth. I have here a letter from the Farmers' Educational Cooperative Union of America located at Great Falls, Mont. This branch of the union is very well informed. This information may be absolutely relied upon. The letter is addressed to me and reads as follows:

Information coming to this office indicates that the grasshopper and Mormon cricket situations while not as serious as last year, is still extremely critical in some parts of Montana. The area commonly known as the triangle district, which is the high production wheat area of the State, is heavily infested with grasshopper eggs.

The counties of Liberty, Hill, Blaine, Phillips, Choteau, Fergus, Teton, and Pondera are much more heavily infested than was the case last year. We also learn that the situation is critical in parts of North and South Dakota, Nebraska, Kansas, and Colorado.

The Federal Government owns thousands of acres of land in this area, much of which is set aside for grazing purposes only.

I might say the case is understated, for the Federal Government owns one-third of the acreage of my State.

It is a direct obligation of the Federal Government to care for insect control work on these Federally owned lands.

We also feel, that since the grasshopper is migratory, and insects hatched in other States fly to another doing great damage to crops, it becomes a direct concern of the Federal Government to appropriate money for funds to combat grasshoppers.

The proper form of appropriation would be one in which the original funds of $5,000,000 was set up and an additional appropriation to be made each year to replenish the portion of the fund used. If such legislation were enacted, it would relieve farm organizations and the department of entomology from its continual battle each session of Congress for funds.

I wish particularly to have the chairman's attention to this statement:

We are told that $3,500,000 will be needed. We hope we may have immediate and favorable action on the part of Congress.

The letter is signed by Harold Brown, secretary of the Montana division of this union.

I might say that I am informed that conditions surrounding Montana are about the same as they are in the Dakotas and Nebraska.

I am giving you this information so that you will be better prepared to act on an amendment that I will propose to increase the appropriation to $3,000,000, the amount recommended by the Bureau of the Budget. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, this bill carries an item of $5,000,000 toward paying the expenses of taking the Sixteenth Decennial Census. I opposed the bill providing for a housing census last August, which authorized the expenditure of $8,000,000 to ask the American people a lot of useless questions they have never been asked before in any census. This $5,000,000 appropriation is a part of that $8,000,000 authorization.

Today I introduced a resolution asking that questions 32 and 33 be deleted from the census forms which have been printed under the direction of the Secretary of Commerce, which questions have to do with inquiries into the incomes of the American people. Such questions have never been asked before. I doubt the authority for these questions, as this census is to be taken under the provisions of the act of June 18, 1929. The law of June 18, 1929, provides for the fifteenth and subsequent decennial censuses, providing that it shall be restricted to inquiries relating to population, agriculture, irrigation, drainage, distribution, unemployment, and mines. It is entirely silent upon the income of the people.

Never before have the people of this country been asked by a census enumerator what their income was, how much it was, where they got it.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. If the gentleman will just defer his question, I will yield later if I have time.

In addition to that, Mr. Chairman, under this $5,000,000 appropriation for the housing census the American people, for the first time since the Republic began, are going to be asked some embarrassing questions:

Present amount of outstanding indebtedness on first mortgage or land contract; on junior liens?

Frequency and amount of regular payments on first mortgage or land contract?

Do these regular payments include principal reduction? Yes or no. Real-estate taxes? Yes or no.

Interest rate on first mortgage or land contract?

Type of holder of first mortgage or land contract: Building and loan association, commercial bank, savings bank, life-insurance company, mortgage company, H. O. L. C., individual, other?

I say they are embarrassing questions because the list that has already been prepared and distributed by the Bureau of the Census, Department of Commerce contains two unusual questions. I hope it will be the sense and judgment of this House that certain of these questions be not asked. I may say an identical resolution has been presented in the Senate to strike out questions 32 and 33. These two questions are:

What amount of money, wages or salary, do you receive, including commissions?

Did this person receive income of $50 or more from sources other than money, wages or salary? Yes or no.

I hope these questions may be stricken entirely from the census questionnaire in order that the American people may be spared from being compelled to divulge their most intimate and private affairs. These questions are going to be asked them beginning April 1 of this year unless this Congress corrects this glaring inquisition.

I understand that the Secretary of Commerce justifies questions 32 and 33 of the census on the ground that those

two questions, relating to the income of the people, are akin to population.

There is not a Member of this House who could not think of a lot of questions that might be delicate and intimate, and yet have more to do with population, but it is inconceivable, and I think the Members will agree with me, that the income of the individual has anything to do with population.

I want to call your attention to a few of the questions that are going to be asked through this appropriation. If you are not at home when the enumerator comes, and that enumerator may be your neighbor, your political enemy, your competitor in business, or someone in the neighborhood who would glory in having the information that they would obtain, and which you will be forced to give under penalty of either paying a fine or going to prison if you refuse to answer, or both, your wife will have to answer. I want you to listen to some of the questions you are going to be asked if this $5,000,000 is appropriated.

I hold in my hand a preliminary list of inquiries given out by the Department of Commerce on this very subject. This is what your wife is going to be asked if you are not at home:

> Toilet facilities in structure; flush toilets; for exclusive use or shared flush toilets. Other outside toilet or privy. Bathtub or shower with running water in structure, for exclusive use or shared with other householders—

And so forth. In addition to that you are going to be asked the amount of mortgage on your home, the rate of interest, whether or not you have kept up your payments, how much your payments have been, and whether or not the regular payments include principal reduction. Yes or no. Real-estate taxes. Do you pay them? Yes or no. Then in addition to that, the wife might be asked whether or not she has been married one, two, or three times before, her age at the time of her first marriage, what language was spoken in her home during her childhood, how many children she had. That is the type of questions that a freedom-loving people are going to be asked beginning the 1st of April of the present year if this appropriation of $5,000,000 is retained in the bill.

I hold in my hand a copy of the census questions that are going to be submitted. It contains some fifty-odd questions. The two objectionable questions on this list are numbers 32 and 33. These two are asked because the Secretary of Commerce, as I understand it, claims they are akin to population: The amount of money, wages, or salary received, including commissions. Did this person receive income of $50 or more from sources other than money, wages, or salary?

Mr. REED of New York. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. REED of New York. I call the attention of the gentleman to the fact that for the first time in the history of the country Harry Hopkins has placed a question in the regular census relating to income.

Mr. DONDERO. I thank the gentleman for his contribution. It is not enough that those who are fortunate enough to have an income large enough on which they pay income taxes to have to submit information directly to their Government, and no one complains about that, but this is an entirely different proposition. These questions are going to be asked by people who live in your community. You will be forced to divulge information as to your private affairs.

Mr. HARNESS. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Indiana.

Mr. HARNESS. Can the gentleman tell us under what authority they put those questions in there?

Mr. DONDERO. I may say that the questions for the census of 1940 are predicated upon the law of 1929. There is no authority except that the Secretary of Commerce, as I have been informed, claims that in broad phraseology he has a right to ask those questions on the basis that the question of income is akin to population.

Mr. HARE. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from South Carolina.

Mr. HARE. I did not intend to elaborate on the purpose or value of this particular appropriation, but I do want to call the gentleman's attention to what appears to be an error when he said that at no time in the history of this country had the Government made inquiry with reference to the income of the people. I call his attention to the operations of the Labor Department and every other department of the Government, as well as every special investigation that has been made by the Government, going back to 1908, if I recall correctly, when the Congress authorized a special investigation into social and economic conditions of the women and child wage earners of this country. There the regular schedules specifically requested of each individual the type of work he or she was performing, the rate of wage he or she was obtaining, the total weekly wages and the monthly wages, and the yearly income.

Mr. DONDERO. Was any of that ever taken under a census?

Mr. HARE. Not under what we know as a decennial census; but it was a schedule authorized by the Congress and carried into the homes of hundreds of thousands of people, possibly millions of people, who were engaged in industry, and it obtained from them the daily, weekly, monthly, and yearly income—presumably for the purpose of ascertaining the social and economic condition of these people with the idea that possibly appropriate legislation might be enacted for their benefit.

Mr. DONDERO. Now, just a moment. I yielded only for a question—not for a speech.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 3 additional minutes to the gentleman from Michigan.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. MICHENER. Reverting to the gentleman's observation concerning the confidential nature of the information asked, I may say that I am receiving many protests along that line. This is an excerpt from one letter:

> Now, my complaint is largely that local people should never be assigned to work of this nature, and I am sure that had I known beforehand that the person was a member of the family of my competitor in business I would never have consented to give her the confidential information wanted, as I am quite sure that it will not be treated as confidential in the community.

Mr. DONDERO. I thank the gentleman for his contribution.

In answer to the gentleman from South Carolina, may I say that this is an entirely different proposition. In this case the information is to be obtained by people living in your own community, who may know you, or who may be your most bitter enemy and would just relish and feed upon the information you would be compelled to divulge under the questionnaire of the census about to be taken.

I hope this appropriation may be deleted or stricken from this bill in order that this inquisition—and that is what it is—may be stopped and the American people not be embarrassed in their homes and in their private affairs, the privacy of which is guaranteed to them under the Constitution of the United States. Eternal vigilance is still the price of liberty. Unless the American people wake up to what their rights are, they may soon have no liberty.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. I am very curious to know whether the other censuses to which the gentleman from South Carolina referred carried a criminal penalty for failure to answer.

Mr. DONDERO. I am inclined to believe after listening to my good friend from South Carolina that they were undoubtedly industrial censuses, taken in an entirely different way than a census of this kind, the decennial census. That is the difference between the two, if such censuses were taken. There were no penalties of punishment provided in them, I am sure.

Mr. KUNKEL. The persons giving the information could answer or refuse to answer as they saw fit?

Mr. DONDERO. I am not able to say definitely on that, but undoubtedly those censuses were different from the census before us at the present time.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Washington.

Mr. LEAVY. The gentleman has referred to questions 32 and 33.

Mr. DONDERO. They have nothing to do with the housing census, I may say to the gentleman.

Mr. LEAVY. That is the point I wanted to get at. The appropriation we have under consideration deals with housing alone?

Mr. DONDERO. That is for housing, yes; and I cited the questions we are going to be asked under that particular census.

Mr. LEAVY. To strike this appropriation out of the bill would not in any way affect the matter that has been discussed by the gentleman.

Mr. DONDERO. It would not affect questions 32 and 33. It would affect the housing census. [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, there is little that I can add to the observations made by the gentleman from Michigan and the gentleman from New York, but my interest was aroused by the colloquy between the gentleman from Michigan and the gentleman from South Carolina a moment ago, when the latter called our attention to the fact that upon previous occasions the Congress had authorized some department of the Government to make a certain type of investigation to gather information concerning conditions in industry. Of course, we have often done that; but I do not believe we have ever embodied in such a resolution a penalty to be imposed against persons who declined to answer. I am quite sure I am right about that. I have been here some years, and I do not recall any investigation of that kind being conducted with a penalty attached that included a possible jail sentence, which is what is involved in this case.

Mr. HARE. If the gentleman from New York would care to have me answer that inquiry, I may say that I am not prepared to say that a penalty was attached, but I am prepared to say that under a rule or regulation issued by the Department to its enumerators or agents the construction of the Department was that Congress had empowered them to compel any individual to answer the questions on the schedule. Just what the penalty would be I shall have to admit I am not prepared to answer, but I may be able to find that out.

Mr. WADSWORTH. I believe the gentleman will find that we never in any such resolution threatened to put people in jail.

While we are on that point, Mr. Chairman, let me read in part section 9 of the law which has to do with this penalty:

> It shall be the duty of all persons over 18 years of age, when requested by the Director of the Census, or by any supervisory enumerator or special agent or other employee of the Census Office, acting under the instructions of the said Director, to answer correctly to the best of their knowledge all questions on the census schedule applying to themselves and to the families to which they belong or are related.

You can see the ramifications of this thing. They can take an 18-year-old boy and put him on the grill about the debts of his mother or his father or his older brother; and if he does not answer, he can be fined or sent to jail, or both. It is an amazing performance. "The family of which he is a member or to which he is related," is the language.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I am wondering if the gentleman has given consideration to a situation such as this. Take the situation in my own case. I have a 21-year-old son who will be the only person at my home available to give this information when the census enumerator calls. What about the value of the information he may give if he is asked questions and attempts to answer those questions? They will call upon him, he will be there, and they will attempt to ask him about my debts and the amount of the mortgage, and all that sort of thing. Of what value will it be for him to attempt to answer questions on matters about which he knows nothing?

Mr. WADSWORTH. Of course, the gentleman is the only person who can give an answer to his question. I do not know how much reliance I would feel in my own son if he happens to be at my office at home when these people come. They might ask him an awful lot of questions. He might wire me to get some of the answers. I would be very slow in replying to that wire—very slow. [Laughter.]

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. WOODRUM of Virginia. Aside from the question of the merit or demerit of the proposition which the gentleman is discussing, just to keep the record straight, the gentleman will find on page 115 of the hearings Mr. Austin was asked the question as to what authority there was for asking the questions and for the penalties cited, and he cites section 9 of the act of June 18, 1929, the Decennial Census Act, which had a penalty section in it for faiure to answer questions in the census.

Mr. WADSWORTH. That is true. The penalty section which I read in part is lifted, of course, from old law.

Mr. WOODRUM of Virginia. He further stated, however, that he did not think the department had ever resorted to trying to enforce any penalties under it.

Mr. WADSWORTH. Maybe so, but I do not believe in granting power to the Government and then hoping it will not use it. [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, sometimes there is some pretty good information or some good opinion that comes out of old New England. Perhaps we are not quite up to date in that section of the country in New Deal methods or in New Deal methods of taking a census, but I hold in my hand a clipping from a paper published in North Adams, Mass., a very powerful editorial, as it seems to me, which I ask permission to insert in the RECORD.

The CHAIRMAN. The gentleman will have to secure such permission in the House and not in Committee.

Mr. TREADWAY. Then I shall read extracts from the editorial, the title of which covers an entire answer to the problem that is before us at this time. The title of the editorial is "None of Their Business," and that is exactly the way I size up the questions under discussion with respect to the 1940 census at the present time.

The editorial says:

> As a matter of fact, there are questions included which no citizen of a free democracy should be compelled to answer. That those who drew up the prying questionnaire did not realize what the reaction of a normal American would be to such questions as "What is the value of your home, if you own it, or what rent do you pay?" or "What is your race or color?" is surprising, to say the least.

Then it goes on to say:

> Then it was arranged that 2 out of every 40 persons questioned would be required, on pain of a $500 fine or imprisonment, to answer a supplementary list of extremely personal questions regarding previous marriages, divorces, the language spoken at home during his childhood, the birthplaces of his parents, and similar data which, baldly, is none of the Government's business.
>
> Then there are other questions anent the size of the mortgage, if any, on your home; facts on the heating and cooling apparatus in your home; cost of utility service and appliances.
>
> And, to top it all, you are supposed to tell the census taker, whoever he or she may be, the amount of money, wages, or salary received, including commissions, you made in 1939, and whether you got an income of $50 or more from other sources.

If there ever was an inquisitorial type of foolish and none-of-your-business questions, there is a sample of them.

Then it says this:

It will be interesting to see if Congress fails to delete the more objectionable questions and eliminate the penalties—and it must go against any American's grain to be told that he'll be fined or sent to jail if he doesn't tell some stranger things which, the chances are, his own brother doesn't know—how many will defy their too curious Government. We have a suspicion that if the penalties were really to be enforced, the jails and courts would be somewhat crowded.

I think this expresses the sentiment of this House better than trying to analyze the questions, and that we are definitely of the opinion that unless these questions are very materially changed, and the Government asks questions that are the Government's business rather than none of their business, as this editorial says, the jails of the country are liable to be filled through an enforcement of the fine-and-penalty provision. The gentleman from New York who just preceded me is apt to be included unless his position as a Member of this House exempts him, because he has stated that he would be very slow to answer his son's inquiries; in other words, he would tell his son that he was not going to answer the inquisitorial nonsense of the census taker.

The questions themselves are extremely objectionable. The gentleman from South Carolina [Mr. HARE] spoke of the economic value of these questions. I would like to ask him if, under the housing schedule, there is the slightest economic value in knowing whether you have an individual bathtub or whether you share it with someone else—what economic program does that carry out—and whether the bathtub or shower has running water or not.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman from Massachusetts 3 additional minutes.

Mr. TREADWAY. The present presiding officer is the distinguished gentleman from Mississippi. He presides excellently over this Committee of the Whole House, and over the committee of which he is the distinguished chairman. I would like to ask him how he is going to use the toilet unless it is a flush one, and whether he would have it for the use of his own house, or share it with his neighbors. This questionnaire does not say where that neighbor must live. Would you have to ask him to make use of the facilities of your house? In this list, there are questions enumerated that might be asked, possibly by the Income Tax Division, but here if you refuse to answer you are to be sent to jail. I would not want to see that happen to such a distinguished gentleman as the presiding officer here; but that is the situation if it is followed out to the letter. Of course, when it comes to questions 32 and 33, you then reach into the very heart of the matter. Why should this census enumerator need to know whether you have received $50, more or less, outside of your salary? Someone must have sat up nights to figure out these ridiculous and improper questions that are incorporated in this census sheet. The only benefit I can possibly see that might come from this ridiculous situation is that if the census enumerator is paid upon the basis of foolish questions asked, then he is going to get a big rake-off; he or she, as the case may be. That is the only benefit that can possibly come from such foolish questions as the public is to be asked to answer.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. CRAWFORD. I think it has been thoroughly established that the interrogations with reference to household equipment are prompted by the building industry and the suppliers of those particular items. If the constitutional provision calling for this census carries with it the power in the Census Bureau to put into this list the interrogatories which some outside pressure group desires to have put to the people and answered, where is there any protection for the people under this scheme of taking the census?

Mr. TREADWAY. There is not supposed to be. It is an inquisitorial proposition that will not protect anybody from anything or do anybody any good.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 2 minutes more in order to ask him a question. Has the gentleman given consideration to questions 28 to 33, inclusive, in the housing-schedule questionnaire?

Mr. TREADWAY. May I interrupt the gentleman? To start with, there are three different sheets. Will one census enumerator take all of these answers?

Mr. WIGGLESWORTH. There are three possible censuses with over 300 questions.

Mr. TREADWAY. And the gentleman is asking me about the housing schedule?

Mr. WIGGLESWORTH. I refer to the housing schedule questions 28 to 33. They call for information as to the market value of all owner-occupied property, as to whether or not there is a mortgage on the property, as to the present amount of outstanding indebtedness, as to the payments required on the mortgage, if any, whether monthly, quarterly, semiannually, or otherwise; whether the payments include any amount for reduction of principal; whether they include real-estate taxes; what interest is charged on the mortgage and who holds the first mortgage, if any. Does the gentleman think these questions are proper questions or that they serve any useful public purpose?

Mr. TREADWAY. If they serve any public purpose it is for the people who have asked the questions to answer that. It is beyond my mental capacity to give the gentleman any definite reply to the question that he asks.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes. I yield to my neighbor because I may have some mortgages that affect him, or he may have something on me.

Mr. MILLER. Could the gentleman tell me whether, if the enumerator comes to a gentleman's house and asks these questions and does not conclude until Saturday night, he may invite him to make use of the bathtub?

Mr. TREADWAY. Oh, I suppose that would depend upon whether it is shared with somebody else, with a neighbor. I do not think you could, unless you have said that this is not your exclusive toilet and bath. And I do not know whether that applies to both in the same room or not, but at any rate it would definitely apply in some way, and the answer to that question would be how you have answered these previous fool questions in the questionnaire.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. MICHENER. I have had a number of letters inquiring about this penalty. For instance, supposing the question is as to the quality and quantity of toilet paper used in each family, and the person interrogated refuses to answer?

Mr. TREADWAY. Is that in here? [Laughter.]

Mr. MICHENER. I have been so informed.

Mr. TREADWAY. Well, it is like the kitchen stove. Everything is in here. If they use the wrong kind of toilet paper, it might clog the plumbing, and then you would get into trouble again, perhaps with an additional fine and imprisonment.

Mr. BOLLES. How about using the Sears-Roebuck catalog? [Laughter.]

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, it will not be my purpose to discuss the merits or demerits of the various interrogatories of this housing census schedule, but in view of the criticism to the effect that this is something new, unheard of, and apparently a trespass upon the rights and privacy of the homes of the people of this country, I want to call attention

to an act of Congress providing for an investigation of special census a number of years ago. I read a part of an act of Congress passed June 29, 1907, which is as follows:

That the Secretary of Commerce and Labor be, and he is hereby, authorized and directed to investigate and report on the industrial, social, moral, educational, and physical condition of women and child workers in the United States wherever employed, with special reference to their age, hours of labor, term of employment, health, illiteracy, sanitary and other conditions surrounding their occupation, and the means employed for the protection of their health, persons, and morals.

The only criticism that is lacking so far today is that this census schedule does not inquire into the morals of the people, but the resolution referred to, passed in 1907, conducted in 1908, which was a census of woman and child wage earners, did permit inquiries into the morals of such persons. Enumerators first had to get information from the individual homes, or the individual families. They had to inquire of the mothers and daughters and children to get this information. They went a great deal further there than is contemplated in this schedule because they had the right, under that authorization, to inquire into the morals of the individual.

It had been suggested that we might ask a man whether or not he was divorced or married again. Certainly. There is no embarrassment there, if legitimate. That is not a new inquiry.

I want to read some of the inquiries in this schedule, which is a copy of the schedule used back in 1908 by the Bureau of the Census and Bureau of Labor.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. KUNKEL. I wonder if the gentleman could answer the question that I brought up when the gentleman from Michigan was speaking. Does this one to which the gentleman is referring carry a criminal penalty for failure to answer the question?

Mr. HARE. I cannot answer what penalty it carried because I do not know, but I do know from a historical standpoint that the law provided that the department had the right to compel anyone to answer the questions in the schedule.

Mr. MILLER. Mr. Chairman, will the gentleman yield for a brief question?

Mr. HARE. I yield.

Mr. MILLER. May I repeat my belief that this is the first time in any census for any purpose that a man has ever been required to divulge his income. I maintain that those two questions are definitely without authorization. I grant that these other questions were asked. I do not grant that they were necessary, but I would like to clear up the point as to whether there is any authorization for the question in regard to income.

Mr. HARE. I will read the inquiries on this schedule to which I have referred, and the gentleman can draw his own conclusion.

Mr. MILLER. But the gentleman is evading my question because that would not be an authorization for this purpose, because that was an authorization for the Secretary of Labor to conduct an investigation.

Mr. HARE. No; it was directed to the Secretary of Commerce and Labor, there being no Secretary of Labor at that time. The Bureau of Labor was in the Department of Commerce, and the authority to conduct the investigation was lodged with the Bureau of Labor and Bureau of the Census.

Mr. MILLER. But I have not heard anything about income.

Mr. HARE. All right; I will read. This schedule makes, first, the inquiry as to the post office, residence, and address; city, town, and State; the name of head of the family. It then inquires as to the number of years the head of the family has been in the United States.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HARE (continuing reading):

Race of husband?
Race of wife?
Date of birth?
Occupation?
Earnings during the past year?
Amount paid to family?

That means, of course, whether or not the husband took the money and paid it to the family or spent it somewhere else. Other inquiries are as follows:

Years worked in present industry.
Income of the family from other sources (for example, cow, swine, garden, poultry, etc.).

If that does not find out what a man's income is, I would not know how to proceed; but listen to further inquiries on same schedule:

Total income of family?
Is dwelling owned or rented?
If rented, by whom owned?
Give detailed description of dwelling.
Separate house or rooms in tenement?
Number of stories high?
Number of rooms occupied by family?
Number of rooms used for sleeping purposes?
Character of foundation?
Is house painted?
Is house plastered?
Is house ceiled?
Has house pantries or closets?
How is house heated?
How is house lighted?
Outdoor privy or watercloset?

[Laughter.]

A great deal has been said here about outdoor toilets or inside toilets, but this schedule went further than that. Listen again:

Outdoor privy or watercloset?

Then it goes a little further and it inquires:

By whom is privy cleaned?

[Laughter.]

Now what do you think of that as compared with the schedule that has been so severely criticized here this morning?

There are other inquiries in this same schedule reflecting the amount paid for rent, for fuel used, and whether members of the family used tobacco and the annual cost of same, whether they drank Coca-Cola and the amount spent annually for this innocent beverage; whether they made contributions to the church and how much, whether the family availed themselves of the opportunities for amusement and the amount of the annual bill. The particular schedule from which I am reading shows a detailed description of the house furnishings in one family, as follows:

All old and of the cheapest make. Sitting room contains a bed, couch, sewing machine, a washstand, and a few chairs. Other bedrooms contain beds and chairs only. The kitchen contains a stove and table with the necessary pots and pans. Window shades and curtains of the cheapest material. The sitting room had mats for covering and other rooms were bare. The only pictures of any kind on the wall are the family records hanging above the fireplace.

Proceeding further it says:

The oldest girl and oldest boy go to the city and sometimes attend the theater or moving-picture show. The boys congregate in the company store in the evenings. Sometimes they go to church and to Sunday school.

The same Government report from which I am now reading, found in volume 16 of the report of the Commissioner of Labor, 1910, illustrates the character of the study, investigation, or census made by giving an inventory of the wardrobe of each member of the family. And from the standpoint of privacy I hesitate to read into the record all the inquiries made and articles named in response thereto, but to show the housing census bill now being discussed and criticized does not contemplate inquiries near so embarrassing as those contained in the schedules back in 1908 when the special census or investigation already referred to was taken, I read from this same volume on page 44 where it recites a rather

complete inventory of articles bought for one of the daughters of the family (age 21) and the amounts paid for such articles. I quote:

One cloth suit valued at $25; 1 linen suit, $12; 3 cotton waists, $3; 2 percale waists, 60 cents; 1 linen skirt, $2; 1 Persian lawn dress, $6.50; 4 calico dresses, $2.42; 1 gingham dress, 95 cents; 1 silk petticoat, $6; 6 cotton petticoats, $6.50; 4 pairs cotton drawers, $1.87; 2 corsets, $2; 6 corset covers, $3; 4 cotton nightgowns, $4; 3 straw hats, $12; 23 pairs of stockings, $7; 5 pairs shoes, $11.50; 1 pair silk gloves, $2—

And so forth. The point I am trying to illustrate is that the schedules of 1908 certainly contained inquiries that went much further into the privacy of the home and the individual than the inquiries contemplated in the proposed schedule for taking a housing census. If the schedule exhibited here today contained inquiries designed to find out the number and quality of underclothes worn by the mothers and daughters of this country I would certainly vote against this appropriation.

Mr. Chairman, to come before this House and argue against the appropriation on the ground that it is a trespass upon the privacy of the home for the first time in the history of this country is absurd. As I said at the outset, I do not care to enter into an argument as to the wisdom, propriety, or the economic value of these inquiries, but I do want to submit that it is not a new undertaking on the part of this Government. I assume the purpose of the inquiry is somewhat similar to the purpose of the investigation or special census made in 1907, 1908, 1909, and 1910 when the alleged purpose was to make inquiry into the social, educational, and economic condition of women and child wage earners in the United States. If we had the right then, if we had the authority then, and if we could do it then without trespassing upon the privacy or rights of the people, I see no reason why it cannot be done today with equal propriety.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. SMITH of Ohio. Does the gentleman believe it is proper for the Federal Government, or that the Federal Government has the right, to inquire, as a part of census taking, into the morals of any of our citizens?

Mr. HARE. I do not think it is a function of government to try to regulate the morals of the people, no; it is not a function of government. I believe, however, that the Federal Government has a right to collect statistics and information as a basis for legislation for the benefit of the public generally. [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, we are not living under the Constitution adopted by the fathers in Philadelphia. The people never would have ratified that Constitution had it not been for certain amendments which were later adopted, which amendments constitute the Bill of Rights. In that Bill of Rights, which is a part of the Constitution, are not less than 24 personal liberties for which mankind has fought down through the centuries to obtain; and there they are the bulwark of American liberty, the most-cherished heritage and of more value than anything else in this country to be bequeathed, unimpaired, to their children.

This attempt to select 120,000 local political appointees, armed with authority of law and directed to invade 30,000,000 American homes to pry into their personal affairs, is a violation of the Bill of Rights. Look at section 4 of the Bill of Rights and see the protection that is thrown around the home of the individual. No person, no power of government, can cross that threshold unless by an order of the court after certain facts have been presented showing that either a crime or a near crime has been committed. A sworn statement is required to be presented to the judge; yet here you propose to nullify that provision of safety to individual rights by circumventing it through this means of sending 120,000 snoopers with full authority to cross that threshold and pry from the people information that no power on earth could otherwise obtain except under a court order. It is a reprehensible proposition; and while it would be easy to ridicule these questions, a fundamental principle of liberty is involved here—and I would remind this House that we still have some dignity here; some responsibility to the people; or it should have. We still owe some obligations to a free people who sent us here; and I would read from the words of Thomas Jefferson in reply to the President when he said it was the duty of American citizens to answer these questions and to have confidence in Government officials. Here is what Thomas Jefferson said when the question of confidence was presented to him:

It would be a dangerous delusion if our confidence in the man of our choice should silence our fears for the safety of our rights. Confidence is everywhere the parent of despotism. Free government is founded on jealousy, not in confidence. It is jealousy and not confidence which prescribes limited constitutions to bind down those whom we are obliged to trust with power. Our Constitution has accordingly fixed the limits to which, and no further, our confidence will go. In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by chains of the Constitution.

That is precisely what the people sought to do in the Bill of Rights, and it is high time that we listened to the voice of a free people who are sick and tired of seeing their individual rights nibbled away by degrees. If you ever pry from the Bill of Rights this plank in section 4 you will have started the whole program of destroying all these 24 individual liberties in the Bill of Rights. So I am here appealing to you as a matter of principle. You are not general agents, you are special agents. Your duties are defined by the Constitution, and I say there is far more reason now for your stopping this snooping program, this invasion of personal rights than as though you were acting directly. But I say to you that a bureaucrat, a bureaucrat has framed these questions, and he has gone far outside of the intent, or the letter, or the spirit of the law enacted by this Congress; and what is worse you have delegated certain authority which he has subverted to his own purposes, and you have delegated rights to a type of man who had the temerity and effrontery to say that "the people are too damned dumb to understand." I wonder if he is sitting down there in his cloistered office smiling away saying the Congress is too damned dumb to interfere in the interest of the people? [Applause.] If you ever vote for this appropriation in this bill you will be placing your stamp of approval upon his act by which he proposes to send the political snoopers into the homes of this country.

I do not propose to have my family insulted by being asked these questions. I remember when the N. R. A. was in vogue, they approached me, they approached my family, and wanted us to sign a pledge card. I refused. Then a man was sent from Washington and said, "What shall I tell the President?" I did not sign that card, neither did my family. I have some rights left as an American citizen and I do not propose to see this Congress dragged down into the mire and slime by delegating inquisitorial powers to a bureaucrat in the Department of Commerce. I urge you as patriots today to assert your rights and the rights of a sovereign people of the United States. It should be your desire to earnestly and sincerely and faithfully represent the people who have honored you with the position you occupy here, not as the spokesman of the Executive but as the spokesman and as the voice of your people. You are here to preserve, protect, and defend the sacred private rights of the people as guaranteed by the Constitution.

I might call your attention to a little bit of old Anglo-Saxon philosophy expressed many years ago when they were fighting for their personal liberties and the protection of the home.

William Pitt, Earl of Chatham, said:

The poorest man in his cottage bid defiance to all the force of the crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter, the rain may enter—but the King of England cannot enter; all his forces dare not cross the threshold of the ruined tenement.

There is no more sacred place than the American home. Except for the American home there could be no government such as we enjoy, and it is our duty here as representatives of a free people to throw a cloak of protection around those homes. The sanctity of our homes should be kept inviolate. Men are going to come and quiz your wife; men for whom you have no respect whatever, no confidence, perhaps political enemies of yours, as has been stated on this floor; men lacking in character. They are going to take a keen delight in insulting your family if they are unfriendly toward you. Do not think for a minute they will not peddle this information. May I transgress at this point to draw a comparison. At least 130,000,000 people have been propounding a question to our Chief Executive.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. REED of New York. Mr. Chairman, the sovereign people of the United States have placed in the highest office within the gift of a free people the President of the United States, and they would like to know whether he is going to run for a third term. Why he resented the question, and assumed the purpose was to invade his private affairs, is in conflict with his views on the proposed housing census snooping. May I say that the average sovereign citizen cannot escape the census taker by boarding a ship and heading out into the unknown on the high seas, guarded by two battleships paid for by the taxpayers. No; they have to face the snoopers. If he can decline to answer that question asked by the sovereign citizens, how can he expect the sovereign citizens to betray the confidences of their homes to the census takers that he sends into their houses? We have had experience with the extent to which these things are considered confidential by the Government. We were all told, when they were going to obtain confidential information, that it was to be hermetically sealed and no human eyes were to see it, but when the first case rose in which the people who gave the information were involved, the head of the C. I. O. stepped forward and said: "I have all the information." He had the Government reports. Do not think for a minute this information will not be broadcast to the country in due time if it will serve any political purpose.

The time has come to stop it, and I propose this day that every man here cast a record vote so that every free-born American citizen may see just where his Representative stands on this fundamental issue of liberty.

Mr. CRAWFORD. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It is my understanding, and my position has been sustained, that article I, section 2, clause 3, of the Constitution, which covers this census-taking authority, carries with it the power that the Bureau can force the people to answer these questions. If a Bureau head becomes so avaricious, as the result of an ulterior motive or otherwise, to ask such personal questions, what is the defense of the people against such intrusion? Can the Congress pass a law which takes away from that Bureau the right to put into forms the questions such as we have discussed here, or is that beyond the power of Congress?

Mr. REED of New York. This Congress has the absolute power within its constitutional rights to see that no bureaucrat under delegated authority trespasses beyond the spirit and the intent of the Congress, speaking for a sovereign people.

Mr. CRAWFORD. And the only way we can do that is to stop this appropriation?

Mr. REED of New York. Stop the appropriation and repeal the law later. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, I do not think any of us would necessarily take issue with the gentleman from New York [Mr. REED] on the general statement he has made in reference to protecting the rights of our citizens under the Constitution; but his statements were so general and so foreign to the issue we are considering now that they really have no place here. Let us analyze this matter for a moment.

Last August the Congress passed legislation by a record vote requiring the Bureau of the Census to take a housing census, which is the only thing we are concerned with here. In compliance with that legislation a Budget estimate was submitted to the committee, full hearings were held, a report was made, and the sum involved here was approved by the committee, and now for the purpose of complying with the mandate of this Congress, we seek to make this appropriation.

We come now to the question whether or not a housing census is one so foreign to our economic, social, and political life that it should not be given consideration. If you will turn to page 120 of the hearings you will find that nearly every country in the world takes a housing census. If you will turn to the matter which is really the crux of the argument here, pages 124–125 of the hearings, you will find the 33 questions broken down and made clear. I am willing to state on my reputation as a lawyer and as one who has been on the highest trial bench of my State for 10 years, that you cannot find a single question in this list that even remotely could be considered an incriminating question, not a single one. You can read the list of 33 questions and not find a question that any honest, self-respecting, law-abiding citizen would not gladly, freely answer.

Someone may say, "Why, they will ask you if you have a mortgage and they will ask you what interest you pay on it and they will ask you when it comes due." Those things are all a matter of public record in every county in the land. Someone may say, "Well, they will ask you concerning the number of rooms you have in your house." Surely it is not a crime to tell that. "They will ask you what the water and toilet facilities are in your house." There is nothing criminal in answering that. No private rights are invaded. It is there for anyone to see. Most of us who have modern homes find a pleasure in showing them to friends and acquaintances.

There is a reason, and a sound reason, for asking these questions. I cannot see why gentlemen on the minority side of the House oppose this. We have been asked, and irrespective of which party is in control after 1941, we will be asked to legislate upon these great economic questions from time to time. Our trouble has been and is now that we do not have factual information upon which to act. This is an opportunity for us to get the facts first hand. Then, if the New Deal housing program is found to be an unsound one or an unnecessary one, we will know that we ought to stop it. If, on the other hand, the facts disclose a condition in reference to housing far worse than any of us have yet thought it was, we want to legislate to better that condition. Surely we should not be denied the facts, and that is all this questionnaire is for.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from New York.

Mr. TABER. This census will not in any way demonstrate the fallacies in the New Deal housing racket, because the problem is, What are they going to do with the people they crowd out of the places they take up, and what are they going to do with the buildings they put up? They cannot find people to qualify to move into the houses they are now building, and they cannot find places for the people who move out of the ones they tear down.

Mr. LEAVY. May I say in answer to the gentleman from New York that I cannot agree with the statement he makes.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 5 additional minutes to the gentleman from Washington.

Mr. LEAVY. It is my belief there are literally millions of Americans who live in shameful hovels. This situation ought to be remedied if it can be remedied. Under this census we will have an opportunity to get the facts as to what housing conditions are, and then perhaps private enterprise will be willing to go into the regions where housing problems are acute and offer their services. At any rate, why should we

not have the courage to get the facts and, irrespective of how ugly they may be, try to improve the situation?

With regard to moving someone out of a poor house and putting him into a good one, surely none of us will object to that if it can be done economically and if it is politically sound and socially right.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. May I say that I endorse heartily what the gentleman has just said about the need of finding out the facts. Exact information is what we need before we can legislate wisely. Have we not heard it said during the past several years that we know nothing about the problem of unemployment, that all our estimates of the number of unemployed are but guesses? Have we not often heard that said?

Mr. LEAVY. We have heard it said very often.

Mr. MURDOCK of Arizona. Do we not need more than anything else involving the unemployment problem to find out how many unemployed persons there are? And all we can learn about them?

Mr. LEAVY. We certainly must, and we should also know the home conditions under which they live. We should not be compelled, as we have been during the short time I have been in this Congress, of constantly passing legislation when we know little of what the true facts are. I am sure that if the situation were reversed and the Republicans were in power, with the existing condition as it appears today, you would find the Members on this side of the House supporting an appropriation of this kind for the purpose of securing first-hand factual information that is dependable and reliable and upon which we can act intelligently. Why, Mr. Chairman, should we be afraid to face facts?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Why should it be necessary to give the same information to two bureaus of the Government? The Internal Revenue Bureau has all the information anyone can possibly give them as to the receipts and expenditures, and so on, of individuals as well as partnerships.

Mr. LEAVY. They probably do as to the income-tax payers, but that issue is not involved at all in this measure because here we are only concerned with providing money to take a census of housing. Look through these 33 questions and show me one question that states anything about the individual's income. There is not a question of that type here. These questions deal entirely with the home in which he lives, the conditions surrounding it, and what, if anything, his needs are to bring him up to a fair standard of living. We want to find how many of our citizens live in accordance with our boasted American standard and how many of them live in substandard homes. We all know there are some terrible and shameful places where men, women, and helpless children are forced to live.

Mr. KNUTSON. Is it not wise to curb this constantly growing interference on the part of the Government with the lives of our people?

Mr. LEAVY. When that condition exists, surely it is, but it is the Government's duty first of all to see that the American citizen is given an opportunity to live in the best home America can afford him. This Nation is just as good or bad as its homes are when considered in the aggregate.

Mr. KNUTSON. How is it going to provide anyone with a home to ask him a lot of questions?

Mr. LEAVY. If we have the facts here and if legislation will offer relief, we can intelligently legislate. If legislation does not offer relief, then we can intelligently decline to legislate. My complaint is that we are compelled to act in almost a complete absence of facts. This will bring out the facts concerning the important question of housing.

Mr. KNUTSON. The gentleman is exceptionally intelligent——

Mr. LEAVY. I thank the gentleman, but I must decline to yield further because I want to yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Is it not true, as the gentleman sees it, that in the great field of human endeavor and social and economic improvement we have made less strides than we have made with regard to the mechanical arts and sciences?

Mr. LEAVY. There is no question about that.

Mr. MURDOCK of Arizona. And is not that deplorable fact due to lack of factual information with regard to living conditions and sociological data?

Mr. LEAVY. I think very largely so, and here we have an opportunity to get reliable and dependable information.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield.

Mr. MOTT. The President has told us that one-third of the people of the Nation are ill-clad, ill-fed, and ill-housed. Does the gentleman think we need any further confirmation of that statement through a census?

Mr. LEAVY. I think it is always well to get the facts first-hand. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, there is absolutely no justification in law, precedent, or morals for the passage of this preposterous proposal. It is truly amazing and shocking to the sensibilities of anyone with a thimbleful of brains that such a perfidious proposition should be brought into a body of free and intelligent men.

What difference does it make to Harry Hopkins, or any other Government official, whether the bathtub in my home or the shower in my home is used exclusively by me or whether it is shared with my friends? These new dealers constructed a dog pound down at Memphis, Tenn., that cost $50,000, equipped with shower baths, where the rich, aristocratic, southern society ladies could give their little poodles a shower bath. There are a lot of good citizens down in the Ozark Mountains of southern Missouri which I have the honor to represent who do not have shower baths in their homes, but we are not as dirty as some new dealers I know, and we do not stink as much as Harry Hopkins and his crew. [Laughter.]

What difference does it make whether I have a toilet used exclusively by myself, shared with my wife or with my guests, or whether we have a privy, or no toilet or privy at all? Of course, those people are in a bad way. [Laughter.] I do not know just what recommendations the Department of Commerce will make to correct the situation of such unfortunate people, but if this lousy—if you will pardon the Hollywood language—if this lousy measure is enacted into law it will invade the privacy and sanctity of the home. We will have another army of spies and snoopers and investigators and regulators riding over this country telling us how to live our lives and how to run our businesses. This bill is as infamous as the old potato-control law which, fortunately, never went into effect.

I notice down here the last question asked is, "Who holds this first mortgage or land contract?" I will tell you what a lot of my constituents will tell these enumerators when they come and ask that question and other questions in this questionnaire. They will just tell them very plainly and emphatically that it is none of their damned business. They will never answer it, and you will have to build a prison on every 40 acres in some congressional districts of this country, where men still love freedom, if you take care of all the people who refuse to answer such silly, embarrassing, and unwarranted questions.

Now, it might be legal to ask these questions, but certainly it is an infringement upon individual liberty and personal rights. It is contrary to the spirit of the men who wrote the Constitution and of our fathers who later wrote the Bill of Rights. Thomas Jefferson, the founder and patron saint of the Democratic Party, said, "That government is best that governs least." This was also the philosophy of Abraham Lincoln. Both the author of the Declaration of Independence and the Great Emancipator believed in a minimum degree of government and in a maximum degree of individual liberty. [Ap-

plause.] The New Deal believes just the reverse. Under this administration the individual is swallowed by the state.

One of the greatest deterrents to economic recovery in this country, and the thing that has destroyed the confidence of the American people in the integrity of our Government, has been excessive governmental regulation and control from a centralized bureaucracy. The question at issue is whether we are going to follow the American principle, or turn our backs upon Jefferson and Lincoln, whether we are going to follow the teachings of the stalwart fathers of our American system who once believed in our dual form of government and in States rights and in personal liberty, or whether we want to impose upon the American people an overbearing, cumbersome, and tyrannical bureaucracy. That is the only issue before us. I prefer to follow Thomas Jefferson to following Harry Hopkins. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, shades of Thomas Jefferson, if he should look back and see the gentleman from Missouri [Mr. SHORT] following him, as he says he is doing, Jefferson would know that there was something wrong in this country.

The gentleman from Missouri [Mr. SHORT] and the gentleman from New York [Mr. TABER] amuse me. When they first sprang this proposition I looked into it and found that it was nothing in God's world but a sounding board to attack the administration through Mr. Harry Hopkins, the Secretary of Commerce.

The schedule simply gives us a cross section of the country, not for the personal benefit of Mr. Hopkins but for the benefit of all the American people.

I was on the conference in 1930 when the question arose of taking a census of radios to find how many people in the United States had radios. At that time we did not have the Rural Electrification Administration, and we never would have had it if we had depended upon the gentleman from Missouri [Mr. SHORT] and the Republicans with whom he trains.

Mr. SHORT. Mr. Chairman, will the gentleman kindly yield?

Mr. RANKIN. Yes; I will kindly yield.

Mr. SHORT. The gentleman from Mississippi well knows that the gentleman from Missouri supported his amendment vastly increasing the appropriation for rural electrification.

Mr. RANKIN. Oh, yes; after we had it going and you could not stop it, the gentleman voted right one time. One time he voted right on the power question.

Mr. SHORT. And that is one time more than the gentleman from Mississippi did.

Mr. RANKIN. And I will tell the gentleman what I did. I give the gentleman from Missouri credit for having at one time voted right on the power question, but if it had been left to him and his party, where we have electrified more than a million and a half farm homes, they would have been in a complete black-out tonight today.

There was no harm in finding out the number of radios in the country and there is no harm in getting this information here, but the gentleman from Missouri [Mr. SHORT] rises in his indignation and talks about going into the privacy of the home to get information. Information for what? To find out the living conditions of the American people in order that we may improve them. Yet last week he voted against every effort to take the hands of the selfish interests out of the pockets of the American farmers. He does not care about the tariff barons reaching into their homes and levying a tribute on everything the farmer buys, or that the average householder buys, from the swaddling clothes of infancy to the lining of the coffin in which old age is laid away. He does not mind even going beyond the grave, and levying a tariff on the humble tombstone that marks the last resting place of the vanishing farmers of Missouri and other States; but when it comes to getting the information for the purpose of statistics, or to help improve living conditions, the gentleman rises and in a speech—which I hope he will temper down for the sake of decency before he puts it into the RECORD—and uses Mr. Harry Hopkins as a sounding board in order to stir up prejudice against the provision, not in this bill, but in one of the questionnaires sent out to the enumerators and presented to the people of every State, including Missouri.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to a question from the gentleman from Pennsylvania.

Mr. RICH. Did the gentleman vote last week to permit agricultural products to come into this country to take the place of the products of the American farmer? Did the gentleman vote last week to prevent manufactured products coming in here from foreign countries?

Mr. RANKIN. Oh, I decline to yield further.

Mr. RICH. Did the gentleman vote for those things?

Mr. RANKIN. I decline to yield further to this manufacturing magnate from Pennsylvania, who is now manifesting synthetic sympathy for the farmers. He does not care anything about the farmers of Missouri.

Mr. MOTT rose.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from Oregon to see if he has anything better to offer.

Mr. MOTT. The gentleman recalls that I supported rural electrification.

Mr. RANKIN. I congratulate the gentleman from Oregon. That was the most just vote he has cast since he has been in Congress. The gentleman from Oregon did his people as much good by that vote as the gentleman from Pennsylvania would do them harm.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I decline to yield further.

Mr. MOTT. Whether that was the best vote I ever cast is a matter of opinion, but the gentleman has referred a number of times to Republican opposition to rural-electrification legislation.

Now, this is my question. I want to know if the gentleman knows of any Republicans who opposed that. I did not.

Mr. RANKIN. I will call the roll for you before this Congress is over.

Mr. MOTT. I wish you would. I think the Republicans generally supported that.

Mr. RANKIN. I will say to the gentleman from Oregon that had we waited for the Republicans to create either the T. V. A. or the Rural Electrification Administration this generation of farmers would have died without ever having electric lights in their homes.

Mr. MOTT. I admit that we may not be so hot for the T. V. A., but we did support the rural electrification.

Mr. RANKIN. Oh, the gentleman voted for my amendment for $100,000,000 for rural electrification, which has lighted hundreds of thousands of farm homes that would otherwise be in darkness now. I give him credit for that. But if we had waited for the Republican administration, such as we had from 1921 to 1933, to create the Rural Electrification Administration to take electricity to the millions of farms in this country, this generation of farmers would have died and their children probably would have died without ever having seen electricity in their homes.

Mr. MOTT. But the gentleman is in error when he says the Republicans generally opposed it.

Mr. RANKIN. I did not say that. I said you did not create it, but I will show that a majority of the Republicans now in the House have never voted for rural electrification on a roll call.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. DINGELL. And I assume in many instances that these votes were cast right because you agreed to give them a Grand Coulee in their back yard.

Mr. MOTT. Let me inform the gentleman from Michigan that Grand Coulee is not in my back yard nor in the back yard of any Member from the State of Oregon.

Mr. RANKIN. Oh, I am not accusing the gentleman from Oregon of voting for it on that ground. I take it he voted for it conscientiously. You have a semblance of righteousness over on that side once in a while; that is, some of you. It never does take in the whole party at once, however.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I thought the gentleman was going to speak on Wednesday.

Mr. RICH. I am; but I want to ask you a question. Do you know that all the things you are doing and have done in this administration, every dollar of it is yet to be paid for by these children you are lauding so much; and how are they going to get the money to pay for them, when you borrow the money from them and expect them to pay the bill? How are they going to do it? They will not laud you for burdening them so terribly heavy in financial debt; I am afraid an unbearable debt.

Mr. RANKIN. Why, that is the easiest question to answer that the gentleman his ever asked. I will tell you how.

The people of Pennsylvania are overcharged $76,000,000 for electricity now, and the gentleman's district is one of the worst overcharged in the State. By getting electricity to these people at what it is worth, the difference between what they would have paid under the old system and what they are paying now will pay for every dollar that is invested in these rural power lines. The T. V. A. is paying for itself every year. Already it has reduced rates $583,000,000 a year throughout the country. Every one of you is getting the benefit of it and the people are for it.

You have taken hold of a live wire and we are not going to let you turn it loose. You have to blindfold the Republican elephant now to get him near an electric light. When you go out against this program, you seal the doom of every man who goes to the people and talks that language, especially with the farmers who are crying out for rural electrification.

Now, Mr. Chairman, this attack on the Census Bureau is nothing in the world but camouflage. I looked into this question and I made a statement on the floor when it first came up. This is nothing in God's world but an attempt to muddy the water—to stir up prejudice against the Census Bureau, which is doing one of the greatest works of any bureau of the Government—compiling statistics that will be of benefit to the American people for years to come.

I do not blame you Republicans for not wanting your people to know how many of the ones you represent do not have electricity or refrigerators or electric irons in their homes. In the average State the saturation for electric refrigerators is 48 percent. In my town of Tupelo, Miss., it is 90 percent. I do not blame you; this information would embarrass you greatly if it informed your people how deficient they are in the use of these and other appliances that go to make home life more pleasant and more attractive.

I do not blame you for not wanting every merchant in your town to know how he is being robbed with exorbitant light and power rates and denied the use of those appliances that would add to the efficiency and the profits of his business. I do not blame you for not wanting your manufacturers to know of the millions of dollars of overcharges they are paying for electricity. The truth may stir riots in your districts.

No wonder you are fighting this provision to keep the American people from getting the truth, and the whole truth. It is to your interests, politically, to keep them in the dark. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. BREWSTER].

NEW ENGLAND OBJECTS

Mr. BREWSTER. Mr. Chairman, I did not hear that the immediate question of the census was particularly discussed by the gentleman who immediately preceded me. I think we feel perhaps more strongly in New England on this matter than almost anywhere else. Although I will not say that in other sections they do not have equal pride of their personal privileges and prerogatives. At any rate, I know that in New England the inquisitorial character of this new census is bitterly resented. It is unfortunate in this period when we have so many pressing problems this should be added. I take it the vote upon this issue will be rather symbolic of the sentiment regarding certain other questions in this census which are not immediately involved but are collaterally related—questions regarding income and other things in this inquisition regarding the personal affairs of so many of our people.

SELF-RESPECT

In our section in spite of the tragic difficulties of recent years there is still pride in their traditional independence. No matter how bitterly they may have suffered from the depression they keep up at least some semblance of their ancient self-respect. And now to be compelled to answer these questions to men who are not always the most responsible in the community seems to me extremely unfortunate.

ECONOMY

But above and beyond that personal aspect which I think is typical of the old spirit of New England, of the Declaration of Independence, and of the fight that was then made for personal liberty, is the economy phase. As I understand from the testimony of the Bureau before the committee this will add 40 to 75 percent to the cost of taking the census. I do not believe that any result which can possibly be achieved—the information that it will add to that which is already available—can possibly justify this tremendous additional expense in this period when we are all seeking to hold down as well as we can the expenditures of the Government.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

SAVE $8,000,000

Mr. SHORT. And to get this additional information at this time will cost an extra $8,000,000 at a time when we are spending $2 for every $1 we take in. This is no time to do it.

Mr. BREWSTER. This issue may serve as an excellent test of the real devotion of Congress not only to the spirit of economy but also to the American tradition of individual liberty and privacy. I hope the same spirit still burns in other sections that flamed when the South rallied to our assistance at Bunker Hill. I hope you will join with us in resisting this new excursion into a more highly centralized society. Let us have some semblance of privacy somewhere in the affairs of the people of the United States.

Mr. RANKIN. Did the gentleman from Maine hear the gentleman from South Carolina read the schedule that the Republicans put into the census in the year 1910 under the guise of seeking necessary information but going a great deal further into the privacy of the individual than the present proposed questions do? Evidently the gentleman is not familiar with the record of his own party.

Mr. BREWSTER. The questions then were not under the compulsion of the census. But does the gentleman from Mississippi consider that we are bound by any errors of our ancestors? I do not understand that the gentleman from Mississippi considers himself bound by the opinions even of his current colleagues.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. DONDERO. Did the gentleman from North Carolina tell us that that was an investigation, not a census which was taken under compulsion of fine or imprisonment for failure to answer the questions?

Mr. BREWSTER. I thank the gentleman for his contribution. I take this time simply to record what I believe to be the overwhelming sentiment of New England—that cradle where so many of our liberties were born—against this further excursion toward a totalitarian state.

CENSUS INQUISITION

New England, in my judgment, is militantly opposed to using the census to probe into the most personal and private

affairs of individuals and into the conditions under which they live.

Many of these questions seem characteristic of a totalitarian state—not of a free America.

An irresponsible inquisitor could wreak irreparable injury. Many matters not even known to close relatives and friends must be disclosed to a politically selected neighbor who may not always be worthy of the confidence imposed by a far-removed administrator.

An increased distrust of Government must inevitably result in this period when it is of supreme importance by every legitimate means to build among men of good will confidence in the democratic process.

Repeatedly confidential material has been publicly exposed in response to some alleged public interest. A New England Yankee does not like to be a goldfish.

Many a rebel against Government will be made by this unwarranted inquisition at a time when confidence and loyalty are preeminently required if democracy is to survive.

This year also is not the time to increase the cost of the census by 75 percent. After a century and a half without this information this is no time to nearly double the cost of the census in order to disgust people with their Government.

Five million dollars can here easily be saved and the people of New England and I believe the country will almost universally applaud. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. DITTER].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 6 minutes.

Mr. DITTER. Mr. Chairman, the discussion this afternoon has been the most encouraging discussion I believe that we have had on this side of the aisle for many days. It constitutes the first admission I have heard for a long time from the leaders of the New Deal that thus far they have failed to secure the information they promised to secure 8 years ago.

As I listened to my distinguished friend from Mississippi, for whom I have a very high regard, and to my friend from Washington, I could reach no other conclusion than that for 8 years they have been groping in the dark.

Mr. RANKIN. Mr. Chairman, if the gentleman will yield, this is the first census we have taken since this administration came into power.

Mr. DITTER. They have been groping in the dark as to where the need is in America. Now they come and say they know only one thing, that there is a need and they want the means provided by the Federal Government to ascertain where the need is. This, it seems to me, is a most deplorable situation, to feel that after all the money that has been spent by this outfit during the last 8 years they are unacquainted entirely with where the real need is and that as the curtain comes down on the New Deal regime now they say, "We want to know where the people are who are in need."

I recall that some years ago the declaration was made that one-third of the people were ill-clad, ill-housed, and ill-fed. Now my distinguished friend from Mississippi defies us and says that he does not wonder that we want to withhold from the people whether they have refrigerators or not. I answer the gentleman by saying that I am more concerned about getting refrigerators into those homes than I am with these experimental efforts he is advocating to ascertain whether they have refrigerators. Instead of so many of these social uplifters, instead of so many of these social experiments, why not get to work and find out how many of our people who really want refrigerators have the chance to earn the dollar with which to buy the refrigerators?

That is what we need. [Applause.] I say to my friend, who delights in taunting Pennsylvania, who delights in taunting my colleague from Pennsylvania for being a manufacturer's representative, that the State of Pennsylvania has in no small measure provided the nucleus financially by which the State of Mississippi has benefited from those things which it presently enjoys. So instead of charging the State of Pennsylvania because it has power interests, because of the fact it has some financial stability, because of the fact it has the self-reliance to stand on its own strength rather than depend upon the paternalism and the bounties and the goodness of other States, I say to the gentleman from Mississippi that he might well go back to Mississippi and try to stir the State of Mississippi with that forensic ability he has that they go to work and get jobs, that they go to work and provide for themselves these refrigerators and electrification. The State of Pennsylvania is willing to stand on the record it has established and on the contribution it has made, not only for its own people but for the people of the State of Mississippi who today benefit by the self reliance, the frugality, the individualism, the industry, the initiative, and those things that go to make up a real worth-while spirit of Americanism.

Mr. RANKIN. Will the gentleman yield?

Mr. DITTER. I referred to the gentleman, and I certainly yield to him.

Mr. RANKIN. The truth about the matter is this: The reason the people of Pennsylvania cannot use refrigerators is because the Power Trust robs them by charging such exorbitant rates for electricity that they cannot afford to use them.

Mr. DITTER. Now, I did not yield to the gentleman for a speech. May I answer the gentleman that in my opinion the gentleman has one obsession and we have heard that obsession of his about the Power Trust for a long time. We have heard the charges he has made against every State that has the spirit of free enterprise, which is still worth while. May I invite the gentleman to come into the State of Pennsylvania, and may I invite him particularly to come into my district, and I say to him that we are prouder by far of the spirit of free enterprise that has been at the foundation of our own effort in Pennsylvania; we are prouder by far of that spirit than the spirit which the gentleman continually feels is the only thing upon which he can claim the right to demand the attention of the House.

Pennsylvania has carried its share of the paternalism of the New Deal. It compares favorably with the contribution coming from the State of Mississippi. Pennsylvania, with a farm valuation—land and buildings of $925,476,000—received benefit payments of only $16,629,186. In other words the farmers of Pennsylvania received an amount of benefit payments equal to about only 1.68 percent of their land value. Now let us look at Mississippi. That State with a farm valuation of $436,151,000 received agricultural-adjustment benefits of $104,011,811, that is, the farmers of Mississippi received in benefit payments an amount equal to about 23 percent of the total value of their farms.

Again may I point out that Farm Credit Administration loans outstanding in Mississippi as of December 31, 1939, amounted to $44,452,589. This represents more than 10 percent of the farm-land valuation of that State. The figures in Pennsylvania are favorable by contrast. As of the same date the outstanding loans in Pennsylvania amounted to $30,593,000, which is only 3.3 percent in round figures of her total valuation of farms. Further comparisons might be made. The total internal-revenue collections per capita and the total grants and expenditures in the States give further evidence that Pennsylvania compares favorably with Mississippi in its contribution to and its assumption of the welfare of the Nation as a whole. The internal-revenue collections in Mississippi, per capita, for the year ending June 30, 1939, were $3.04; Pennsylvania's were $43.11. In that same period Mississippi revenue collections paid to the Federal Government amounted to $6,152,000 while the grants and expenditures to Mississippi were $84,745,000, a nice tidy profit for Mississippi. Let us look at Pennsylvania during that period. Pennsylvania provided $438,672,000 in revenue collections, and received in bounties from the Federal paternalism only $289,351,000, not a profit, but a deficit. Pennsylvania can carry its head high as figures rather than fancy is the measure of comparison with Mississippi.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself the remainder of the time on this side.

Mr. RANKIN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from Pennsylvania [Mr. DITTER] jumped on the Southern States about the expenditures for W. P. A., but he overlooked the fact that in the last year there was $214,000,000 spent in Pennsylvania and only $211,000,000 in all the Southern States. In Pennsylvania that was under a Republican administration and in a State in which they have about the highest electric light and power rates in the Union, and about the fewest refrigerators per capita.

Mr. DITTER. Will the gentleman yield?

Mr. WOODRUM of Virginia. Briefly.

Mr. DITTER. Mr. Chairman, if the gentleman from Mississippi will examine into the entire record of the State of Mississippi and compare it with the record of Pennsylvania, I think he will blush in shame at the comparison between the two States.

Mr. RANKIN. When I realize how my Government has permitted the tariff barons of the State of Pennsylvania to rob the farmers of other States, through high protective tariffs, I do blush in shame. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, what promised to be a rather routine and dull afternoon has turned out to be somewhat enlivened, and I hope it will afford some enjoyment to the galleries and perhaps enlightment to those who would like to have some intelligent information on this item.

The question whether or not there should be a housing census and when it should have been taken is a matter about which there might be an honest difference of opinion. There may be a good deal of merit in the statement made by the gentleman from Pennsylvania that the housing census would have helped more if we had taken it before making all of these large expenditures; but let me call your attention to the fact that in the time of emergency, when the Home Owners' Loan Corporation was set up, when the slum-clearance projects were being set up, when the Federal Housing Administration was being set up, the Congress almost unanimously voted to support programs of that kind, because it felt there was an emergency. I know of a great many people who are still being called upon to appropriate large sums of money for further programs of this kind. It seems there should be some real authentic information given as to just what the situation is with reference to housing in this country. So far as I am concerned, I think this housing census should be taken as a part of the population census and if it is we will save a lot of money. The Congress voted to have the housing census taken, and as late as February 8 in this very Chamber, on a direct motion offered by the gentleman from New York [Mr. TABER] to take the housing money out of the Commerce bill to prevent any funds being used for that purpose, 134 Members voted to take the money out and prevent the housing census and 211 voted to continue with the housing census. Therefore there is nothing left, as the matter stands. The Congress has definitely decided there shall be a housing census and that it shall be taken now. The Appropriations Committee, under these circumstances, brings in the amount of money which Congress has authorized.

I want to keep the record a little bit straight when some of my friends on the minority side wax eloquent in their defense of the sanctities of the American home and the liberty of American citizens, and inveigh against these inquisitors knocking at the door, asking embarrassing questions. You would think this is the first time there had been an inquiry of that kind in the United States, but this is not the first time that has happened. Of course, the American home should be protected. No one will argue on that score.

No questions of a personal nature should be asked, nor embarrassing questions. But let us look at the record for a moment, just in order that the idea may not go out to the country that the terrible party in power is the first one that ever rang the doorbell of an American home and asked a personal question of the landlord.

In 1907 under the administration of Mr. Theodore Roosevelt, with a Republican Congress, it became advisable to find out something about the conditions of the women and children in industry, and the Congress passed an act stating:

> That the Secretary of Commerce and Labor be, and he is hereby, authorized and directed to investigate and report on the industrial, social, moral, educational, and physical condition of woman and child workers in the United States wherever employed, with special reference to their age, hours of labor, term of employment, health, illiteracy, sanitary, and other conditions surrounding their occupation, and the means employed for the protection of their health, persons, and morals.

A very laudable, a very worthy, and a very justifiable inquiry.

The President and the Congress wanted authentic information on the subject in order to know whether or not it would be in order or proper to have remedial legislation, and if so, what kind of legislation it should be. They went ahead with that investigation and the Commissioner of Labor went out and had his questionnaires distributed. They were brought back and filed with the Congress in 1911 under the administration of President Taft and a Republican Congress. The volume may be obtained in the Library. It is entitled "Report of the Commissioner of Labor, 1910, on the Condition of Woman and Child Wage Earners in the United States," volume XVI, and so forth.

I want to read you several of the schedules—and these are not just questions that they proposed to ask, because in this instance they brought the schedules back and published them in the records. These are not only questions they proposed to ask, but here are the answers as well as the questions.

Mr. Chairman, I am not criticizing what was done by the Republican Congress and the Republican President. Indeed, I believe it was justifiable and worthy. They wanted to know the condition of these people who were asking for help. Every day they were knocking on the doors of this Congress asking for large public-building programs, for slum clearing and housing, and for this, that, and the other. I, for one, would like to have some authentic information on the subject, and that is what they wanted in those days. What did they ask the people?

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes; briefly.

Mr. HOOK. Can the gentleman explain to us whether or not he has any information with regard to the use to which the information obtained at that time was put?

Mr. WOODRUM of Virginia. It was filed in the archives of the Government, as far as I know. I do not know.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Arkansas.

Mr. KITCHENS. Does not the gentleman realize that certain elements of the Republican Party are trying to reform the party today to get away from some of the things that took place in former years?

Mr. WOODRUM of Virginia. I do not want to get into the partisan side of this question. I want to show, if I can, that this is not any outrageous, unheard-of inquiry that is proposed. In this schedule they asked each one of these workers what their income was, what they did with the money, what it bought, what kind of food they had, what they had for their meals, and so forth. They asked about the menu of the family, and this is what family No. 3 told the inquirer they had for breakfast: Beef hash, biscuit, sirup and butter, coffee and Postum, sugar and milk. For dinner they had beef hash, biscuit, and corn bread. For supper they had warmed-over beef hash, biscuit, corn bread, and buttermilk.

So it goes on page after page.

I want to say to my distinguished friend from New York, who is so much concerned about the liberties of the country and the sanctity of the home, that they asked the ladies a few questions. They asked the housewife of family No. 3 about the clothing of the family, and these answers refer to a daughter, age 12.

They asked her how many coats she had, and she said she had one coat, cloth, value $3. "How many dresses?" Five dresses, gingham, value $3.10. Two dresses, $2.10. One dress, $2.75. Four petticoats, cotton, $1.84. Four drawers, cotton, 28 cents. I am told by some of my older colleagues that that used to be an article of wearing apparel of the gentler sex. [Laughter.] Three winter underwear, canton flannel, 90 cents. Two nightgowns, cotton, 70 cents. One hat, felt, $1.50. One hat, straw, $1. Twenty stockings, $2. Four shoes, $6. Total, $25.17 worth of clothing that girl had.

They ask in here what kind of toilet conditions existed in their homes and in the places they worked.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Ohio.

Mr. MARSHALL. Was that in a census inquiry?

Mr. WOODRUM of Virginia. No; this was a special inquiry.

Mr. MARSHALL. Was anyone required to go to jail if he refused to answer those questions?

Mr. WOODRUM of Virginia. Well, as far as going to jail was concerned, nobody has ever gone to jail.

Mr. MARSHALL. Was it compulsory that those answers be made?

Mr. WOODRUM of Virginia. If it is merely a question of whether you go to jail or not, it would be very easy to write in this bill a provision, if Congress wished to do so, that a jail sentence should not be imposed. But that is not the question that has been raised here.

Mr. MARSHALL. This was not a census inquiry at all, it was a survey?

Mr. WOODRUM of Virginia. It was a special inquiry.

Mr. MARSHALL. It was only a survey, that is all it was?

Mr. WOODRUM of Virginia. Yes.

Mr. MARSHALL. Anybody could answer if he wanted to. They did not ask everybody in the United States these questions, either.

Mr. WOODRUM of Virginia. You can name it just what you please to name it.

Mr. MARSHALL. They did not ask everybody in the United States those questions.

Mr. WOODRUM of Virginia. No; not everybody in the United States.

Mr. MARSHALL. It was just a cross-section inquiry.

Mr. WOODRUM of Virginia. Yes.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Kentucky.

Mr. O'NEAL. I would like to ask the gentleman if these questions are any more personal than the investigation or the questions that are asked before W. P. A. assistance is given, before N. Y. A. assistance is given, or before the United States Housing Authority will start erecting buildings in the cities, or before the Federal Land Bank will lend money to the farmers, or before the Home Owners' Loan Corporation will lend money in the cities.

Mr. WOODRUM of Virginia. Of course not. It is the same type of inquiry that Congress has laid down many times when it wanted special information and the only way to get it was to ask questions about it.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Do I understand the gentleman is willing to have an amendment written into this bill whereby all penalty provisions, both as to imprisonment and fine, shall be lifted and leave it entirely to the discretion of the American people as to whether these questions shall be answered or not?

Mr. WOODRUM of Virginia. The distinguished gentleman from Pennsylvania is a distinguished member of the Appropriations Committee and also a member of the committee that handled this appropriation bill, just as the gentleman from Virginia is, and the gentleman from Virginia thinks that an amendment of that kind should be considered in the subcommittee and in the full committee before being brought to the floor of the House. The gentleman from Pennsylvania is a Member of the House and can offer such an amendment, if he wishes to do so, and does not have to get permission from the gentleman from Virginia or anybody else.

Mr. DITTER. I appreciate that gracious compliment from the gentleman, but on the other hand I know the gentleman is intelligent enough and alert enough and that he follows the temper of the House wisely, and if such an amendment from the floor were required, he would be the one who would sponsor it, and since he is the chairman I wonder if the committee can depend upon his support for such an amendment.

Mr. WOODRUM of Virginia. The gentleman does not usually depend upon the gentleman from Virginia when he wants things done. The gentleman is quite capable of doing them himself.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Kentucky.

Mr. O'NEAL. I would just like to state that when the legislative bill authorizing the housing census was passed—without objection, so far as I know, from anyone—section 2 was included, which states:

> All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, shall apply to the taking of the census provided for in section 1 of this act.

If they do not want such a census taken, they should repeal that portion of the legislative act dealing with a housing census.

Mr. WOODRUM of Virginia. Yes.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes.

Mr. POAGE. It has been suggested here that in the special inquiry the questions the gentleman has referred to as having been put out in 1908 were not asked of everyone in the United States. As a matter of fact, they were questions propounded under the authority of a Republican administration to States where it was certain that the Democrats were in a majority, were they not?

Mr. WOODRUM of Virginia. They were questions directed to the workers in Southern States.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman.

Mr. REED of New York. If the parliamentary situation is such that we could remove the penalties and leave it to the discretion of the people, then you would have a housing survey, and I am just wondering if that could not be done. I would like to have the gentleman understand this: I am absolutely sincere, and I know that the others are. I just do not want the Congress to be charged with any such inquisitorial program to which these penalties are attached. If we could eliminate that, I am not so sure but what the reaction would be that the survey would be far more valuable than it is going to be if we press the bill as it is now. I have some respect for this Congress, I will say to the gentleman from Virginia, and I cherish its good name, and I want the public to have confidence in it. I believe we are destroying such confidence by pressing this matter, because the people are certainly aroused over it.

Mr. WOODRUM of Virginia. I appreciate the gentleman's observation. The gentleman knows I am just one member of the Appropriations Committee and not a member of the legislative committee that handled the original bill. The matter has been up here time and again, and the Congress has expressed itself upon it a number of times.

Mr. REED of New York. If the gentleman will yield for one more observation, I will be glad to offer such an amendment, but I have not the ingenuity to frame one that would not be subject to a point of order. Perhaps someone else could do it.

Mr. WOODRUM of Virginia. I cannot think of anybody who could frame a legislative provision for an appropriation bill that would not be subject to a point of order.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from South Carolina.

Mr. HARE. Apropos of the suggestion of the gentleman from Texas [Mr. POAGE] with reference to the special investigation referred to by the gentleman, this investigation was not confined to any particular section, but was carried on in every State of the Union and applied to the entire United States, but they were separated by divisions. I understand further that the law that enabled the enumerators to obtain this information from the individuals or from an industry is no different in principle from the law involved in this particular case, because if the Government has the right to go out and inquire of 100 citizens as to income and living conditions, it has the right to inquire of 1,000 or 10,000 citizens.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from California.

Mr. THOMAS F. FORD. I just want to ask the chairman of the subcommittee if it does not seem strange that the minority should suddenly develop a conscience about penalties on census matters? I suppose it is because there is another party in power. Is not that the reason?

Mr. WOODRUM of Virginia. Mr. Chairman, I yield back the balance of my time and ask that the bill be read for amendment.

The Clerk read as follows:

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Control of incipient and emergency outbreaks of insect pests and plant diseases: To enable the Secretary of Agriculture to carry out the provisions of and for expenditures authorized by the joint resolution approved May 9, 1938 (52 Stat. 344), fiscal year 1940, $2,000,000, to remain available until June 30, 1941.

Mr. O'CONNOR. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 9, line 6, strike out "$2,000,000" and insert "$3,000,000."

Mr. O'CONNOR. Mr. Chairman, my proposed amendment is the amount that the Bureau of the Budget had determined necessary to take care of the grasshoppers, Mormon crickets, insects, and other pests that destroy crops. I have in my hand a map which shows the various States that are concerned in this amendment. It will be noticed they are Montana, Wyoming, Nevada, Utah, Idaho, Oregon, Washington, North and South Dakota, Nebraska, Kansas, northern Texas, Minnesota, Wisconsin. All of those States are concerned with this subject. Of the $4,000,000 that are cut off in this bill from the Budget estimates, $1,000,000 is taken from this item. It seems to me that this is a poor policy and a poor place to economize. It might be that by expending a little more money several million dollars in crops would be saved and several thousand people as a result would be kept from going on relief. This Bureau may be trusted with funds. It has on hand now, according to the chairman of this committee, something like $400,000. That shows that no money is spent that is not necessary. The grasshoppers may suddenly come. Then it takes action to take care of them. Congress may not be in session at such time, or if it is in session it would take time to get through an emergency bill. It is safe to have this sum of money placed in the hands of this Bureau in the event it is necessary to use it. I have a chart here in my hand which shows the results of the control that has been operated by the Bureau of Entomology beginning: The percentage of saving in potential loss was 25 percent in 1933; in 1935 the control increased the percentage of saving from potential loss to 60 percent; in 1938 it was increased to 67 percent by control; and in 1939 it was increased to 72 percent. I received the following telegram from the county commissioners in Fort Benton, Mont.:

FORT BENTON, MONT.

Hon. J. F. O'CONNOR,
Washington, D. C.:

County Commissioners and Planning Committee of Liberty, Hill, Blaine, Phillips, Chouteau, Fergus, Pondera, and Cascade Counties, in meeting at Fort Benton today, realizing the seriousness of the grasshopper situation in our counties and inability as communities or counties to meet the situation, do ask your support in directing the Federal Government to aid in the expense of bait-material purchases, and putting all the idle and Government-owned lands in assistance to farmers cooperating in the campaign. We thank you for your past assistance in this connection, but must have this additional help.

M. G. THORPE,
Chairman, Planning Committee.

Bear in mind this: Of every State infested with these grasshoppers, a large portion is owned by the Federal Government. As I told the Committee this morning, one-third of my own State is owned by the United States Goverment, and it is up to the United States Government to take care of the grasshopper situation on these lands, because the farmers cannot do it. The grasshoppers may be propagated on the Government land and get over onto the privately owned land.

The following letter from the Bureau of Entomology from Bozeman, Mont., is pertinent:

Hon. JAMES F. O'CONNOR,
House of Representatives, Washington, D. C.

DEAR MR. O'CONNOR: I believe you will be interested in the insect-control situation in our State as it stands now. You will recall that in 1938 we received an immense population of grasshoppers from the Dakotas, which migration laid eggs that fall in east-central Montana. The hoppers hatched out in excessive numbers in that area, and one of the most intensive campaigns in many years reduced the intensity of the flights which occurred. The flights were toward the north and west mainly, and large numbers of eggs were laid by these migrating grasshoppers in Liberty, Hill, Blaine, Phillips, Fergus, Chouteau, eastern Teton, and Pondera counties. In some places the condition will be extremely critical in these counties next year, provided, of course, that natural conditions do not destroy the most of them. The large area in Eastern Montana which was so badly infected this spring will have very few grasshoppers in it.

It is our feeling that it is unfortunate to have to request each year Federal assistance in the control of insects with highly migratory tendencies, and which may involve several States. It would be much easier to plan control work, and I am sure that it would be much less worry to you, if this fund could be put on a permament basis. I do not know how this could be done, but I believe that you will agree with me as to its advisability.

I wish to thank you for your sincere interest and fine cooperation in matters of insect control.

Very truly yours,

HARLOW B. MILLS,
State Entomologist.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. O'CONNOR. Mr. Chairman, I sincerely hope the amendment will be agreed to. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, the Bureau of the Budget sent an estimate for $3,000,000 for this item for the next fiscal year. The committee went into the matter carefully. We found they have on hand $400,000 unexpended, a carry-over from last year. With the amount granted by the committee that will give them $2,400,000 for the next year. All of the evidence showed that there was no reason to expect the infestation to be nearly so bad this year as in former years, due to the very severe cold winter weather obtaining in that part of the country. All of the experts say that cold weather has the effect of decreasing the propagation of these insects. We feel sure that this amount will be ample to take care of this item. I hope the amendment will not be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana.

The amendment was rejected.

The Clerk read as follows:

For an additional amount to enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved Febru-

ary 29, 1936 (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938 (52 Stat. 31–70) (except the making of payments pursuant to sections 303 and 381 and the provisions of titles IV and V), fiscal year 1940, including the same purposes and under the same limitations specified under this head in the Department of Agriculture Appropriation Act, 1940, $60,000,000.

Mr. LAMBERTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to speak regarding the $60,000,000 that is not in the printed bill, but is in this section dealing with agriculture, making it available for the overpayments on soil conservation.

They say they have a Budget estimate. I raise the question of whether the President, in the Caribbean Sea, by radio, can wire this House, and make that a Budget estimate. I am not opposed to this appropriation, but we have been very punctilious about what constitutes a Budget estimate. The Budget law says it shall be with his signature and accompanied by reasons. We have before insisted on the John Hancock paper as provided by law. The President is not where he can function as President of the United States, and we do not have a legal Budget estimate.

What I want to emphasize is this: That this $60,000,000 that they are going to give to make up for overpayments for soil conservation, or because they have more compliance than they figured, is to be taken out of the $500,000,000 for next year's appropriation. This is to pay the 1939 compliance. They have to reduce the percentage to the complier for next year in borrowing this from the next year's appropriation. The Secretary admitted that. The point is we are going to push this up and treat them all alike now. They could all be paid without any action here, in July or August.

Now, the point is we are trying to please the farmers now. We do not care if he takes a reduced ratio next year, after election, but we are very anxious that all compliers be paid in full now, this year. They are admitting, if they take it out of the proposed $500,000,000, for next year, that they will all have to take a reduced ratio to stay within the $440,000,000 next year. I am just giving this to you for what it is worth. I think we ought to reduce the size of the payments some way. If the Senate would limit all payments to $400 to any individual there would not have to be any reduction in the ratio. Ninety-three percent of the compliers in 1939 got less than $200 each. We ought to take it off of the big payees.

Mr. REES of Kansas. Will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. REES of Kansas. Is it not a fact that we pay off half of our farmers with less than $50,000,000 which is the amount to be paid for administering this $500,000,000 item?

Mr. LAMBERTSON. Yes.

Mr. REES of Kansas. In other words, we pay for administering to the farmers as much money as we pay one-half of our farmers?

Mr. LAMBERTSON. I think you are right. Ninety-three percent of the farmers get less than $200 each out of this $500,000,000 appropriation. You see what a small percentage would be affected by limiting the payments to three or four hundred dollars.

I just want to call your attention to how anxious they are to see that everybody is pleased now rather than next year, when they admit they are willing to reduce their percentage.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment for the purpose of calling attention to certain parts of the hearings and for the purpose of asking the chairman of the Subcommittee on Appropriations for the Department of Agriculture a question.

On page 307 of the hearings I read as follows:

Mr. CANNON. If we agree to this, the Senate will take it out; but, as the Secretary says, all they are asking is that the money be made available sooner, and then the Senate, instead of appropriating $500,000,000, will only appropriate $440,000,000.

Mr. WOODRUM of Virginia. Will they take out the $60,000,000?

Mr. CANNON. They say they will. We would want definite assurance of that. Would we have that assurance from you, Mr. Secretary, that you would expect the amount to be reduced from $500,000,000 to $440,000,000?

Secretary WALLACE. Yes.

Now, I would like to ask the chairman of the Department of Agriculture subcommittee if he has assurance from members of the Senate Appropriations Committee that this $60,000,000 will be taken out of the pending agricultural appropriation bill for 1941?

Mr. CANNON of Missouri. Mr. Chairman, in response to the inquiry of the gentleman from New York [Mr. TABER], there is no purpose to increase the appropriation for the pending year. It is merely intended to make the money available for emergency purposes and to reduce by the same amount the appropriation for this purpose carried in the agricultural appropriation bill which has already gone to the Senate. It is necessary to have the money in time for the farmer to make his plans and crop adjustments for the year and in time for the county committees to meet and make their allotments.

This action is necessary because of the unexpected compliance on the part of the farmers with the farm program—a rather significant situation. The farm program has met such general favor throughout the country that the surplus which has always remained heretofore at the end of the fiscal year has been exhausted, and additional funds must be provided to carry on the program.

So far as assurance of the reduction in the $500,000,000 carried in the agricultural appropriation bill is concerned, representatives of the Committee on Agriculture and the Subcommittee on Agriculture of the Committee on Appropriations met with representatives of similar committees of the Senate, and it was agreed that if this amount was provided now in the deficiency bill a similar amount would be taken out of the agricultural bill in the Senate.

The Budget estimate is as follows:

FEBRUARY 25, 1940.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for conservation and use of agricultural land resources, Department of Agriculture, fiscal year 1940, in the sum of $60,000,000, with my recommendation that a fully offsetting decrease be made in the estimate submitted under this head in the Budget for the fiscal year 1941.

The details of this supplemental estimate of appropriation, the necessity therefor, and the reasons for its transmission at this time, as well as the basis of the offsetting reduction in the 1941 estimate under this head, are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, with whose comments and observations I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

FEBRUARY 20, 1940.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the Department of Agriculture, fiscal year 1940, for conservation and use of agricultural land resources, with proposed fully offsetting reduction in the estimate submitted under this head in the Budget for the fiscal year 1941, as follows:

DEPARTMENT OF AGRICULTURE

Conservation and use of agricultural land resources, Department of Agriculture—

For an additional amount to enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved Feb. 29, 1936, as amended (16 U. S. C. 590g–590q) and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the making of payments pursuant to sections 303 and 381 and the provisions of titles IV and V), fiscal year 1940, including the same purposes and objects, and under the same limitations specified under this head in the Department of Agriculture Appropriation Act, 1940 (53 Stat. 973–974) $60,000,000

In the event the supplemental 1940 appropriation proposed in the foregoing is made available, the estimate under this head in the Budget for the fiscal year 1941 (p. 372), should be amended to substitute for the figures "$498,560,000," the figures "$438,560,000," and further amended by omitting from the language of the estimate the second proviso which reads:

"Provided further, That $30,000,000 of this appropriation shall be immediately available to reimburse the appropriation under this

head for 1940 on account of obligations created against said appropriation in connection with the 1940 grants-of-aid program, advances for the 1940 crop-insurance program, and county association expenses for the 1940 agricultural-conservation program."

It is found that of the funds made available in the 1940 appropriation under this head, approximately $36,000,000 must be expended for the 1940 grants-of-aid program, advances for the 1940 crop-insurance program, and county association activities in connection with the 1940 agricultural-conservation program, and that $24,000,000 in addition to the above amount will be required to complete all payments due to farmers for compliance with the 1939 agricultural-conservation program.

In order that farmers may have a basis for deciding whether to participate in the agricultural-conservation program, the rates of payment are announced before the beginning of each calendar year. Approximately 5,800,000 farmers participated in the 1939 program, a number greatly beyond Department anticipations. The Agricultural Adjustment Act of 1938 also included provision for upward adjustment of payments under $200. No accurate information as to the amount required to make these adjustments was available until late in 1939, and it is now determined that needs on this account materially exceed the Department's advance estimates. Rate reductions ordered in August 1939 when the foregoing factors began to be apparent have proved inadequate.

The supplemental estimate herein is designed to provide without delay the additional funds necessary to meet 1939 program commitments. It is recommended for approval only with the understanding that the rates of payment in connection with the 1940 program will be so adjusted by administrative action under the authority of existing law as to insure the completion of this year's program with the $36,000,000 contemplated by the supplemental estimate herein plus the reduced 1941 Budget estimate of $438,560,000.

It is pointed out that the necessity for using $30,000,000 to $40,000,000 of the funds appropriated each year for grants of aid, advances for crop insurance, and county-association expenses, all in connection with the program of the next ensuing crop year is annually recurrent. This situation could be met at the cost of some delay in final payments each year by including in the language of each annual appropriation act a proviso similar to the "second proviso" recommended herein for elimination from the estimate for the fiscal year 1941. To keep the agricultural conservation program strictly within the limits of a direct annual appropriation of $500,000,000, however, rates of payment should be so reduced as to provide these funds for advance expenses within each year's appropriation without such proviso, and it is proposed that the Secretary of Agriculture make such further adjustments in the rates of payment for 1940, 1941, and 1942 as will eliminate the need for such a proviso or other form of supplemental appropriation subsequent to the fiscal year 1942.

The foregoing supplemental estimate of appropriation for the fiscal year 1940 and the proposed offsetting reduction in the Budget estimates for the fiscal year 1941 are required to meet a contingency which has arisen since the submission of the Budgets for the fiscal years 1940 and 1941. I recommend transmission to Congress.

Very respectfully,

JOHN B. BLANDFORD, Jr.
Acting Director of the Bureau of the Budget.

THE PRESIDENT,
The White House.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. In response to the gentleman from Kansas relative to the decrease in the amount of benefits to be paid to the farmers under this act, of the $60,000,000, $36,000,000 will be used for three purposes: First, to advance money to farmers for the purchase of fertilizer, lime, and so forth, which will be repaid by the farmers receiving it from their soil-conservation checks. Second, the premiums for crop insurance must be advanced to farmers who are not in position to pay it in cash, and the amounts so advanced will later be taken out of their checks. Third, the expenses of the county committees will be advanced in order to permit them to meet and provide for compliance in their respective counties. All of these amounts will be paid back, and there is no possibility of a dollar of it being diverted.

The only amount that is not reimbursable is the $17,000,000 necessary to carry out the new law passed at the last session to provide special benefits for the small farmers. The law was deficient in its applications to the farmers with small acreage, and this $17,000,000 will equalize their benefits and cannot be refunded. Also the deficiency of approximately $7,000,000 in overhead. But these amounts are negligible in proportion to the $500,000,000 involved and, according to the testimony of the Secretary of Agriculture, will not exceed 4 percent of the 1941 program.

I will say, however, that if the gentleman from Kansas is particularly solicitous about even this amount he may offer an amendment appropriating the additional $24,000,000. I think he would find very substantial support for such an amendment on both sides of the aisle.

Mr. LAMBERTSON. How can I offer an amendment to put a limitation on a bill that is over in the Senate?

Mr. CANNON of Missouri. The gentleman can offer an amendment providing $24,000,000 additional for soil conservation and I shall be glad to support it most heartily.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

Expenses of the Sixteenth Census: For an additional amount for beginning the work of taking, compiling, and publishing the Sixteenth Census of the United States, fiscal year 1940, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1940, and to carry out the provisions of the act, approved August 11, 1939 (53 Stat. 1406), directing the taking of a census of housing as a part of the population inquiry of the sixteenth decennial census, $5,000,000, to remain available until June 30, 1941.

Mr. REED of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: On page 9, beginning in line 15, strike out all down to and including line 2, on page 10.

Mr. REED of New York. Mr. Chairman, this is the only parliamentary approach that I have been able to figure out to stop this proposed snooping census. I have a twofold purpose in this. In the first place, I want to save the Congress from the criticism that is going to come down upon it from the people of this country if it approves the type of questions proposed to be propounded by Harry Hopkins through his 120,000 investigators, or whatever you may choose to call them. If it were possible for me to eliminate the criminal features of this bill, I would approach it from that angle, but it stands now that the American people are to be branded as criminals unless they reveal the innermost secrets of their hearts and permit every cubbyhole of their houses to be explored and whatever is found to be reduced to writing, to be filed with the Government. I say that the people resent it. They resent it deeply.

It was intimated on the floor of the House that we are playing politics with this. If I were playing politics with it, or if any other Republican Member of the House were playing politics with it, I would say just let this thing go on until you get the reaction from asking these housing census questions. It is not political. The press does not consider it political. The New York Times, which has always been a loyal Democratic paper and always goes along with your party just so far as it possibly can and still preserve its self-respect, is opposed to the snooping program. [Laughter.] You ought to read the article appearing in the paper written by Mr. Krock and then see the reaction coming through the mail as a result of those articles.

I am trying to save Congress from itself. You defeated the Housing Act, which, some estimated, would cost this country all the way from $800,000,000 to $1,000,000,000. Bear in mind that the census of housing was predicated upon passage of the housing bill you defeated. Three days after the housing bill was defeated the census of housing bill came along and was approved without very much debate. Why? Because it never occurred to you that when you delegated a little discretion to the head of the Commerce Department that he would formulate the type of questions by which he plans to pry into the intimate affairs of the people of this country. It can serve no useful purpose, and here and now we can save $5,000,000 and stop this whole snooping program.

The great majority of the people, the overwhelming majority of the people of this country are law-abiding; they love their Government, but in this day when totalitarian governments are arising everywhere, when we hear one of the dic-

tators proclaim to the world that the putrid corpse of liberty has been buried and his people cheer this sentiment, our own liberty-loving people are beginning to be jealous of any invasion of their rights. They have no one to whom they can turn except their own duly elected Representatives to save them from the tendency toward centralized totalitarian power.

Mr. SHORT. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Missouri.

Mr. SHORT. Does not the gentleman feel that some of these questions, particularly those relating to the housing situation, is an unjustifiable duplication? Do we not already have much of that data? Of course, if the Government is going to make a loan to some individual or corporation to build a housing project, they should naturally have all this information, but that does not justify the Government forcing everybody in the country to answer these questions. There are thousands of people who do not want loans, and they should not be forced to tell all about their business.

Mr. REED of New York. Certainly not. I know that you Democratic Members of the House realize that the head of the Commerce Department has gone too far. I know the head of the Department of Commerce will not eliminate those questions unless you let him know by your act here that you object to them.

Mr. LEAVY. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Washington.

Mr. LEAVY. Will the gentleman point out to the membership any one of the 33 questions appearing on pages 124, 125, and 126 of the hearings that violates anybody's constitutional rights? I think the gentleman ought to do that in fairness when he makes a blanket charge.

Mr. REED of New York. When you couple with those questions a fine and a jail sentence, or both, when you go to law-abiding citizens on a survey with criminal penalties attached, I say that every one of the questions is an invasion of the privacy of the home.

In answer to your cry of "politics," let me quote what Mr. Arthur Krock, of your Democratic New York Times, has to say with reference to this snooping census, and the outcries against it:

This attitude is based on belief and experience, recently much intensified, that the Government is a poor keeper of confidences and that the constitutional guaranty of certain privacies is not sacred in Washington. In proof of this, memory need revert no further than the unlawful seizure and publication of private correspondence by Justice (then Senator) Black, and the periodic issuance of Executive orders by the President to open to public inspection information gathered by the Government on a confidential basis.

Also, this is an intensely political administration; the census enumerators were chosen in large part on the request of politicians; and some of the information they have been instructed to obtain from citizens would be very useful in arranging for that planned society which is the goal of many new dealers of the inner circle.

The first few questions in the census schedule are harmless and legitimate. * * * But in the midst of these are two inquiries which no citizen should be compelled to answer on pain of fine, imprisonment, or both: "Value of home, if owned, or monthly rental"; "color or race." It is conceivable that a political machine or an envious neighbor could make improper use of the first. And since anthropologists are far from a unit on how to define races except by the color standard, why demand that, for example, a citizen of mixed ancestry (which means nearly everybody) should give an assured answer? Color anyone ordinarily can see.

"Then come questions 32 and 33, which would throw open to the enumerator who rings the door bell—who might be a neighbor, the servant of a corrupt local political machine, or a total unknown—personal facts wholly private in their nature, according to the American concept. Unless Congress withdraws the question, the citizen must tell "the amount of money, wages or salary received, including commissions," and whether he got an income of $50 from other sources. He must tell these things also with the knowledge that they could easily be passed on to unauthorized persons, twisted to fit a political theory or exposed to the general gaze if high political authority decided to expose them.

THE CENSUS GUINEA PIGS

The citizen whose doorbell is rung may also find that he is one of the special 5 percent guinea pigs of the New Deal. * * * At other periods of American history the jails would have been full of noncresponders if such questions had been put and the penalties invoked. Among the reasons given by the signers for the Declaration of Independence were that King George III had "sent hither swarms of officers to harass our people * * * and tried (us) for pretended offenses." They remarked also that "all men * * * are endowed by their Creator with certain inalienable rights," and that governments derive their just powers from the consent of the governed." The inalienable right to refuse to answer some of the 1940 census questions might well be conceded in the spirit of that document.

Editorial from the New York Herald Tribune of February 18, 1940:

Somewhere in the Caribbean, escorted by two destroyers, and bound goodness knows where, is the Democratic Party. Its entire future is contained in the brain of one man, the President of the United States. He refuses to divulge his intentions as to a third term to his closest advisers, let alone the leaders of the Democratic Party. He will not even inform the public as to where the *Tuscaloosa* is going or why.

The whole procedure of the President seems based on the assumption that the American people are movie-struck morons who saw the picture Wings Over the White House and are waiting with palpitating hearts for the Great White Father to decide the world's fate from the deck of a cruiser. Of course, if Mr. Roosevelt wanted to know where the heads of states really met and settled things man to man, he should be directed to Berchtesgaden. Mr. Chamberlain could explain that system very nicely. But the *Tuscaloosa* and her mystery seem more like items of fun—just clean fun—a good joke on the American people. No boy on a prank could more enjoy surrounding himself in secrecy. But whether he is up to nothing or up to something, the public seems fairly entitled to know which. And the command is still "Hush."

Perhaps the American people have so lost their senses as to vote for continuing the New Deal junket after 1940. But we doubt that they will. A practical people like to know where they are going and why. They like to consult and be consulted; and they are finding it increasingly difficult to cheer for a leader who insists upon fun for himself, however tragic the results may be for the Nation. After 7 years of voyaging hither and yon and arriving exactly nowhere, the touch of solid earth under the foot will feel pleasant indeed.

[Applause.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes, 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

Mr. KERR. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, near the close of the last session of the Congress it passed an act authorizing the taking of a housing census at the regular decennial time for taking the census. The act was passed and an appropriation was made for the regular census.

This is not a deficiency item. It is simply an additional sum of $5,000,000 to take the census authorized by the Congress near the close of the last session. The principal objection to the appropriation seems to be because it makes certain requests for information. It is intimated by the opposition that the Government is inquiring into personal matters that ought not to be looked into and for the reason that if you fail to answer these questions you will be subject to a penalty. These interrogatories are not unlike the interrogatories that have been asked in other censuses of this type or character. You will bear in mind that these answers are private answers and can in no way affect anybody's rights. They will never be known, because the answers are simply kept in the records of the Census Department, and a statute provides that this information cannot be divulged except for statistical purposes. This supplemental housing census cannot be objected to on account of expense, because we are attempting to obviate an expense. It is estimated it will cost as much to take the housing census at this time when we are taking the regular decennial census as it would cost if it were taken at some other time. We are saving about two-thirds the amount it would cost if we took it at another time.

Congress has provided for this census, and it is cheaper to take it now than at another time. The cost will be about one-third by taking it now. The objection made by the proponents of the proposed amendment that it infringes upon

your personal rights cannot be, for the simple reason that practically all censuses of this type have contained the same questions. If we are going to take the housing census, now is the time to take it.

A good deal of opposition has been manifested to our housing program. If this is to be a successful program for the country we ought to have certain information about it which will enable us to conduct the program satisfactorily and accomplish what we desire to accomplish by such a program. Now is the time to take this census. It will not only cost less to take it now, but we will acquire information which is essential to the proper functioning of Department of Commerce, Agriculture, Home Loan Bank Board, Federal Housing Administration, United States Housing Authority, and other Government agencies. It will also benefit private business. This appropriation should be made so that we can take this census along with our regular decennial census. Investment in housing represents about one-fourth of our national wealth, yet we badly need reliable statistical information about it.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment to strike the additional item of $5,000,000 of expenditure from this bill.

I realize the further expenditure of five million does not seem like very much money the way we appropriate money these days. It means a lot out in my part of the country, especially when it is not necessary. This item of the extra $5,000,000 is in addition to an appropriation of forty million that this Congress has already agreed to spend to take the Federal census. This $40,000,000, I am informed, is ten million more than has heretofore been expended for taking the national census. Now you want to add another five million to take what is known in this bill as a housing census.

Mr. Chairman, let me right here call your attention to the fact that it was only a few months ago a census or survey was taken in every State in the Union. Hundreds of people were employed by the W. P. A. and other agencies to secure the information that you are discussing this afternoon. I do not know what the information is worth, but you have it. As a matter of fact, there are volumes of that information right here in the Congressional Library right across the street. If you do not remember the taking of that census, I am sure the people have not forgotten about it. I just sent for one of the books from the Library, and here it is. It is described as "A Summary of Real Property Inventories Conducted as Work Projects." It says that the work was done under the Works Progress Administration, Division of Social Research. The letter of transmittal is directed to the Honorable Harry L. Hopkins, Director of Works Progress Administration, and is dated August 15, 1938—a little over a year ago. Now, you talk about a housing census. I have not time to read all of it, but let me read just a part of the letter to Mr. Hopkins and which is a part of this book or report. He speaks of the surveys and then says:

> From these surveys has been assembled the most detailed body of statistical information now available on the physical characteristics of housing in the United States. Such information provides the data essential for analysis of various problems connected with real estate and aids the formulation of sound housing programs throughout the country.

It goes on further to say, and I quote:

> The inventories in this report cover more than 8,000,000 dwelling units.

Further:

> The data have sufficiently wide coverage to furnish a general over-all picture of many aspects of urban housing.

It goes on to say that—

> The following kinds of information are included: The type, age, condition, value, mortgage status, the number of rooms, number of persons per room, sanitary facilities, and monthly dwelling units.

It also says it contains information concerning "sanitation and health, such as indoor toilets, bathtubs, central heating," and so forth. Sorry I do not have the time to read more of it to you. The preface says the document and the information were prepared with great care under the direction of the Division of Social Research, as I said before.

Now, Mr. Chairman, let us not be confused. This housing census is being taken in addition to the regular census and an additional expense of $5,000,000 added to the $40,000,000 already authorized. If you really want this information, you have it. It is right here in the library and it is of record in the office of the Work Projects Administration. Tell me, anyone of you please, why was all this information compiled? Who asked for it? What are you going to do with it? I will tell you what you are going to do. You are going to throw this information right out of the window, and then spend $5,000,000 of the taxpayers' money to do it all over again. Mr. Chairman, it is not right, and the members of this Committee know it.

Mr. Chairman, I am sorry that my time does not permit, but I do not think it right or fair that a number of the questions contained in the questionnaire should be asked. The amount of your indebtedness is listed; the number of your mortgages; the amounts, the rates of interest, who holds the mortgage, if you are delinquent in your payments; and so forth. It would not make so much difference except that this is not a survey. It is a census and the questions must be answered.

If you are a renter, they ask how much rent you pay and to whom. Now, Mr. Chairman, this House is about to spend this five million to ask these 33 questions in addition to those already listed. That means it will cost about $165,000 for each question. I just do not believe we ought to do it. If you must do it, and again I say it is not necessary, then use a part of the $40,000,000 already appropriated. Use just a little bit of economy.

Mr. Chairman, I can hardly understand from what sources comes the demand for the expenditure of this additional $5,000,000. As I have said you have the information if you really want it. Certainly we are in favor of better housing conditions. This is not the right way to promote better housing in this country.

Why not use a little independent judgment of our own for once and save this $5,000,000. It is unnecessary and is extravagant. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, I have heard the several comments this afternoon concerning the Bill of Rights, and the attempts of certain Members to make it appear that this legislation destroys the American Bill of Rights. Our attention has been called to that memorable document as if it were in grave danger. Now, I take second place to no man in this Chamber in my high regard for the Bill of Rights. I have even gone to one of my colleagues lately and gotten several hundred facsimiles of the original draft of the Bill of Rights, first drafted 150 years ago and submitted as 12 amendments to the Constitution, 10 of which were adopted. At the same time that I hand these documents out to patriotic organizations in my State, I say to those patriotic citizens that we need something more than lip service; that it is not nearly so important to memorize the words of those first 10 amendments, or to frame the facsimile and hang it on our assembly walls as it is to know and revere the spirit of it.

I say this simply so that you may see that I am not lacking in respect or veneration for the Bill of Rights, but I wish to state positively that I see no real infringement upon the Bill of Rights in this census legislation. Let me say to my friend the gentleman from New York [Mr. REED], with whom I dislike to differ, that in these changing times we may have to modify our views of the Bill of Rights—and properly so. For instance, I read in the Bill of Rights that the right to bear arms shall not be infringed. Does that

mean we are to let every Tom, Dick, and Harry pick up a machine gun and parade up and down our streets? Or are our statutes forbidding the carrying of concealed weapons in keeping with the spirit of our Bill of Rights?

I read also that the right of trial by jury shall not be abridged, but I want to tell you that in our municipal courts all over this land men are being convicted without a jury trial for speeding and like crimes. Is this wide practice in our courts in keeping with our Bill of Rights? No thoughtful citizen will say it is not. In other words, we should consider the Bill of Rights in the light of present-day conditions.

Further, as a teacher of government, I have told my students time after time that legislation is the greatest work to which the human mind can devote itself, getting my idea from the ancient philosophers, such as Plato and Solon, as well as modern statesmen. Are not lawmakers sometimes called solons? I know it may be a misnomer for such as me, but it implies the possession of wisdom, wisdom largely based on knowledge no small part of which consists of facts. How can we legislate if we do not have facts? The complicated conditions in our national life make possession of facts more imperative for lawmakers every passing year.

I justify this housing census because, while I know the President has said a third of us are ill-housed, I do not know whether he is right or wrong. I would like to know how nearly right or wrong he is. There may be some who do not want to know the true situation. I have often remarked or implied that we have 130,000,000 people in this country, but is that guess anywhere near correct? I will find out the middle of this coming summer. We hear estimates given as to certain figures, but much of our legislating has been jumping in the dark without knowing where we were going, partly because we have not had the facts.

Why have the chemists and the physicists and all the other physical scientists made such progress? Because they can learn facts concerning animals or inanimate nature and work accordingly. Why have the sociologists, the political scientists, and the statesmen made so little progress? I tell you we have made comparatively little progress since that remarkable group of men laid down our basic law and the enduring foundations of our institutions back in 1787. Why have we made so little progress? Because in this field we cannot, must not experiment "guinea pig" fashion. Because we can find out only by making a social study, because we can find out only by inquiry of human beings what we need to know about man and thus know how to govern. This wider inquiry is made in that spirit. [Applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DITTER: On page 10, line 2, after "1941", strike out the period and insert a colon and the following: "*Provided, however,* That no part of the sum appropriated in this section shall be available for collecting any information the procurement of which depends upon the enforcement of section 9 of the act of June 18, 1929."

Mr. DITTER. Mr. Chairman, this amendment is offered for the purpose of relieving the penalty feature of the act of 1929. It is presented largely because of the suggestion of the distinguished gentleman from Virginia [Mr. WOODRUM], who during the course of the colloquy earlier in the afternoon by implication, at least, suggested that he would not oppose the lifting of any penalty feature in connection with the procurement of information that might be objectionable to the people of the country. All this amendment does is follow out the suggestion made by my distinguished colleague from Virginia. It enables the enumerators to secure the information the people are willing to give.

However, it relieves those who feel that certain inquisitorial efforts are being made by enumerators and will permit them to avoid such an inquisition and also relieve them of the possibility of any penalty. I, therefore, feel that in view of the temper of the House as a whole that the amendment should be adopted. The census can be taken and all the information that a census should disclose will be secured, and I ask the favorable consideration of the committee for the amendment which I have just submitted.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Mississippi with one reservation, that neither power, politics, Pennsylvania, nor Mississippi is to be under consideration.

Mr. RANKIN. Fine! With that understanding, let me call the attention of the gentleman from Pennsylvania to the fact that in 140 years every census bill has carried these provisions, and in 140 years there has never been a prosecution for failure to answer the questions.

Mr. DITTER. May I suggest to the gentleman that the amendment I have offered refers to a bill that was not written 150 years ago, but the act of 1929, which was only a few years ago, and if in his wisdom he sees fit to support this amendment, as I believe he will, then it will be entirely in line with his usual Democratic processes and his love of Jeffersonian philosophy. [Laughter and applause.]

Mr. RANKIN. If the gentleman will yield further, let me say to the gentleman from Pennsylvania that the act of 1920 was passed by a Republican administration, and I see no reason why its provisions should not apply.

[Here the gavel fell.]

The CHAIRMAN. If no Member now seeking recognition desires to be heard in opposition to the Ditter amendment, the Chair will put the question on that amendment.

The question was taken; and on a division (demanded by Mr. DITTER) there were—ayes 80, noes 92.

Mr. DITTER. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. WOODRUM of Virginia and Mr. DITTER.

The Committee again divided and the tellers reported that there were—ayes 104, noes 99.

So the amendment was agreed to.

Mr. McLEOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCLEOD: Page 10, line 2, before the period, insert ", and no part of such sum shall be available for the compensation or expenses of any employee who insists upon persons answering questions with respect to the census of housing, authorized by such act of August 11, 1939, over their protest, oral or otherwise."

Mr. McLEOD. Mr. Chairman, I offer this amendment to safeguard the rights of our citizens when they are confronted with many of the ridiculous questions contained in the housing census questionnaire. This unprecedented census of housing will undoubtedly be taken between the hours of 9 and 5, and therefore the questions will be answered in most cases by the housewife. We all know that if the census enumerators call at that particular time the housewives will be confronted with questions relating to mortgages, trusts, liens, second mortgages, or so-called junior liens that it would in many cases be impossible for them to accurately answer without consulting the instruments concerning the property involved.

Section 9 of the Decennial Census Act provides penalties for persons who refuse to answer or fail to give correct information to census agents. My point is that if the average housewife or owner endeavors to answer the questions as contained in questions 28, 30, 31, 32, and 33, and his or her answers are proven to be partially false, untrue, or incorrect, they are liable to a Federal fine of $60 or imprisonment for 60 days, or both.

It is impossible in many States and cities to obtain the information required other than through the county courthouse, because, as you will recall, the language is "first mortgage on land contracts, second mortgage, or other junior liens." This can apply to many and various obligations against land or against a house, or whatever the property in question may be. This difficulty applies not only to the general property owner but to you Members present here today. I defy any Member here present, if he is a property owner, without

an up-to-date memorandum to answer these questions and answer them accurately he may be in trouble.

The only thing involved in my amendment is to prevent unjust imprisonment and fine.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. CURTIS. I shall support the gentleman's amendment, but I would like to call the Committee's attention to this fact: There is no pretense here that this housing census will be taken for $5,000,000. I have here a letter from Mr. Austin, Director of the Census, bearing date of July 28, 1939, in which he states:

> The suggested appropriation of $8,000,000 (or even $8,500,000) for this purpose would not be sufficient to conduct a standard housing census which would cover all the subjects desired in such a census, but would provide only a minimum of the most essential statistics on the basis of which business, industry, and the Government could evaluate the present status and prospective trends of housing.

I have opposed this whole thing in committee, and I expect to continue my opposition, because it is an inquisition.

Mr. McLEOD. I thank the gentleman.

[Applause.]

The CHAIRMAN. The gentleman from Michigan yields back 1 minute. Does any gentleman desire to be heard in opposition to the amendment offered by the gentleman from Michigan? If not, the question recurs on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. McLEOD) there were—ayes 89, noes 95.

Mr. McLEOD. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE] for 5 minutes.

Mr. POAGE. Mr. Chairman, I yield back my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. MILLER] is recognized for 3½ minutes.

Mr. MILLER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Page 10, line 2, after the period insert: "*Provided*, That no part of this appropriation shall be used to pay salaries of any census takers who require citizens to disclose their income."

Mr. MILLER. Mr. Chairman, I assure the committee at the outset that I am not considering politics when I offer this amendment, nor when I oppose the questions to be asked by the Census Bureau in connection with the proposed census. I always regret seeing a question of this kind decided by a party division. I am concerned solely because of the mail that I have received from the district that I represent. I do not keep a caucus list in my office and I do not know whether the people who write to me are Democrats or Republicans. I have reason to believe that many of them are Democrats, as I know that we have a good many Democrats in the district; at least, we did have in November 1938. The gentleman from Washington [Mr. LEAVY] pointed out that there was no question among those printed in the hearings that related to a man's income.

The gentleman is technically correct, because the questions listed in the hearings do not include questions related to income but simply those that specifically relate to the housing census. There is such a question, however, in the general census, the population census of 1940. Question No. 31 specifically refers to the amount of money, wages, or salary received, including commissions, and question 33 to the income of $50 or more from sources other than money, wages, or salaries.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Briefly.

Mr. PLUMLEY. I received a communication within the last 24 hours from a citizen of my State in which he advises me that he has offered to convey to the State of Vermont a piece of land of 30 or more acres in area for such use as the Government may see fit to make of it a detention camp to take care of those who may decline to answer these questions.

Mr. MILLER. I assure the gentleman from Vermont that I am advising all of my constituents to answer the questions asked, and I believe most of them will. However, I believe before Congress gets through considering this bill that the objectionable and illegal questions will be eliminated. I think it is our responsibility to indicate to Mr. Hopkins that we do not want him going into homes asking people intimate matters in respect to their income and whether they earned $50 or more outside of their income in the last year.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. TABER. Under the 1929 Census Act, section 4 says that the census and all subsequent censuses should be limited to questions relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mining. It does not get any authority to ask the income of people.

Mr. MILLER. That is my contention; and at this point I challenge any Member of the House to put into the RECORD any authorization for these income questions or to state that in any census, or on anything other than a survey, questions of income were ever asked by the United States Government of its citizens.

The CHAIRMAN. The gentleman from Vermont [Mr. PLUMLEY] sought recognition of the Chair, but the time was limited. The gentleman from Connecticut has used 3 minutes of the 3½ minutes allotted to him, and the Chair will recognize the gentleman from Vermont [Mr. PLUMLEY] for half a minute.

Mr. PLUMLEY. Mr. Chairman, I yield back my time.

Mr. SHORT. Mr. Chairman, will the gentleman yield to me?

Mr. PLUMLEY. Yes; I yield.

Mr. SHORT. I would like to suggest to the gentleman that the whole State of Vermont will not be large enough to house the people who refuse to answer these questions.

Mr. RANKIN. It housed the Republican Party 5 years ago. [Laughter.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from South Carolina [Mr. HARE] is recognized for 4 minutes.

Mr. HARE. Mr. Chairman, the crux of the opposition to this piece of legislation has been crystallized in the amendment offered by the gentleman from Connecticut [Mr. MILLER]. In the early part of the day the opposition was confined to a "trespass upon the sanctity and privacy of the home," but when we learned this is nothing new for the Government a new approach must be found. Now, the question is whether or not the Government has a right to inquire into the incomes in a decennial census. The housing census is not a decennial census. It is a special census, and it is common information that the Government for the past hundred years has conducted inquiries and made investigation and taken what we know as a census, whether it is decennial or a 5-year census or a 2-year census, or what. In all of those investigations, in all of those inquiries, particularly the investigations or censuses of farming activities, wage earners, industrial activities, and so forth, they have invariably inquired as to income and the source of same. It was brought out earlier in the afternoon that time and time again Congress has authorized investigations, authorized inquiries, authorized that a census be taken on this, that, or the other thing, and in all of those they have inquired as to income. Time and time again you have inquired as to the income from farming operations. Not only that, you have inquired into the income of the various types of farming operations; you have broken them down from one to another. You have inquired as to the income of the wage earner; who employed him; how much he paid him; whether he was paid by the hour, by the week, the day, the month, or the year; and you have inquired into his annual income time and time again. But here is where we find the bug in the buttermilk.

It is all right to inquire into the income of the little farmer out in the rural district to see how much he is getting and where it is coming from, it is all right to inquire of the textile operator to see how much he is getting and where it is coming from, and how much he has in the course of a year to support his family; it is all right to inquire about the income of other industrial operatives; but when you prepare a schedule that will require of the bankers of this country the source and amount of their income, when you inquire of the capitalists of this country as to the source and the amount of their income, when you inquire of the great industrialists as to the source and amount of their income, then it becomes an inquiry that violates the sanctity and privacy of the home.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. REED of New York. Would the gentleman read into the RECORD the testimony of Dr. Austin, of the Census Bureau, as to the resistance they have received when they endeavored to inquire along the lines you are suggesting, and also read into the RECORD where he said that the census consequently was of little value?

Mr. HARE. The gentleman can read it into the RECORD in his own remarks. I anticipate that there will be objection on the part of the capitalists and industrialists.

Mr. REED of New York. I am talking about the farmers, and the gentleman knows it.

Mr. HARE. No; I do not know it. Not one has mentioned it to me. But I know that farmers and cotton-mill operatives of my State have heretofore answered the questions of this Government time and time again under acts authorized by the Congress. They have answered the questions and none of them has ever been put in jail or the penitentiary for failure to do so. [Applause.]

Mr. TABER. Mr. Chairman, will the gentleman yield?

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] is recognized for the remaining time of 5 minutes.

Mr. RANKIN. Mr. Chairman, the distinguished gentleman from Vermont, the only Republican State in the Union that has remained Republican at all times, says that somebody has offered a certain number of acres of ground for a detention camp for the men who refuse to answer these questions. The distinguished gentleman from Missouri [Mr. SHORT] rose in his wisdom and said that the whole State of Vermont would not be sufficient to hold all of the ones who would be prosecuted under this bill. The gentleman from Missouri [Mr. SHORT] overlooks the fact that less than 5 years ago the State of Vermont held half the Republican Party. Does he think they will all be prosecuted, that they will all refuse to answer these questions, when there has not been a single prosecution for such refusal in 140 years? The gentleman from Vermont [Mr. PLUMLEY] and the gentleman from Missouri [Mr. SHORT] are both evidently aware of that fact.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. PLUMLEY. I would like to ask the gentleman, If that be the fact, why the necessity for carrying in the bill any provision for a prosecution?

Mr. RANKIN. Oh, the gentleman knows that whenever you require anything done by law, any man who refuses, commits a misdemeanor. That is a matter of common law that every lawyer is familiar with.

Now, Mr. Chairman, all of these attacks, all of these letters we have heard of coming from big income-tax payers, who fear they will have to reveal their income taxes, for fear that some of the manufacturers who clamored for wage and hour repeal will have to reveal the fact that it does not increase the wages of their employees because it is taken away from them in house rent. For fear that this information will be revealed, we find a few letters coming from that section of the United States to Republicans only, while not a Member on the Democratic side has had a letter protesting against this schedule.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. No. The gentleman from Pennsylvania needs information, and I want to give him some right now.

What they are attacking, Mr. Chairman, is the schedule that goes into the proposition of certain appliances in the homes of the American people. Why should we not give that information? You are not embarrassing anybody.

The gentleman from Michigan [Mr. MCLEOD] says that the census will be taken between 9, and I believe he said, 3 o'clock. That may be the hours in Michigan, but down in the Southland where I live people work, as a rule, from sunup to sundown, or, at least, a sufficient number of hours to justify their employment. Furthermore, they will not depend on the housewife to answer all the questions. If they did, you would not have so much protest from the income-tax payers from Connecticut and Vermont.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. For a question.

Mr. PLUMLEY. For an observation?

Mr. RANKIN. Not for an observation, for a question only.

Mr. PLUMLEY. Then will the gentleman yield for a question?

Mr. RANKIN. Yes.

Mr. PLUMLEY. Does not the gentleman appreciate that every Member on the floor of this House deprecates the fact that to every statute there is attached a penalty which, in the language of the gentleman, it is not expected will be enforced?

Mr. RANKIN. Oh, let me say to the gentleman from Vermont that every lawyer always deprecates a law that is against him in a lawsuit. He wishes the law were different, and invariably tries to get the judge so to instruct the jury.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McCORMACK. Can the gentleman inform us whether or not this same provision was in the Census Act of 10 years ago?

Mr. RANKIN. Why, of course, it was. It has been in the law all along.

Someone objected to the statement of the gentleman from South Carolina to the effect that in 1909, under the Taft administration, a law was passed providing for a special census, a census which went far more into detail than this one. It was also said that that act did not carry a penalty. It carried the usual penalty. If a man had violated the law, he could have been convicted and punished.

But nobody has ever been prosecuted. Why all this disturbance now? Because we propose to get certain information that is necessary for the compilation of these statistics and certain people fear they will have to reveal to the census taker their income taxes, which are already on record. Why, we find this protest coming from a little group here in the House who seem to have got all the mail protesting against this questionnaire.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Only for a question.

Mr. RICH. The gentleman stated that the census takers in his part of the country would work from sun to sun. Do not the people in that part of the country know there is now on the statute books a wage-hour law which fixes 42 hours a week as the maximum?

Mr. RANKIN. Oh, we take a good deal of time off at noon. [Laughter and applause.]

I have undertaken to tell you some things about household appliances. Nobody has ever denied those statements. The gentleman from Pennsylvania has got an hour, or 40 minutes, or some time to speak on Wednesday.

Mr. RICH. Nobody prepares my speeches, I may say to the gentleman from Mississippi.

Mr. RANKIN. Well, we will wait and see if that speech does not bear the trade-mark of the hand of Esau and the voice of Jacob. [Laughter and applause.]

Mr. Chairman, this amendment should be voted down, and by all means this Ditter amendment should be stricken from the bill. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. TABER moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. TABER. Mr. Chairman——

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry——

The CHAIRMAN. The gentleman from New York has the floor. Does the gentleman yield for a parliamentary inquiry?

Mr. TABER. Not at this time.

Mr. DINGELL. Is not a parliamentary inquiry always in order?

The CHAIRMAN. Not unless the Member having the floor yields for that purpose.

Mr. CANNON of Missouri. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order that the motion made by the gentleman from New York is not in order. The motion to strike out the enacting clause is a motion of very high privilege and not to be offered unless in good faith. It is obvious that the gentleman offers this motion at this time merely to secure time for debate.

Mr. TABER. Mr. Chairman, this is offered in good faith. I shall insist upon a division, and tellers, if I can get them.

Mr. CANNON of Missouri. Mr. Chairman, on that statement of the gentleman from New York, that he offers the motion in good faith, I withdraw my point of order.

The CHAIRMAN. Without objection, the point of order is withdrawn.

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. TABER. Mr. Chairman, this bill is a menace to the liberties of America. So that you may get a full picture of the operation that has been presented to you, I call your attention to the Census Act of 1929. Section 4 thereof reads as follows:

The fifteenth and subsequent censuses—

The fifteenth is this one—

shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines. The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census with the approval of the Secretary of Commerce.

Included in the regular census is the item:

Income in 1939. Amount of money, wages, or salary received, including commission. Did this person receive an income of $50 or more from sources other than money, wages, or salary.

Mr. Chairman, that is clearly a usurpation of authority. It is clearly without authority that that question is included in the items handed out to the enumerators, and under these circumstances it is a fraud on the American people. The act calling for the housing census says that information may be had concerning the number, characteristics, and geographical distribution of dwelling structures and dwelling units in the United States. There is nothing whatever permitting the requesting of information as to the amount of rent or the value of the property. The whole thing is unauthorized by law. No court in the world would convict any person for refusing to answer those inquisitorial questions. No Congress would ever pass a law requiring such things to be done. Under these circumstances it is absolutely ridiculous to appropriate any money for an outfit which is simply trying to usurp power, annoy and harass the people of the United States.

The only way we have of stopping this ridiculous usurpation of power and foolish operation is to strike out this whole paragraph and not appropriate one dollar for it. There is no law that requires anyone to answer such questions, and I hope the Congress will not now appropriate money to support things that are not authorized by law. I hope the amendment offered by the gentleman from New York [Mr. REED] will be agreed to, and thereby we will save $5,000,000 of the Treasury's money and set our goal toward saving money, not throwing it away foolishly. Not a single one of these housing projects has provided a place in which anyone could live who was driven out of a slum project and no one exists in many of these places who can comply with the requirements of the Housing Authority for occupancy.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from New York.

Mr. Chairman, Public Act No. 387, Seventy-sixth Congress, first session, Senate 2240, to provide for a national census of housing, under section 2, states:

All of the provisions, including the penalties of the act providing for the fifteenth and subsequent decennial census, approved June 18, 1929—

And so forth—

shall apply to the taking of the census provided for in section 1 of this act.

Section 3 reads:

For the purpose of carrying out the provisions of this act there is authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated not to exceed $8,000,000 to cover the estimated cost of such census.

Act approved August 11, 1939.

Mr. Chairman, that is the record of the action of this Congress. Within a short space of a few months we have all this political thunder that has been handed out on the floor today. I make one plea here and that plea is for sincerity. On February 8 we had this same request from the gentleman from New York, who then demanded a roll call. The yeas were 134 and the nays were 211. Now, we have it all over again. It is just filling up the RECORD with the same talk that we had here on February 8 last in connection with the bill and an act passed by this House on August 11.

Who wants this census? The heavy-goods industry people of this country want the housing census. The builders and architects and real estate men, the makers of and the dealers in cement and brick and lumber and gravel and paint and glass and all other materials, the makers of construction machinery—all these, and many others, have a stake in such a census.

Who, then, are its opponents? Let them stand up and be counted. That should be a simple operation, for they are so few that they were almost invisible 6 months ago, when the housing census was authorized by Congress.

It would be a long and laborious, almost impossible task merely to read the list of important associations, agencies, and individuals who are on record as favoring this census.

The National Retail Lumber Dealers' Association and the National Lumber Manufacturers' Association are in favor of it. So are the Portland Cement Association, the National Sand and Gravel Association, the Structural Clay Products Institute, the Metal Window Institute, the National Lime Association, the National Paint, Varnish, and Lacquer Association.

The National Association of Real Estate Boards passed a resolution requesting Congress to authorize this year census questions on housing, home ownership, taxing, and home financing.

The National Association of Housing Officials also appealed to Congress for a full housing census and so did the housing boards of New York State and Pennsylvania.

In 1937 unemployment census showed that unemployment in the construction industry is a major factor in the whole unemployment situation. It showed more than three-quarters of a million building-industry workers were totally unemployed or at work on emergency jobs. And it showed another 400,000 who gave this industry as their usual occupation but were partially unemployed.

We are trying to bring this country out of a slump and to the place where the people will seek home ownership. We are making a plea for home ownership so that the people in this country may have a stake. A majority in the House approved the Dies committee investigation of un-American activities, but when we attempt to do something that provides the information necessary for people in this country to have concerning the housing problem, then we find political opposition.

Let us be sincere. Let us put this thing where it belongs. Do we want to establish home ownership or are we against it? Do we desire to make known to the people of this Nation the true picture of home conditions as they exist, or do we just want to feed them some language? I, for one, am anxious that this problem be made known.

The Government has gone into the housing problem. Whether you approve or disapprove does not enter into this legislation. The housing problem has at least brought out the fact that those with money can go and do the same job privately and at a lesser cost than has been done by the Government. Private capital wants to know all the angles of the housing problem. Capital will not risk large operations where it does not know the facts. It cannot be expected to. It should be given the facts, so that it can invest with confidence in those housing fields where there is a known market for its products. Therefore the functions of government should supply the information, and the information will be derived from this housing census.

Mr. Chairman, I have the greatest respect for those who have the spirit of economy in mind, and I think I can hold my head high with the best of them. As a matter of fact, the subcommittee of which I happen to be chairman last year was tops in cutting below the Budget. So our committee, having to do with the legislative branch on appropriations, is taking no back seat as far as economy is concerned.

But housing calls into being the artisans of countless labor trades and public-spirited groups such as the American Society of Planning Officials, the American Public Health Association, and the American Home Economics Association, also the Associated General Contractors, the United States Conference of Mayors, the American Institute of Architects, the Producers' Council, the Construction League of America, and the National Association of Master Plumbers. And so I could go on, but may I conclude with the statement the American Federation of Labor has openly endorsed this program.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. TABER] that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 99, noes 111.

So the motion was rejected.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to address the Committee for 5 minutes.

Mr. SCHAFER of Wisconsin. Reserving the right to object, Mr. Chairman, has not debate been closed on this paragraph?

The CHAIRMAN. Debate has been closed on the paragraph, but the gentleman is asking unanimous consent to proceed for 5 minutes.

Mr. SCHAFER of Wisconsin. The gentleman's side closed debate. I think it is presumptuous to submit such a request, and I object to it.

Mr. CANNON of Missouri. My request is to speak out of order, Mr. Chairman.

Mr. SCHAFER of Wisconsin. I object to his proceeding out of order, Mr. Chairman.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Connecticut [Mr. MILLER].

Without objection, the Clerk will again report the Miller amendment.

There was no objection.

The Clerk again read the Miller amendment.

The amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York [Mr. REED] to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. REED of New York) there were—ayes 102, noes 115.

Mr. REED of New York. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REED of New York and Mr. O'NEAL.

The Committee again divided; and the tellers reported that there were—ayes 124, noes 142.

So the amendment was rejected.

The Clerk read as follows:

The Alaska Railroad: The limitation of $11,000 upon the amount that may be expended for printing and binding from the appropriations for the Alaska Railroad contained in the Interior Department Appropriation Act, 1939, and the Second Deficiency Appropriation Act, fiscal year 1939, is hereby increased to $11,972.25.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, in 1910, in the Sixty-first Congress, John Dalzell of Pennsylvania, at that time a member of the Committee on Rules, a committee consisting of three, the Speaker of the House, the leader of the minority, and Mr. Dalzell, made the statement in the course of debate that the Rules of the House of Representatives of the United States were not only the most perfect system of rules in the world but the most perfect system of procedure that could be devised, so perfect in fact that it was doubtful whether any further amendment was possible.

If Mr. Dalzell, great statesman and great parliamentarian that he was, could come back today he would hardly recognize the rules of the House of Representatives, so completely and so fundamentally have they been revised and rewritten.

In the 30 years that have intervened since that statement was made we have adapted and adjusted our system of procedure until we have evolved through experiment and practice a remarkably serviceable system of procedure. It is possible that the next generation will look back on that statement in the same light in which we now regard the complacent appraisal of the great Pennsylvanian, but at least one thing has been accomplished. We no longer hear discussions on the floor and in the cloakrooms of proposed amendments to the rules. I can recall when the rules were the subject of almost daily debate on the floor and "liberalization" of the rules was an issue in national platforms and campaigns. There were modifications of the rules at the opening of every Congress and a general revision with every change of administration. Only in comparatively recent years have the rules approached a degree of permanent standardization where they have ceased to be the object of comment or complaint. For the present at least, regardless of what the parliamentarians of 1970 may think of them, the rules of the Seventy-sixth Congress answer every requirement.

One practice, however, has grown up, and is being resorted to with increasing frequency of late, which, if continued, will require some change, either in the rules themselves or preferably through the decision of some able and experienced chairman. It is the unwarranted practice of using, on every occasion and any occasion, the motion to strike out the enacting clause for the purpose of obtaining the floor for debate. Of late, there is rarely an instance in which a consent agreement is secured to limit debate in the Committee of the Whole but what some Member nullifies the agreement and disregards the established rules of debate by moving to strike out the enacting clause. The Member could have asked to be included at the time debate was agreed on and have had his quota of time in regular

order, but he waits until all time has expired and the Committee has closed debate, as is its right, and then disrupts the proceedings by again opening the question to debate in disregard of the understanding to which all interested Members on both sides of the aisle have agreed, or by vitiating the right of those in charge of the bill to close debate. Such misuse of the motion is unwarranted and is in bad taste and verges on bad faith. If my warm, personal friend from New York will indulge me by permitting me to use his recent motion as an example, in answer to my point of order, he said he had made the motion in good faith.

Now, of course, he did make it in good faith in the sense that he desired to eliminate that provision of the bill. But, as a matter of fact, his only purpose in making the motion was to secure the floor, as is shown by the fact that when he closed his remarks, he closed them, not with the expressed hope that the enacting clause be stricken out, but, as he very plainly said, in the hope that the amendment of the gentleman from Connecticut would be agreed to. No such use of the rule was ever contemplated. It is a motion of dignity and high privilege. To prostitute it to such menial use is on a par with invoking the great writ of habeas corpus to release a chicken thief from the village calaboose. It is as unparliamentary as mob rule. It supersedes the fundamental rules of debate. It is neither fair nor logical. It wastes the time of the House and disorganizes established procedure and, to that degree, reflects upon those responsible for the integrity of House and committee procedure.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Dakota.

Mr. MUNDT. Will the gentleman advise me, a new Member of the House, what other course a Member may take to get access to the floor if a situation arises such as occurred last Friday, when debate was ruthlessly closed and no time was permitted, except about 34 minutes out of the day, for Members other than committee members to introduce amendments? What other recourse does a Member have except to offer such a motion?

Mr. CANNON of Missouri. That would not give a Member an opportunity to introduce an amendment, it would merely give him 5 minutes to interfere with the orderly program of the House.

Mr. MUNDT. It would give him 5 minutes to present the viewpoint of his constituents.

Mr. CANNON of Missouri. If the rules permitted every Member of the House time in which to present the views of his constituents, we would never be able to dispose of the business of the House in an ordinary session. Gentlemen may extend their remarks, and in full, on any bill under consideration and still keep within legitimate procedure.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say with regard to the observation of the gentleman from South Dakota that debate was ruthlessly closed, that that, of course, is a matter of opinion; but may I call the attention of the gentleman to the fact that the debate went along for nearly 2 hours before the motion to limit debate was made by the chairman of the Committee on Ways and Means?

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to speak for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. The right of the House to close debate is indispensable. Without it, debate would proceed endlessly. And the right of the Committee or the proponent to close debate is axiomatic. To interfere with either right is disorderly and should be so held by the Chair.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from North Carolina.

Mr. WARREN. The gentleman from Missouri is recognized as one of the greatest parliamentarians who ever sat in the House of Representatives. As we all know, he has written a monumental work on the subject of parliamentary procedure, and therefore I feel quite fortified in having the gentleman take the same position I endeavored to take on Friday on exactly the same question. The gentleman is entirely correct, and I hope that some chairman, some day, will rule accordingly.

Mr. CANNON of Missouri. I may state that I was moved to make this comment by the argument on the point of order recently raised by the gentleman from North Carolina. He is one of the ablest parliamentarians of the House, and one of the most efficient presiding officers who occupies the chair, and his point of order was so well taken and so well supported that it is to be hoped that some strong presiding officer will follow the suggestion made by the distinguished gentleman from North Carolina and establish this much-needed precedent.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Chairman, I wish to say in connection with the statement of the gentleman from North Carolina [Mr. WARREN] that the gentleman from Missouri [Mr. CANNON], who is now addressing the House, is the greatest parliamentarian in the world and the greatest one that has occupied a seat in any parliamentary body since the death of James R. Mann, of Illinois. [Applause.]

Mr. CROWTHER and Mr. VAN ZANDT rose.

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. CROWTHER. But once in 21 years of service have I offended against the rule the gentleman speaks of. This happened on last Friday. Does the gentleman think that such a procedure contains any element of unfairness if the opportunity is given the opposition to rise in opposition to the motion?

Mr. CANNON of Missouri.. I am certain the distinguished gentleman from New York, with whom it has been my privilege to serve here so long, understands that I am speaking purely in the abstract and had no personal reference in mind. Nothing which has been said was intended——

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may have 1 more minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. CROWTHER. On the occasion I refer to the gentleman from Massachusetts [Mr. McCORMACK] rose in opposition and really closed the debate on that question. It seems to me there is no element of unfairness as long as provision is made for a rejoinder. I do not think there is any element of unfairness in it. I was not permitted to close the debate. I was only permitted to speak, and the gentleman from Massachusetts [Mr. McCORMACK] rose in opposition and really closed the debate.

Mr. CANNON of Missouri. My friend from New York understands there is no possible ground for criticism of anyone who has used the motion. It has been used on all sides and by everybody and on every occasion.

The very promiscuity of its use is the occasion for this discussion—and for the early adoption of some means of remedying the unfortunate situation it has brought about. I am certain the gentleman from New York will cooperate in restoring the rule to its original use and restricting its

use to its legitimate functions. Whenever the motion is offered it should raise in the mind of the Chair and of the Members of the Committee the question: "What is the purpose of the gentleman in offering the motion; is the motion proposed for the purpose of discontinuing consideration of the bill, or is it offered for the purpose of securing time and disrupting the order of debate?" And when obviously offered for the latter purpose it should never be recognized.

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. With pleasure.

Mr. CROWTHER. I would have been very pleased to have had the enacting clause stricken out of the bill.

Mr. RAYBURN. Yes; but the gentleman attempted to withdraw his motion after he had his 5 minutes.

Mr. CROWTHER. Well, that is customary with a pro forma motion. It was offered as a pro forma motion. [Laughter.]

[Here the gavel fell.]

Mr. VAN ZANDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VAN ZANDT. A great tribute has been paid the gentleman from Missouri [Mr. CANNON] on his ability as a parliamentarian, but he was violating the procedure of the House when he was not confining his discussion to the business before this body.

The CHAIRMAN. The gentleman has not stated a parliamentary inquiry. With all deference, the Chair may say that the Chair recognized the gentleman for that purpose, but the gentleman has failed to state a parliamentary inquiry.

Mr. LUCE. Mr. Chairman, I rise to oppose the pending motion.

The CHAIRMAN. The gentleman from Massachusetts is recognized in opposition to the pro forma amendment.

Mr. LUCE. Mr. Chairman, I rise in opposition to the pro forma amendment. I think it well to call attention to the fact, as bearing on what the gentleman from Missouri [Mr. CANNON] has said, that he himself was, as the gentleman from Pennsylvania [Mr. VAN ZANDT] has pointed out, violating the rules of the House by not addressing himself to the question.

Mr. EBERHARTER. Mr. Chairman, if I heard the gentleman from Missouri correctly, he asked unanimous consent to speak out of order for 5 minutes.

Mr. LUCE. Then I withdraw that comment, because I did not hear that request made. Further, while I appreciate the importance of what the gentleman from Missouri has said, there are exceptions to all rules. There arise occasions when a man might well transgress the rules of the House to defend himself, to answer a new argument, or to present something that will be of help to the House. Therefore, while I think that the rule ought generally to be observed, to say that any exception to it whatever is violation of wise practice seems to me somewhat extreme. I myself in the course of a debate on an appropriation bill recently misunderstood the situation and found myself precluded from having the attention of the House. It seemed to me of importance at the moment that the House should at least know the consideration that I cared to present and therefore I, as very rarely have I done, violated the spirit of the rules of the House in this particular in order to present a thing that it seemed to me the House ought to consider. Laying down of iron-clad rules permitting no exception under any circumstances does not seem to me essential for good legislation. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. CANNON of Missouri. Permit me to say, Mr. Chairman, that the gentleman from Massachusetts [Mr. LUCE] is, in my opinion, the most distinguished parliamentary authority of the House. [Applause.] He served a notable apprenticeship as president of his State senate and as chairman of the committee on rules and procedure of the Massachusetts Constitutional Convention, and his scholarly works on legislative procedure and legislative assemblies and kindred subjects are accepted as the most authoritative in American literature and jurisprudence. I much appreciate his suggestions. He has summarized the practice succinctly and accurately and with his cooperation we should be able to strike the happy medium in which the motion will be available when needed for the purposes he suggests and at the same time be surrounded with reasonable restraints. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

Not to exceed $15,000 of the appropriation "Salaries, Wage and Hour Division, Department of Labor, 1940", shall be available for transfer to the appropriation "Contingent expenses, Department of Labor, 1940", and not to exceed $65,000 of the appropriation "Salaries, Wage and Hour Division, Department of Labor, 1940", shall be available for transfer to the appropriation for miscellaneous expenses (other than salaries), Wage and Hour Division: *Provided*, That such appropriation for salaries, Wage and Hour Division, shall be available for reimbursement to State, Federal, and local agencies and their employees for services rendered.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. When the wage and hour bill was pending in the House and brought up for consideration in the Committee of the Whole on the two occasions that it was considered by the Committee of the Whole, I had the honor and the pleasure of being designated by the Speaker to serve as the Chairman of the Committee of the Whole. It was also my pleasure to vote for the passage of the bill. It is my purpose to make a few observations which I think, if noticed by those who are administering the law, will probably be conducive to the successful operation of the law. What I say is not in the nature of criticism but in the nature of a suggestion to those who have the responsibility of administering the law to be tolerant in the administration of the same, and particularly so during the early stages of the operation of this important and far-reaching piece of legislation. We all know that the success of any law is in its administration. A legislative body may pass a bill that is poorly worded or which has weaknesses, but at its outset, if those who administer the law exercise sound judgment and good common sense, the law, having a desirable objective, will be a success. On the other hand, the best bill that a legislative body can pass, having an objective that is desirable or necessary and agreed to by all, will be unsuccessful if those who administer it do not exercise good judgment and common sense. The wage and hour law is a piece of legislation of general and broad application. It affects many millions of employees, and it also affects tens of thousands of employers. Particularly in the early stages of such a law, those who administer it should be as broad and tolerant in its application as any discretion vested in them by the law will permit. I have had a few cases called to my attention wherein I feel that those responsible for the administration of the law might use a little more caution and care. I can easily see that in the near future, if many more cases of that kind arise throughout the country, there is likely to be a reaction, not against the administration of the law but against the law itself, which all of us who voted for the passage of the law would regret and deplore. Our employers are in the front-line trenches.

They have their troubles; they have their responsibilities, trying to obtain business in order to raise the money which will enable them to meet their pay rolls. They also have a natural desire to obtain a reasonable return upon the money they have invested. It is for the best interest not only of the employer, but of the employees of the country that those who administer this law—and I say this, as I stated before, from the angle of suggestion and not from the angle of criticism—exercise tolerance, broadness, care, and caution in seeing that the relationship between employer and employee is not unreasonably disturbed.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. AUGUST H. ANDRESEN. One of the purposes of that law was to increase employment in this country, and I say to

the gentleman, in line with what he has already said, that thousands of men in small business are being put out of business because of the administration of the wage and hour law.

Mr. McCORMACK. Without agreeing or disagreeing with my friend, nevertheless this far-reaching law, which has such a proper and necessary objective, should be administered with care and with caution. Employers should not in particular be unreasonably pressed upon during the early stage of the operation of this law. Such a course is for the best interests of employees and their continued employment.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RAMSPECK. As one of those who helped draft the law, I will say that I agree wholeheartedly with everything the gentleman has stated.

Mr. McCORMACK. I thank my friend from Georgia.

In conclusion, I hope that the few remarks I have made today will serve as a warning, a wise warning to those who are administering the law, because upon their shoulders rest the responsibility of making the success that we who fought for the passage of the law so greatly desire.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

Maintenance and operation of the Panama Canal: For an additional amount for the maintenance and operation of the Panama Canal, fiscal year 1940, including the same objects specified under this head in the War Department Civil Appropriation Act, 1940, $191,000, to remain available until expended.

Mr. IZAC. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. IZAC: On page 20, line 17, strike out "$1,500,000" and insert "$2,000,000."

Mr. WOODRUM of Virginia. Mr. Chairman, I am compelled to make a point of order against the amendment. The Clerk has passed that section. The Clerk had read down to page 21.

The CHAIRMAN. The gentleman has correctly stated the situation.

Mr. IZAC. I was on my feet, Mr. Chairman. I stood by the side of the chairman of the subcommittee, and I ask for recognition.

Mr. WOODRUM of Virginia. Mr. Chairman, I have no alternative except to make the point of order.

The CHAIRMAN. And the Chair has no alternative except to state, under the circumstances, the point of order is sustained.

Mr. KELLER. The gentleman is well within his rights, Mr. Chairman, because we are not reading the entire sections at all, but simply reading the amounts. It is only fair that the gentleman should be heard on this matter.

Mr. IZAC. I wonder if we could get unanimous consent to make my plea before the Committee.

I ask unanimous consent that I may proceed.

Mr. TABER. Mr. Chairman, does that mean the gentleman wants to talk or he wants to offer an amendment?

The CHAIRMAN. The gentleman asks to strike out the last word. The request is that the gentleman have unanimous consent to proceed for 5 minutes. Is there objection?

There was no objection.

Mr. IZAC. Mr. Chairman, I do not like to take issue with the Appropriations Committee on this matter, but I think they are wrong, so I intended to draw it to the attention of the committee.

We have in this civil function for the War Department item an appropriation for $1,500,000 for dredging San Diego Harbor. The reason for the dredging is that we have 190 war vessels using that small harbor. There is not great danger to the ships from collision, but rather because of their running aground on the mud flats of San Diego Bay. The Navy Department and the War Department both recognize the necessity of having this dredging speeded up.

I appeared before the Rivers and Harbors Committee in 1937 and obtained $4,184,000 authorization for this job. So far we have appropriated $1,000,000. The War Department and the Navy Department appealed to the Appropriations Committee, and they were backed up by the Bureau of the Budget, to hasten this dredging by giving us $2,000,000 this year. The $2,000,000 would have completed what was needed for the Navy Department for the mooring, berthing, and anchorage of the ships that are to be based at San Diego. We are having about 40 of the old destroyers put into commission. In addition to that the new ships which you have authorized to be built for the Navy are coming in very rapidly. There is not room in San Diego Harbor for the berthing of those ships. That is the reason we asked that the dredging be speeded up. I truly believe the Appropriations Committee is making a mistake in not permitting this dredging to go ahead a little faster.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. WOODRUM of Virginia. The gentleman knows the original cost of the project was $4,000,000.

Mr. IZAC. That is right.

Mr. WOODRUM of Virginia. They have had $1,000,000 and there was a half million dollars in the 1941 bill.

Mr. IZAC. That is right.

Mr. WOODRUM of Virginia. That is the regular course that the project was supposed to take.

Mr. IZAC. Not arbitrarily; no.

Mr. WOODRUM of Virginia. But that is what it was.

Mr. IZAC. That is the way it has been going.

Mr. WOODRUM of Virginia. Now, the $1,500,000 speeds the project up just that much, because you have had $1,000,000 up to date, and the committee only gave you a half million for next year, and except for this $1,500,000, that is the route which the project would have taken. This $1,500,000 speeds up your project just to that extent.

Mr. IZAC. But let me point this out to the gentleman: If we can let all of these contracts at the same time, we can get the dredging done for 8 or 9 cents a cubic yard instead of 12 or 14 cents, and it will actually save the Government money, for we would probably not have to spend the full $4,184,000 originally authorized. It is just that we happen to know this is the best way to do it that I come before the Committee and make my presentation. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

Title II—Judgments and authorized claims.

Mr. WOODRUM of Virginia. Mr. Chairman, title II is judgments and authorized claims which have been audited. I feel confident there is no controversy over this title or that no amendment will be offered to this section. If this be so a great deal of time could be saved by considering the title read.

Mr. Chairman, I ask unanimous consent that title II of the bill may be considered as having been read.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 8641) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes, directed him to report the same back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The SPEAKER. Is a separate vote demanded on the amendment?

Mr. RANKIN. Mr. Speaker, I ask for a separate vote on the Ditter amendment.

The SPEAKER. Without objection the Clerk will report the amendment for the information of the House.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. DITTER: On page 10, line 2, after the figures "1941", strike out the period, insert a colon, and the following: "*Provided, however,* That no part of the sum appropriated in this section shall be available for collecting any information the procurement of which depends upon the enforcement of section 9 of the act of June 18, 1929."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 109, noes 128.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 139, nays 196, not voting 90, as follows:

[Roll No. 32]

YEAS—139

Alexander	Englebright	Kilburn	Rogers, Mass.
Allen, Ill.	Fenton	Kinzer	Routzohn
Andersen, H. Carl	Fish	Knutson	Rutherford
Anderson, Calif.	Ford, Leland M.	Kunkel	Sandager
Andresen, A. H.	Gamble	Lambertson	Schafer, Wis.
Andrews	Gartner	LeCompte	Schiffler
Angell	Gearhart	Lemke	Seccombe
Arends	Gilchrist	Lewis, Ohio	Short
Austin	Gillie	Luce	Smith, Maine
Bates, Mass.	Graham	McDowell	Smith, Ohio
Blackney	Grant, Ind.	McLean	Springer
Bolles	Gross	McLeod	Simpson
Bradley, Mich.	Guyer, Kans.	Maas	Stearns, N. H.
Brewster	Gwynne	Marshall	Stefan
Brown, Ohio	Hall, Edwin A.	Martin, Iowa	Sumner, Ill.
Carlson	Halleck	Martin, Mass.	Taber
Carter	Hancock	May	Talle
Case, S. Dak.	Harness	Michener	Thill
Chiperfield	Harter, N. Y.	Miller	Thomas, N. J.
Church	Hawks	Monkiewicz	Thorkelson
Clason	Hess	Mott	Tibbott
Clevenger	Hinshaw	Mundt	Tinkham
Cluett	Hoffman	Murray	Treadway
Cole, N. Y.	Holmes	Oliver	Van Zandt
Corbett	Hope	Osmers	Vorys, Ohio
Crawford	Horton	Pittenger	Vreeland
Crowther	Hull	Plumley	Wadsworth
Culkin	Jeffries	Powers	Welch
Curtis	Jenks, N. H.	Reed, Ill.	Wheat
Ditter	Jensen	Reed, N. Y.	Wigglesworth
Dondero	Johnson, Ill.	Rees, Kans.	Williams, Del.
Dworshak	Johnson, Ind.	Rich	Winter
Eaton	Jones, Ohio	Risk	Wolverton, N. J.
Elston	Kean	Rockefeller	Youngdahl
Engel	Keefe	Rodgers, Pa.	

NAYS—196

Allen, La.	Casey, Mass.	Eberharter	Hennings
Allen, Pa.	Celler	Edmiston	Hill
Anderson, Mo.	Chapman	Elliott	Hobbs
Arnold	Claypool	Ellis	Houston
Barden	Coffee, Nebr.	Evans	Hunter
Barnes	Coffee, Wash.	Faddis	Izac
Bates, Ky.	Cole, Md.	Fernandez	Jacobsen
Beckworth	Collins	Fitzpatrick	Jarman
Bell	Colmer	Flaherty	Johnson, Luther A.
Bland	Connery	Flannagan	Johnson, Lyndon
Bloom	Cooley	Folger	Johnson, Okla.
Boehne	Cooper	Ford, Thomas F.	Johnson, W. Va.
Boland	Costello	Fries	Jones, Tex.
Boren	Courtney	Garrett	Keller
Boykin	Cox	Gathings	Kennedy, Md.
Brooks	Cravens	Geyer, Calif.	Kerr
Brown, Ga.	Creal	Gibbs	Kilday
Bryson	Crowe	Gore	Kitchens
Buck	D'Alesandro	Gossett	Kocialkowski
Bulwinkle	Darden	Grant, Ala.	Kramer
Burgin	Davis	Green	Lanham
Byrne, N. Y.	Delaney	Gregory	Larrabee
Byrns, Tenn.	Dempsey	Griffith	Lea
Byron	Dies	Hare	Leavy
Camp	Dingell	Harrington	Lesinski
Cannon, Fla.	Doughton	Harter, Ohio	Lewis, Colo.
Cannon, Mo.	Doxey	Havenner	Ludlow
Cartwright	Dunn	Hendricks	McAndrews
McCormack	O'Neal	Ryan	Tarver
McGehee	Pace	Sabath	Tenerowicz
McKeough	Parsons	Sasscer	Terry
McLaughlin	Patman	Satterfield	Thomas, Tex.
McMillan, Clara G.	Patrick	Schaefer, Ill.	Thomason
McMillan, John L.	Patton	Schuetz	Tolan
Maciejewski	Pearson	Schwert	Vincent, Ky.
Magnuson	Peterson, Fla.	Scrugham	Vinson, Ga.
Mahon	Peterson, Ga.	Secrest	Voorhis, Calif.
Massingale	Pierce	Shanley	Wallgren
Mills, Ark.	Poage	Sheppard	Ward
Mills, La.	Rabaut	Smith, Conn.	Warren
Mitchell	Ramspeck	Smith, Va.	Weaver
Monroney	Randolph	Smith, W. Va.	West
Moser	Rankin	Snyder	Whelchel
Murdock, Ariz.	Rayburn	South	White, Idaho
Murdock, Utah	Richards	Sparkman	Whittington
Nelson	Robertson	Spence	Williams, Mo.
Norrell	Robinson, Utah	Starnes, Ala.	Wood
O'Connor	Rogers, Okla.	Sumners, Tex.	Woodrum, Va.
O'Day	Romjue	Sutphin	Zimmerman

NOT VOTING—90

Ball	Duncan	Kelly	Polk
Barry	Durham	Kennedy, Martin	Reece, Tenn.
Barton	Edelstein	Kennedy, Michael	Robsion, Ky.
Beam	Fay	Keogh	Sacks
Bender	Ferguson	Kirwan	Schulte
Bradley, Pa.	Flannery	Kleberg	Seger
Buckler, Minn.	Ford, Miss.	Landis	Shafer, Mich.
Buckley, N. Y.	Fulmer	McArdle	Shannon
Burch	Gavagan	McGranery	Sheridan
Burdick	Gehrmann	Maloney	Smith, Ill.
Caldwell	Gerlach	Mansfield	Smith, Wash.
Clark	Gifford	Marcantonio	Somers, N. Y.
Cochran	Hall, Leonard W.	Martin, Ill.	Steagall
Crosser	Hart	Mason	Sullivan
Cullen	Hartley	Merritt	Sweeney
Cummings	Healey	Mouton	Taylor
Darrow	Hook	Myers	Walter
DeRouen	Jarrett	Nichols	White, Ohio
Dickstein	Jenkins, Ohio	Norton	Wolcott
Dirksen	Jennings	O'Brien	Wolfenden, Pa.
Disney	Johns	O'Leary	Woodruff, Mich.
Douglas	Kee	O'Toole	
Drewry	Kefauver	Pfeifer	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gifford (for) with Mr. Drewry (against).
Mr. Woodruff of Michigan (for) with Mr. Walter (against).
Mr. Jenkins of Ohio (for) with Mr. Burch (against).
Mr. White of Ohio (for) with Mr. Mouton (against).
Mr. Leonard W. Hall (for) with Mr. Kleberg (against).
Mr. Hartley (for) with Mr. Maloney (against).
Mr. Seger (for) with Mr. Sheridan (against).
Mr. Dirksen (for) with Mr. DeRouen (against).
Mr. Douglas (for) with Mr. Mansfield (against).
Mr. Darrow (for) with Mr. Kelly (against).
Mr. Jarrett (for) with Mr. Kirwan (against).
Mr. Bender (for) with Mr. Schulte (against).
Mr. Wolfenden of Pennsylvania (for) with Mr. Clark (against).
Mr. Wolcott (for) with Mr. Steagall (against).

General pairs:

Mr. Ford of Mississippi with Mr. Robsion of Kentucky.
Mr. Cullen with Mr. Johns.
Mr. Hart with Mr. Barton.
Mr. Crosser with Mr. Jennings.
Mr. Caldwell with Mr. Mason.
Mr. Gavagan with Mr. Landis.
Mr. Disney with Mr. O'Brien.
Mr. Nichols with Mr. Shafer of Michigan.
Mr. Fay with Mr. Reece of Tennessee.
Mrs. Norton with Mr. Ball.
Mr. Martin J. Kennedy with Mr. Marcantonio.
Mr. Keogh with Mr. Buckler of Minnesota.
Mr. Beam with Mr. Burdick.
Mr. Barry with Mr. Gehrmann.
Mr. Martin of Illinois with Mr. Dickstein.
Mr. Merritt with Mr. Myers.
Mr. Duncan with Mr. Edelstein.
Mr. Ferguson with Mr. Polk.
Mr. Pfeifer with Mr. Flannery.
Mr. Fulmer with Mr. O'Toole.
Mr. Sacks with Mr. Hook.
Mr. O'Leary with Mr. McArdle.
Mr. Cochran with Mr. Somers of New York.
Mr. McGranery with Mr. Sweeney.
Mr. Sullivan with Mr. Bradley of Pennsylvania.
Mr. Kee with Mr. Cummings.
Mr. Buckley of New York with Mr. Kefauver.
Mr. Durham with Mr. Healey.
Mr. Smith of Illinois with Mr. Shannon.
Mr. Michael J. Kennedy with Mr. Taylor.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 9, line 15, strike out all down to and including page 10, line 2.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 138, nays 196, not voting 91, as follows:

[Roll No. 33]

YEAS—138

Alexander	Englebright	Kinzer	Rogers, Mass.
Allen, Ill.	Fenton	Knutson	Routzohn
Andersen, H. Carl	Fries	Kunkel	Rutherford
Anderson, Calif.	Gamble	Lambertson	Sandager
Andresen, A. H.	Gartner	LeCompte	Schafer, Wis.
Andrews	Gearhart	Lemke	Schiffler
Angell	Gilchrist	Lewis, Ohio	Seccombe
Arends	Gillie	Luce	Short
Austin	Graham	Ludlow	Simpson
Bates, Mass.	Grant, Ind.	McDowell	Smith, Maine
Blackney	Gross	McLean	Smith, Ohio
Bolles	Guyer, Kans.	McLeod	Springer
Bradley, Mich.	Gwynne	Maas	Stearns, N. H.
Brewster	Hall, Edwin A.	Marshall	Stefan
Brown, Ohio	Halleck	Martin, Iowa	Sumner, Ill.
Burdick	Hancock	Martin, Mass.	Taber
Carlson	Harness	Michener	Talle
Case, S. Dak.	Harter, N. Y.	Miller	Thill
Chiperfield	Hawks	Monkiewicz	Thomas, N. J.
Church	Hess	Mott	Thorkelson
Clason	Hinshaw	Mundt	Tibbott
Clevenger	Hoffman	Murray	Tinkham
Cluett	Holmes	Oliver	Treadway
Cole, N. Y.	Hope	Osmers	Van Zandt
Corbett	Horton	Pittenger	Vorys, Ohio
Crawford	Jeffries	Plumley	Vreeland
Crowther	Jenks, N. H.	Powers	Wadsworth
Culkin	Jensen	Reece, Tenn.	Wheat
Curtis	Johns	Reed, Ill.	Wigglesworth
Ditter	Johnson, Ill.	Reed, N. Y.	Williams, Del.
Dondero	Johnson, Ind.	Rees, Kans.	Winter
Dworshak	Jones, Ohio	Rich	Wolverton, N. J.
Eaton	Kean	Risk	Youngdahl
Elston	Keefe	Rockefeller	
Engel	Kilburn	Rodgers, Pa.	

NAYS—196

Allen, La.	Cooley	Grant, Ala.	McKeough
Allen, Pa.	Cooper	Green	McLaughlin
Anderson, Mo.	Costello	Gregory	McMillan, Clara G.
Arnold	Courtney	Griffith	McMillan, John L.
Barden	Cox	Hare	Maciejewski
Barnes	Cravens	Harrington	Magnuson
Bates, Ky.	Creal	Harter, Ohio	Mahon
Beam	Crosser	Havenner	Massingale
Beckworth	Crowe	Hendricks	May
Bell	D'Alesandro	Hennings	Mills, Ark.
Bland	Davis	Hill	Mills, La.
Bloom	Delaney	Hobbs	Mitchell
Boehne	Dempsey	Houston	Monroney
Boland	Dies	Hull	Moser
Boren	Dingell	Hunter	Murdock, Ariz.
Brooks	Doughton	Izac	Murdock, Utah
Brown, Ga.	Doxey	Jacobsen	Nelson
Bryson	Dunn	Jarman	Norrell
Buck	Eberharter	Johnson, Luther A.	O'Connor
Bulwinkle	Edmiston	Johnson, Lyndon	O'Day
Burgin	Elliott	Johnson, Okla.	O'Neal
Byrne, N. Y.	Ellis	Johnson, W. Va.	Pace
Byrns, Tenn.	Evans	Jones, Tex.	Parsons
Byron	Faddis	Kennedy, Md.	Patman
Camp	Fernandez	Kerr	Patrick
Cannon, Fla.	Fitzpatrick	Kilday	Patton
Cannon, Mo.	Flaherty	Kitchens	Pearson
Cartwright	Flannagan	Kocialkowski	Peterson, Fla.
Casey, Mass.	Folger	Kramer	Peterson, Ga.
Celler	Ford, Leland M.	Lanham	Pierce
Chapman	Ford, Thomas F.	Larrabee	Poage
Claypool	Fulmer	Lea	Rabaut
Coffee, Nebr.	Garrett	Leavy	Ramspeck
Coffee, Wash.	Gathings	Lesinski	Randolph
Cole, Md.	Geyer, Calif.	Lewis, Colo.	Rankin
Collins	Gibbs	McAndrews	Rayburn
Colmer	Gore	McCormack	Richards
Connery	Gossett	McGehee	Robinson, Utah
Rogers, Okla.	Shanley	Sutphin	Warren
Romjue	Sheppard	Tarver	Weaver
Ryan	Smith, Conn.	Tenerowicz	Welch
Sabath	Smith, Va.	Terry	West
Sasscer	Smith, W. Va.	Thomas, Tex.	Wheichel
Satterfield	Snyder	Thomason	White, Idaho
Schaefer, Ill.	South	Tolan	Whittington
Schuetz	Sparkman	Vincent, Ky.	Williams, Mo.
Schwert	Spence	Vinson, Ga.	Wood
Scrugham	Starnes, Ala.	Voorhis, Calif.	Woodrum, Va.
Secrest	Sumners, Tex.	Ward	Zimmerman

NOT VOTING—91

Ball	Duncan	Kelly	Polk
Barry	Durham	Kennedy, Martin	Robertson
Barton	Edelstein	Kennedy, Michael	Robsion, Ky.
Bender	Fay	Keogh	Sacks
Boykin	Ferguson	Kirwan	Schulte
Bradley, Pa.	Fish	Kleberg	Seger
Buckler, Minn.	Flannery	Landis	Shafer, Mich.
Buckley, N. Y.	Ford, Miss.	McArdle	Shannon
Burch	Gavagan	McGranery	Sheridan
Caldwell	Gehrmann	Maloney	Smith, Ill.
Carter	Gerlach	Mansfield	Smith, Wash.
Clark	Gifford	Marcantonio	Somers, N. Y.
Cochran	Hall, Leonard W.	Martin, Ill.	Steagall
Cullen	Hart	Mason	Sullivan
Cummings	Hartley	Merritt	Sweeney
Darden	Healey	Mouton	Taylor
Darrow	Hook	Myers	Wallgren
DeRouen	Jarrett	Nichols	Walter
Dickstein	Jenkins, Ohio	Norton	White, Ohio
Dirksen	Jennings	O'Brien	Wolcott
Disney	Kee	O'Leary	Wolfenden, Pa.
Douglas	Kefauver	O'Toole	Woodruff, Mich.
Drewry	Keller	Pfeifer	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gifford (for) with Mr. Drewry (against).
Mr. Woodruff of Michigan (for) with Mr. Walter (against).
Mr. Jenkins of Ohio (for) with Mr. Burch (against).
Mr. White of Ohio (for) with Mr. Mouton (against).
Mr. Leonard W. Hall (for) with Mr. Kleberg (against).
Mr. Hartley (for) with Mr. Maloney (against).
Mr. Seger (for) with Mr. Sheridan (against).
Mr. Dirksen (for) with Mr. DeRouen (against).
Mr. Douglas (for) with Mr. Mansfield (against).
Mr. Darrow (for) with Mr. Kelly (against).
Mr. Jarrett (for) with Mr. Kirwan (against).
Mr. Bender (for) with Mr. Schulte (against).
Mr. Wolfenden of Pennsylvania (for) with Mr. Clark (against).
Mr. Wolcott (for) with Mr. Steagall (against).

General pairs:

Mr. Ford of Mississippi with Mr. Robsion of Kentucky.
Mr. Cullen with Mr. Carter.
Mr. Hart with Mr. Barton.
Mr. Robertson with Mr. Jennings.
Mr. Caldwell with Mr. Mason.
Mr. Gavagan with Mr. Landis.
Mr. Disney with Mr. O'Brien.
Mr. Nichols with Mr. Shafer of Michigan.
Mr. Fay with Mr. Fish.
Mrs. Norton with Mr. Ball.
Mr. Martin J. Kennedy with Mr. Marcantonio.
Mr. Keogh with Mr. Buckler of Minnesota.
Mr. Barry with Mr. Gehrmann.
Mr. Martin of Illinois with Mr. Dickstein.
Mr. Merritt with Mr. Myers.
Mr. Duncan with Mr. Edelstein.
Mr. Ferguson with Mr. Polk.
Mr. Pfeifer with Mr. Flannery.
Mr. Sacks with Mr. Hook.
Mr. O'Leary with Mr. McArdle.
Mr. Cochran with Mr. Somers of New York.
Mr. McGranery with Mr. Sweeney.
Mr. Sullivan with Mr. Bradley of Pennsylvania.
Mr. Kee with Mr. Cummings.
Mr. Buckley of New York with Mr. Kefauver.
Mr. Durham with Mr. Healey.
Mr. Smith of Illinois with Mr. Shannon.
Mr. Michael J. Kennedy with Mr. Taylor.
Mr. O'Toole with Mr. Walgren.
Mr. Boykin with Mr. Darden.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BOLAND). The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

INCREASING THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 398

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the

Committee of the Whole House on the state of the Union for the consideration of S. 3069, a bill to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

RIO GRANDE CANALIZATION PROJECT

Mr. DEMPSEY, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 399

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7809, a bill authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INVESTIGATING THE EXTENT TO WHICH THE UNITED STATES IS DEPENDENT UPON FOREIGN NATIONS FOR ITS SUPPLY OF TIN

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 275

Resolved, That the Committee on Foreign Affairs of the House of Representatives, or a subcommittee thereof, is hereby authorized and directed to review and bring up to date its previous report on tin; to make such further investigation as it may deem appropriate with regard to the present dangerous dependency of the United States upon foreign nations for a supply of tin as a material vital to its commercial and military needs, including (a) world control of tin prices and production by foreign countries; (b) possible substitutes for and resources of tin which may be developed within the United States and its Territorial possessions; (c) all other questions in relation thereto that would aid Congress in any necessary legislation.

The said committee, or any subcommittee thereof, is hereby authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman or any member designated by him and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned shall willfully default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

ELECTION TO COMMITTEES

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution, which I send to the desk, and ask its immediate adoption.

The Clerk read as follows:

House Resolution 400

Resolved, That CLARENCE E. KILBURN, of New York, be, and he is hereby, elected to the Committees on the Civil Service and the Territories.

The resolution was agreed to.

AMENDMENT OF BANKRUPTCY ACT

Mr. SUMNERS of Texas. Mr. Speaker, I call up the conference report on the bill (H. R. 6505) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," and ask unanimous consent that the statement be read in lieu of the report.

Mr. SCHAFER of Wisconsin. Reserving the right to object, Mr. Speaker, has that action been approved by the minority?

Mr. SUMNERS of Texas. It has been approved by everybody.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6505) to amend an Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898," and Acts amendatory thereof and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same.

HATTON W. SUMNERS,
EMANUEL CELLER,
CHARLES F. MCLAUGHLIN,
U. S. GUYER,
CHAUNCEY W. REED,
Managers on the part of the House.

JAMES H. HUGHES,
CARL A. HATCH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6505) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, submit the following explanation of the effect of the action agreed upon in conference, and recommended in the accompanying conference report:

Amendment No. 1: This Senate amendment is merely clarifying. The House agrees to the substitution of the words "the foregoing section" for the words "this act."

Amendment No. 2: Senate amendment 2 made substantive changes in the Municipal Bankruptcy Act. These included bringing counties and parishes within the terms of the act; extending the life of the act to June 30, 1942; providing that proof of delivery of securities covered by the plan should be deemed to constitute written consent of the plan and providing that confirmation of a plan should not be denied on the grounds that the plan submitted for confirmation is at variance with the partially completed original plans if the terms of the plan submitted for confirmation are not less favorable to creditors than the terms of the original plan nor on the grounds that partial completion of the plan had made it possible for the petitioner to meet its debts as they mature. The House conferees were of the opinion that these substantive amendments properly should be considered as a separate bill rather than as an amendment to H. R. 6505. The Senate recedes.

HATTON W. SUMNERS,
EMANUEL CELLER,
CHARLES F. MCLAUGHLIN,
U. S. GUYER,
CHAUNCEY W. REED,
Managers on the part of the House.

Mr. REED of Illinois. Mr. Speaker, in 1937 Congress amended the bankruptcy statutes by enacting the so-called Wilcox law, commonly referred to as the Municipal Bankruptcy Act or the Municipal Compositions Act. Under it any of certain enumerated classes of municipalities is permitted to file in a Federal court a petition stating that such municipality is insolvent or unable to meet its debts as they mature and that it desires to effect a plan for their composition. The proposed plan, which must have been previously assented to by creditors of the municipality owning not less than 51 percent in amount of the affected securities, is filed with the petition. After due notice to the remaining creditors, a hearing is conducted by the court, in which sponsors of and objectors to the plan are given full opportunity to voice their approval or disapproval. The plan, if then accepted in writing by the bona fide creditors holding at least two-thirds of the aggregate amount of claims of all classes affected and confirmed by the court, may then be made operative in composing the debts of the petitioning municipality. Appeals are provided for to review the decision of the district court. Among the taxing agencies enumerated in the present law which are permitted to file petitions for the purpose of effecting a composition of their

obligations are local improvement districts. In many States, among them Illinois, there are no such municipal corporations. In these States the city, village, or town, as the case may be, initiates the improvement. It assesses the property to be improved, issues and disposes of the bonds, collects the assessments levied against the real estate, and applies the proceeds thereof to the payment of principal and interest on the bonds. The obligations created are a lien against the property affected by the improvement and are in nowise a debt of the municipality, which merely acts in the capacity of a trustee—collecting and paying off. Under the law as it now exists, such municipalities are barred from effecting a composition of their special assessments, because under the general terms of the act they must, in their petition to the court, state that they are insolvent and unable to meet their debts, when in fact such may not be the case. Many of the States in which these municipalities are located have passed laws for the refunding of special-assessment bonds, but such laws are of no avail, because a compromise of the obligations cannot be effected without the unanimous consent of the holders of the securities. The only recourse of such municipalities is in the courts of bankruptcy; and through an inadvertent omission in the law, not foreseen or contemplated at the time of its consideration by the Congress, the doors of the courtrooms are theoretically closed in their faces. To correct this omission, H. R. 6505 was designed and passed. Under its provisions, jurisdiction is given to the Federal court when the petitioning municipality avers that—

The property liable for the payment of such securities, principal, and interest is not of sufficient value to pay same, and that the accrued interest on such securities is past due and in default.

This legislation received the approval of the house of delegates of the American Bar Association at its meeting in Chicago in January of 1939. The committee on special assessments of real property and special assessment obligations of the municipal law section of the association, in its report, said:

The reason for including special assessment bonds within the Federal bankruptcy power is that in many parts of the country there is a considerable volume of such bonds secured by special assessments so excessive in relation to the value of the land that they never can be enforced. It is in the interest of all concerned that a fair adjustment be made. The holders of the securities will benefit by getting new securities for an amount which they may reasonably expect to be paid. The owners of the land assessed will benefit by having their land relieved of an insupportable lien for one which can be met. The public will gain by having the land made marketable and available for development and use. * * *

The part of the Bankruptcy Act relating to municipalities will expire, according to its present terms, on June 30, 1940. It may or may not be extended. But while it lasts no good reason appears for excluding special-assessment bonds from its operation and every reason for including them. The consideration which suggested the act for full faith and credit bonds applies equally to special-assessment securities. * * *

The measure under consideration, H. R. 6505, was reported to the House with the unanimous approval of the Committee on the Judiciary and passed this body without a dissenting vote. Several amendments were added in the Senate, which resulted in its being sent to conference. The conference committee recommends the elimination of all of those amendments except one, which is merely of a clarifying nature. I trust that the report will, like the bill itself, receive the unanimous approval of this House.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ELECTION TO COMMITTEE

Mr. COOPER. Mr. Speaker, I offer a privileged resolution for immediate consideration.

The Clerk read as follows:

House Resolution 401

Resolved, That CLIFFORD DAVIS, of Tennessee, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on the Post Office and Post Roads.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. DUNN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two letters I have received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SABATH asked and was given permission to revise and extend his own remarks in the RECORD.

AMERICAN RED CROSS AMBULANCE DRIVERS OF THE WORLD WAR

Mr. LESINSKI. Mr. Speaker, I asked unanimous consent that the Committee on Invalid Pensions be discharged from further consideration of the bill (H. R. 7984) granting pensions to certain American Red Cross ambulance drivers of the World War, and that the bill be referred to the Committee on World War Veterans' Legislation, of which the gentleman from Mississippi [Mr. RANKIN] is the chairman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OF WORLD WAR ADJUSTED COMPENSATION ACT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on World War Veterans' Legislation be discharged from further consideration of the bill (H. R. 8563) to amend the World War Adjusted Compensation Act, and that the same be referred to the Committee on Ways and Means.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GREEN. Mr. Speaker, I ask unanimous consent that following any special orders of today, I may address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXTENSION OF REMARKS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include a brief editorial from Better Roads, all of it relative to highways.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks with respect to the conference report adopted a few moments ago.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McLEAN. Mr. Speaker, on Friday I made some reference in my remarks on the reciprocal trade agreements bill to the Schechter case, which was the case setting aside the N. R. A., in Two Hundred and Ninety-fifth United States Reports. I ask unanimous consent to include in my remarks some excerpts from the opinion in that case.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution adopted by the Republican Women's Council of Erie County, concerning the questions in the 1940 census.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Potters Herald of East Liverpool, Ohio, of February 22.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the Brotherhood of Railroad Trainmen of Iowa.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRINGTON. Also, Mr. Speaker, to extend my own remarks in the RECORD and to include a letter from the Mississippi Carriers' Association in respect to the Wheeler-Lea transportation bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore made, the Chair recognizes the gentleman from Florida [Mr. GREEN] for 15 minutes.

SOCIAL-SECURITY LAW

I WANT FEDERAL PENSIONS FOR THE AGED ON PAY-AS-YOU-GO BASIS NOW

Mr. GREEN. Mr. Speaker and my colleagues, I urge the immediate passage of H. R. 8264, a bill to provide for national recovery by raising revenue and retiring citizens past 60 years of age from gainful employment and provide for the general welfare of all the people of the United States, and for other purposes. I believe that each of you realize with me the eminent necessity of more adequate security for the aged of our Nation and also, you know as well as I do, that existing social-security legislation has not fully met this requirement. It is true that social-security legislation now in existence has carried helpful benefits to some of the aged, the blind, needy, children, and the weak. Only a small percentage of those entitled to and in need of these benefits have been able to receive them. This lack of assistance is caused both by the inadequacy of the legislation itself and by the various States not sufficiently matching funds.

TITLES I AND II, SOCIAL SECURITY ACT

Of the existing social-security legislation, I would call your particular attention to titles I and II of the Social Security Act, as amended. These are the provisions which should be repealed and for which reasonable, just, and fair legislation should be substituted.

It has been estimated that of an average group of 1,000 American citizens over 65 years of age, in 1937, only 128 had current earnings, only 150 had savings, and only 73 had public or private pensions, while 203 were dependent wholly or in part on private or public charity, and 446 were living on the hand-outs of friends and relatives. This revelation was made by statistics prepared, I believe, by the Social Security Board. These statistics show the alarming need for adequate help for the some 7,000,000 citizens in America above 65 years of age, and also for almost an equal number between 60 and 65 years of age.

There are between thirteen and fourteen million American citizens over 60 years of age. According to the above statistics, some 85 percent of them were in need of assistance or were actually receiving assistance.

A few weeks ago there was an announcement from the Social Security Board that $114,000,000 would be distributed among 912,000 old people this year. This, of course, is only about $10 per month, and bear in mind that this 912,000 is only about 25 percent of those in the country who are above 65 years of age, and who are in desperate need.

The average pension or income of $10 per month for a person 65 years of age or above, is so meager and inadequate that it is ridiculous. Now, I am not condemning these payments because they have helped and are helping the aged of our country a great deal, but what I am trying to impress upon you is the great necessity of the Congress to now pass pay-as-you-go pension legislation which will bring security for all of the aged citizens in our country.

Under existing law, the Federal Government puts up $20 per month, providing this $20 is equally matched by the State. Under the existing plan, the State of California is the only State fully matching the $20 and paying a pension of $40 per month. The scale goes on down among the several States, and reaches a low of average pension in another State of $5.80 per month. The total average paid throughout the United States, in all States, is $19 per month.

Mr. CARTWRIGHT. Mr. Speaker will the gentleman yield?

Mr. GREEN. Yes.

Mr. CARTWRIGHT. Does the gentleman think those with large-income capacity should be willing to take care of the aged?

Mr. GREEN. I appreciate the gentleman's inquiry, and I certainly do. Further in my remarks, I will discuss that subject. The large-income receivers undoubtedly should be willing to contribute their portion toward the security of the aged of our country. I will give later in my remarks also some of the incomes of the larger corporation presidents and individuals.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. GREEN. Yes.

Mr VOORHIS of California. My own State I believe is the only State in the Union where the people are in a position to have the full advantage of the amount of money paid under the Social Security Act. For my part I do not believe this problem will ever be solved until we have a national pension system which deals alike with people of all sections of the country. If, as many of the world economists contend, one of our principal problems is the problem of the lack of balance between money saved for investment purposes, and money spent on current consumption of goods currently produced, does not the gentleman believe some such system as this is necessary to correct that?

Mr. GREEN. The gentleman is obviously correct. One of the main troubles with the present social-security law is that the weaker States are not now participating share and share alike with the richer States.

Mr. SCHAFER of Wisconsin. The gentleman admits that the present Social Security Act with its exorbitant pay roll on the rank and file of the workers is indefensible, does he not?

Mr. GREEN. I contend that the present social-security set-up in the way it affects the aged is not adequate. It is wrong. It draws contributions from the wage earners, and many of those small wage earners are never able to participate in any income advantage; so the obvious responsibility for the gentleman and for myself and for the Congress is to pass a bill which will make the responsibility fall on the higher income as well as the small income, and let the aged of the land throughout the country share and share alike in the benefits.

UNFAIR TO WEAK STATES

I would not have you get the impression that all of the aged citizens in the various States who are in need are receiving these pensions—quite to the contrary. I can speak better for my own State than I can for others. Our State has failed to provide funds to adequately match the Federal offer and, through regulations, fully three-fourths of the aged who should receive pensions are not getting a thin dime. In other words, the "need clause" is forcefully stressed, making it practically impossible for one to get any allowance unless he is, in fact, a destitute pauper. The poor States are not able to match the $20 per month, or they are not doing it, and through default of this matching, funds from the weak States are siphoned out into the rich States. The powerful and rich States are the ones that are matching the highest Federal funds. When a small, weak State defaults on matching, the people of this State still pay into the social-security fund their industrial and employment pro rata of Federal taxes. They enrich the national fund which is in turn siphoned out into the powerful States. This plan is wrong.

An aged person can be just as hungry in Florida, Georgia, or Arkansas as he is in California, Pennsylvania, or New York. Hunger respects no State line and destitution chooses no particular locality. [Applause.]

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield.

Mr. JOHNSON of Oklahoma. As the gentleman well knows, I am tremendously interested and deeply concerned about the subject of old-age security. I am also interested in the gentleman's remarks on that important subject. Permit me to add I agree wholeheartedly that we will never have a satisfactory Federal pension system until it deals with all sections alike. I agree also that the present system penalizes those living in the poorer States and have so stated many times during the past dozen years. Moreover, I agree thoroughly with the gentleman's statement that those with higher incomes should share in the contributions to the aged people. I have not read the bill to which the gentleman refers, but I am glad to hear the gentleman, who has been a consistent advocate of liberal old-age security benefits, say his bill is proposed to be financed on what seems to be a sound scientific basis. A gross-income tax is far more preferable, practical, and reasonable than the so-called transaction tax, which I have always contended was no more nor less than a pyramided sales tax.

Mr. GREEN. Yes. I thank the gentleman from Oklahoma, who, I am delighted to say, is a true and sincere friend of the aged people of America, and who has given much time and study to the problem of aiding in working out a fair and satisfactory measure for the deserving old people of America. Now, we contend that it should be based upon gross-income tax of those who have incomes of $250 a month and above.

The citizens of my State are in dead earnest about obtaining passage of legislation for real security for the aged. They are organizing in all parts of the State and are earnestly and actively cooperating with the Florida delegation in Congress for passage of this legislation.

The St. Petersburg Advocate on the 10th of this month carried a report of the State-wide meeting held in Orlando, Fla., and attended by thousands. The report is as follows:

At 2:30 the mass meeting called at the Municipal Auditorium got under way. On the spacious stage, amid neatly arrayed palms, a perfect southern setting, were three Congressmen of the State of Florida who had voted for H. R. 6466 and thus placed themselves in the 101 immortals that will live long in American history.

Word had been received by Manley Goldsberry that J. HARDIN PETERSON, Representative from the First Congressional District, would be unable to attend. He sent his greetings and promise that he would continue to follow and fight for T. N. R. P. legislation.

GREEN SPEAKS

Congressman LEX GREEN was the first one to be introduced. LEX started the bombardment with a shot heard high. "Victory for the Townsend plan is within our immediate reach. I have never been as optimistic about success as I am today," spoke GREEN.

"The reasons are apparent. First, the language of the new bill, which will shortly be explained by Congressman HENDRICKS, is just about perfect. It is the plainest and the fairest. It takes the burden off the weak and puts it on the strong. Yes; the coupon clippers. You and I and others of the rank and file will fight until this bill is written into law.

"My friends, I have put on my fighting armor, my heart is full and I am ready to fight with every means—now and in the future until security for the aged is brought to my people." Congressman GREEN received a popular vote of confidence from the convention as he left.

JOE HENDRICKS

JOE HENDRICKS, Fifth Congressional District Representative, followed Bob Townsend on the speakers' list.

CANNON SPEAKS

Speaking of State representation, Representative CANNON said that with State issues that is the thing to do, represent the issues of your district and of Florida. "But," he said, "insofar as looking for economic stability, these United States are my bounds."

All citizens owe their allegiance to the Constitution of the United States. State constitutions control locally, but cannot supersede the Federal Constitution. Likewise, American citizens are citizens of the United States; to it they owe their allegiance, and from it they are entitled to security and protection. Pensions to the aged and to the blind should be paid equally, and in equal amount in every State in the Union. In practice of existing law, this is not being done. This grievous wrong must be righted.

CONTRIBUTIONS FROM WAGE EARNERS ARE TOO HEAVY

Under existing social-security retirement plan, contributions are made from wage earners up to $250 per month, beginning of course with a meager earning of, I believe, $200 per year. In some sections of this country, particularly in the farm areas, many wage earners do not obtain as much as $200 a year. What about his social-security retirement under the present law? Also, what about the man who is not employed during each year gainfully the required number of days, and who does not receive the required amount during each quarter? This man loses his contribution rights and also his retirement-benefit rights. Under the present plan of retirement at 65 years of age, it is indicated that 15 percent of those taxed will be returned nothing at all, since they failed to qualify. Another 15 percent will get the statutory minimum of the act, of $10 a month; and a good 40 percent more will receive under $19 per month. This last group will have a monthly average of about $14.50 per month. From this, it is apparent that more than half of those now contributing to old-age-pension retirement through their wages will get on an average of $14.50 per month retirement after they reach 65 years of age. The other 50 percent of contributors will receive monthly pensions of from, say, $19 up to $85 per month. A comparatively few will receive $85 per month because these will be the ones having paid in on monthly salaries of $250 per month.

THE RICH SHOULD PAY ALSO

Why should contributions stop on salaries of $250 per month and none be taxed on the higher salaries? This is all wrong. Regardless of the income and the salary of the individual the proportionate rate of payment should be made. Under actual operation of existing law those receiving the largest monthly payments will be those in the main who are already financially secure and who really do not need any Federal assistance, while the large majority of cases, those receiving the pittance of from $10 to $14.50 per month, will be the ones who are weak and insecure financially. My friends, again this is wrong.

The aged of our country should be adequately provided for and should share and share alike, in their old days, in Government pensions. Security of the aged is a Federal responsibility. Our Nation and our Government is as strong only as its citizens are. An economically secure and happy citizenship is the best assurance that our Nation can ever have prosperity and peace.

Under existing social-security law the large volume of payments and the burden of its operations come from those least able to pay. I favor social-security legislation which will exact a due and fair toll from those most able to pay rather than to continue to bleed the weak. H. R. 8264—the Townsend-plan bill—will equalize the burden of payments and security for our senior citizens. It exempts from tax small incomes up to $250 per month; thence upward, a 2-percent gross income tax is levied and inexpensively collected. It is believed that the return from this source will give reasonable pensions to citizens who are 60 years of age and above. It is also believed that as prosperity increases the amount of money received will likewise increase and that the participants in this retirement plan will receive adequate pensions. The plan as offered in this bill is reasonable and workable and will give security and help for the aged. It is a pay-as-you-go plan.

Mr. HENDRICKS. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield.

Mr. HENDRICKS. I would like to ask my colleague one or two questions. Does the gentleman from Florida believe that Florida will ever be able to take advantage of the provision of the present social-security law?

In other words, will we ever be able to match the present $20 that the Federal Government will put up to pension the aged people of Florida?

Mr. GREEN. It looks very doubtful, I will say to my colleague. We have available to us now in Florida from the

Federal Government $20 per month, but Florida is not matching it. The legislature, through its tax-gathering sources, so far has not put up enough to match it.

Mr. HENDRICKS. I believe the gentleman will agree with me that we have, in comparison with the number of people we have in the State of Florida, a larger percentage of old people than any other State in the Union, owing to the fact that they come there from other States to spend the last days of their lives.

Mr. GREEN. The gentleman is entirely correct.

Mr. HENDRICKS. I wonder if the gentleman could tell me the average pension that is being paid to the old people of the State of Florida today?

Mr. GREEN. I have the impression that the average is around $11 a month for the small percentage who are participating at all in our State.

Mr. HENDRICKS. I believe that is correct according to the last report of the welfare board, but I understand the amount is now even less, and that the pension ranges from $5 up to as high as $20, or a little more in various counties.

Now, I want to say that I have had the pleasure of observing the gentleman from Florida [Mr. GREEN] ever since he has been a Member from Florida. I know he is vitally interested in the welfare not only of the old people of the State, but the little fellow, and he has ably represented all of his constitutents. [Applause.]

Mr. GREEN. I thank my colleague.

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield.

Mr. HARRINGTON. Does this bill replace the bill introduced by your colleague from Florida [Mr. HENDRICKS]?

Mr. GREEN. That is correct—H. R. 8264, known as the Townsend-plan bill, takes the place of the Hendricks bill of the last session.

Mr. HARRINGTON. I understand that the bill has a new tax base, from which the money will be raised, which is a scientific arrangement.

Mr. GREEN. The gentleman is correct. It provides for a gross income tax on incomes of $250 a month and above.

Mr. HARRINGTON. In the other bill introduced by your distinguished colleague [Mr. HENDRICKS] what was the basis of the tax in that bill?

Mr. GREEN. It was a straight transaction tax. Another advantage about the new bill, I would say, exempts labor and the man of smaller earnings from having to make contribution.

Mr. HARRINGTON. But under the former bill which was considered by the House that was not done?

Mr. GREEN. It certainly was not. Everybody had to contribute, whether he was a charity recipient or what not.

Mr. HARRINGTON. As I understand the new bill, it does exempt the laborer?

Mr. GREEN. It does exempt everybody with earnings under $250 a month.

Mr. HENDRICKS. Will my colleague yield further?

Mr. GREEN. I yield.

Mr. HENDRICKS. In answer to some of the questions raised by the gentleman from Iowa [Mr. HARRINGTON] we tried to take advantage of all the criticisms leveled at this bill before the Ways and Means Committee and on the floor of the House, and make a much better bill, which I am sure we have, from the reaction I have received not only from Members of the House, but from my constituents and people all over the country.

Mr. GREEN. Indeed it is a much better bill. In fact I consider this bill as a workable, just, fair, and equitable bill. I commend it to the favorable consideration of my colleagues. [Applause.]

The large salaries and incomes of individuals should appropriately be taxed to help take care of the needy. These incomes are more enormous than one would casually believe. Recently the Treasury Department made public names of those who receive more than $75,000 per year. The fabulous incomes of such individuals as Henry Ford and John D. Rockefeller are not included, but included are a few which are considered by the ultrarich as modest incomes; for instance, Thomas J. Watson, head of International Business Machines Corporation, with $453,440; that was for 1938. This same year motion-picture actress Claudette Colbert pulled down an income of $301,944, and Louis B. Mayer, M-G-M head, in 1937 drew a salary of $1,161,753. Bing Crosby crooned out $260,000, and even little Shirley Temple was paid $114,848. Charles B. Dulcan, Sr., director of Hecht Co. Department Store, Washington, D. C., received the modest sum of $101,309. William Randolph Hearst, the great publisher, drew $500,000 in 1937. George Washington Hill, of the American Tobacco Co., obtained $380,976 in 1938 and almost as much in 1937, and probably a great deal more in 1939, as the past year was a much better business year than 1938, and, mind you, during the past year of 1939 the tobacco growers in my district hardly obtained cost of production of the tobacco. The price of cigarettes, chewing tobacco, and snuff remained the same or even more during this bad sales period of 1939. W. S. Knudsen, of General Motors, was paid $303,400; Walter P. Chrysler, of Chrysler Motors, $189,136; and Winthrop Aldrich, of the Chase National Bank, New York City, in 1938 was paid $177,600; Owen D. Young, General Electric Corporation, drew the handsome salary of $245,447. Why, H. F. Sinclair, of Consolidated Oil Co., drew $200,550 in 1938.

It is only fair and just and in the interest of better life in America that these huge salaries and incomes should bear their part toward giving the necessities of life and security to the aged of this country, and I shall never cease my efforts nor lay down my weapons until the aged and needy of this Nation are cared for.

PAY AS YOU GO

With the large Federal expenditures now required, and also a deficit in the Federal Treasury, it is indeed appropriate to have security for the aged on a pay-as-you-go basis. It would occur to me that any individual or organization receiving more than $250 per month would be willing to give 2 percent for the security of the aged and less fortunate. The earning possibilities of these who pay this 2-percent income tax will be substantially enhanced. The huge sums of money in this manner paid to the senior citizens of our country will rapidly develop into springs of increased purchasing power and flow rapidly into streams of ever-increasing prosperity. This increased demand for manufactured goods will cause the factories to call at the sources of production for raw material, then call for additional factory hands, and thousands of additional employees for distribution and transfer. Increased production will be assured.

UNDERCONSUMPTION—NOT OVERPRODUCTION

I doubt that our Nation has suffered from overproduction. It is my belief that it has been a matter of underconsumption. The funds flowing out through the operation of this law will give the added purchasing power which will enable consumption of existing surplus production, and make demand for an ever-increasing production. Employment left by our senior citizens will be taken up by younger persons who are more able to work and who are filled with the American inherent desire to be self-sustaining and independent. It is obvious that the operation of this law will make absolutely unnecessary huge Federal funds which are now of necessity being appropriated for the relief of the unemployed.

EMPLOYMENT IS CRYING NEED

Idleness is conducive to wrongdoing. Employment is the crying need for some ten or eleven million American citizens today. With their employment crime will wane, and with the returning of prosperity, better living will come and more noble citizenship will be achieved. [Applause.]

H. R. 8264 follows:

A bill to provide for national recovery by raising revenue and retiring citizens past 60 years of age from gainful employment and provide for the general welfare of all the people of the United States, and for other purposes

Be it enacted, etc., That this act may be cited as the "General Welfare Act."

TITLE I

DEFINITIONS

SECTION 101. The term "gross income" means the gross receipts of the taxpayer received as compensation for personal services and the gross receipts of the taxpayer derived from trade, business, commerce, or the sale of tangible or intangible property and including interest, dividends, discounts, rentals, royalties, fees, commissions, bonuses, or prizes or any other emoluments however designated and without any deductions on account of the cost of property sold, the cost of materials used, labor cost, taxes, royalties, interest or discount paid, or any other expenses whatsoever.

SEC. 102. When used in this act the term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash.

SEC. 103. The term "Secretary of the Treasury" or "Secretary" means the Secretary of the Treasury of the United States of America.

SEC. 104. The term "property" means real and/or personal property and includes stocks, bonds, and choses in action, and includes also any right, interest, equity, easement, appurtenance, or privilege and commercial value in such property or related thereto.

SEC. 105. The term "persons" or "companies" shall include every individual, partnership, society, unincorporated association, joint adventure, group, joint-stock company, corporation, trustee, executor, administrator, trust estate, decedent's estate, trust, or other entity, whether doing business for themselves or in a fiduciary capacity, and whether the individuals are residents or nonresidents of the United States and whether the corporation or other association is created or organized under the laws of the United States or of another jurisdiction.

SEC. 106. When used in this act—

(1) the term "United States" when used in a geographical sense means all land possessions of the United States; and

(2) the term "employee" includes an officer of a corporation.

TITLE II

GROSS INCOME TAX

SECTION 201. In addition to all other excises, duties, or taxes there shall be levied, collected, and paid a tax of 2 percent of the gross income of all persons or companies derived from any and all sources, over and above $250 for each calendar month, and such $250 shall be deducted monthly if received as wages or salary and may be deducted on an annual basis if derived from any other source.

RULES AND REGULATIONS

SEC. 202. The taxes imposed by this title shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury, and shall be paid into the Treasury of the United States as internal-revenue collections.

SEC. 203. The Secretary of the Treasury may distrain upon any goods, chattels, or intangibles represented by negotiable evidences of indebtedness of any taxpayer delinquent under this title for the amount of all taxes, penalties, and interest accrued and unpaid hereunder.

SEC. 204. The Secretary of the Treasury shall be empowered to designate the manner and place for filing returns and payment of tax and shall provide such forms and instructions as may be necessary for the proper administration of this act.

SEC. 205. The tax shall be computed on the total gross income of all persons and companies at the end of each calendar month and a complete return filed with the Secretary of the Treasury before the 20th day of the calendar month following the month in which the tax accrues, unless no tax is due under the exemptions as provided in section 201.

SEC. 206. All remittances of taxes imposed by this act shall be made to the place designated by the Secretary of the Treasury on or before the 20th day of the second month after they accrue; such returns shall be verified by the oath of the taxpayer if an individual or by oath of an officer or director, if made on behalf of a company. If made on behalf of a partnership, firm, society, unincorporated association, group, joint adventure, joint-stock company, corporation, trust estate, decedent's estate, trust, or other entity, any individual delegated by such partnership, firm, society, unincorporated association, group, joint adventure, joint-stock company, corporation, trust estate, decedent's estate, trust, or other entity shall make the oath on behalf of the taxpayer. If for any reason it is not practicable for the individual taxpayer to make the oath, the same may be made by any duly authorized agent, who shall then be held entirely responsible for the correctness of such return.

COLLECTIONS, ASSESSMENTS, AND APPEALS

SEC. 207. If the taxpayer shall make any error in computing the tax assessable against him, the Secretary of the Treasury shall correct such error, reassess the proper amount of taxes, and notify the taxpayer of his action by mailing to him promptly, by registered mail, return receipt requested, a copy of the corrected assessment, and any additional tax for which such taxpayer may be liable shall be paid within 10 days after the receipt of such notice.

SEC. 208. If the amount already paid exceeds that which should have been paid on the basis of the tax so recomputed, the excess so paid shall be immediately refunded to the taxpayer by the Secretary of the Treasury out of the funds collected under this act. The taxpayer may, at his election, apply an overpayment credit to taxes subsequently accruing hereunder.

SEC. 209. If any person having made the return and paid the tax as provided by this act feels aggrieved by any assessment so made upon him for any specified period by the Secretary of the Treasury, he may appeal from said assessment by filing a petition in the manner provided by section 871 of the Internal Revenue Code. The provisions of chapter 5 of the Internal Revenue Code shall be applicable to proceedings with respect to any such petition except that where final judgment is in favor of the taxpayer for the repayment to him in whole or in part of taxes paid, the Secretary of the Treasury shall, upon the presentation by the taxpayer to him of a certified copy of such final judgment, issue his warrant against any funds collected under this act.

SEC. 210. The Secretary of the Treasury shall enforce the payment of the excises, taxes, or duties required by this act to be paid, and shall promptly deposit in the United States Treasury all moneys received by him through or from the collection of such excises, taxes, or duties.

SEC. 211. For the purpose of the income tax imposed by title I of the Revenue Act of 1934 or by any act of Congress in substitution therefor, the tax imposed by section 101 shall be allowed as a deduction to the taxpayer in computing his net income for the year in which such tax is deducted.

SEC. 212. All provisions of law, including penalties, applicable with respect to any tax imposed by section 600 or section 800 of the Revenue Act of 1926, and the provisions of section 607 of the Revenue Act of 1934, shall, insofar as applicable and not inconsistent with the provisions of this title, be applicable with respect to the taxes imposed by this title.

SEC. 213. All Federal officers or agents making contracts on behalf of the United States of its instrumentalities or any political subdivision thereof shall withhold payment in the final settlement of any contracts until the receipt of a certificate from the Secretary of the Treasury or his duly appointed agent to the effect that all taxes levied or accrued under this title against such contractor have been paid.

EXEMPTIONS

SEC. 214. The provisions of this title shall not apply to the following persons: (1) Fraternal benefit societies, orders, or associations, operating under the lodge system, or for the exclusive benefit of the members of the fraternity itself, operating under the lodge system, and providing for the payment of death, sick, accident, or other benefits to the members of such societies, orders, or associations, and to their dependents or beneficiaries; (2) corporations, associations, or societies organized and operated exclusively for religious, charitable, scientific, or educational purposes; (3) business leagues, chambers of commerce, labor organizations, boards of trade, civic leagues, and other similar organizations operated exclusively for the benefit of the community and for the promotion of social welfare and not for commercial trading in any form and from which no profit inures to the benefit of any private stockholder or individual; (4) hospitals, infirmaries, and sanatoria, from which no profit inures to the benefit of any private stockholder or individual; (5) amounts received under life-insurance policies and contracts paid by reason of death of the insured; (6) amounts received under property insurance policies; (7) amounts received by any person under any accident-insurance or health-insurance policy or contract or under workmen's compensation acts or employers' liability acts, as compensation for personal injuries, death, or sickness, including also the amount of any damages or other compensation received, whether as a result of action or by private agreement between the parties on account of such personal injuries, death, or sickness; (8) amounts received by any person as compensatory damages for any tort injury to him, or his character or reputation, or received by any person as compensatory damages for any tort injury or destruction to property, whether as the result of action or by private agreement between the parties; except amounts received by any person as punitive damages for tort injury or breach-of-contract injury; (9) amounts received by any person as a benefit payment so-called or like payments by virtue of acts passed by the Congress of the United States relating thereto and disbursed to others as such benefit payment; but the Secretary of the Treasury may by regulation require any such deductions to be set forth specifically by the taxpayer in his return: *Provided, however*, That exemptions, one to nine inclusive, shall apply only to the gross income received from nonprofit activities.

PENALTIES

SEC. 215. It shall be unlawful for any person to refuse to make any returns provided for in this title; or to make any false or fraudulent return or false statement in any return with intent to defraud the United States, or to evade the payment of the tax, or any part thereof, imposed by this title; or for any person to aid or abet another in any attempt to evade the payment of the tax, or any part thereof, imposed by this title; or for any officer or director of any company to make, or permit to be made, or any company, corporation, association, or other legal entity to make any false return, or any false statement in any return required by this title, with the intent to evade the payment of any

tax hereunder. Any person violating any of the provisions of this title shall be guilty of a felony, and upon conviction, shall be fined not more than $10,000 or by imprisonment not exceeding 10 years, or by both such fine and imprisonment. In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent return, or any return containing any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of perjury, and, on conviction thereof, shall be punished in the manner provided by law. Any corporation for which a false return, or a return containing a false statement, as aforesaid, shall be made, shall be guilty of a felony and shall be punished by a fine of not more than $10,000. If the tax imposed under this title is not paid when due, there shall be added as part of the tax, interest at the rate of one-half of 1 percent per month from the date the tax became due until paid.

SEC. 216. The Federal Insurance Contributions Act is hereby repealed.

TITLE III

ANNUITIES

SECTION 301. There is hereby created an account in the Treasury of the United States to be known as the General Welfare Account (hereinafter referred to as the "account"). There are hereby authorized to be appropriated annually amounts to be equal to the estimated revenue derived under title I of this act. On the twentieth day of the month succeeding the month in which this act is enacted, and on the twentieth day of each calendar month thereafter, there shall be credited to the account an amount equal to the amount of revenue to be collected under the provisions of such title as indicated by the returns filed during the preceding calendar month. Such amounts shall be available for making the payments as hereinafter provided. The Secretary of the Treasury shall submit annually to the Bureau of the Budget an estimate of the appropriations to be credited to the account.

SEC. 302. Amounts estimated by the Secretary of the Treasury to be necessary for monthly expenditures in the administration of this title shall be deducted from amounts credited to the account each month. The remaining amount credited to the account for each month shall be prorated and paid monthly to each qualified annuitant for the first month after the amounts are credited to the account, except that any such payment shall not exceed $200 for any one month. Any surplus remaining in the account after the maximum monthly payments are made to each such annuitant shall be applied toward the liquidation of the national debt, until the national debt is paid, after which it shall go into the Treasury of the United States.

QUALIFICATIONS

SEC. 303. Every citizen who is 60 years of age or over shall, upon filing an application under oath as hereinafter provided, be entitled to receive an annuity payable in monthly installments during the remainder of the life of each such person.

SEC. 304. (a) The annuity shall be spent within the United States or its Territories or possessions or en route between the States and such Territorial possessions, on ships of American registry, for commodities or services (except gambling), giving preference to commodities grown, produced, or manufactured within the United States, its Territories, and possessions, and for services rendered by citizens of the United States.

(b) Each installment of the annuity shall be spent by the annuitant within 30 days of the time of its receipt.

(c) An annuitant shall not engage in any occupation, business, or other activity from which a profit, wage, or other compensation is realized or attempted, except that nothing in this title shall be construed to prohibit an annuitant from collecting interest, rents, or other revenues from his own investments. No annuitant shall support an able-bodied person in idleness except a spouse. No annuity shall be paid to any person for any period that such person is forcibly confined in a penal institution or an institution for mental incompetents, and no person shall be entitled to any annuity while so confined, or until a new application is approved for him after his release.

(d) Any annuitant may waive all or any part of his right to an annuity under this title by filing a notice thereof with the Secretary of the Treasury in such manner as the Secretary of the Treasury shall prescribe. Any such waiver shall not affect the right of any person to apply for an annuity at any time thereafter.

(e) Any sum received by an annuitant which represents the proceeds of a sale of any real property acquired through the use of money received as an annuity under this title, shall be expended by the annuitant within 6 months after the receipt of such proceeds of such a sale.

(f) An annuitant shall not pay to any person any salary, wages, or other compensation in disproportion to the services rendered.

(g) It shall be the duty of each annuitant while receiving an annuity to pay his just obligations for purchases, rents, or services rendered, and to pay at least 10 percent of any monthly installment on just obligations incurred before such annuitant received any month under this title.

(h) Each annuitant shall covenant and agree in his application for an annuity to comply with all the provisions of this title and all rules and regulations prescribed by the Secretary of the Treasury to carry out the provisions of this title.

REGULATIONS

SEC. 305. (a) Payments of the amounts due each annuitant under this title shall be made at regular monthly intervals in such manner as will provide for such payments to be in the hands of each annuitant as near the first day of each month as possible.

(b) The Secretary of the Treasury shall furnish application blanks and other necessary forms to the Post Office Department for distribution to persons by local post offices for the purpose of applying for the benefits of this title.

(c) Applications for annuities and any returns required to be made by an annuitant may be filed in local post offices and forwarded by the postmasters thereof to the Secretary of the Treasury. Postmasters, assistant postmasters, postal employees designated by them and notaries public shall have the power to administer oaths where required under this title and may collect a fee of 25 cents.

SEC. 306. (a) The Secretary of the Treasury is authorized and directed to prescribe such rules and regulations as may be necessary to carry out the provisions of this title.

(b) The Secretary of the Treasury is hereby empowered to call upon other departments or agencies of the United States to aid in the administration of this title.

(c) The Secretary of the Treasury is also empowered to make adjustments with respect to the time in which installments shall be expended in case payments to any person may have been delayed and there is an accumulation of two or more installments.

SEC. 307. The right to receive any payment under this title shall not be transferable or assignable, at law or in equity, and none of the moneys paid or payable or rights existing under this title shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law, except as provided in section 304, subsection (g).

PENALTIES

SEC. 308. Whoever in any application or any payment under this title knowingly or willfully makes any false statement of a material fact, or fails or refuses to obey any rule, or regulation, issued by the Secretary of the Treasury under this title, or violates any provision of this title shall be prosecuted by the United States attorney in the United States district court in the district in which the offense occurred, and upon conviction the annuitant shall forfeit each month the remainder of his life one-fourth of the annuity to which he would otherwise be entitled, but shall suffer no other penalty no matter on how many counts on which he was convicted. Upon a subsequent conviction for such a misdemeanor occurring thereafter he shall forfeit an additional one-fourth of the annuity to which he would have been entitled had he never violated the law, for a third conviction another one-fourth, and for a fourth conviction shall forfeit entirely his right to any annuity under the terms of this title.

TITLE IV

GENERAL PROVISIONS

SECTION 401. Titles I and II of the Social Security Act, as amended, are hereby repealed.

SEC. 402. All acts or parts of acts in conflict with the provisions of this act are hereby repealed to the extent of such conflict.

SEC. 403. Any person who accepts an annuity under this act shall not be entitled, for any period that such annuity is received, to any pension, unemployment insurance, or other benefit to which he would otherwise be entitled under any Federal law.

SEC. 404. Whenever under this act or any act of Congress, or under the law of any State, an employer is required or permitted to deduct any amount from the remuneration of an employee and to pay the amount deducted to the United States, a State, or any political subdivision thereof, then for the purposes of this act the amount so deducted shall be considered to have been paid to the employee at the time of such deduction.

SEC. 405. If any part of this act is for any reason held to be unconstitutional, it shall not affect any other part of this act.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein the bill referred to.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. MANSFIELD (at the request of Mr. LUTHER A. JOHNSON), for this week, on account of illness.

To Mr. MAGNUSON, for February 27, on account of official business.

To Mr. JARRETT (at the request of Mr. DITTER), for the week, on account of illness.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 112. An act to facilitate control of soil erosion and flood damage on lands within the Ozark and Ouachita National Forests in Arkansas;

H. R. 1456. An act for the relief of Maj. Herbert A. Jacob;

H. R. 2860. An act for the relief of Ben Willie Jones, as legal representative of Thelma Jones, a deceased minor;

H. R. 3391. An act providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles;

H. R. 3794. An act to establish the Kings Canyon National Park., Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes;

H. R. 4198. An act for the relief of M. L. Parish;

H. R. 6084. An act for the relief of Katheryn S. Anderson;

H. R. 7050. An act for the relief of certain former disbursing officers for the Civil Works Administration;

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939; and

H. J. Res. 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriation acts.

ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 27 minutes p. m.), pursuant to its order heretofore ordered, the House adjourned until tomorrow, Tuesday, February 27, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Tuesday, February 27, 1940, at 10 a. m., before the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON ROADS

The Committee on Roads will continue hearings at 10 a. m. Tuesday, February 27, 1940, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, February 28, 1940, at 10:30 a. m., for the consideration of H. R. 5477, H. R. 6957, and H. R. 8499.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following date on the matters named:

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings at 10 a. m. in room 213, House Office Building, on the reapportionment of Representatives in Congress.

COMMITTEE ON IRRIGATION AND RECLAMATION

The committee on Irrigation and Reclamation will hold hearings Tuesday, February 27, 1940, at 9:30 a. m. Bills to be considered, H. R. 6116 and H. R. 8498.

COMMITTEE ON FOREIGN AFFAIRS

There will be a hearing Tuesday, February 27, 1940, at 10 a. m., before the Committee on Foreign Affairs on House Joint Resolution 412, House Joint Resolution 430, and House Joint Resolution 436, for the relief of the distressed and starving women and children of Poland.

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet at 10:30 a. m., Wednesday, February 28, 1940, for consideration of House Joint Resolution 428 and House Joint Resolution 429, to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 28, 1940, at 10 a. m., there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1408. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill which, if enacted, would authorize the Secretary of the Interior to lease, or grant revokable permits for any public lands in the Territory of Alaska, lying within 80 rods of any navigable or other waters; to the Committee on the Public Lands.

1409. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of the activities and expenditures of the Reconstruction Finance Corporation for the month of January 1940 (H. Doc. No. 638); to the Committee on Banking and Currency and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TAYLOR: Committee on Appropriations. H. R. 8641. A bill making appropriations to supply deficiencies in certain

appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes; without amendment (Rept. No. 1672). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee of conference. H. R. 7270. A bill to amend the Bonneville Project Act (Rept. No. 1673). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES of Texas: Committee on Agriculture. S. 1836. An act to promote farm ownership by amending the Bankhead-Jones Farm Tenant Act to provide for Government-insured loans to farmers; to encourage sale of farms held by absentee owners to farm tenants; and to enable tenant farmers to become owners of farm homes through long-term low-interest-rate loans on farms, and for other purposes; with amendment (Rept. No. 1675). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES of Texas: Committee on Agriculture. H. R. 8450. A bill to make permanent the reduced rates of interest on Federal land bank and land bank commissioner loans; without amendment (Rept. No. 1676). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 8238. A bill providing for the incorporation of the United Spanish War Veterans; without amendment (Rept. No. 1677). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 398. Resolution for the consideration of S. 3069, an act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes; without amendment (Rept. No. 1678). Referred to the House Calendar.

Mr. DEMPSEY: Committee on Rules. House Resolution 399. Resolution for the consideration of H. R. 7809, a bill authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose; without amendment (Rept. No. 1679). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 275. Resolution investigating the extent to which the United States is dependent upon foreign nations for its supply of tin; without amendment (Rept. No. 1680). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. House Joint Resolution 453. Joint resolution authorizing Capt. William Bowie, former Chief of the Division of Geodesy in the United States Coast and Geodetic Survey, Department of Commerce, to accept and wear the decoration of the Cross of Grand Officer of the Order of St. Sava; without amendment (Rept. No. 1674). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOXEY:

H. R. 8642. A bill to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes; to the Committee on Agriculture.

By Mr. BLAND:

H. R. 8643. A bill to provide uniformity in designations of certain historic areas, sites, and buildings administered by the Secretary of the Interior, and for other purposes; to the Committee on the public lands.

By Mr. CURTIS:

H. R. 8644. A bill to remove limitations on the amount of real-estate loans insured under title II of the National Housing Act which may be made by a national bank; to the Committee on Banking and Currency.

By Mr. DUNN:

H. R. 8645. A bill to provide Saturday half holidays for char force working in Post Office Department; to the Committee on the Civil Service.

By Mr. ENGLEBRIGHT:

H. R. 8646. A bill to authorize the exchange of certain patented lands in the Death Valley National Monument for Government lands in the monument; to the Committee on the Public Lands.

By Mr. FERNANDEZ:

H. R. 8647. A bill to amend the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HOOK:

H. R. 8648. A bill to provide for the addition of certain lands to the proposed Isle Royale National Park, in the State of Michigan, and for other purposes; to the Committee on the Public Lands.

By Mr. LECOMPTE:

H. R. 8649. A bill to authorize credits to taxpayers against the 1936, 1937, 1938, and 1939 tax under title IX of the Social Security Act, for contributions to State unemployment funds for the years aforesaid; to the Committee on Ways and Means.

By Mr. JOHN L. McMILLAN:

H. R. 8650. A bill granting the consent of Congress to the State Highway Department of South Carolina, to construct, maintain, and operate a free highway bridge across the Great Pee Dee River, at or near Cashua Ferry, S. C.; to the Committee on Interstate and Foreign Commerce.

H. R. 8651. A bill providing for the examination and survey of the channel at Murrell Inlet, S. C.; to the Committee on Rivers and Harbors.

By Mr. THILL:

H. R. 8652. A bill to authorize a preliminary examination and survey of the Milwaukee River and its tributaries in the State of Wisconsin for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. WARREN:

H. R. 8653. A bill to amend an act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress, approved June 18, 1929, so as to change the date of subsequent apportionments; to the Committee on the Census.

By Mr. DINGELL:

H. R. 8654. A bill authorizing an appropriation of $20,000,000 for the relief of destitution among the civilian population of the subjugated Republic of Poland; to the Committee on Foreign Affairs.

By Mr. GEYER of California:

H. R. 8655. A bill to provide for employment, for cooperation by the Federal Government with the several States in relieving the hardships and suffering caused by unemployment, and for other purposes; to the Committee on Labor.

By Mr. BOLAND:

H. R. 8656. A bill prohibiting officers and employees of the United States from receiving payments of special taxes on liquor dealers from persons engaged in the business of selling liquors in violation of State laws; to the Committee on Ways and Means.

By Mr. KERR:

H. R. 8657. A bill to amend the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture.

By Miss SUMNER of Illinois:

H. R. 8658. A bill for the relief of Finland; to the Committee on Appropriations.

By Mr. McLEOD:

H. J. Res. 472. Joint resolution to prohibit the sale or disposal of the United States customhouse for the city of Detroit; to the Committee on Public Buildings and Grounds.

By Mr. KEE:

H. J. Res. 473. Joint resolution for the relief of the distressed and starving men, women, and children of Poland; to the Committee on Foreign Affairs.

By Mr. DONDERO:

H. Res. 397. Resolution favoring the deletion from the Sixteenth Census population schedule of inquiries Nos. 32 and 33, relating to compensation received; to the Committee on the Census.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FERNANDEZ:

H. R. 8659. A bill to clear the name of Burney Peters; to the Committee on Naval Affairs.

By Mr. THOMAS F. FORD:

H. R. 8660. A bill for the relief of the Pacific Indemnity Co., of Los Angeles, Calif.; to the Committee on Claims.

By Mr. GEYER of California:

H. R. 8661. A bill for the relief of Foot's Transfer & Storage Co., Ltd.; to the Committee on Claims.

By Mr. KENNEDY of Maryland:

H. R. 8662. A bill for the relief of Maj. E. Leslie Medford; to the Committee on Claims.

By Mr. MAGNUSON:

H. R. 8663. A bill for the relief of Dave Hougardy; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 8664. A bill for the relief of Phillip Christian Holt; to the Committee on Claims.

H. R. 8665. A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Lou Davis; to the Committee on the District of Columbia.

By Mr. WARREN:

H. R. 8666. A bill for the relief of certain claimants on account of loss by fire for which the United States was adjudged liable; to the Committee on Claims.

By Mr. WHITE of Idaho:

H. R. 8667. A bill for the relief of Edward Pittwood; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6664. By Mr. FLAHERTY: Petition of the Boston Marine Society, Boston, Mass., urging that action on conference report to be submitted by committee acting on Wheeler-Lea transportation bill be delayed for a period of 30 days; to the Committee on Interstate and Foreign Commerce.

6665. By Mr. GRANT of Indiana: Petition of Noel L. Van Durmen, secretary of the Mishawaka Homing Pigeon Club, of Mishawaka, Ind., and 82 others, urging enactment of House bill 7813, a bill to safeguard the homing pigeon; to the Committee on Agriculture.

6666. By Mr. HARTER of New York: Petition of a group of citizens of Buffalo, N. Y., supporting House bill 1, the so-called Patman chain-store tax bill; to the Committee on Ways and Means.

6667. By Mr. HOUSTON: Petition of Florence Taylor and 32 other citizens of Wichita, Kans., urging passage of Senate bill 280 by the House of Representatives; to the Committee on Interstate and Foreign Commerce.

6668. By Mr. LUTHER A. JOHNSON: Petition of Hon. Ed Bradford, Hon. R. A. Fuchs, Hon. C. M. McFarland, Hon. B. J. Leyendecker, Hon. W. T. McDonald, Hon. James E. Taylor, Hon. Jeff D. Stinson, and Hon. George F. Howard, members of the Texas Legislature, opposing House bill 7372; to the Committee on Interstate and Foreign Commerce.

6669. By Mr. MARTIN J. KENNEDY: Petition of the Public Health Federation, Cincinnati, Ohio, urging approval of the Barkley stream pollution bill (S. 625), as amended by the Rivers and Harbors Committee; to the Committee on Rivers and Harbors.

6670. Also, petition of the Anti-Narcotic League, Inc., Seattle, Wash., urging passage of House Joint Resolution 103, its purpose being a national survey under the supervision of the United States Public Health Service; to the Committee on Interstate and Foreign Commerce.

6671. By Mr. KEOGH: Petition of the Atlantic Fishermen's Union, Local 21455, Boston, Mass., concerning a congressional investigation of the fishing industry; to the Committee on Merchant Marine and Fisheries.

6672. Also, petition of Loose-Wiles Biscuit Co., Long Island City, N. Y., concerning the O'Mahoney-Hobbs bill, which proposes to amend the antitrust laws; to the Committee on the Judiciary.

6673. Also, petition of the Brooklyn Women's Club, Brooklyn, N. Y., favoring legislation to protect the jobs of the Brooklyn sugar-refinery workers; to the Committee on Foreign Affairs.

6674. Also, petition of John B. Andrews, secretary, American Association for Labor Legislation, New York City, concerning Senate bill 2420; to the Committee on Mines and Mining.

6675. Also, the petition of the Public Health Federation, Cincinnati, Ohio, concerning the Barkley stream pollution bill (S. 625) as amended; to the Committee on Agriculture.

6676. By Mr. LECOMPTE: Petition of sundry citizens of Ottumwa, Iowa, in the interest of the Federal chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6677. Also, petition of sundry citizens of Ottumwa, Iowa, in the interest of House bill 1, called the Federal chain-store tax; to the Committee on Ways and Means.

6678. By Mr. PFEIFER: Petition of the Public Health Federation, Cincinnati, Ohio, urging approval of the Barkley stream pollution bill (S. 625), as amended; to the Committee on Agriculture.

6679. Also, petition of the Brooklyn Woman's Club, Brooklyn, N. Y., urging limitation on importation of tropical refined sugar; to the Committee on Foreign Affairs.

6680. By Mr. SCHWERT: Resolution of the grand lodge of the International Ship Masters' Association, submitted by Buffalo Lodge, No. 1, objecting to the development of the St. Lawrence seaway; to the Committee on Interstate and Foreign Commerce.

6681. By Mr. PLUMLEY: Petition of Middlebury, Vt., post-office employees, favoring House bill 3649, the longevity-pay bill; to the Committee on the Post Office and Post Roads.

6682. By Mr. SCHIFFLER: Petition of G. Stanley Hamric, department adjutant of West Virginia, the American Legion, and officers and members of post committees of the posts of the American Legion from Morgantown, Mannington, Fairmont, Kingwood, Grafton, Philippi, Pickens, Elkins, Parsons, Davis, Keyser, Piedmont, Romney, Moorefield, Franklin, Petersburg, Berkeley Springs, Martinsburg, and Charles Town, W. Va., urging the enactment into law of Senate bill 3060 or House bill 7618; to the Committee on Military Affairs.

6683. By Mr. THOMAS of New Jersey: Letter from Otto J. Berchtold, president, Passaic and Bergen County division, New Jersey Bakers' Board of Trade, together with petitions signed by approximately 550 residents of Bergen and Passaic Counties, N. J., opposing the passage of the Wheeler bill (S. 2395); to the Committee on Ways and Means.

6684. By Mr. WIGGLESWORTH: Petition of the executive council of the Massachusetts State Federation of Labor, urging the rescinding of Treasury Decision No. 49682 and an investigation of the fishing industry; to the Committee on Merchant Marine and Fisheries.

6685. By the SPEAKER: Petition of the South End Christian Youth Conference, Newark, N. J., petitioning consideration of their resolution with reference to America's entrance into any foreign war; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 27, 1940

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Like as a father pitieth his children, so the Lord pitieth them that fear him; for He knoweth our frame, He remembereth that we are dust.

To this conclusion may we come with our trembling faith; Thou hast loved us and wilt love us unto the end. That life, so sacrificial that it reached the summit of the cross is too holy to be forgotten; it must continue and be relived until the consummation of the world. We pray Thee that the hands that were laid on the heads of little children and washed the disciples' feet will yet inspire the works of man until they reach the divine. When in the throes of difficulty, may we not elude it; let it shake the soul and let the glory out. Oh, happy is he who, with a calm mood and wise vision, sees Thy guaranty for the destiny of man in an ordered world; happier is he who sees the divine purpose beyond the shadows, that creation itself shall be delivered from the bondage and corruption into the glory of the liberty of the children of God. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7270) entitled "An act to amend the Bonneville Project Act."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8319. An act making appropriations for the Departments of State, Commerce, and Justice and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes.

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include two brief editorials from the Washington Daily News of February 23.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a report made by the Honorable C. M. Evans on farm tenancy.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Friday next after the disposition of business on the Speaker's table and the legislative business of the day I may be permitted to address the House for 20 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HENRY WADSWORTH LONGFELLOW

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNS. Mr. Speaker, I rise at this time to call attention to the birth of a great poet in this country in 1807, Henry Wadsworth Longfellow. He was a favorite poet of mine. I remember as a young man in school especially his Village Blacksmith:

> Under a spreading chestnut tree
> The village smithy stands;
> The smith, a mighty man is he,
> With large and sinewy hands;
> And the muscles of his brawny arms
> Are strong as iron bands.

I remember, too, that solemn poem, A Rainy Day:

> The day is cold, and dark, and dreary;
> It rains, and the wind is never weary;
> The vine still clings to the moldering wall,
> But at every gust the dead leaves fall,
> And the day is dark and dreary.

Whoever has visited his home in Portland, Maine, has seen that vine on the wall there. A visit to this shrine is an inspiration to any man or woman and especially to any child who is studying Longfellow in school.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, will the gentleman withhold the point of order for a moment?

Mr. HINSHAW. Yes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the acts of Congress relating to the relief of suffering and distress abroad from 1912 to the present time. This is of particular importance at this time in view of the hearings going on in the Committee on Foreign Affairs relative to relief for the unfortunate people of Poland.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a short article with reference to the steel industry.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. A point of order has been made that a quorum is not present.

Mr. HOFFMAN. Mr. Speaker, will the gentleman from California withhold making the point of order to permit me to submit this request?

Mr. HINSHAW. I withhold the point of order for that purpose, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The gentleman from Michigan is recognized for 30 seconds.

Mr. HOFFMAN. Mr. Speaker, I want to call the attention of the House to a few lines of the poem, a part of which the gentleman from Wisconsin has just quoted. The words to which I refer are these:

> Each morning sees some task begun,
> Each evening sees it close;
> Something attempted, something done,
> Has earned a night's repose.

Which brings me to the thought that, although for more than 2 years the people have been demanding with an ever-increasing intensity the amendment of the National Labor Relations Act and the disciplining of the National Labor Relations Board, each morning sees us with the task not even begun.

Why cannot this House emulate the village blacksmith?

Mr. HINSHAW. Mr. Speaker, I renew my point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 34]

Andresen, A. H.	Bulwinkle	Culkin	Durham
Arnold	Burch	Curtis	Evans
Barton	Caldwell	Darden	Fenton
Bell	Cole, N. Y.	Darrow	Ferguson
Bender	Corbett	DeRouen	Folger
Brewster	Cravens	Douglas	Fulmer
Buckley, N. Y.	Crowther	Drewry	Gehrmann

Gregory	Larrabee	O'Brien	Smith, Va.
Hart	McDowell	Osmers	Somers, N. Y.
Hartley	McGranery	Polk	Steagall
Healey	Maas	Reece, Tenn.	Sullivan
Hook	Magnuson	Sacks	Sumners, Tex.
Jacobsen	Mansfield	Sasscer	Sweeney
Jarman	Marshall	Schulte	Taylor
Jarrett	Martin, Ill.	Shannon	Tibbott
Jenks, N. H.	Merritt	Sheridan	Walter
Kelly	Mouton	Short	White, Idaho
Kleberg	Myers	Smith, Maine	White, Ohio
Landis	Nichols	Smith, Ohio	Woodruff, Mich.

The SPEAKER. Three hundred and forty-seven Members have answered to their names. A quorum is present.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made in Akron, Ohio, last Thursday evening, by the Deputy Chief of Staff, Gen. Lorenzo D. Gasser.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. HARTER]?

There was no objection.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1941

Mr. SNYDER, from the Committee on Appropriations, reported the bill (H. R. 8668) making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes (Rept. No. 1681), which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER reserved all points of order against the bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of matters on the Speaker's table and the legislative business of the day and at the conclusion of the address of the distinguished gentleman from Pennsylvania [Mr. RICH], I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the program going to be tomorrow and what time do you expect to get through?

Mr. RANKIN. I do not know. I would say to the distinguished gentleman from Massachusetts that I hope it will be early because the gentleman from Pennsylvania and I have some very important business touching the lives of 130,000,000 people.

Mr. MARTIN of Massachusetts. I wonder if the majority leader can tell us about tomorrow's program?

Mr. RAYBURN. Calendar Wednesday's business will be dispensed with, and the appropriation bill having to do with the civil functions of the War Department will be taken up.

Mr. MARTIN of Massachusetts. Is that highly controversial?

Mr. RAYBURN. When appropriation bills are reported, it is always stated to me that there is nothing controversial in them, but before the day is over they get very controversial.

Mr. MARTIN of Massachusetts. If the consideration of the bill should not be completed before 7 or 8 o'clock in the evening, much as we would like to hear the gentleman from Mississippi, I do not think we should be compelled to stay.

Mr. RAYBURN. We are going to discuss a matter that affects 27,000,000 electric light and power consumers, and we do not require the presence of all Members here. We would like to have you all here, especially those who need light, but if you do not want to stay that will be satisfactory to us.

Mr. RICH. Mr. Speaker, reserving the right to object, may I say to the gentleman from Mississippi, since he mentioned my name, I would like to have all of the membership of the House here, because I am going to show that the statements he has made in reference to the Potomac Electric Co. are just about the most ridiculous statements I have ever heard made about any financial institution, and I am not interested in the Potomac Power Co., any more than the fact that I want to see justice done that concern as well as others.

Mr. RANKIN. The gentleman is wrong again, as usual.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

ABOLISHMENT OF NATIONAL LABOR RELATIONS BOARD

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. COX]?

There was no objection.

Mr. COX. Mr. Speaker, it occurs to me that we have about reached the point where we should proceed to liquidate the National Labor Relations Board and amend the law which that agency is using to destroy business and outrage justice. [Applause.] No free country can long live under the kind of administration this Board has given us. The Smith committee investigating the Board has painted a picture, using the Board's own brush, that should stir the wrath of everybody who loves justice and fair play. The Board should go, and with it its Witts, which means practically its entire personnel. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the National League of Wholesale Fresh Fruit and Vegetable Distributors in opposition to the omnibus transportation bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

INCREASING THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. SABATH. Mr. Speaker, I call up House Resolution 398 for immediate consideration.

The Clerk read as follows:

House Resolution 398

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3069, an act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes. That after general debate, which shall be confined to the act and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the act shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the act for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I presume the gentleman from New York [Mr. FISH] desires part of the time on the rule. I yield the gentleman 30 minutes after I shall have concluded in 15 minutes.

Mr. Speaker, this resolution makes in order what is known, due to the publicity given it by the press, as the Finn aid or Finnish relief bill, but it is, moreover, a bill to aid commerce, agriculture, and employment in the United States. I need not remind gentlemen of the House of the sympathetic disposition of most of the enlightened peoples of the world for heroic Finland, but those brave people cannot endure on sympathy alone. They need and should receive material assistance, such as is contemplated by the pending bill. The rule provides for 4 hours of general debate. It is a broad and liberal rule. After the debate has been concluded, the bill will be considered under the 5-minute rule for amendments; therefore, surely not even the gentleman from New York [Mr. FISH] will be able to plausibly charge that it is a harsh or a gag rule.

I am indeed pleased to be able to report this rule, and I want to say that the rule has been reported in actuality

unanimously, notwithstanding the fact that some witnesses and Members who appeared before the Committee on Rules differed with some of the provisions in the bill. It is amazing to me that some of the very men who from time to time unfairly and unjustly charged that the Neutrality Act and the President's actions were bound to involve us in war now are opposed to the restrictive amendments adopted by the House Committee on Banking and Currency. The House should be grateful, as I am sure it is, to that great committee for embodying these two restrictive amendments in the Senate bill. The aim of those amendments is to preclude successfully charging the United States with violating the Neutrality Act and to avoid any complaint by any nation that we have not been neutral in this matter.

You recall that last session, with scarcely any opposition, we authorized an increase from $100,000,000 to $200,000,000 for the Export-Import Bank, the same as this bill provides. The bill, S. 3069, as amended by the House Banking and Currency Committee, provides, also:

That the aggregate amount of loans to any foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed $20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: *Provided further*, That the Export-Import Bank of Washington shall not make any loans to any government which was in default in the payment of its obligations or any part thereof to the Government of the United States on April 13, 1934, or in violation of international law as interpreted by the Department of State, or for the purchase of any articles, except aircraft exclusively, for commercial purposes, listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939.

I had hoped we could dispose of this bill early. I had thought 2 hours of general debate would suffice. Unfortunately, however, some of the Republican Members desire more time. They are divided. Some of them desire a still broader bill to make possible larger loans, and others, who usually oppose anything and everything, regardless of how beneficial the legislation may be, will oppose it.

I shall not take up much more time now, but I wish to remind the membership of the House that Germany, Great Britain, France, and other nations have expended in the last 10 years millions and millions of dollars to extend their commerce. They have contact agencies in every nook and cranny of the world. They spend millions annually for this purpose. We had been, up to a few years ago, unable to cope with the solicitors of these foreign countries working in Central and South America, but we are making gratifying progress. The legislation that we enacted a few years ago has been helpful. I believe that if American manufacturers are in position to extend credit to purchasers from other nations we can increase our exports tremendously. I recall wondering, when I was in Cuba 33 years ago, why American manufacturers could not sell anything to the Cubans. The Cubans said, "Well, the Germans and others give us 6 months, 9 months, or a year's credit. America wants cash in hand. We do not have it, and we cannot buy from America, but we would like to."

This legislation will tremendously aid manufacturers who are broad- and liberal-minded and desire to extend their business to do so, if they can get financial assistance. It is said there is $47,000,000,000 on deposit in our banks. Yes; we have that much, but, unfortunately, somehow or other, the banks will not, for hidden reasons, loan money for commercial or agricultural purposes.

It is for that reason that we have given additional power to the R. F. C. and the Federal Reserve Board and empowered this bank to help the commerce and industry of the United States. This is not only a Finnish bill, but, as I have stated, a bill in the interest of extending our commerce throughout the world, and therefore I hope that the resolution, as well as the bill itself, will be adopted without undue debate. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. FISH. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, as the gentleman from Illinois [Mr. SABATH] has said, this is a fair rule. It provides for 4 hours of general debate, and 1 hour on the rule.

For some reason or other I have been quoted in the press, and particularly this morning in two Washington newspapers, as having sought to delay consideration of the Finnish loan for 2 or 3 weeks. I did delay it from Monday until Tuesday, which is 24 hours, because, instead of having 3 hours' general debate, I sought 6 hours of debate, and we compromised on 5 hours, and as a member of the Rules Committee I am perfectly satisfied with the procedure and with the rule.

I am for a loan to Finland of $20,000,000 in addition to the $10,000,000 already granted by the Export-Import Bank. I propose to offer that amendment at the proper time in the consideration of the bill. The bill does not specify any amount that should go to Finland. It provides for an increase of $100,000,000 to be turned over to the Export-Import Bank to make any loans it may desire throughout the world under certain limitations written into the bill.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COLMER. As a matter of fact, there is no provision made at all for a loan to Finland in this bill and under the terms of the bill Finland may not be granted any loan at all.

Mr. FISH. That is correct.

I am not a mind reader, and I cannot say exactly what the American people want us to do——

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. FISH. Yes.

Mr. TABER. I have tried to get a copy of the hearings upon which this bill was reported, and I am told there is none available. Does the gentleman think that is the way to report such a bill to the House?

Mr. FISH. No; I think that is a very unfortunate procedure.

Mr. WILLIAMS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. FISH. The gentleman sitting next to the gentleman from New York [Mr. TABER] has a copy that he might, under certain circumstances, let the gentleman look at.

Mr. WILLIAMS of Missouri. The copies are available.

Mr. TABER. Why do they not let us have them?

Mr. WILLIAMS of Missouri. I do not know about that, but they have been printed.

Mr. FISH. I am quite sure, I will say to the gentleman from Missouri [Mr. WILLIAMS], there is no idea on his part or on the part of his committee or any member of his committee to cover up the hearings. There is nothing in those hearings that should not be made public, and I am sure that there is no desire on his part to do so, but I do not understand why the committee print should be marked "Confidential."

I am not a mind reader, but I have very good reason to believe that the American people are not only sympathetic toward Finland but desire this Congress to make a loan of at least $20,000,000 to the Finnish Republic in addition to the $10,000,000 that has already been made by the Export-Import Bank. I am not at all sure that the American public wants the Congress of the United States to continue to delegate and surrender its power over the purse strings and turn $100,000,000 over to some subordinate agency of the Government to make indiscriminate loans to foreign nations without the approval of Congress and possibly involve us in foreign difficulties and war.

I have already made up my mind that we can make a loan directly to Finland without jeopardizing the peace of the United States, and I will say to my Democratic friends—and I use the word "friends" in this instance advisedly, because that seems to be democratic terminology—that for many years I have not been in accord either with the acts or the speeches of President Roosevelt. However, I endorse the speech the President made to the American Youth Congress

recently here in Washington, when he said to that Youth Congress that he favored a loan to Finland and that Soviet Russia was the aggressor nation, and then went on to say that it was an absurdity and utterly ridiculous to try to claim that if we made such a loan to Finland it would involve us in war with Soviet Russia.

I endorse every word the President said in that respect, and practically in his entire speech. It is the best speech the President has made for years. [Applause.] It was a real American speech.

There is no principle of international law that could be violated by making a loan to Finland directly. If I were able to do so within the confines of this bill and under parliamentary procedure, I would even be glad to offer an amendment making a direct gift to Finland of $20,000,000, but I do not believe that would be possible under the rules. However, I do propose to offer and ask the Members to vote for a loan of $20,000,000 for the Republic of Finland.

Mr. ALLEN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. ALLEN of Pennsylvania. Does the gentleman mean an unrestricted loan which may be used for whatever purposes the Finnish Government may wish?

Mr. FISH. Well, they have already written into the bill certain restrictions on arms, ammunition, and implements of war; and I do not believe, in fairness to the gentleman, you could take it out in the House, because there are those who might think it would in some way involve our American neutrality. I would like to make it a gift, but as that is impossible, I intend to offer an amendment providing for twenty millions instead of one hundred millions and earmarking the increase as a loan for Finland.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. DONDERO. I have just tried to obtain a copy of the hearings and have been informed that they are not available, and will not be available until after they have been revised. Under this bill can a loan be made to Russia or to Japan?

Mr. FISH. No; not to Russia under this bill, because under the restriction now in the bill loans cannot be made to any country that has defaulted in its debt to the United States, and that would include Russia but not Japan.

Mr. DONDERO. After April 13, 1934?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. Here is what troubles me. The first proviso on page 1, with reference to the limitation on the loans to any one country, to wit, $20,000,000, refers to loans to any one country or agencies and nationals thereof. However, proviso No. 2, on page 2, prohibiting the loans to foreign governments in default restricts the prohibition only to the governments and permits the loans to individuals and agencies of the governments which are in default. It is a pretty finely camouflaged bill.

Mr. FISH. That may be, but I have the utmost confidence in the administrator higher up regarding these loans. I refer to Federal Loan Administrator Jesse Jones. No one can question his honesty, his integrity, or his ability. He is as careful and as shrewd as a Yankee trader, and so far he has looked after the interests of the American people in all these loans with much credit and distinction, and in my humble opinion Mr. Jesse Jones is an outstanding public official and a great administrator. [Applause.] If I may be permitted the temerity to suggest it, I think he is the best qualified man on his experience and record in the Democratic Party to be its candidate for President of the United States. Jesse Jones knows about the value of money and how to look after it and has a definite record for making sound loans and has had for a number of years and knows that money does not grow on trees but comes out of the pockets of the American people.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. CELLER. I notice that the press announced this morning that Finland placed an order in the United States for ammunition to the extent of $5,000,000. How can we enforce this prohibition in the bill if Finland places an order of this character and substitutes one form of money for another form of money?

Mr. FISH. Finland has a right under international law to buy all the arms she wants from America. Finland, under international law, is not at war. Russia specifically says that she is not at war with Finland. Furthermore, neither the President of the United States nor the Congress has recognized a state of war. Therefore Finland can, out of relief money she gets from other sources or with her own resources, buy arms and ammunition in America without violating international law.

Mr. CELLER. Then is not that prohibition utterly useless?

Mr. FISH. No; because this money will buy foodstuffs, clothing, medical supplies, gasoline, motor trucks, copper, lead, everything she wants except arms, ammunition, and implements of war, and I think that is why it was written into the bill, because I think Congress wants it that way, and possibly the American people.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. DONDERO. Can the gentleman inform the House how much money Finland has received from private sources?

Mr. FISH. It would take a little time. Finland has received from the Hoover relief committee upward of $2,000,000, probably nearer $3,000,000, at the present time, but she has received large contributions from foreign nations. Finland has received from Sweden alone, a small, but a rather rich country, one of the richest countries of its size in Europe, in donations, $25,000,000, and $75,000,000 in supplies, showing that what we propose to do by loaning Finland twenty millions is not overgenerous for the greatest and richest country in the world. I believe Argentina and Canada have given large amounts of wheat and Brazil of coffee.

Mr. VAN ZANDT. Is not it true that Finland has been receiving money from General Ryan's committee to purchase military supplies?

Mr. FISH. Certainly. Mr. Speaker, I want now to make my own position clear, and that of others who think as I do for keeping American out of war. I am an isolationist from war, from all foreign wars, but not an isolationist from peace or limitation of armament, or promoting peace throughout the world or affording relief on humanitarian grounds. Therefore, before I decided to vote for the Finnish loan I analyzed the situation as far as I was able, and came to the definite conclusion that if we make a loan, or even a direct gift, it could not possibly involve us in war with Soviet Russia.

I happen to have been in Finland this year. As you all know now, it is a small, highly democratic, comparatively poor, but a great peace-loving country, and a particular friend of the United States. It is the one nation in the world that has paid its war debts to us. That is not the reason, however, that controls my decision to vote for a Finnish relief bill. I am convinced that Finland today is fighting the battle of democracy, Christianity, and civilization against the threat of communism. [Applause.] There should be no use pussyfooting or shadow boxing about this issue. It is not because Finland has paid its debt to us; it is not because we like Finland; but it is because we know, and the American people know, that Finland is fighting a heroic battle against the spread of communism, and we, the American people, know that Soviet Russia has made a brutal, ruthless, and unprovoked attack on Finland, a peace-loving country. There has not been a more dastardly, abominable, or treacherous attack in recent history than the aggression of the Red Army on the little Republic of Finland.

So it is not only a question of our sentiments being on the side of Finland, but the people back home want us to furnish foodstuffs and nonmilitary supplies, and thereby help

Finland defend its liberties, its independence, and its freedom against communism and the "red" army of the Soviet dictator.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I am sorry, but my time is too limited.

There was an old song that ran something like this, "Stop Kicking My Dog Around."

Mr. CULLEN. Hounddog?

Mr. FISH. "Stop Kicking My Hound Dog Around."

Mr. CULLEN. As quoted by Mr. BENNETT CLARK.

Mr. CARTWRIGHT. It makes no difference if he is a hound. [Laughter and applause.]

Mr. FISH. Well, paraphrasing that song, is it not time that the Congress stopped kicking the Constitution around and making a scrap of paper out of the Constitution of the United States? We are continually, by our votes, kicking the slats right out of the Constitution, one by one, and when is it going to end? Will there be any Constitution left? Will there be any Congress left if we continue this procedure? Has the flame of constitutional liberty sunk so low that the Congress of the United States will continue to delegate away and surrender its constitutional power to control the purse strings? Only the other day—and I am not saying that these trade treaties are not well administered—in discussing the merits and demerits of the trade treaty, we deliberately, by our votes, delegated away and surrendered our power to initiate revenue legislation, and to lay and collect taxes, the most important powers and legislative functions of the House of Representatives. Today it is proposed to turn over $100,000,000, the control of the purse strings, to some subordinate agency of the Government to make loans for us to foreign nations. Why should we turn over our constitutional power to some subordinate, and bureaucratic agency of the Government whose officials were never elected by the people, and again surrender one of the mightiest powers of the Congress of the United States? I am opposed to this delegation of power.

In the first instance, the Export-Import Bank was erected to do what? To make loans to Soviet Russia. It was put over in the Congress. The Congress did not know it, but that was the original purpose for it. It went through, but no loans were made, and it finally practically died. A few years ago we made an authorization of $100,000,000, and it was generally understood at that time that the money was to go for the purpose of increasing our trade with South America. I am a Pan American. I believe we should try to develop and increase our trade with South America, particularly now when England and Germany are busy fighting, but they have changed the whole proposition, evidently for the purpose of making loans in the European war zones—not for trade, but as quasi war loans.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Now it is proposed to turn over an additional $100,000,000, using that money to make loans practically for war purposes to foreign nations abroad—not in South America at all and generally not for trade, but for the purpose of helping those nations in their difficulties abroad and possibly financing future wars.

I admit—and I do not apologize for being for the Finnish loan—I want to vote for that loan separately by an amendment to this bill. I am opposed to continuing to delegate control of the purse strings to any subordinate agency. I am opposed to turning over to any subordinate of this Government the power to write our foreign policies. And that is exactly what we are doing. We are surrendering to one or two or three people in the Government not only control over huge sums of money but control in shaping our foreign policies that might involve us in war.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Therefore, I say, has not the time come to stop kicking the Constitution around? Is there not some limit to surrendering the rights of Congress and the rights and constitutional powers of the House of Representatives? If we continue this procedure, will there be any House of Representatives left? Will there be any Congress left, and will there be any Constitution left? [Applause.]

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker——

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I have only 5 minutes, and in that time I can barely intimate some of the thoughts I have in mind.

Mr. Speaker, I rise in support of this resolution and of the purpose of the measure which its adoption will make in order for our consideration.

President Roosevelt made the statement recently that 98 percent of the American people are sympathetic with Finland in its struggle. The surprising thing to me is that 2 percent of our people may be of a contrary opinion. The great masses of the American people, in keeping with our history, our tradition, and the principles we cherish, will regard us as recreant to our duty if we do not give to the little country of Finland in every possible and proper way all the aid which can be extended without doing violence to our neutrality law. In this instance, by reason of our previous action, the question of neutrality does not arise.

Finland is a small nation, fighting against overwhelming odds for the preservation of the freedom of body, the freedom of mind, the freedom of property, the freedom of religion—rights very near and dear to the American heart and character.

In the annals of our history we find two struggles analogous in many respects to that now raging in that little land. One was our struggle for independence from the mother country in the American Revolution. The odds were against us in that conflict, but others came gloriously to our aid. We all recall the rigors of Valley Forge and the hardships and handicaps inflicted upon the American soldiers through a niggardly Congress that did not appropriate funds necessary even for their proper sustenance. Valley Forge in its physical aspects has been repeated many times in Finland, and under conditions perhaps more rigorous.

The other struggle which seems to me so distinctly analogous is that which occurred in the State in which I live, the struggle of the small Republic of Texas, also against overwhelming odds, against the oppression of Mexico. And in that conflict we had as a wonderful heritage for Americans forever the matchless incident of the Alamo. I wonder if within the last day or two this small struggling band in Finland has not had at Koivisto its Alamo.

Valley Forge and the Alamo were the forerunners of victory. Let us hope and let us pray that as history has repeated itself in duplicating them in Finland they may also be the heralds of triumph of the liberty which they crave and which we as Americans cherish. [Applause.]

Surely in view of our history, our ideas, and our ideals Finland has the right to expect from us and to expect as promptly as possible any aid which we may render in keeping with our laws and without involving us in a European war. Though the money here provided may not be used for arms and ammunition, there are things which may be purchased quite as necessary for sustenance, quite as necessary for carrying on the conflict as arms and munitions and the things ordinarily on the roster of materials of war.

Mr. Speaker, they have waited a long time and fought valiantly, sustained by an unfaltering faith. Perhaps we have been a little tardy in extending the aid we should. The Scriptures say that hope deferred maketh the heart sick. I hope that from our hearts and from our means we may give this very reasonable aid to those who are fighting for principles that we as Americans hope may endure in this land of ours and in all the nations under God's blue heaven. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I do hope that this bill will pass and the vote will be very substantially favorable to its passage. I do likewise hope that we shall strike from the bill the prohibition with reference to military supplies. I cannot conceive, in the first place, how that provision can be made effective.

I am informed that a Finnish Legation official yesterday indicated that his country had either requested or had placed orders for a large quantity of machine guns, antiaircraft guns, and ammunition. The purchase was up to $5,000,000.

I again ask, How can the prohibition against the purchase, with the contemplated loan to Finland, of this ammunition or implements of war be effectively carried out? If Finland will purchase in this country with the contemplated loan nonmilitary supplies, there will then be released other moneys in the control of Finland which it had originally intended for nonmilitary supplies to be used for the purchase of military supplies either here or in other countries. Furthermore, Finland could very readily use the articles which it purchases out of the proceeds of the loan for purposes of barter in other countries to secure in such other countries arms and ammunition.

In the second place, I am assured by the Department of Commerce that 98 percent of all the materials purchased in this country by Russia, the enemy of Finland, has been for military supplies. On the one hand, therefore, we grant Russia the very thing that we deny Finland by this bill.

Stalin has been buying from us in vast quantities raw copper, scrap iron, molybdenum—an alloy of steel—electrical machinery and apparatus, brass, bronze, metal-working machinery, aluminum, as well as processed rubber, tin, copper, and other raw materials. Herewith set forth are the detailed statistics from the Department of Commerce:

United States exports and reexports to Russia, September–December 1939

[All figures in thousands]

EXPORTS

Principal commodities	Unit	September	October	November	December
Wheat	Bushel	-------	478	827	313
	Dollar	-------	215	436	172
Gasoline (excluding aviation)	Barrel	248	318	317	-------
	Dollar	481	686	782	-------
Molybdenum	Pound	512	5,084	1,945	5,165
	Dollar	192	1,945	732	1,906
Aluminum ingots	Pound	2,240	1,333	7	-------
	Dollar	535	283	2	-------
Refined copper and old and scrap	Pound	-------	159	12,508	34,115
	Dollar	-------	21	1,544	4,519
Brass and bronze	Dollar	(1)	35	564	365
Metal-working machinery	Dollar	377	1,036	1,836	1,811
Electrical machinery and apparatus	Dollar	22	311	437	758
Total, selected items	Dollar	1,608	4,592	6,333	9,531
Total, all exports to Russia	Dollar	1,785	5,455	7,027	10,528

REEXPORTS

Crude rubber	Pound	-------	11,272	111	-------
	Dollar	-------	2,496	25	-------
Tin	Pound	-------	-------	67	1,889
	Dollar	-------	-------	34	977
Copper	Dollar	-------	571	166	411
Total, selected items	Dollar	-------	3,068	226	1,389
Total, all reexports to Russia	Dollar	(1)	3,171	256	1,395

[1] Less than $500.

Does it not seem anomalous that we deny to courageous Finland the very articles that strengthen Stalin in his battle against Finland? There is a steady and growing stream of ships flying the flags of neutral countries, and even American flags, carrying copper ore, copper concentrates, and finished forms of copper, as well as other industrial and technical material to Vladivostok. These ships sail from New York, Baltimore, San Pedro, Seattle, and Takoma. Much of the cargo is shipped to Manzanillo, Mexico. Into Manzanillo come the ships flying the hammer and sickle, and these Stalin ships take in the cargo, unloaded at Manzanillo, from those ships that cannot or will not make the long crossing to the coast of Siberia, whence this war material is shipped across to Russia.

In the beginning of this month the Russian freighter *Kim* discharged $5,600,000 in gold bullion at San Francisco. This was done to replenish the Soviet balances in this country. The money was credited to Stalin's account in the Chase National Bank and will pay for the bulk cargo of war materials that the *Kim* will take back to Siberia.

During the month of January at least 20 ships left the Tacoma docks for direct sailing to Russia or Siberia. They were loaded with the smelting products gotten from plants at Tacoma. All of these products were for military purposes.

How can we in good conscience sell to one nation military supplies and not to the other?

Those who are insisting upon limitations as to the use of funds were not heard when we made a loan to China of $25,000,000 through our Export-Import Bank. No peep was then heard from anyone. I fail to see any distinction between the loan to China in connection with the undeclared war with Japan and a loan to Finland in connection with the undeclared war with Russia. Both situations are on a parity.

We should not remain indifferent to the plight of plucky little Finland. The sympathy of well-thinking Americans for that country is equaled only by their antipathy for Stalin. Because of that sympathy and antipathy, we should loan Finland $20,000,000 to enable her to buy airplanes, ammunition, and all manner and kind of war materials, thus making it possible for her to protect the Mannerheim line and to hurl back the Stalin legions.

We have been thoroughly amazed at the prowess of the Finnish troops and their victories along Lake Ladoga. But they can readily lose more than they can gain before the ice begins to thin. If the Finns lose, it will be a dreadful loss also to the Swedes, the Norwegians, the French, the English, and, yes, even to the Americans, because it will be a dreadful blow to democracy.

As to the limitation and prohibition against the purchase of arms and ammunition, a Finnish woman said: "We can't throw cabbages at the Bolshevists, and if we did, they would only pick them up and eat them." The Finns ask for bullets, and we give them beans; they ask for powder, and we give them peas; they seek cannon, and they get broomsticks; they covet planes, and we send them pancakes.

We must aid Finland, and we must render that aid quickly. Delay in this Chamber is dangerous.

I have received numerous communications to the effect that instead of loaning money to Finland we should take care of those in our land who are unemployed and on relief. To those correspondents I would say that one thing has nothing to do with the other. A $20,000,000 loan to Finland is only a drop in the bucket. It would not affect relief one way or another. Remember, the Finns paid back practically all of the moneys loaned to her in the past. Moreover, we heard no such arguments against making a $25,000,000 loan to China or a $10,000,000 loan to Norway. Furthermore, loans have been authorized by the Export-Import Bank to Brazil, Chile, Argentina, Paraguay, and Panama. The public was informed of such authorizations. I never heard a whimper then that such loans would militate against relief. Sweden some time ago applied for a $25,000,000 loan. I never heard the faintest word against such loan or that it would militate against those on relief. It should be remembered that all these loans and credits must be used to buy American goods. Therefore, if the loans in question are to have any effect on relief, it will be an effect opposite that expressed by the objectors to the loan under discussion. For such loans necessarily increase the purchase of American goods and to that extent re-create American jobs.

In my humble opinion, we subscribe to international anarchy if we do not help poor and helpless Finland, and help her in the way that will do the most good. By refusing to

help Finland, now a victim of Stalin aggression, and deliberately aiding the aggressor like Stalin by providing him with military supplies, we encourage the Nazi-Communist dictatorship victory over western European democracy. We cannot remain indifferent to that threat.

How ridiculous we make ourselves to put in this bill a prohibition precluding Finland from using the funds lent her to purchase such military supplies.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. THOMAS F. FORD. Is there not a distinction between the two countries? We did not lend Russia any money with which to buy those things.

Mr. CELLER. What difference fundamentally does that make? We are an ally of Russia as against Finland when we play into her hands and sell her that which we refuse Finland. For this reason I do indeed deplore the prohibition that has been placed in the bill.

Mr. BOLLES. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BOLLES. I would like to stress that, while we are attempting to finance Finland, yet folding our arms against munitions, we have paid for the purchases by Russia with the profit they made on the gold they sold us.

Mr. CELLER. We sell munitions to Russia, a country that has not paid us one red copper of the millions of public and private debt she owes our country and our people, whereas we do not propose to sell these materials to Finland, a country which has responded like a major and paid with greatest sacrifice its debt to our country and our people. Finland, figuring all payments as principal and excluding all payments for interest, has paid $8,000,000 out of a total principal indebtedness of $9,000,000. Remember this, also: Finland has paid back $80,000,000 on bonds and other evidence of indebtedness held by Americans.

Let me ask you what Russia has done with the bonds held by private individuals. What about Stalin's public indebtedness to us? She has torn up her obligations. Finland, however, came forward and honorably, loyally, and courageously paid her private bondholders in this country. In the face of such attitude and honoring of obligations, our treatment of Finland today is shocking. I think it is dead wrong, and I hope this prohibition or restriction as to arms and military implements will be taken out of the bill. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, a writer once said that what this country needed was more men in public life who, figuratively speaking, were able to sit on a cake of ice when emotion and sentiment were rampant throughout the land. This sentiment is especially applicable to those in public life when confronted by great national problems. I fear that our country is just outside the war zone in Europe today, and the big job we have is to keep away from that zone. Will loaning more money in Europe now help to get in or help to keep out?

The gentleman from New York [Mr. CELLER], who just preceded me, has fought the war between Finland and Russia. His was the sentimental appeal entirely. God knows, we all sympathize with bleeding Finland, and I agree with the gentleman from Texas [Mr. LANHAM] when he states that 98 percent—it seems it must be 100 percent—of our people are in sympathy with Finland in this conflict. My friend from Texas made his usual convincing and appealing speech. He is so popular, so persuasive, and so human that it is very difficult to disagree with him. He described the Alamo and Valley Forge. He made it clear that Finland is fighting democracy's battles in Europe and concluded we could at least contribute our bit by authorizing a loan to Finland. I fear that that loan might be the first step to getting into the war.

Now, I am sure that I feel just as the gentleman from Texas feels about this matter up to the point of making loans in Europe at this time. I cannot divorce myself from the historic fact that the nations of Europe have been warring among themselves over territory, boundaries, trade, and what not for 2,000 years, and I cannot escape the conclusion that anything this country may do at this time will not change the European situation and bring about the rule of democracy, religion, brotherly love, and good-fellowship in the Old World. Those wars were going on over there when we were fighting for liberty in America. We carved out new homes from the American wilderness and set up a new form of government. We gave liberty and human rights new definitions, and it seems to me that the great mission of the United States in the world is to hold high the banner of liberty and to proclaim by example that a government of the people, by the people, and for the people can be maintained.

For my part, I believe that the most potential thing that we can do to guarantee this freedom and maintain civilization according to American standards is to keep out of the European troubles.

Sympathy and sentiment are a part of the make-up of all good people, yet sympathy and sentiment must not control our action at all times. There must be those who have the deliberation, the courage, and the inclination to think things through in times like these.

This proposed act is not a Finnish relief or loan bill. True, it has been so publicized and talked about throughout the country. Nothing is further from the truth. In short, this act simply doubles the capital stock of the Export-Import Bank. Existing law provides a revolving fund of $100,000,000 for the use of this bank. S. 3069, which we are to consider today, increases that amount to $200,000,000. There are some additional limitations imposed upon the bank as to loaning the money. Otherwise this proposed legislation is but a continuation of existing law.

Now this is not a political issue. Many different views are entertained by the Members. I do not fully agree with the gentleman from New York [Mr. FISH], who is opposed to this bill but who would loan to Finland all the money it wants to borrow, or at least he would give to Finland, if necessary, any reasonable amount. Then there are those among us who feel so keenly in Finland's behalf that they would furnish any assistance required short of manpower. These Members are found among the Republicans and among the Democrats, so this is certainly not a party issue.

I plead guilty to having but little specific information concerning this bill because the printed hearings have not been made available to anyone excepting members of the Banking and Currency Committee. Five minutes ago I succeeded in getting a copy of the hearings which are confidential committee prints, and which have never been revised and released to the public. I have as much information, however, as other Members of the House other than those on the committee. When the members of the Banking and Currency Committee appeared before the Rules Committee asking that a rule be granted, I did learn some things about this legislation which I did not know before.

It was made clear in that hearing that the Export-Import Bank in the first instance was set up by an Executive order for the express purpose of making loans to Russia after our country had recognized Russia. Later the question of making loans to Cuba was involved, and finally the present law was enacted.

My understanding is that in the first place it was intended that this Government should make loans in this indirect manner to countries which we were prevented from loaning money to by the Johnson Act. You will recall the Johnson Act prevents the United States from making loans to governments in default on payments of debts owed to this country. I just do not like that kind of subterfuge. When the Export-Import Bank was authorized by law, the Congress did not intend, and the country did not intend, that our Government should circumvent the Johnson Act. After all, candor is the best policy in the long run.

This bill, S. 3069, can only be of assistance to Finland if those operating the bank so desire. Finland has already borrowed $8,000,000 through this bank, and, as I understand, $2,000,000 more will be released to Finland before this bill takes effect. Therefore, if this bill does become law, it would be possible to make an additional loan of $20,000,000 to Finland. On the other hand, we are informed—and I am advised that the hearings so state—that the Export-Import Bank has made certain commitments of funds now available and funds dependent upon the passage of this bill. Those commitments are to Norway, Sweden, and, if I am correctly advised, an application from Denmark is pending. Again, I understand that China is presumed to be given additional loans if this bill becomes law. Then we hear much talk about assisting our export trade in South America through the enactment of this proposed legislation. If these statements are true, then why spectacularize this proposal as "the Finnish loan bill"? Up to now anyone unfamiliar with the facts, and being advised only by the debate thus far had, could draw but one conclusion, and that is that we are considering a bill providing a loan for Finland and nothing more.

My sympathies are all with Finland, yet I feel that I would be derelict in my duty if I permitted emotion and that sympathy to run away with my deliberate judgment. Assuming that we pass this legislation and loan the $100,000,000 to Finland and the Scandinavian countries, and it soon becomes evident that that is not enough, will we abandon the policy, run out on our allies, and leave them to the mercy of the dictators in Europe, or will we follow up our sympathy and sentiment and back up our good intentions with enough money, enough force, and enough men, if need be, to settle these political and economic questions in the Old World?

Mr. ALLEN of Pennsylvania. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. I wonder if the gentleman is indirectly criticizing the French Government for the 35,000,000 livres they lent us in 1776?

Mr. MICHENER. That is sentiment again.

Mr. ALLEN of Pennsylvania. That is not sentiment. It is a fact.

Mr. MICHENER. Yes; the French Government was most helpful in 1776. The Lafayette Monument down on the Avenue is a constant reminder of this, yet I cannot bring myself to believe that, even though I recall the struggles of 1776 and Valley Forge and all the rest, American people want to let that sentiment control to the extent that we send our soldiers to Europe now or in the future to straighten out Old World quarrels, inequities, and injustices. Cannot we be of more assistance by making this country what the Statue of Liberty proclaims it to be? Can we not be of more assistance to humanity and the world by keeping our own house in order, setting a proper example, and being in a position to lead the way to better things when the war over yonder is finished?

Granted that the sentiment of the country today is that we should do something to help Finland, it seems to me that efforts like the Finnish relief movement, at the head of which is Mr. Hoover, are most commendable, and the thousands of dollars that are going from this country to Finland will be of inestimable assistance. Yet I am constrained to believe that these same people of ours do not want the Congress to do anything that might lead us into the European conflict.

Mr. EATON. Will the gentleman yield?

Mr. MICHENER. I yield to the distinguished doctor of divinity, the gentleman from New Jersey.

Mr. EATON. May I ask the gentleman if he does not consider that moral sentiment as expressed in this country is a fact to be taken into consideration when reasoning on this subject?

Mr. MICHENER. Of course, but the sinking of another *Lusitania* might put this country into the war at any time if momentary sentiment prevailed. We are in a position here where we must stop, look, and listen. We must give consideration to the facts before us and not be entirely controlled by sentiment. After we get into war it is too late to talk about keeping out.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS. F. FORD. Mr. Speaker, the gentleman from Michigan stated the amount of money that had been lent to Finland and the amount that would be available under this act, although Finland is not mentioned, amounted to $10,000,000. He said that $8,000,000 had been lent to that country and spent by it, which is true, and there are $2,000,000 additional available under that loan. I desire to correct the gentleman from Michigan. The passage of this act will permit the Export-Import Bank to lend Finland an additional $20,000,000 if in the opinion of the bank there is a possibility that the money might be returned. In this connection may I quote Mr. Jones. He was asked if he thought Finland would be able to pay the money and he replied:

> My judgment is that the lending of this money will not decide the war, and I do not believe the spirit of the Finnish people will be crushed. You might kill off some of this generation, but in my view there will be a Finnish people and probably a Finnish Government for a long time. They are an honorable people and will pay their debts.

Mr. Speaker, that is the statement of Jesse Jones, head of the lending institution of which the Export-Import Bank is a part. Mr. Speaker, in common with 98 or 99 percent of the American people I have great admiration for the Finnish people. I would like to help them in every way I can. But the fact of the matter is that while this bill has been called a Finnish-loan bill, the Finnish loan is merely an incident to it. It is as much of an incident to it as the loan that might be made to a concern in South America that wanted to buy railroad supplies in the United States and the Export-Import Bank lent them the money temporarily so they could buy those goods and thereby stimulate and develop and improve the export trade of the United States.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Speaker, we have the responsibility here of resolving two moral sentiments of our people that we know are in conflict. Our people are overwhelmingly with indomitable Finland in her fight against Russia, and at the same time our people are overwhelmingly against involvement in the European war. Finland needs arms and men immediately to carry on her fight. Will this bill give Finland the help she needs? No. Can our people help Finland fight without involving our Government and our neutrality? Yes. Can our Government help Finland fight without involving our Government and our neutrality? No.

Every American who wants to help Finland has a right to do it and a way to do it, and I have done it. I have contributed to the Finnish relief. I have contributed to fighting funds for Finland. I urge you to do the same thing. That is my personal affair and does not concern my Government.

On the other hand, every American who wants his Government to help Finland fight by using the sovereign power of our country to tax and borrow money, by making help to Finland a legal obligation of the taxpayer to the United States instead of a moral obligation to Finland, every American in or out of Congress who wants to help Finland in this way, I believe either has not thought the problem through or is willing to take a step toward our involvement in the European war.

Edwin Borchard, professor of law at Yale University, says:

> American sympathies for Finland may legitimately be expressed in private contributions to the Hoover committee or any other private donation. A governmental loan to Finland, whether through the Export-Import Bank or the Reconstruction Finance Corporation, is an act of intervention and of war, exposing the United States to legitimate reprisals now or hereafter, on the part of Soviet Russia. It therefore seems to me illegal and dangerous, however tempting, to advance public funds to Finland.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Does not the gentleman believe it is ridiculous for this country to be lending money to all the countries in the world when we cannot even pay our own bills in our own country?

Mr. VORYS of Ohio. Yes. Furthermore, I believe this is a pusillanimous way to go about helping Finland and a pusillanimous way to go about extending the lending authority of the Export-Import Bank. For the sake of Finland we are to help exporters to South America. To help Finland fight we are to give Jesse Jones the power to let Americans buy $20,000,000 worth of stuff that Finland does not need for fighting. For the sake of Finland we are to pass a lend-spend measure that we turned down last summer when it was here on its own merits. Remember, this bill does not mention Finland; Jesse Jones has not promised to lend Finland twenty millions or any other amount.

Suppose, however, we consider this as a Finnish loan. As a business loan it is inexcusably unsound. To pretend that Finland, almost overwhelmed by Russia, is a good business risk because she has been paying on her debts is just like selling life insurance to a man with pneumonia because he used to be in sound health. [Applause.]

As a military loan this is inexcusably futile—not enough to guarantee victory, not for a purpose that will even aid resistance—Finland cannot buy military supplies with this loan.

As a humanitarian loan this is inexcusably cruel, for we encourage a bloody resistance that we are not willing to support.

As a diplomatic loan this is inexcusably stupid. We will not stop undeclared wars by this craven policy of making undeclared loans. This is not a diplomatic threat unless Russia decides we do not know what we are doing or that we do not mean what we say, and that we are embarking upon a policy of financing the resistance of all neutrals either without knowing it or without admitting it.

We can save Finland. All we have to do is to send our fleet and our Army and our planes, backed by our resources, into the battle against Russia. We can make a great unrestricted loan to Finland, and the Finns will pay us back, if we guarantee their continued existence by the force of our armed power. But we will not do it; why? Because this is not our war.

We do not have to be neutral. We have a right to take sides, but we have a duty to ourselves and to the world not to try to do both at once—go in and stay out. We are not afraid of Russia. We are not afraid of offending Russia, but we have a duty to Finland and to ourselves, regardless of Russia, of honesty, and candor, and fair dealing. You do not treat a man fairly just because you are afraid of him. You have no right to cheat a man just because you do not like him. International law is just like that.

If Finland is to be saved, Sweden, a neutral, must help, and the Allies must help. If the Allies and European neutrals will not help or cannot help, then the help we would give will not save Finland. If they will help, our help will not now be necessary.

I think we should stop arming aggressors instead of trying to work out plans for indirectly arming victims of aggressors. We should break off diplomatic relations with Russia. We should be considering an embargo against Russia and against Japan. Instead of this we are asked to help Finland by voting for this bill that is 80 percent for someone else and 20 percent for something that Finland does not want.

I hate to see our policy always one of indirection, irresolution, double talk, and double dealing. When I see Uncle Sam first shake his fist and then his finger; first shake hands, then shake his head, it shakes my confidence.

We owe it to Finland not to pass this makeshift. Our people are now giving freely to Finland. If this bill passes, word will go out, "Finnish loan bill passes." Over the country generous people will feel that our Government has taken care of Finland's needs and will stop contributing to Finland. You and I know that passage of this bill will not guarantee Finland one cent. We will have relieved our people of a personal responsibility and ourselves of a public responsibility by passing the buck to one man—Jesse Jones. Let us not fool our people. Let us not fool Finland. Let us vote down this bill.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I am not a bit surprised that the gentleman from Ohio is opposed to this bill, because it is nothing new to observe him opposing beneficial legislation. However, when the gentleman from New York [Mr. FISH] took the floor I started to congratulate him. I felt that he finally had seen the light. I did not know whether or not it was due to the fact that he is a formidable candidate for the Presidency. In view of the Presidential candidates on the Republican side, I do not know why he should not have a better chance than the other candidates. He surely has much greater experience and knowledge of conditions than any of those heretofore mentioned. He has been publicized as much as they have. But I regret that he miscued when he began again to unjustifiably assail and unjustly attack our great President. First he commended the President, and I said to myself, "Well, the gentleman has seen the light. He will use better judgment in the future than he has in the past." But as the gentleman continued I regret he again began in his old manner to make regrettable and unsupportable charges. He surely has shown in every conceivable way his antagonism to our progressive President, Franklin D. Roosevelt.

I do not know whether or not it is due to the extreme amount of business he has on hand or assignments in connection with his Presidential candidacy, but I know that if he had even casually studied this question he would not have said that we have appropriated $100,000,000. In fact, there was only a loan authorization to the Reconstruction Finance Corporation of $100,000,000. I think the gentleman should be more guarded in the future if he desires or expects to make headway in his candidacy. If his strenuous campaign promotes inexactitudes, we will pardon him. Obviously, a Presidential candidate, with so many matters, large and small, in mind must make some errors.

The same thing is true as to the amount that has been loaned to South American countries. He says there was only an excuse that we were going to try to increase our export business in Central and South America, but the underlying reason was to make loans to Russia. He failed, however, to state or admit that no loans have been made to Russia.

For his information, and so that he will not be called to exact account and found in error, I want to say that of all the loans that have been made by this bank 62½ percent have been made to Central and South American countries to the benefit of the commerce of the United States. Each and every loan to South American countries are well secured and none are in default. I do hope we shall continue to increase these loans to help our manufacturers regain the trade that has been taken away from us by Germany, Great Britain, France, and other countries.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from California.

Mr. THOMAS F. FORD. With regard to the violation of the Constitution that is being brought about by reason of Jesse Jones' handling this matter. Who set up the Reconstruction Finance Corporation and who gave that power to the Chairman? The Republican Party under Mr. Hoover set up that organization.

Mr. SABATH. In that bill they gave a certain amount of power, but they originally did not set up that organization. For your information, I am guilty, although I do not want any glory. I was the first man to introduce an R. F. C. bill in this House in 1931, and I made every effort to have it passed but, unfortunately, under the influence of President Hoover the bill was emasculated and the benefits intended for the people and the commerce of the Nation were extended only to the railroads, the banks, and the life-insurance companies, who the Republicans at all times wish to serve and favor in preference to the legitimate business of the country.

Mr. THOMAS F. FORD. The gentleman from New York did not object to "violating the Constitution" when the Republicans were using the funds to aid the railroads, insurance companies, and banks.

Mr. SABATH. With all that, he is not the worst Republican we have here, and I have no quarrel with the gentleman whatever. He far excels all other Presidential candidates that are before us on the Republican side, unless it be my friend, the minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman.

Mr. RANDOLPH. Although the bill does not specifically mention any loan that may be made to Finland, is it not a fact that the committee brings to the House at this time the measure because it will provide funds for Finnish defense?

Mr. SABATH. It will authorize them, and I hope the authorization will be favorably acted upon, and that this little, brave, courageous, democratic country will be aided by this great Republic of ours to the fullest possible unmilitary extent.

Mr. KEEFE. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I yield to the gentleman.

Mr. KEEFE. Can the gentleman explain whether or not the Johnson Act has any application to loans made by the Export-Import Bank?

Mr. SABATH. It is only with respect to loans to the foreign governments; and the bill, as I understand, restricts the loans to foreign governments in accordance with the Johnson Act.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. BARRY. The committee adopted an amendment which makes the provisions of the Johnson Act apply to this particular matter. Under the Johnson Act, the Export-Import Bank is not affected, but in this particular bill it is by virtue of an amendment.

Mr. KEEFE. I am asking the question for information.

Mr. SABATH. The gentleman from New York [Mr. BARRY] is a member of the committee that held the hearings.

Mr. KEEFE. And the gentleman states that the committee adopted an amendment?

Mr. BARRY. Yes.

Mr. KEEFE. An amendment to what?

Mr. BARRY. An amendment making the provisions of the Johnson Act apply to this particular authorization.

Mr. KEEFE. So the Johnson Act does apply to this authorization?

Mr. BARRY. It did not apply in the Senate bill. I happen to have sponsored that amendment in the committee, and it applies to the particular bill now before the House.

Mr. KEEFE. And the gentleman intends to propose such an amendment?

Mr. BARRY. It is already in the bill.

Mr. EATON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New Jersey.

Mr. EATON. Will the gentleman be good enough to point out where in this bill a loan to Finland is authorized?

Mr. SABATH. Well, not directly, but it is authorized indirectly, if she qualifies.

Mr. FISH. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I am always glad to yield to the gentleman who is my genial friend, and whom I personally admire.

Mr. FISH. I would like to ask the gentleman if he will kindly propose now a motion or request that all Members may have 5 legislative days within which to extend their own remarks on this measure.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that all Members who desire to extend their own remarks on this bill may have 5 legislative days within which to do so.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WILLIAMS of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3069) to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3069, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill amends the Export-Import Bank law. By an Executive order this bank was established in 1934 under the laws of the District of Columbia, and it is a corporation which has a capital stock at the present time of $46,000,000, $1,000,000 of which is common stock owned by the Government, and the $45,000,000 preferred stock is owned by the Reconstruction Finance Corporation. It was organized for the sole purpose of expediting the exchange of commodities between this country and foreign countries, and to facilitate and stimulate our export trade.

When the amount of business that this bank has done is compared with the total amount of the export business of the country, it is comparatively small, but it is an important part because this bank fills a gap in helping finance our export trade that is not being filled and cannot be filled by the commercial banks of the country.

The bill which is before us is S. 3069, and is the bill practically as it passed the Senate. It enlarges the lending capacity of the bank so that it may have outstanding $200,000,000 in loans rather than $100,000,000, as the law now provides. It does not in any way increase the authority or power of the bank. It does not permit the bank to make any kind of new loans. It simply permits it to make more of the same kind of loans which it has heretofore made. On the other hand, this bill, it must be remembered, places very important restrictions and limitations upon the activities of the bank. In the first place, under our present law there is no limitation as to the amount of loans which may be made to any particular individual borrower except the total limitation of $100,000,000.

This bill provides that of the loans hereafter made no more than $20,000,000 may be outstanding to any particular borrower at any time. That may be in addition, however, to any loan that is now made and outstanding. In other words, the borrower who has a loan, say, of $10,000,000 now, under this bill may receive $20,000,000 more. If there is no loan now, the borrower can obtain only $20,000,000. In addition to that, there are these specific limitations: No loan shall be made in violation of international law and no loan shall be made for the purpose of purchasing any articles listed by the President as materials of war in his proclamation under the neutrality law.

I ask you all, What objection can there be to those limitations? Who wants them? To start with, the bank itself wants these limitations. Is it possible that we are going to have somebody in Congress, when the bank comes here and asks these limitations be put on its powers, when Jesse Jones, the man who is the central figure in its operations, the Federal Loan Administrator, thinks these limitations are desirable—is it possible that somebody in Congress is going to object and seek to remove those limitations and give them a blank check to do what they please with the money? That would be, to my mind, an unreasonable, an unthinkable situation.

Mr. CELLER. Mr. Chairman, will the gentleman yield briefly?

Mr. WILLIAMS of Missouri. In a moment I shall be glad to yield, when I have finished my statement. The important

question, in fact, the only question that is involved here, is whether or not the lending capacity of the Export-Import Bank should be increased. This bill asks that that fund be doubled. Why? Simply because there is an almost unlimited demand for this efficient service that the Export-Import Bank has been rendering the export trade of this country. During the time it has been in operation it has disbursed over $120,000,000 and it has now on hand commitments and applications for over $50,000,000, which it cannot meet unless this enlarged power is given it. That is the reason, and if this policy is sound, and if it is a safe venture, why should not the loans be extended? It is supplying a service that these exporters cannot get anywhere else. It is to meet this demand that this request is being made by the bank, in order to have additional funds with which to meet the demands that are being placed on it.

As to the policy, it has already been established. These loans have already been made. There is nothing new in it. We have made the loans. As to its being a safe venture, the record of the bank speaks for that. Of the $120,000,000 that has been extended, not a single dollar has been lost. It has been a winning proposition, not a losing one, and we are here standing upon the record of the bank, asking that its activities may be increased, not alone to make a loan to Finland, not for the purpose of making a loan to any country or individual, but in order that there may be available to the people of this country the funds and finances by which our surplus agricultural and manufactured products can be exported to the nations of the world. That is what this bill is for. The bank has a record of fine performance, and it is worthy of the confidence of the Members of this Congress. During the time it has been in operation it has made a net profit of $5,000,000, and has not a single loan now in default. I am not saying that in the operations of the future there will not be some losses. In an enterprise as extensive as this is, necessarily from time to time losses are sustained, but as long as your profits are greater than your losses, it is a safe venture, and that is the history of this institution.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 5 minutes more. There has been a great deal said about a loan to Finland. This bill has been referred to as the Finnish loan bill. There is a reason for that. There is a reason why that expression has crept into the press and into the public mind. The President of the United States, in his letter of January 16, to the Speaker of this House and to the President of the Senate, said that "there is, without doubt, in the United States a great desire for some action to assist Finland to finance the purchase of agricultural surpluses and manufactured products, not including implements of war," and he stated in that same letter that the enlargement of the lending powers of the Export-Import Bank might be the most reasonable approach to the subject in order that they may obtain a loan through the bank. This original bill, when it was presented to the Senate by Senator BROWN, who does us the honor of being present at this time, and who was a former able, outstanding Member of this body, provided for a direct loan to Finland of $60,000,000 by the R. F. C.

After further consideration and discussion, the distinguished Senator somewhat modified his view and drafted substantially the bill which is before us now, and in its consideration in the Senate he gave it his able and enthusiastic support. Those are the reasons why there is tied up with this bill a Finnish loan.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. Not just now.

Finland is not mentioned in this bill; but if this legislation is passed, it will give that heroic, immortal little country at least an opportunity to obtain aid and assistance from this the greatest of all democratic nations. Everybody—the world, outside of Russia and perhaps Germany—has an abiding and profound sympathy for that little nation; that nation that is making the most determined and courageous stand in behalf of democratic ideals and for the preservation of human liberty that has ever been recorded; that little nation that is faced with insurmountable difficulties and overwhelming odds, enduring untold hardships and suffering; that little Republic that is now holding the front line of the world's democracies.

It is said that if this loan should be made to Finland it cannot or will not be repaid. I do not know as to that, but I do know that Finland has to her credit a long line of unbroken payments on her obligations to the world. While other nations, stronger and greater and richer than she, have faltered, hesitated, and defaulted and failed, Finland alone has remained true to her obligations and has remained faithful to her promises to us and to the world. [Applause.]

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. BROWN of Georgia. Did not Mr. Jones testify that the chief purpose of this bill was to stimulate export trade?

Mr. WILLIAMS of Missouri. Yes.

Mr. BROWN of Georgia. And did he not also say that when we made a loan, the loan had to be well secured?

Mr. WILLIAMS of Missouri. Yes.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 1 additional minute.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. CELLER. When a loan was made by the Export-Import Bank to China of $25,000,000, there were no restrictions placed upon it at all, were there? The money could be used to purchase anything.

Mr. WILLIAMS of Missouri. There was no restriction placed upon any of the loans that have been made before. However, the loan was not made to China.

Mr. CELLER. The loan was not made to China?

Mr. WILLIAMS of Missouri. No.

Mr. CELLER. To whom was it made? Was it not made for the benefit of China?

Mr. WILLIAMS of Missouri. You may call it for the benefit of China. The loan was made for the purpose of exchanging commodities between the United States and nationals of China, or the Chinese Government, if you so please.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. O'CONNOR. Senator ADAMS in the Senate is quoted as saying what I am just about to read to the gentleman, and I would like to have his views upon this subject. He said:

> That the Export-Import Bank agrees with the American exporter that if the foreign buyers do not pay for what they buy, the United State Government will stand anywhere from half to all of the loans.

What is there to that assertion?

Mr. WILLIAMS of Missouri. I do not think there is anything at all to that assertion. If he means by that that the Export-Import Bank takes a part of the obligation from the American exporter, that is true. That is the way they carry on their business. It is a participating loan. We will say an exporter makes a sale to a foreign business concern. He takes the obligation or note of the foreign national, endorsed by a bank. It is submitted to the Export-Import Bank for approval, and if the bank thinks it is sound, it will take half of that loan. If that is what he means by assuming half the obligation, that is correct, because that is the manner in which these obligations are handled.

Mr. O'CONNOR. What I am trying to get at is this: Suppose a foreign purchaser defaults, the question is, Does the Export-Import Bank sustain the loss or bear any part of the loss, or all of it?

Mr. WILLIAMS of Missouri. Of course, if the Export-Import Bank takes the obligation of the foreign purchaser and it is not paid, the Export-Import Bank will necessarily lose.

Mr. O'CONNOR. Has the Export-Import Bank authority to make such an agreement?

Mr. WILLIAMS of Missouri. Oh, yes.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 1 additional minute.

The law, of course, itself gives the Export-Import Bank the right to discount paper in order to make these loans.

Mr. O'CONNOR. I do not want the taxpayers of this country to have to make up a loss to the Export-Import Bank or to the American exporter for the default of a foreign country which buys products from an American exporter.

Mr. WILLIAMS of Missouri. None of us wants that, and none of us has experienced that so far. As I have already pointed out, in the operation so far there has been a net profit of $5,000,000 in the transactions.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. Just briefly.

Mr. SHANLEY. Suppose a government that is in debt to us sets up an artificial entity like our Export-Import Bank in their nation. Are you going far enough with this bill? Suppose the French or the British or any other debt-owing nation should set up later an entity that corresponds to the Export-Import Bank, will they be covered by your amendment?

Mr. WILLIAMS of Missouri. That is the intention of it. I think it should be covered by it, because we have agreed upon that amendment.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WILLIAMS of Missouri. Mr. Chairman, I will use a little more of my time to answer these questions, but I do not want to take all of the time.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. GEYER of California. Does this loan allow the purchase of airplanes?

Mr. WILLIAMS of Missouri. It allows the purchase of commercial airplanes.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. LEWIS of Colorado. How does the Export-Import Bank get the funds which it lends?

Mr. WILLIAMS of Missouri. The funds of this bank come from the R. F. C. by means either of loans by the R. F. C. or the purchase by the R. F. C. of preferred stock of the bank. In other words, the Reconstruction Finance Corporation can make a loan to the bank for the necessary funds, or it can purchase preferred stock in the bank, which is, in fact, the same thing.

Mr. LEWIS of Colorado. Where does the R. F. C. get its funds?

Mr. WILLIAMS of Missouri. The R. F. C. gets its funds by selling its debentures to the public.

Mr. LEWIS of Colorado. And not to the Treasury of the United States?

Mr. WILLIAMS of Missouri. No.

Mr. LEWIS of Colorado. So, although there is a guaranty, as I understand, of the debentures of the Reconstruction Finance Corporation, there is no direct draft on the Treasury by the R. F. C.

Mr. WILLIAMS of Missouri. The gentleman has stated it correctly. This bill can be passed and there will be no additional increase of the national debt; and I might say, in view of past history, that there will be no reasonable probability of loss to the Treasury.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. ZIMMERMAN. I have enjoyed very much the very splendid statement made by my distinguished colleague from Missouri. As I remember, there was opposition by certain Members and groups to the continuation of the life of the Export-Import Bank. Does this bill limit the operation of the bank to what it was when its life was extended?

Mr. WILLIAMS of Missouri. Yes; so far as time is concerned, there is no further extension of time. It simply permits the bank to lend more than it has heretofore been able to lend, with the limitation placed on those loans in this bill.

Mr. ZIMMERMAN. And the objections urged against extending the life of the bank at that time and the limitation on the functions of the bank by this bill ought to encourage the support of that group rather than its opposition.

Mr. WILLIAMS of Missouri. Yes; that is right.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAMS of Missouri. I yield.

Mr. LEWIS of Colorado. Reference has been made to loans to the Chinese Bank. How are these loans being repaid by China?

Mr. WILLIAMS of Missouri. They are being repaid by China; and I may say to the gentleman from Colorado that they are ahead of their scheduled time in the payment. In other words, they have paid back more than the agreements called for up to the present time.

Mr. LEWIS of Colorado. Are they being paid in silver or gold?

Mr. WILLIAMS of Missouri. They are being paid largely by the sale in this country of tung oil and tin, articles we do not produce in this country but which we need. In this connection let me say that this bank has not been used, and will not, under any circumstances, be used to import into this country articles that will come into competition with articles produced here.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mrs. ROGERS of Massachusetts. The gentleman from Missouri is making a very fine presentation of the situation, and, with his permission, I would like to call attention to a colloquy between Senator BROWN and Senator VANDENBERG when the bill was under consideration in the Senate.

Mr. WILLIAMS of Missouri. Yes.

Mrs. ROGERS of Massachusetts. This is a very clear explanation of the nature of loans made by the Export-Import Bank. I read:

Mr. VANDENBERG. It occurs to me that the use of the unlimited phrase "loans to China" carries a much broader implication than the practice of the Export-Import Bank contemplates.

Mr. BROWN. The Senator is correct about that.

Mr. VANDENBERG. I think it would be well to have that definitely in mind, for it presents a rather different picture when we remember that the previous loan to China so far is simply the use of American money to finance a barter trade of American commodities for tung oil, and that the new loan contemplated—the so-called new loan—is actually not a loan at all but is merely the financing of an exchange of tin for American commodities. That is rather a different picture from that presented by the broad phrase of a "loan to China."

Mr. BROWN. I have been referring more particularly to outside limitations. The Senator is entirely correct. I think he makes an exceedingly valuable contribution when he points out that these are not outright loans to particular governments; they are advances to citizens of the United States to aid them in the sale of their surplus agricultural or manufactured goods to a government or to the nationals of a government, and they are in no sense of the word loans to China or to Finland.

Mr. VANDENBERG. Will my colleague further yield?

Mr. BROWN. I yield.

Mr. VANDENBERG. I may supplement what has been previously said with the further information from the record that in the tung-oil barter transaction the American purchases came from 570 different American firms. So that the use of the loose phrase "loans to China" in no sense describes the actual nature of the transaction which has occurred or is subsequently contemplated, and I think it makes considerable difference.

Mr. WILLIAMS of Missouri. In principle it is that of an exchange of commodities between us and different nations, and if it be simply construed as a barter or exchange of commodities between countries, that is exactly the thing the act provided for.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. PATRICK. That brings us right down to the purpose of creating the Export-Import Bank, which has frequently been stated as the method this Nation has of promoting the exchange with other countries of our agricultural and manufactured products. That is the whole purpose of this legislation. Has it been serving this purpose very effectively all over the world?

Mr. WILLIAMS of Missouri. It has. The loans that have been made have carried American products into 55 different countries of the world. In other words 55 different countries have received the assistance rendered by this bank; and it is

unthinkable to my mind for any group in this country which wants to extend our export trade to be opposed to the continuation of this function of the bank.

Mr. PATRICK. And it only started in 1934.

Mr. WILLIAMS of Missouri. The gentleman is correct.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. RANDOLPH. I am sure there is no doubt in the mind of the gentleman that by the placing of additional funds to the credit of the bank at this time through action of Congress, Finland will not avail itself of a loan through that agency.

Mr. WILLIAMS of Missouri. It is my hope that Finland may be able to get a loan under this bill if we pass it. As to whether she will or not I cannot, of course, answer because that is a matter that will be up to the bank. I hope so.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. MASSINGALE. I would like to have the gentleman's opinion on this matter.

I believe, and I may be wrong—I want the gentleman to correct me if I am in error—that it is unmistakably true that this bill would not be here today were it not for the fact of the high and intense feeling toward the Finnish Republic and the people of that Republic. Does not the gentleman think that in order to protect the reputation of this House, its forthrightness, and our legislative program, we ought to say straight out and out that this bill is a bill for the purpose of aiding Finland?

Mr. WILLIAMS of Missouri. There are two answers to that question. In the first place, the gentleman's premise, in my judgment, is entirely wrong when he says this bill would not be here if it were not for the demand for a loan to Finland. This bill was here about this time last year, and this very bill passed the Senate and was reported by the Banking and Currency Committee to this House. It was not passed by the House, but it was presented for consideration, which shows conclusively that the request or desire on the part of the Export-Import Bank for additional funds did not originate with the Finland loan by any means. They have been making this request over a period of a year, and a bill was introduced, passed by the Senate, and reported favorably by the Banking and Currency Committee.

In the second place, the gentleman referred to a loan to Finland. If we want to make a so-called loan to Finland, if we want to make a grant to Finland, let us have the courage and the manhood to stand up on the floor of this House and by declaration authorize the Treasury of the United States to give Finland $20,000,000 or $30,000,000 or $60,000,000. Let us not do it through the Export-Import Bank. We are not doing that by this bill. We are putting Finland upon exactly the same basis as any other nation, the same basis as Norway and Sweden, and if they can meet the requirements that the bank lays down, they can get the loan. If they do not, then they will not get the loan. As I said a while ago I have hopes that they will be able to meet the requirements, and I have hopes that Norway and Sweden may be able to meet the requirements, because, if Finland is overrun, it looks to me as if they might be the next ones. But if we want to make a grant to one of these nations, let us not do it through the Export-Import Bank, which, under the law, is required to extend credit upon sound security. Let us not graft it on to this bill, but let us come here as men and proclaim to the world that we as a nation are going to give Finland thirty, fifty, or sixty million dollars. [Applause.]

Mr. MASSINGALE. I agree with what the gentleman from Missouri states and the attitude he takes.

The CHAIRMAN. The gentleman has used 30 minutes.

Mr. MASSINGALE. May I say in addition to what I have already said, in response to the gentleman's answer to my inquiry, that that is what I meant when I directed the question to the gentleman. We ought to be through with camouflaging and should come out here and vote on our own responsibility in regard to this loan.

Mr. WILLIAMS of Missouri. I thank the gentleman, and that is exactly what I am in favor of doing.

Mr. GORE. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Tennessee.

Mr. GORE. The Banking and Currency Committee is not engaging in any camouflage.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. Unfortunately I did not hear all of the gentleman's speech. Will the gentleman tell us what the record of collections has been by this bank, whether there have been any defaults, and if so, to what extent?

Mr. WILLIAMS of Missouri. There has not been a single default. We have not lost a dollar, and we have a net profit of over $5,000,000.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. Have any loans been made to Japan?

Mr. WILLIAMS of Missouri. No.

Mr. LEWIS of Colorado. Or to Russia?

Mr. WILLIAMS of Missouri. No.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Did not Mr. Jones testify that all money that may be lent under this bill would be spent for goods purchased in this country?

Mr. WILLIAMS of Missouri. Yes; and I am glad the gentleman refers to that. Whether the loan is made to a national or to the agency of a national or to a nation itself, if made to a nation, Finland, for instance, every dollar of that money must be spent in this country. The money is not turned over to the country or to the national or to the agency to be spent in the purchase of arms or anything else somewhere in the world outside the United States. Every dollar must be spent for the purchase of American goods to be exported to foreign countries.

Mr. BROWN of Georgia. The bill reported by our committee last year carried the identical amount set forth, $100,000,000?

Mr. WILLIAMS of Missouri. Yes.

Mr. BROWN of Georgia. And that was before anybody thought about Finland?

Mr. WILLIAMS of Missouri. That is true.

Mr. RAYBURN. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Texas.

Mr. RAYBURN. I have not been able to hear all of the remarks of the gentleman, but I take it from his answer made to the gentleman from Oklahoma that he feels as I do, that when people ask you when the Finnish loan bill is going to be taken up he does not brand this as a Finnish loan bill. It is no more a Finnish loan bill than a Norwegian, Denmark, or a Venezuelan loan bill, or a bill involving a loan to any other country in the world. Is that true?

Mr. WILLIAMS of Missouri. That is true.

Mr. RAYBURN. I was glad to hear the gentleman in his very able statement say that this bill would have been here if Russia had never invaded Finland, for the simple reason it was before the House last year. It passed the Senate in the so-called spend-lend bill last year and came to the House from the Banking and Currency Committee. A rule for its consideration was voted down. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it seems to me thoroughly established that at least 98 percent of our people wish to help Finland. It is acknowledged in all the newspapers that we are today voting on a Finnish loan bill. If you try to explain to your constituents, after this day is over, that you voted for a bill to help Finland, your ears should be very red. It is not a Finnish loan bill, in any sense of the word. The previous speaker said he hoped that that nation might get some benefit from it. You have made it almost impossible to give any genuine help because of the conditions imposed in the bill itself.

I want to direct my remarks to one phase in particular. Japan and China are not declared belligerents. They have not acknowledged a state of war, therefore we do not recognize the situation as such. Our security is not at stake, so the President does not have to declare them belligerents. Russia and Finland have not said that they are belligerents, therefore we do not say so.

The Export-Import Bank was set up in 1934 to help Russia and to evade the Johnson Act. Russian business did not materialize. The Second Export-Import Bank was set up to help Cuba. We used it for awhile in only one phase of business, then the two were merged.

You cannot get away from the fact that in the minds of the people we are voting today on a Finnish loan. Why does not the speaker who just left the floor have the courage to amend his bill and specifically vote $20,000,000 for Finland? That is exactly what I want to do. Vote it in this very bill. If the Export-Import Bank could loan China $25,000,000, why can we not through the same agency take care of Finland? It can be done as well as in any other bill. Why would this be different than a direct loan from the Government? We are acting a lie. Of course Japan is at war, but we are selling Japan anything she wants. She is killing millions of Chinese, and we are selling her the materials with which to do it. She is not a declared belligerent, so we can do business with her. But in the case of poor little Finland, which is not even in default in her obligations to us, we write a bill here today, even putting in it provisions treating her as though she were a belligerent. Read carefully the last page of the bill. Read those conditions! If you do not remove them, I shall indeed feel greatly disturbed. I might vote for the bill if that is done. But why stigmatize Finland as a belligerent by saying that you cannot sell her any ammunition through the Export-Import Bank? What is the difference between selling nations through the Export-Import Bank and selling through other channels, if they are not declared belligerents? Of course, all the money remains in this country. We furnish the money to people here so that they may sell to Finland. There may be a Finnish corporation set up for that purpose and the Finnish Government may guarantee the loan, but here you deliberately say, "Finland, you are to be treated as a belligerent." We do not act thus with Russia or Japan. Shame on such a proceeding.

Mr. LEWIS of Colorado. Mr. Chairman, does the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. I believe it was made very clear by the gentleman who presented the bill, the gentleman from Missouri [Mr. WILLIAMS], that no money from this bank has been loaned to Japan.

Mr. GIFFORD. No; but what is the difference? She buys all the ammunition which she desires.

Mr. LEWIS of Colorado. I thought the gentleman implied, at least, that it had been loaned to Japan by this bank.

Mr. GIFFORD. No. However, the gentleman suggested that we have the courage today to make a direct Government loan to Finland. I wish that we would. I should join him in that. It is time we did this for Finland, and we can do it today perfectly well by amending this bill. What I am complaining about is that special difficulties are made for Finland. Finland does not want chocolate creams; she wants ammunition.

Mr. CELLER. Will the gentleman offer an amendment to that effect?

Mr. GIFFORD. Of course, the amendment will be offered, but it ought to come from the Democratic side. What is the result when Republicans offer an amendment?

Mr. CELLER. There are some things in public opinion that might be aroused.

Mr. GIFFORD. I want you to read these conditions. How ridiculous. The R. F. C. is not now lending to nations which are in default. Why put it in this bill? Why put in this bill that we cannot sell any arms and ammunition to Finland, thereby treating her as though she were a belligerent? I am positively ashamed of the conditions which are being imposed. We sell to Japan in a little different way, only just a little different way. The small hope I have is that if we can loan Finland money she will barter goods with Italy or other countries for ammunition. All over this Nation of ours they are today holding bazaars and taking up collections for the relief of Finland. The whole Nation is eager to raise money for that distressed nation. But this is for food, medicines, and things of that nature. More recently we have been trying to raise some private funds—an endeavor to which the gentleman from Ohio [Mr. VORYS] says he subscribes—to provide actual arms to Finland, but that contribution is made by ourselves as individuals. Why are we as a government so fearful? Of whom are we afraid? Perhaps somebody will tell us during the day.

We cannot make a loan to Finland under this bill, if you leave it as it is, except under international law as interpreted by the State Department. What is the present recognized international law? It plainly reads that we can only furnish food and raw materials. We cannot even furnish medicines, under the wording of the law. The State Department's representative came before our committee and said they might interpret that law to take in a great many other things which really were not food and medicines. Contraband now covers a great amount of merchandise, but such conditions make it more difficult for Finland to get any money. These conditions are unnecessary; they are simply impediments.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from New York.

Mr. BARRY. Why are we under any obligation to lend money to Finland?

Mr. GIFFORD. Because 98 percent of our people want us to, according to your President. And in the name of pure humanity.

Mr. BARRY. That is a conclusion.

Mr. GIFFORD. Do we represent that 98 percent? Are we, as a rich and powerful nation, today really in sympathy with this little country, or are we hypocrites and merely talking a lot, while doing nothing practical to assist Finland?

Mr. BARRY. The only reason that Finland is in any different position from any other country is because Finland simply paid its obligations, while the other countries welshed on theirs.

Mr. GIFFORD. Well, do not compare her with Russia.

Mr. BARRY. Does not the gentleman consider that if he lends me money and I pay it back to him that I still should be grateful to the gentleman?

Mr. GIFFORD. Do not make me draw comparisons between Finland and her actions and those of other countries. We love Finland, but we do not love Russia.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. SHANLEY. I notice the gentleman quoted a statement of Mr. Hackworth, legal adviser of the State Department, in which he said the Government might have the right to send certain commodities to Finland, and I wonder if the gentleman agrees with that statement as a real interpretation of international law.

Mr. GIFFORD. He said the State Department might interpret it liberally, but that is hardly convincing. We want to provide Finland with something that will be of real help; something that she needs to defend herself.

Mr. SHANLEY. But the gentleman will agree that international law means you cannot do that, although he attempted to worm out of this interpretation by using the Habana Convention.

Mr. GIFFORD. The gentleman knows that the law reads "food and raw materials."

Mr. SHANLEY. No; I do not, because I know that international law says that the government per se cannot sell, cannot lend it, or cannot do anything like that.

Mr. GIFFORD. Well, I am quoting the Havana Convention.

Mr. SHANLEY. The gentleman does not agree that that changes international law?

Mr. GIFFORD. I know that you must first submit these matters to the whim of the State Department. Why do you do that? Why not let Mr. Jones, in whom you have every confidence, act in his own way and let him decide the matter? He stated, with respect to Finland, that he thought this was a

good risk. He thought there would always be a Finnish spirit and a Finnish people, and he believed that $10,000,000 was a good loan. I believe he had already advanced $8,000,000.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield myself 5 additional minutes.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield again?

Mr. GIFFORD. Perhaps I should not, because the gentleman gets me into the field of international law, which he knows all about and I know little about.

Mr. SHANLEY. The gentleman knows I do not do it purposely.

Mr. GIFFORD. The gentleman knows that I know little about it, while he is a student of the subject.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KEEFE. Is it not a fact that if this loan to Finland were as paramount as the gentleman says it is, with 98 percent of the people of the country demanding it, the Export-Import Bank could make a loan to Finland now without this additional capital?

Mr. GIFFORD. Yes; Finland is not in default, and the bank has about $36,000,000 available. They have used $64,000,000, and they had $100,000,000. They say they have allocated or committed $50,000,000, but that means little. A person or corporation comes in to them and says, "We would like to do business with Brazil," or some other country. "If we can get the order, will you back us up?" They do not always, or perhaps even often, get the order. The bank has $34,000,000, and if it has committed $50,000,000 it can likewise commit $5,000,000 or $10,000,000 more to Finland.

Mr. KEEFE. Mr. Jones testified they could cancel those commitments at any time.

Mr. GIFFORD. Oh, yes, and with respect to this $100,000,000, they are using Finland in order to get it. We are well informed as to what they are trying to do.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Mr. Jones made this statement on page 3 of the hearings:

> I can give you the figures fairly accurately, I think. The total loans authorized have been $290,770,000. Of this authorization, $109,554,000 were canceled due to the fact that in most cases the manufacturer was not successful in securing the order for which he made a bid, and a few cases were canceled because the situation changed.

Mr. GIFFORD. Exactly. I want now to continue, and shall not yield until I have finished making an additional statement. As much as I think of Mr. Jesse Jones—and nobody appreciates him more than I—I am tired of hearing here and also on the floor in another body about $10,000,000,000 having been loaned without any loss by the R. F. C. I have the record here. You must have it in your own offices. They have been committed to about nine billion and a half of loans, but they never have actually loaned much over $5,000,000,000, because large amounts were allocated for relief purposes. Some two billion seven hundred million were actually marked off the books of the Corporation as relief expenditures. As I understand it, actual loans of not over one-half of the $10,000,000,000 that you gentlemen boast about have ever been made.

We know perfectly well the record of certain South American countries as to defaults. So long as the bank has more money to loan, these countries will keep current in their payments, but the minute that fund is gone, watch out for defaults. Those are portentous words spoken in another body by one of its most prominent Members. As these are usually long-term loans, of course, there are few, if any, defaults yet recorded.

However, at the moment I am pleading that we eliminate these restrictions from the bill. Give Finland what she really needs. Let Mr. Jones make an unhampered decision. There is no reason why he cannot make Finland a loan for any purpose, on the one condition that, as he says, there is a reasonable hope of her repayment. He must have great confidence in this probability.

Can Finland without assistance hold out much longer? Sweden and Norway may well be frightened over their neutrality, although they have assisted greatly. But we, a great country, safely 3,000 miles away, are afraid of something or somebody.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. I yield myself one-half minute more.

Mrs. ROGERS of Massachusetts. Assuming that this bill would help Finland, does not the gentleman feel it is weeks late in being brought to the floor of the House? Gallant little Finland has endured untold misery. Aid from us in the early days might have helped greatly. Why did not the administration make assistance to Finland one of the early measures of this Congress? America has deep admiration of Finland's honesty in paying its debt to us. The people of America have wanted to show that admiration, that appreciation, in some tangible way. The able Minister of Finland, Mr. Procope, has worked tirelessly to explain what his brave country men and women are enduring. He should have the deep gratitude of his nation. We have great appreciation of her courage.

Mr. GIFFORD. Oh, yes; this is called a Finnish bill, but of no aid to Finland.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. On pages 3 and 4 of the quarterly report of the Reconstruction Finance Corporation the gentleman will find this statement made by Mr. Jones:

> Summarizing the foregoing, there is allocated $9,704,000,000, plus.

Mr. GIFFORD. I have that here.

Mr. CRAWFORD. Then further he states that of that amount $2,042,000,000 were withdrawn or cancelled.

Mr. GIFFORD. Yes; but they talk about loans of $10,000,000,000. The R. F. C. has done well but it should not try to double the amount actually loaned.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 10 minutes now to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, this bill is just what it claims to be and nothing else—a bill to provide for increasing the lending authority of the Export-Import Bank. What is the Export-Import Bank? It is a corporation organized under the laws of the United States to do certain definite things. It is controlled by a chairman and a board of directors. In the making of loans they exercise an independent discretion and judgment, and you cannot take away from them that judgment as long as it retains its character as a corporation organized under the laws of the United States. The Board of Directors will pass upon the loans. They will weigh the securities, they will say whether or not the individual or the corporation or the government that makes application is entitled to the loan. A direction to the Export-Import Bank to make a loan to any individual or any government would be pure camouflage, and would not subserve the purpose for which it was alleged it was put in the bill at all, because any direction to the Export-Import Bank would necessarily be subject to the direction and control of the Board of Directors of that bank, and I say however much we may sympathize with that splendid little country that is fighting for its liberty, no matter how much we may admire the honor of its citizens and the integrity of that Government that stands out among the governments of the world conspicuous for these fine characteristics, we cannot by putting that direction into this bill assure the Republic of Finland the loan it desires. The direction to the Export-Import Bank to make a specific loan to a definite borrower would be comparable to placing in the charter of a national bank that loans must be granted to certain individuals. If the gentlemen are sincere, if the gentlemen really mean what they say, the only way that can

be assured is by a grant to the Republic of Finland. If that country asks for a loan that Board of Directors is going to say to them, what is your security, what are the opportunities for repayment, what is your present status, as to the safety of your institutions, and can you fulfill your obligations? I think as far as that is concerned we can eliminate that from the bill. I believe the sentiment of this House is that Finland should be helped in some manner, but let us do it directly. If we want to do it, let us see that the Government gets what she asks for when she comes to the United States asking for help. Of course, she is precluded from coming here under our neutrality law and obtaining any of the implements of war, because she cannot come in her own ships and pay cash for the goods and take them away. If she can get a loan through the Export-Import Bank it will be entirely in the discretion of the governing Board of the Export-Import Bank to see to it that the money is used for certain purposes, to buy products of the United States.

But I say that in the consideration of this bill you might just as well leave that out of it and no direction that we can place in this bill will assure to Finland that she will get the help she needs.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. EATON. It seems that instead of this being a bill to make a loan to Finland, the only condition that it carries is a limitation on the possibility of making a loan to Finland—that they have to buy in this country.

Mr. SPENCE. Well, I do not know that that would be any great limitation. Finland could not ask as a loan for more than $20,000,000, because a loan presupposes payment. A loan presupposes security. In the present state of Finland I doubt that she could come here and assure this Government or assure the lending agencies of this Government that she could repay more than $20,000,000. If you want to help Finland the only assured way is by a grant, because loans imply conditions, and the conditions may be such that the borrower cannot fulfill.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MOTT. I understood the gentleman to say that Finland could not avail herself to buy arms in this country, even if she had the money, because she has no ships in which to transport them. She can use nonbelligerent ships and the ships of neutrals and still buy them, can she not?

Mr. SPENCE. Yes; I think she could use the ships of nonbelligerents.

Mr. MOTT. Then she could avail herself if she had the money?

Mr. SPENCE. If she had the money; yes.

Mr. MOTT. May I inquire if the gentleman is in favor of a direct loan to Finland?

Mr. SPENCE. A direct loan to Finland?

Mr. MOTT. Yes.

Mr. SPENCE. I would be very happy to see Finland obtain a direct loan, but I do not believe in deception. I do not believe in putting things in bills that will be entirely ineffective to accomplish the purpose they are supposed to accomplish.

Mr. MOTT. I agree with the gentleman. I understand we are going to have an opportunity to vote on a substitute for this bill, or an amendment which will carry that provision.

Mr. SPENCE. An amendment to the bill directing the Export-Import Bank to make a definite loan—I think that would be comparable to granting a charter to a national bank and in the charter to the bank saying to whom they can make loans. I think that destroys the whole purpose of this artificial person—this corporation—that must be administered by a board that exercises its discretion as to whom loans will be made.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. O'CONNOR. What are the gentleman's views as to whether or not Finland may be able to qualify for a loan with the Export-Import Bank?

Mr. SPENCE. Well, I have no knowledge of that. The committee never looked into that question at all. The committee never investigated as to whether or not Finland could qualify for a loan. I devoutly hope that Finland may not only qualify for a loan but that Finland may crush Russia, but I am afraid my hope is in vain.

Mr. O'CONNOR. I fully agree with the gentleman when he says that he hopes Russia will be crushed. I think everybody is hoping and praying that Russia will be crushed. That is her due because of her indefensible attack upon this little brave nation who is only fighting to maintain her liberty. I think, however, that the committee should have given consideration as to whether or not Finland could qualify for a loan from this country. Is it not a part of our business to try to find out if legislation which we pass will accomplish the purpose of the same?

Mr. SPENCE. Of course, it was not given any consideration. It was not for the Banking and Currency Committee to investigate as to what loans the Export-Import Bank should make. That is perfectly ridiculous. Of course, we never had any investigation along that line, because it was not in our sphere. It is in the sphere of the Export-Import Bank as to whom they shall loan money and how it shall be secured.

Mr. O'CONNOR. Then, this bill should not be characterized as a bill to help Finland? The people are being misled.

Mr. SPENCE. I think not. The bill is exactly what it says it is. It is an extension of the powers of the Export-Import Bank.

Mr. O'CONNOR. It is the same bill that this Congress rejected a year ago?

Mr. SPENCE. No. They put it in the lend-spend bill, and they voted down the rule for the lend-spend bill. If this bill had been submitted independently it would have passed, and passed upon the record that the Export-Import Bank has made. Let me show you what the Export-Import Bank has done.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. Yes; I yield.

Mr. KUNKEL. I take it, under this bill Finland is not required to get any of this money, and probably Finland never will on account of their financial standing, because any money they have they want to spend for ammunition.

Mr. SPENCE. I cannot answer that.

Mr. KUNKEL. That is your opinion, is it not?

Mr. SPENCE. When Finland makes her application for a loan, the loan will be passed upon by the board of directors of the Export-Import Bank. You have not said that you want Finland to have a grant. A loan presupposes repayment. A loan presupposes security. They look into those questions. Whether or not Finland can comply is a matter that I have no knowledge of.

Mr. KUNKEL. If you were a director you would be inclined not to grant Finland a loan?

Mr. SPENCE. No; I would not be inclined not to grant the loan.

Mr. KUNKEL. I mean under their present financial circumstances.

Mr. SPENCE. I would be inclined to investigate the facts and treat the application for a loan sympathetically.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 3 additional minutes to the gentleman from Kentucky.

Mr. SPENCE. I want to read at this time a general statement of what the Export-Import Bank of Washington has accomplished with the funds at its disposal, and when we go back into the House I shall ask permission to extend in the RECORD following this general statement tables showing a break-down of the totals. This is very interesting and valuable information.

The general statement makes the following disclosures:

GENERAL STATEMENT

Total commitments: Since its establishment the Export-Import Bank has made commitments of $290,714,596.55.

Total cancelations: Because the interested American manufacturers were unable to obtain the business or failed to meet the bank's conditions, commitments aggregating $109,554,826.99 were canceled.

Total disbursements and repayments: Actual disbursements have amounted to $118,833,134.42, of which $51,484,670.93 has been repaid.

Total outstanding and undisbursed commitments: Total loans outstanding are $67,348,463.49, and undisbursed commitments are $63,333,207.85.

Earnings: Although the bank did not operate during the first 18 months of its existence, it has paid dividends upon its preferred stock at the rate of 3 percent per annum through December 31, 1938, and has funds with which to pay dividends accrued to date.

Net profit for the calendar year 1939 was $2,344,776.68.

The tables referred to follow:

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940

[Second Export-Import Bank of Washington, D. C., incorporated Mar. 12, 1934, was dissolved June 30, 1936, all of its active commitments being assumed by Export-Import Bank of Washington]

COTTON CREDITS

Country	Project No.	Date approved	Applicant	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Czechoslovakia.	100, 143	Aug. 7, 1935 and Oct. 21, 1936	Alexander Sprunt Son, Inc., Houston, Tex., and 12 other American cotton shippers made 122 shipments of cotton to spinners in Czechoslovakia against credits guaranteed in the amount indicated, by the following Czechoslovakian bank:						
			Anglo-Czechoslovak & Prague Credit Bank, Prague, Czechoslovakia.	808, 167. 60	763, 870. 19	763, 870. 19	----------	None	
	136	May 26, 1936	Geo. H. McFadden & Bro., New York, N. Y.	15, 000. 00	14, 223. 89	14, 223. 89	----------	(1)	
	137	July 16, 1936	Williamson Cotton Co., Dallas, Tex	318, 750. 00	16, 349. 55	16, 349. 55	----------	(1)	
Germany	117	Dec. 12, 1935	Bartz & Co., Dallas, Tex	350, 000. 00	4, 559. 00	4, 559. 00	----------	(1)	
Italy	147	Jan. 7, 1937	American Cotton Cooperative Association, New Orleans, La., and 26 other American cotton shippers made 160 shipments of cotton to Italian spinners against credits guaranteed, in the amounts indicated, by the following Italian banks:						
			Banca D'America E D'Italia	$242, 299. 67	$242, 299. 67	$242, 299. 67	----------	None	
			Banca Nazionale Del Lavoro	147, 823. 69	147, 823. 69	147, 823. 69	----------	None	
			Credito Italiano	814, 668. 89	814, 668. 89	814, 668. 89	----------	None	
			Banco Di Roma	147, 471. 45	147, 471. 45	147, 471. 45	----------	None	
			Banco Di Napoli	66, 066. 07	66, 066. 07	66, 066. 07	----------	None	
			Banca Commerciale Italiana	181, 487. 17	181, 487. 17	181, 487. 17	----------	None	
			Total, [2] No. 147	1, 599, 816. 94	1, 599, 816. 94	1, 599, 816. 94	----------	----------	
	180	July 19, 1938	Crespi & Co., Dallas, Tex., and 33 other American cotton shippers made 327 shipments of cotton to Italian spinners against credits guaranteed in the amounts indicated by the following Italian banks:						
			Banca D'America E D'Italia	85, 220. 82	85, 220. 82	85, 220. 82	----------	None	Line No. 180 expired June 30, 1939. Term of credit: 9 months.
			Banca Nazionale Del Lavoro	272, 755. 14	272, 755. 14	264, 435. 91	$8, 319. 23	None	
			Banco Di Roma	367, 778. 59	367, 778. 59	367, 778. 59	----------	None	
			Credito Italiano	939, 085. 13	939, 085. 13	925, 791. 65	13, 293. 48	None	
			Banco Di Napoli	126, 072. 21	126, 072. 21	123, 889. 19	2, 183. 02	None	
			Banco Di Sicilia	62, 874. 55	62, 874. 55	61, 931. 50	943. 05	None	
			Banca Commerciale Italiana	238, 333. 68	238, 333. 68	238, 333. 68	----------	None	
			Total, No. 180	2,092,120.12	2,092,120.12	2,067,381.43	24, 738. 78	----------	
	230	June 9, 1939	Cook & Co., Memphis, Tenn., and more than 30 other American cotton shippers are making shipments of cotton to Italian spinners against credits guaranteed, in the amounts indicated, by the following Italian banks:						
			Banca D'America E D'Italia	200, 000. 00	121, 720. 85	59, 617. 63	62, 103. 22	$137, 896. 78	Line No. 230 established July 1, 1939—Revolving credit. Term of credit: 9 months.
			Banca Nazionale Del Lavoro	200, 000. 00	95, 993. 67	9, 467. 84	86, 525. 83	113, 474. 17	
			Banco Di Roma	900, 000. 00	650, 785. 27	132, 489. 96	518, 295. 31	381, 704. 69	
			Credito Italiano	1, 800, 000. 00	1, 338, 367. 96	300, 331. 09	1, 038, 036. 87	761, 963. 13	
			Banco Di Napoli	550, 000. 00	389, 597. 88	116, 171. 11	273, 426. 77	276, 573. 23	
			Banco Di Sicilia	450, 000. 00	331, 323. 65	52, 423. 22	278, 900 43	171, 099. 57	
			Banca Commerciale Italiana	1, 800, 000. 00	1, 367, 936. 06	348, 774. 61	1, 019, 161. 45	780, 838. 55	
			Banca Vonwiller	100, 000. 00	44, 882. 63	----------	44, 882. 63	55, 117. 37	
			Total, [3] No. 230	6, 000, 000. 00	4, 340, 607. 97	1, 019, 275. 46	3, 321. 332. 51	2, 678, 667. 49	
Latvia	121	Mar. 10, 1936	Hannay-O'Donnell, Dallas, Tex	76, 500. 00	10, 782. 03	10, 782. 03	----------	(1)	
Poland	122	----do----	Geo. H. McFadden & Bros., New York, N. Y.	90, 000. 00	36, 177. 73	36, 177. 73	----------	(1)	
	141	Oct. 21, 1936	----do----	169, 250. 56	166, 742. 52	163, 250. 56	3, 491. 96	(1)	
	[4]212	Nov. 3, 1938	Bank Gospodarstwa Krajowego, Warsaw, Poland.	6, 000, 000. 00	[5] 2,396,780.91	----------	2, 396, 780. 91	(1)	Term of credit: 9 months (6-month extension granted with respect to principal payments. Interest payments are current.)
					[6] 947,710.42	----------	947, 710. 42		
Spain	[4][7]241	July 28, 1939	Banco Hispano Americano, Madrid, Spain, and Banco Espanol de Credito, Madrid, Spain.	12, 500, 000. 00	5, 605, 405. 31	----------	5, 605, 405. 31	6, 894, 594. 69	Term of credit: Installments over period of 27 months guaranteed by Spanish Ministry of Commerce and Industry.

TOBACCO CREDITS

Spain	11	Sept. 12, 1934	S. B. Smith & Co., Mayfield, Ky	$672, 871. 78	$672, 871. 78	$626, 341. 32	$46, 530. 46	None	Unpaid balance of $46,530.46 represented by deposits of Spanish currency.

[1] None—Balance of commitment canceled.

[2] The foregoing amounts represent the credit (75 percent) provided by the Export-Import Bank. An additional 25 percent was carried by the interested American shippers or commercial banks.

[3] The amounts stated represent the credit (85 percent) provided by the Export-Import Bank. An additional 15 percent is being carried by the interested American shippers or commercial banks.

[4] Credits established for exclusive use of American shippers.

[5] Cotton.

[6] Copper.

[7] The amounts stated represent the credit (80 percent) provided by the Export-Import Bank. An additional 20 percent is being carried by the interested American shipper or commercial banks.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

SPECIAL EXPORTER-IMPORTER CREDITS

[The firms listed below have been granted credit lines ranging from $2,000 to $20,000, revolving, covering miscellaneous shipments to and from various countries. Funds are provided and details handled by commercial banks. Full recourse against applicant. Advances under these credits are repayable in 90 days or less]

Applicant	Credit line granted	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
United States Victor Fountain Pen Co., New York, N. Y.	$10,000	$2,910.24	$2,910.24		None	Line canceled.
Anglo-American Trading Corporation, New York, N. Y.	10,000	62,972.76	61,812.17	$1,160.59	$8,839.41	
Do	8,500	8,058.82	2,058.82	6,000.00	None	Do.
Egberto A. Banho, New York, N. Y.	10,000	10,000.00	10,000.00		None	Do.
Chas. Bishop & Co., New York, N. Y.	5,000	2,091.15	2,091.15		5,000.00	
M. Cohen & Bro. (Monarch Co.), New York, N. Y.	5,000	3,141.88	3,141.88		5,000.00	
Conklin & Harrington, New York, N. Y.	4,750	4,750.00	4,750.00		None	Do.
Consolidated Exports, Inc., New York, N. Y.	5,000	8,538.12	7,825.64	712.48	4,287.52	
L. A. Cordovez C., New York, N. Y.	5,000	17,394.30	10,914.54	6,479.76		
Defiance Spark Plug Corporation, Toledo, Ohio	10,000	11,849.18	5,303.18	6,546.00	3,454.00	
Enequist Chemical Co., Brooklyn, Ohio	5,000	19,171.36	15,751.27	3,420.09	1,579.91	
E. W. J. Hearty, Inc., New York, N. Y.	10,000	12,579.27	9,506.82	3,072.45	6,927.55	
Home Plan Corporation, New York, N. Y.	5,000	10,264.00	4,474.29	5,789.71		
S. J. Kelley, New York, N. Y.	10,000				10,000.00	
Kentler Bros., New York, N. Y.	2,000	183.52	183.52		2,000.00	
Packard Chemical Co., New York, N. Y.	10,000	34,007.37	27,999.49	6,007.88	3,992.12	
H. R. Potter, New York, N. Y.	5,000	2,060.46	2,060.46		5,000.00	
Sargent Oliver Co., New York, N. Y.	3,000	995.28	995.28		None	Do.
Universal Products, Inc., New York, N. Y.	10,000	69,739.00	69,739.00		10,000.00	
Western States Machine, Hamilton, Ohio	10,000	10,000.00	10,000.00		None	Do.
Wise & Constable, Inc., New York, N. Y.	20,000	52,540.56	36,427.99	16,112.57	3,887.43	

NOTE.—As of Jan. 31, 1940, there was set aside for further exporter-importer credits the sum of $74,730.53, which had not been allotted to any particular firm. That amount has been included in the total of "Undisbursed commitments" in the general statement appearing on p. 13 of the report.

MISCELLANEOUS CREDITS

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Argentina	240	Aug. 4, 1939	Westinghouse Air Brake Co., Pittsburgh, Pa.	Railway equipment to Argentine state railways.	$250,000.00				$250,000.00	Applicant to carry 50 percent; term: 5 years, semiannual installments.
	249	Nov. 2, 1939	General Railway Signal Co., New York, N. Y.	do	425,000.00				425,000.00	Applicant to carry 35 percent; term: 5 years, semiannual installments.
Brazil	80	Feb. 17, 1936	National Foreign Trade Council, New York, N. Y., acting in behalf of United States exporters:	Blocked balances due to United States exporters.	27,750,000.00				[1]	Full recourse against respective applicants.
			W. D. Blood & Co., New York, N. Y.			$17,073.22	$12,076.18	$4,997.04		Balance due represented by notes of Bank of Brazil (endorsed by interested United States exporter), payable in monthly installments over the next 14 months.
			Byington & Co., New York, N. Y.			24,601.01	19,030.97	5,570.04		
			Fisk Tire Export Co., Chicopee Falls, Mass.			39,623.65	30,978.49	8,645.16		
			J. & H. Goodwin, Ltd., New York, N. Y.			66,108.96	51,418.08	14,690.88		
			H. S. Henry & Son, New York, N. Y.			34,533.00	25,324.20	9,208.80		
			A. G. Khouri & Co., Inc.			42,538.50	33,085.50	9,453.00		
			G. Lindner & Co., New York, N. Y.			38,911.40	30,421.64	8,489.76		
			National Paper & Type Co., New York, N. Y.			21,505.81	16,636.57	4,869.24		
			The Parker Pen Co., Janesville, Wisconsin.			24,127.60	18,957.40	5,170.20		
			R. K. O. Export Corporation, New York, N. Y.			23,706.48	18,626.52	5,079.96		
			Raleigh Smokeless Fuel Co., Beckley, W. Va.			25,349.22	19,716.06	5,633.16		
			H. W. St. John & Co., New York, N. Y.			43,450.00	33,970.00	9,480.00		
			Terramarine Trading Corporation, New York, N. Y.			53,631.18	41,713.14	11,918.04		
			Texas Co., New York, N. Y.			83,052.54	61,386.66	21,665.88		
			do			1,074,329.54	794,069.66	280,259.88		
			Ultramares S. A. Trading Corporation, New York, N. Y.			20,900.70	16,256.10	4,644.60		
			United American Bosch Corporation, Springfield, Mass.			21,835.55	17,071.43	4,764.12		

[1] None—balance of commitment canceled.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

MISCELLANEOUS CREDITS—continued

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Brazil	80	Feb. 17, 1936	National Foreign Trade Council, New York, N. Y., acting in behalf of United States exporters—Continued.							
			Well Machinery & Supply Co., Inc., Fort Worth, Tex.			$34,363.84	$27,000.16	$7,363.68		
			Wessel Duval & Co., New York, N. Y.			27,335.28	21,477.72	5,857.56		
	87g	Feb. 10, 1937	Duplex Printing Press Co., Battle Creek, Mich.	Printing presses	$74,000.00	14,000.00	14,000.00		(1)	Full recourse against applicant.
	192	Apr. 6, 1938	Cameron Can Machinery Co., Chicago, Ill.	Machinery	65,000.00	31,988.00	31,988.00	None	(1)	Applicant carried 35 percent.
	200	May 20, 1938	American Car & Foundry Co., American Locomotive Sales, Pullman-Standard Car Export, New York, N. Y.; Baldwin Locomotive Works, Philadelphia, Pa.	Freight cars and equipment to Central Rys., Brazil.	7,000,000.00				$7,000,000.00	Applicant to carry 35 percent; term: 4½ years, quarterly installments.
	210	Oct. 12, 1938	American Locomotive Sales Corporation, New York, N. Y.	Locomotives to Sorocabana Ry.	292,500.00	177,714.44	30,249.26	147,465.18	(1)	Applicant carries 35 percent; term: 4 years.
	218	Feb. 18, 1939	Brazil Oiticica, Inc., New York, N. Y.	Oiticica products	541,034.05	541,034.05	541,034.05		None	Full recourse against applicant; term: 90 days.
	218a	July 18, 1939	do	do	150,000.00	102,980.24	102,980.24		(1)	Full recourse against applicant; term: 60 days.
	221	Feb. 3, 1939	Cen-Tennial Cotton Gin Co., Columbus, Ga.	Machinery	132,584.39	132,584.39	107,699.42	24,884.97	75,115.03	($100,000 revolving credit.) Full recourse against applicant; term: 90 days.
	223	Mar. 2, 1939	Banco do Brasil, Rio de Janeiro.	Dollar exchange—exclusively to meet claims of more than 400 United States exporters.	19,200,000.00	19,200,000.00	3,840,000.00	15,360,000.00	None	Term: 2 years in quarterly installments.
	229	June 9, 1939	American Locomotive Sales Corporation, New York, N. Y.	Locomotives to Sorocabana Ry.	227,500.00				227,500.00	Applicant to carry 35 percent; term: 4 years, quarterly installments.
	232	June 12, 1939	Whitin Machine Works, Whitinsville, Mass.	Machinery	20,000.00				20,000.00	Applicant to carry 40 percent; term: 3 years, semiannual.
	233	do	Bessa-Jonas, Inc., New York, N. Y.	Tropical products	602,545.00	602,545.00	475,710.28	126,834.72	123,165.28	($250,000 revolving credit.) Full recourse against applicant; term: 60 days.
	244	Sept. 13, 1939	United States Steel Products Co. and Bethlehem Steel Export Corporation.	Steel rails to Noroeste Ry.	1,100,060.00				1,100,060.00	Banco do Brasil to advance 35 percent; term: 6 years, semiannual installments.
	247	Sept. 27, 1939	Moore-McCormack Lines, Inc., New York, N. Y.	Ships to Lloyd Brasileiro.	2,275,000.00				2,275,000.00	Banco do Brasil to advance 35 percent; term: 6 years, quarterly installments.
Canada	87f	Dec. 10, 1936	Duplex Printing Press Co., Battle Creek, Mich.	Printing presses	15,000.00	15,000.00	15,000.00		None	Full recourse against applicant.
Chile	174	Oct. 20, 1937	Baldwin Locomotive Works, Philadelphia, Pa.	Locomotives to Chilean state railways.	600,000.00	499,051.00	187,144.12	311,906.88	(1)	Applicant carries 50 percent; term: 5 years, semiannual.
	198	May 9, 1938	International Harvester Co., Chicago, Ill.	Farm machinery	521,871.13	521,871.13	416,289.60	105,581.53	119,418.47	($225,000 revolving credit.) Applicant carries 50 percent; term: 5 months.
	226	Apr. 25, 1939	Westinghouse Electric International Co., New York, N. Y.	Railway equipment.	200,200.00				200,200.00	Applicant to carry 35 percent; term: 5 years, semiannual.
	243	Aug. 4, 1939	Baldwin Locomotive Works, Philadelphia, Pa.	Locomotives to Chilean state railways.	1,600,000.00				1,600,000.00	Applicant to carry 35 percent; term: 5 years, quarterly installments.
	245	Sept. 27, 1939	Fomento Corporation, Chile.	Industrial products machinery.	5,000,000.00				5,000,000.00	Term: 8 years, installment payments.
China	135	May 28, 1936	Reconstruction Finance Corporation ($13,537,387.79) and Farm Credit Administration ($3,070,942.20).	Cotton and wheat	16,608,329.99	16,608,329.99	6,108,329.99	10,500,000.00	None	Payable in installments through 1942.
	155	Feb. 10, 1937	Wah Chang Trading Corporation, New York, N. Y.	Sulphur	85,000.00	75,000.00	75,000.00		(1)	Full recourse against applicant.
	166	May 4, 1937	Anderson, Meyer & Co., New York, N. Y.; Baldwin Locomotive Works, Philadelphia, Pa.; American Locomotive Sales, New York, N. Y.	Locomotives	1,600,000.00	733,200.00	293,280.00	439,920.00	[1] None	Applicant carries 50 percent; term: 5 years, monthly.
	217	Dec. 13, 1938	Universal Trading Corporation, New York, N. Y. (570 purchases from American firms have been financed to date under the above credit, project No. 217.)	Agricultural and manufacturing products.	25,000,000.00	17,090,000.00	2,239,000.00	14,851,000.00	7,910,000.00	Term: 5 years, installment payments; obligation is guaranteed by the Bank of China.

[1] None—balance of commitment canceled.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

MISCELLANEOUS CREDITS—continued

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Cuba	1	Mar. 28, 1934	Republic of Cuba	Silver bullion coined at United States mint.	$3,774,724.93	$3,774,724.93	$3,774,724.93		None	
	54	Dec. 26, 1934	do	do	4,359,095.52	4,359,095.52	4,359,095.52		None	
	109	Sept. 20, 1935	do	do	5,158,202.00	5,158,202.00	5,158,202.00		None	
	139	Aug. 4, 1936	do	do	7,311,537.00	7,198,475.05	7,198,475.05		None	
	175	July 12, 1938	do	do	6,950,475.86	6,950,475.86	6,950,475.86		None	
	186	Mar. 1, 1938	Charles H. Williams & Associates, New York, N. Y.	Hats	37,500.00	37,500.00	37,500.00		None	Full recourse against applicant.
Colombia	235	June 23, 1939	Saco Lowell Shops, Boston, Mass.	Machinery	135,000.00				$135,000.00	Applicant to carry 35 percent; term: 5 years, semiannual installment.
			The Textile Finishing Machine Co., Providence, R. I.		38,000.00	33,337.24		$33,337.24	(1)	Do.
			Draper Corporation, Hopedale, Mass.		60,000.00				60,000.00	Do.
	238	July 18, 1939	Hamlin Machine Co., Malden, Mass.	Machinery	4,500.00	4,500.00		4,500.00	None	Applicant carries 25 percent. Term: 2 years, 60-day installments.
Costa Rica	96	Dec. 12, 1935	American Steel & Iron Co.	Used steel rails	51,000.00	50,878.62	50,878.62		(1)	Applicant carried 25 percent. Term: 2 years, monthly installments.
	248	Oct. 12, 1939	Banco National de Costa Rica.	Dollar exchange—exclusively for purchases in United States.	500,000.00				500,000.00	Revolving line of credit; advances repayable in 180 days.
Finland	250	Dec. 13, 1939	Finnish American Trading Corporation, New York, N. Y.	do	10,000,000.00	38,753.24		38,753.24	9,961,246.76	Term: 5 years installment payments. Obligations guaranteed by Government of Finland.
Haiti	201	June 18, 1938	J. G. White Engineering Co., New York, N. Y. (Purchases from 241 American firms have been financed to date under the above credit: Project 210.)	Construction material.	5,000,000.00	1,905,000.00		1,905,000.00	3,095,000.00	Term: 5 years.
	234	June 16, 1939	Standard Fruit & Steamship Co., New York, N. Y.	Construction material and equipment.	500,000.00				500,000.00	Term: 5 years, semiannual installments.
Iran	177	Dec. 9, 1937	White Motor Co., Cleveland, Ohio.	Tires and automotive equipment.	265,000.00	157,644.32	157,644.32		(1)	Applicant carried 50 percent.
	177	do	Studebaker Export Corporation, South Bend, Ind.	do	100,000.00	64,754.43	64,754.43		(1)	Do.
	213	Feb. 2, 1938	Goodyear Tire & Rubber Export Co., Akron, Ohio.	Tires	130,000.00	110,035.20	97,350.09	12,685.11	(1)	Applicant carries 35 percent; term: 7 months.
	242	July 28, 1939	do	do	130,000.00	129,995.44		129,995.44	(1)	Do.
Italy	239	July 18, 1939	Eagle Ottowa Leather Co., Grand Haven, Mich.	Leather	40,000.00	6,942.04	6,942.04		33,057.96	Term: 6 months.
Mexico	77	May 2, 1935	Armco International Corporation, Middletown, Ohio.	Pipe and water meters.	87,100.00	84,998.26	84,998.26		(1)	Applicant carried 33 percent.
	152	Jan. 28, 1937	Fairbanks, Morse & Co., New York, N. Y.	Pumps and meters	82,500.00	42,000.00	42,000.00		(1)	Applicant carried 50 percent.
	157	Feb. 27, 1937	American Car & Foundry Co., New York, N. Y.	Railway equipment.	500,000.00	225,961.05	92,931.15	133,029.90	(1)	Applicant carries 50 percent; term: 6 years, monthly installments.
	159	do	American Locomotive Sales Corporation, New York, N. Y.	Locomotives	1,250,000.00	602,649.39	602,649.39		(1)	Applicant carried 50 percent.
	160	Apr. 8, 1937	The Permutit Co., New York, N. Y.	Water-purifying equipment.	36,000.00	36,000.00	36,000.00		None	Do.
	171	Aug. 23, 1937	Harnischfeger Corporation, Milwaukee, Wis.	Machinery	125,000.00	57,682.50	57,682.50		(1)	Do.
Nicaragua	227	May 17, 1939	Banco Nacional de Nicaragua, Managua, Nicaragua.	Dollar exchange—exclusively for purchases in United States.	500,000.00	150,000.00		150,000.00	350,000.00	All advances repayable in quarterly installments over 3-year period.
	227a	do	Thomas A. Jones, engineer.	Construction material equipment and services.	2,000,000.00				2,000,000.00	Term: 7 years; semiannual installments, obligations of Republic of Nicaragua.
Panama	246	Sept. 27, 1939	Panamanian Credits, Republic of Panama.	Equipment, materials, and services.	2,500,000.00				2,500,000.00	Term: 8 years; monthly installments.
Paraguay	228	June 1, 1939	Banca de la Republica del Paraguay.	Dollar exchange, exclusively for purchases in United States.	500,000.00	100,000.00		100,000.00	400,000.00	All advances repayable in quarterly installments over 3-year period.
	228a	do	R. W. Hebard & Co., Inc., New York, N. Y.	Construction material equipment, and services.	3,000,000.00	40,000.00		40,000.00	2,960,000.00	Term: 10 years; semiannual installments, obligations of Republic of Paraguay.

[1] None—balance of commitment canceled.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

MISCELLANEOUS CREDITS—continued

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Portugal	219	Jan. 12, 1939	American Locomotive Sales Corporation, New York, N. Y.							
			International General Electric, New York, N. Y.	Railway equipment to Portuguese railways.	$5,000,000.00	$246,016.40		$246,016.40	$4,753,983.60	Applicant to carry 25 percent; term: 5 years, semiannual installments. Obligations guaranteed by Bank of Portugal.
			E. G. Budd Manufacturing Co., Philadelphia, Pa.							
			Baldwin Locomotive Works, Philadelphia, Pa.							
Venezuela	131	May 15, 1936	National Paper & Type Co., New York, N. Y.	Printing presses	36,000.00	33,000.00	33,000.00		(1)	Full recourse against applicant.

[1] None—balance of commitment canceled.

SPECIAL CREDITS, VARIOUS COUNTRIES

Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
87	Oct. 29, 1935	Duplex Printing Press Co., Battle Creek, Mich.	Printing presses	$100,000	$77,571.58	$77,571.58		(1)	Full recourse against applicant.
164	Apr. 22, 1937	do	do	100,000	83,400.00	24,900.00	$58,500	$41,500	($100,000 revolving credit.) Term: 3 years, monthly installments.
215	Dec. 8, 1938	International Telephone & Telegraph Corporation, New York, N. Y.	Telephone equipment	10,000,000	10,000,000.00	200,000.00	9,800,000		Term: Installments over period of 10 years.

[1] None—balance of commitment canceled.

The International Telephone & Telegraph exports annually equipment from the United States valued in excess of $3,000,000. The above represents the Export-Import Bank's participation in a $15,000,000 credit, the other $5,000,000 being provided by 5 American commercial banks.

SPECIAL TRANSACTIONS

Germany: The Export-Import Bank, acting on behalf of Farm Credit Administration, negotiated the settlement of a loan of $2,661,309.75 to Deutsche Getreide Handelsgesellschaft, m. b. h., upon which payments of principal were in default. Since Jan. 15, 1938, the sum of $1,500,000 has been collected, and the obligation is being reduced at the rate of $75,000 per month.

The passage of this bill does not involve any increase in the indebtedness of the United States. The Export-Import Bank has actually earned money on its operations since its inauguration. It will continue under the able management of Jesse Jones, who, I think, is perhaps the ablest administrator in the United States; a man who always has his feet on the ground; a man whose judgment is sound; a man who has made a success of his private business and a success of the great interests of the United States that have been entrusted to his care. I believe we can rely upon him to do the right thing by the people who come to this great institution asking for loans, and I believe we can rely upon him also to protect the interests of the United States. Leaving out of the question anything in regard to the Finnish loan, it is my belief that this bank, tried upon its own record and its accomplishments, will justly deserve to secure the additional $100,000,000 and an authorization to continue its functions. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, there seems to be a difference of opinion as to whether this bill is even supposed to be one providing aid for Finland. Certainly the press of the country, and I believe the people of the country, feel that the House is today considering a bill to make possible a loan to Finland; and I believe they think this is true because of statements uttered by the President of the United States. The President certainly indicated very plainly that the Export-Import Bank was the proper medium through which to give assistance to Finland. He so stated on at least two occasions.

There are definitely two questions involved in the consideration of this bill. The first is whether or not we should, regardless of Finland, increase the capital of the Export-Import Bank by $100,000,000, and I thought at least until this morning that we were considering possible aid to Finland. We do not need to give much consideration to the question of increasing the capital of the Export-Import Bank. If in the wisdom of Congress they feel that such provision will aid the export business of the country and is needed, such a bill will pass. I do believe, however, that we should give much more consideration to whether or not Finland is going to get a dime because of the increase by $100,000,000 of the capital of the Export-Import Bank. Certainly Mr. Jones told us in the Committee on Banking and Currency that there was no assurance the way this bill is drawn, that if the bill is passed Finland would get a dime. He said: "Finland may get $5,000,000, she may get $7,000,000, she may get $12,000,000, and she may not get anything."

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Very briefly.

Mr. O'CONNOR. What is to prevent this same bank from making a loan to Finland of $20,000,000 if we do not pass this bill at all?

Mr. MILLER. Nothing. If the bank wanted to make it they would have made it a long time ago.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield on that point?

Mr. MILLER. Very briefly.

Mr. CRAWFORD. It is also true that under the law as it now stands, and under this bill as it came from the Senate, the Export-Import Bank could lend to our nationals many times $20,000,000 to ship the same kind of goods to these countries.

Mr. MILLER. If they wanted to; certainly. I believe that the Members of this House and the people of the United States want to do something for Finland. I believe we should

be given the opportunity of doing it here today; and at the proper time an amendment will be proposed that will make possible a definite vote.

The gentleman from Kentucky [Mr. SPENCE] made a great deal of the fact that we would in fact be instructing the board of directors of the Export-Import Bank as to how to run their business. I do not believe that is quite a proper interpretation of the action of this House, assuming that the House does take action to indicate to Mr. Jones that it is our desire that if Finland can meet the conditions we want the bank to make a loan to her. At the proper time I shall propose an amendment authorizing the Export-Import Bank to make such a loan. I believe, however, that we should not make it mandatory, but under existing circumstances they are authorized. It is possible there may be a declaration of war between Russia and Finland in the next week, which would change our position, but with the word "authorized" or "empowered" used therein, we would indicate our desire to authorize a loan to Finland on proper application of not to exceed $20,000,000 without restriction on the type of merchandise to be purchased in the United States. After all, if Finland wants help, she needs the things necessary to defend her territory and her liberty and we are not going to serve our conscience much if we simply increase the capital of the Export-Import Bank and allow Finland to buy things in this country that are surpluses, then go back home and righteously throw out our chest and say, "I voted for $100,000,000 and I thought a great deal of that would aid Finland," when, as a result of statements made on the floor this morning, if the bill passes in its present form Finland will get certain surpluses, and that is all she will get.

Mr. ALLEN of Pennsylvania. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. If we do not lend Finland money for defense purposes, for implements of war, for instance, our chances of ever getting any money back which we lend her for civil purposes will be very small.

Mr. MILLER. You will lessen that chance.

That brings us up to the question whether or not we have a right under international law and under our own Neutrality Act to make this loan. I call attention to the fact that the bill as drawn provides that the loans must be made in accordance with international law as determined by the State Department, and the amendment I propose to offer will not strike out that provision. Certainly I would not want to advocate and would not want to be a party to any violation of international law. If we are going to accept the ruling of the State Department and assume the attitude that there is no war going on in Finland or that Finland and Russia are not at war, and that China and Japan are not at war, then we can ship anything we want to those countries, because if we determine that they are at war, then certainly we cannot lend them money. If munitions are contraband, then by the same token money is contraband. There is not a Member of this House who would propose today that we lend money to any of the countries that are openly and legally at war, so we must start on the premise that legally there is no war between Finland and Russia. We have adequate precedents for this. You can split hairs and say that the Export-Import Bank did not lend $25,000,000 to China. No; that loan was made to a Chinese corporation in New York, and by the same token and by the same subterfuge the United States Government is not going to lend money to Finland.

We are going to do that through a corporation, the Export-Import Bank. I am sure if we notify Finland that the Export-Import Bank has $20,000,000, it will lend to a Finnish corporation incorporated in New York under the laws of Delaware, that that corporation will be set up before this bill can be passed.

Mr. JOHNS. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Wisconsin.

Mr. JOHNS. Is it not a fact that they have such corporation set up now and we have already lent it $20,000,000?

Mr. MILLER. We have lent it $10,000,000, of which $8,000,000 have been spent, but I think that was a direct loan. Finland can qualify under the same requirement that we invoked for China.

The gentleman from Kentucky [Mr. SPENCE] emphasized the fact that this bank had to be bound by reasonable banking practices, that a loan implied security; still if you read the hearings Mr. Jones told the Banking and Currency Committee, and I know the gentleman from Kentucky will accept Mr. Jones' word for it, that he was confident it would be safe and prudent to lend Finland $20,000,000, and he felt Finland would repay that loan no matter what happened in the present emergency. I think his words were that there will be a Finnish people and a Finnish spirit for many years to come. He felt we were perfectly safe in lending this money to Finland under existing circumstances.

I think this covers, as best I can in the few minutes available, the thoughts I have on the Finnish loan. I would like to go back to the question of increasing the capital of the Export-Import Bank by $80,000,000 more than is needed to take care of this Finnish loan, and I want to revert to a loan made to a Chinese corporation, guaranteed by the Bank of China, which is in turn controlled by the Government of China.

This money was lent for the purpose of shipping automobile trucks, largely manufactured by the General Motors Corporation, to China. I submit that the Treasury of the United States is not in any condition to go out and borrow from its taxpayers money to lend and make possible the shipment of trucks, locomotives, and so forth, to any foreign government. I asked Mr. Jones if he could tell me why it was that General Motors, with its excellent financial condition, with the tremendous cash reserves its last statement shows, adequate, ample cash reserves, should not finance these shipments, and why the taxpayers of the United States should finance the shipment of these trucks, and so forth, for General Motors to China.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MILLER. Mr. Chairman, Mr. Jones said, in substance, that perhaps they were able to do it, but they would not do it. You can make the statement all you want that this money is not going to increase the national debt, but there is only one place that the Treasury of the United States, the R. F. C., or the Export-Import Bank can get money to spend or to lend to anybody, and that source is the taxpayers of the United States. Whether you route it through the Export-Import Bank or the R. F. C., if the money is lent to anybody it has to come from the pockets of the taxpayers. I do not believe we are in any condition to increase the capital of that bank for the purposes indicated in the hearings. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, a great deal has been said about this simple little bill which merely has as its purpose increasing the authority of the Export-Import Bank in the sum of $100,000,000. A great deal has been said about the bill for the purpose of making a loan to Finland.

As a matter of fact, under that bill loans will probably be made to China, to Sweden, and to Norway, still no one has had the temerity to get up and call it a Norwegian-loan bill or a Swedish-loan bill, or a Chinese loan bill, and as a matter of fact, it is none of these. It is not a bill to loan money to any particular country or any particular group of individuals; it is merely an authorization to increase the bank's lending power $100,000,000. If in the course of disbursing these funds an additional $20,000,000 is loaned to Finland, there is authority for that in this bill, but there is also a restriction that no person, corporation, nation, or otherwise, can secure a loan in excess of $20,000,000.

A great deal has been said about lifting the lid and letting us loan this money to Finland for any purpose. Let me make this observation. If Finland has $5,000,000 or $10,000,000 that she can transfer into dollars at the present time she can come to the United States and buy anything she has the money to pay for, and take it away, under the cash-and-carry provisions of the Neutrality Act. She can buy foodstuffs, munitions, or anything else. As a matter of fact, she is doing that right now with her own money, and there is no bar in international law that keeps us from selling to her providing she comes over and takes the goods away, under the provisions of the Neutrality Act. However, to make a loan to Finland to purchase war materials is a horse of another color. Clearly, if we did that, regardless of the fact that she is not at war technically, we would be, if not actually, violating international law or coming so close to it that we would be endangering the peace and safety of the United States, because that would put us in a position that might involve us in a war with another power.

If my friends on the other side, who claim they are the great peace party and who are going to save the United States from getting into war, are going to insist that we make that kind of a loan, a loan for the purchase of war materials, they will have lost their peace status entirely, and as warmongers must reckon with the people of the United States. Permit me to tell you that, gentlemen, to warn you before you make that mistake, for I am convinced that while 98 percent of the people want to help Finland, an equal number want to keep out of foreign wars.

It has been said and it should be said again that the primary purpose of this bill is to place funds at the disposal of the Export-Import Bank for the purpose of stimulating the foreign trade of the United States, and particularly the exports of the United States. I believe one of my colleagues on the committee, the gentleman from Tennessee [Mr. GORE], has a specific case to present to you. May I ask the gentleman from Tennessee if he does not have such a specific case?

Mr. GORE. Yes.

Mr. THOMAS F. FORD. That will explain exactly the mechanics of these loans.

On many occasions American exporters come to the Export-Import Bank and ask for a commitment of $1,000,000, $5,000,000, or whatever sum they happen to need. The reason they ask for that money is that they have bid on some large project in a foreign country, and they want to be sure of having the capital to carry it out if they get the order. They cannot go to an ordinary commercial bank and get that kind of a loan because the loan must run over a period of years, beyond the time a local commercial bank can loan. The bank investigates the matter, or the board does, and if they find that it is a sound loan, that if the people having the work done in the foreign country can get a good bank to endorse their paper and the firm that wants to do the work is a sound concern and can give its own endorsement and can participate to some extent in the loan the loan is made, and as a result $4,000,000 or $5,000,000 worth of American exports are sent to a foreign country and ultimately paid for.

Of the $290,000,000 that has been committed, only about $118,000,000 has been loaned and paid out. In my judgment, that ought to be a fairly good criterion by which to judge the care and the caution with which this bank handles the money entrusted to its care for the purposes we have heretofore stated.

Mr. Chairman, this is not a Finnish loan. This is no more a Finnish loan than it is a Chinese loan or a Norwegian loan or a Swedish loan or a railroad material supply loan. Any one of those captions might be applied to it under the philosophy that the opposition has attempted to develop here today.

If the Export-Import Bank receives this additional $100,000,000, it will be in a position to take up the $60,000,000 of advance commitments that it has made, and will have about $40,000,000 additional to make new loans. If I had my way, and if Mr. Jones would say he would take it, I would have liked to increase this amount to $300,000,000, because I can conceive of a situation arising in South America which will force good business that has been going to European concerns who can no longer supply their needs to turn to merchants and industries in this country. I can see under such conditions an opportunity for this bank to do a great deal more business than it is doing now, and for our American exporters to do a great deal more business than they are doing right now. For that reason I would like to see the bank have this authority increased, not $100,000,000 but $200,000,000, to enable it to carry on that business.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. I am sorry, I cannot yield.

Mr. PATRICK. The gentleman is shedding so much light I thought maybe he would shed a little more.

Mr. THOMAS F. FORD. The gentleman will have an opportunity later.

Mr. PATRICK. I thank the gentleman.

Mr. THOMAS F. FORD. Now, they say there is going to be an amendment offered to this bill directing the Export-Import Bank to lend a certain amount to Finland. Another Member will offer an amendment that does not direct but merely authorizes the bank to make the loan. This is exactly the position of the old lady who said to her daughter who wanted to go out to swim, "Yes, my darling daughter; hang your clothes on a hickory limb but don't go near the water."

Under this bill, which I favor and shall vote for, if Finland can qualify for an additional loan of $20,000,000, she will get it. If the amendment to authorize a loan carries, Finland will still have to qualify to get the loan. Even if the so-called Fish amendment is adopted, Finland will still have to qualify, unless the Fish amendment provides for a gift of that sum to Finland.

Either of the amendments will delay the loan to Finland.

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, I yield to no one in my sympathy or admiration for the Finnish people, but in this bill my sympathy or the sympathy of the people of the country is being used as an excuse to get more money for the Export-Import Bank.

That this is true is evident from the testimony of the Federal Loan Administrator, Mr. Jesse Jones, as presented in the hearings.

On page 35 Mr. GIFFORD asked the following question:

> Somebody is trying to take advantage of it by using Finland's situation to get $100,000,000?
>
> Mr. JONES. There is no reason for Finland to be mentioned in this bill at all. This is the same bill which came up here last year.

Again, on page 36, in answer to a question by Miss SUMNER of Illinois, Mr. Jones said:

> I think if you do not want to pass this bill for general purposes it should not be passed.

Again, on page 45, Mr. JOHNSON asked:

> Do you consider this a bill to assist Finland?
>
> Mr. JONES. Not necessarily; no.

Again, on page 71, I said to Mr. Jones:

> There is no guaranty in this bill that any money goes to Finland, is there?

Mr. Jones answered:

> That is correct.

So let us forget the Finnish situation for a moment and consider this bill on its merits alone. I want to address myself particularly to my Republican colleagues.

Do you realize that if you vote for this bill you are adding $100,000,000 to the actual debt of the United States on the excuse that possibly, and at the most, $20,000,000 of it will go to Finland?

On page 71 of the hearings I said to Mr. Jones:

> This loan therefore is going to increase the public debt.

Mr. Jones replied:

> Indirectly; yes.

For where is this $100,000,000 coming from? It cannot be manufactured from thin air. As Mr. Jones testified, this money will come from a loan to the Export-Import Bank by the Reconstruction Finance Corporation.

Now, where does the Reconstruction Finance Corporation get the money? Mr. Jones testified that this would come from the people of the United States through the Reconstruction Finance Corporation's selling bonds guaranteed, principal and interest, by the Federal Government.

Those of you who are going to support this bill are supporting the dodging of the Federal debt limit by allowing the sale of more Government-guaranteed bonds. As far as I am concerned, I do not believe in fooling the American people any further in this manner and will vote for no more guaranteed bonds under any circumstances.

Are we Republicans going to give the New Deal these additional funds with a possible pittance for Finland as a bait?

There is another important policy to be considered in this bill. The first Export-Import Bank was organized to finance business with Russia; the second to finance business with Cuba; and after these banks were merged into one the bank was used to help finance loans to American importers and shippers, largely to South America.

Many of these commitments were made for financing railroad equipment, and on much of the business no actual money was advanced at all, but the bank would guarantee a portion of the loan made by an exporter or a private banker in exchange for receiving a portion of the interest; thus, though the potential contingent liabilities of the bank were large at times, but a small amount of their capital funds were actually being used.

But today the bank seems to be entering on a new policy—that of lending our people's money to foreign governments themselves—for Mr. Jones testified that besides a small loan which may possibly be made to Finland, they were also committed to a loan to Norway, to Sweden; that Denmark had made application and that they were considering another $25,000,000 loan to China besides the $20,000,000 already loaned. If we are to enter into this policy, we should do it with our eyes open.

In the twenties our people financed, through the purchase of foreign bonds, exports from our country to foreign countries. Today a large portion of these bonds are in default—most of the central European bonds and 77 percent of the South American bonds—so that these South American and European nations not only got our money but our goods, too; and we have been criticizing the investment bankers for having advanced this money ever since.

Now we are entering upon the policy of having our Government, through the Export-Import Bank, do the same thing. Will there not be the same result? Only this time the Government itself being the creditor, will this not bring us even deeper into foreign troubles and squabbles?

There will be the same talk of Uncle Shylock. Nobody loves the man who lends him money after the money he lends has been all spent and he is asking for repayment. It seems to me that these New Deal creations go on and on and are always looking for more ways to spend the taxpayers' money, for if one source of spending dries up they seem always able to find another excuse to spend somewhere else.

If these loans to foreign governments are good, why is it necessary for a Government subsidiary to make them? We all know that there is a plethora of money in the banks; that excess reserves are the greatest in history; that every banker is anxious to find a safe place to use his bank's money if he can make the slightest return.

Today the banks are putting their money into 4- and 5-year Government bonds which yield less than 1 percent; and yet Mr. Jones testifies that they will not make these loans to foreign governments for the same term of years at 5 percent.

Is this merely a reflection of the current loss of confidence caused by New Deal policies and the tendency to "pass the buck" to the Federal Government to take over all the business of this country, or is it just that these loans are not safe? If this is the case, why should the Government take risks that the banks will not? Is the money of bank stockholders and depositors any more sacred than the taxpayers' money? We are trustees of the people's money and it is up to us to protect their interest.

This bill should be defeated. [Applause.]

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. KEAN. Yes; I yield.

Mr. CRAWFORD. I understood the distinguished chairman of our committee a while ago to say that every loan to be made under this bill, if it is enacted in its present form, cannot exceed $20,000,000. Mind you, I say "every loan." Does the gentleman understand that to be the fact in this case?

Mr. KEAN. I understand that no loans can exceed $20,000,000, or any new loans.

Mr. CRAWFORD. That is the point I am raising.

Mr. KEAN. That is, of the loans that have already been made; for instance, China has already been loaned, I believe, $25,000,000, and they can lend them $20,000,000 under this bill, which would make a total of $45,000,000.

Mr. CRAWFORD. The language of the bill is:

Provided further, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof, which are hereafter authorized to be made and are outstanding at any one time, shall not exceed $20,000,000.

Wherein does that limit the loans that can be made to our nationals by the Export-Import Bank out of these funds or any other funds to $20,000,000?

Mr. KEAN. It does not limit it at all.

Mr. CRAWFORD. That is the point I want to clear up.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. O'CONNOR. The gentleman has stated, I believe, that the South American countries are in default on their bonded indebtedness to the extent of about 75 percent.

Mr. KEAN. Seventy-seven percent.

Mr. O'CONNOR. I have reliable information to the effect that the South American nations, with perhaps one exception, are already in default to the citizens of this country—not the Government, you understand—to the extent of $3,000,000,000.

Mr. KEAN. The actual amount outstanding today is $1,200,000,000. The total South American bonds outstanding, as I understand it, is $1,600,000,000, and the South American countries are in default $1,200,000,000. I believe the gentleman from Montana probably is thinking of the entire amount that was sold in this country. The South American governments have repatriated their bonds and instead of using the money to pay interest on the bonds, which they should have done under the terms of the bond, they have been taking this money and buying in their own bonds at 10 or 11 or 12 or 13 percent of par.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. O'CONNOR. The authority I was quoting is Senator ADAMS, who made a statement on this matter on February 13, as found in the CONGRESSIONAL RECORD at page 1393, as follows:

The South American nations, I think, with perhaps a single exception, are in default upon bonds and obligations due to citizens of the United States aggregating some $3,000,000,000.

Mr. KEAN. I hope the gentleman from Montana will support my amendment not to let the Export-Import Bank lend any money to any country that is in default to any citizen of this country. [Applause.]

Mr. O'CONNOR. I will say to the gentleman that I shall think it over.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, unfortunate though it may be, this bill, as has been said, is regarded by the press and has

been accepted by the country, I fear, as a Finnish loan bill. Accurately it has been said that Finland is not mentioned in the bill. Neither is any other country mentioned.

The distinguished gentleman and my colleague on the committee who preceded me, the gentleman from New Jersey [Mr. KEAN], agrees with that statement, and invites us to forget the Finnish loan angle and discuss the bill upon its merits. That challenge I accept. Prefacing that, I wish to say that Mr. Jones said that he would not consider the passage of this bill a mandate to make a loan to Finland. No commitment, he said, has been made to Finland other than that already made, quite apart from the consideration of the bill in question. Mr. Hackworth, representing the State Department, made two statements which I repeat to you. He said that a loan to Finland under existing circumstances by the provisions of this bill would not be a violation of international law. He said also that it would not be in violation of our Neutrality Act. With that, Mr. Chairman, I leave to the older and more learned of my colleagues in the field of international law, the discussion of the Finnish angle, and proceed to the challenge which I accept of my distinguished colleague from New Jersey.

The opposition of the minority Members appears to be to the entire provisions of this bill, with the exception of some proposed mandate to make a loan to Finland. The Export-Import Bank was organized in 1934 by Executive order, and, by subsequent legislative acts, it has been continued as an agency of the United States Government. Its capital stock is owned by the Government, and by the R. F. C. Of its $46,000,000 of capital stock, one million of common stock is owned by the Government and held in the name of the Secretary of State and the Secretary of Commerce in their respective official capacities. Forty-five million dollars of preferred stock is owned by the R. F. C. The Corporation is doing an international banking business, having as its purpose the aiding and facilitation of exports of American products. The gentleman from New York [Mr. FISH] made the statement that we had appropriated $100,000,000. We have never appropriated anything to the Export-Import Bank, to my knowledge, other than for its administrative expenses. The net earnings of the bank over its life have been something over $5,000,000. Its net earnings was $2,344,776 in 1939. It has had no losses. It cannot be said, however, that no losses will occur. In all probability losses will occur, but it can be said now in high commendation that no loss has been sustained by the bank. I believe the nearest approach to a loss was in a loan to Spain, and in referring to this particular loan as a "loan to Spain," I commit the error ordinarily committed by us all when we refer to a loan to some corporation or person within a country as a loan to that country.

In this particular case Smith & Co., of Mayfield, Ky., sold to a purchaser in Spain $672,871.78 worth of tobacco. Such terms and such characteristics of the loan prevailed that the company could not finance the whole account. That company applied to the Export-Import Bank. The Export-Import Bank made the loan. All of the loan has been repaid except $46,530.46. Some say that the remainder will not be repaid. That may be true. The Export-Import Bank has to its credit on deposit that amount of Spanish currency. Of course, time will not permit a discussion of the economic and internal repercussions in Spain due to the civil war, but suffice it to say here that the present prospects are good for an eventual honoring and recognition and redemption of this currency by the present Spanish regime. Nevertheless, even though there are prospects now of a redemption of this currency, the Export-Import Bank has set up in its reserves a sufficient amount of money to offset and write off this $46,530.46 which has not yet been collected. Mind you, this $46,530.46 is not shown in the net earnings which I have recited to you as being over $5,000,000.

Conceivably, I could be of some service to the membership by taking an example.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. WHITE of Idaho. The gentleman states that we have made Federal appropriations for administrative expenses of this bank. He states next that they made a profit of one million or two million dollars. Has any step been taken to repay advances made by the Federal Government in the way of appropriations for Federal administrative expenses, or are we to contribute that much to the profit of the bank?

Mr. GORE. I am glad the gentleman has asked that question. I beg to correct him in that I did not use the word "profit"; I used the words "net earnings." The bank is an agency of the Government itself. It is limited in time to 1941.

Mr. WHITE of Idaho. Are these profits covered back into the Treasury?

Mr. GORE. I decline to yield further until I have finished answering the gentleman's question. Whenever the agency is liquidated, whatever profit exists goes to its principal. Furthermore, the earnings on the preferred stock, $45,000,000 of the $46,000,000 of which is held by the Reconstruction Finance Corporation, go to the Reconstruction Finance Corporation, which is another agency of the Federal Government.

In this example which I will take, I will not only take a typical example but I will take an actual example. In this case the Sorocobana Railroad, of Brazil, asked for bids for railroad equipment. The American Locomotive Sales Corporation, of New York, was the successful bidder. The terms of the loan were such that the American Locomotive Sales Corporation, of New York, did not feel itself justified in carrying the account. In fact, they said they were not financially able. The Sorocobana Railroad wanted an amortization schedule over a 4-year period. They applied, before they made their bid, to the Export-Import Bank. The Export-Import Bank made its investigations and tentatively made a commitment. The American corporation, the American manufacturer and exporter, upon that tentative commitment, made a bid. As I formerly said, he was the successful bidder. The contract was drawn. The notes were signed by the Sorocobana Railroad in favor of the American Locomotive Sales Corporation.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GORE. Those notes were endorsed by the Bank of Brazil. They were then transmitted to the American Locomotive Sales Corporation. The American Locomotive Sales Corporation then sold the notes to the Export-Import Bank, with the American exporter participating to the extent of 35 percent—meaning by "participating" that the American Locomotive Sales Corporation assumed and carried 35 percent of the loan or account, itself; but being unable to finance the entire account, the Export-Import Bank purchased 65 percent of the paper. Payments on that account have been current. There has been no default. In fact, there is no defaulted loan in the entire operation of the bank.

I ask you, Mr. Chairman, why is that not sound business?

Some attention should be given to the argument that because the Government of Brazil, or the government of some other country, is in default with some of its bonds, that the security of the Bank of Brazil is no better endorsement than the Government itself. Logical though this may appear in theory, nevertheless it is fallacious in that a government can default and continue to be a nation, continue to be a people; but a bank can only default by closing its doors. In fact, only one loan has been made directly to a government. That was not directly, but enough so to say that it was a direct loan to a government. All the other loans have been to nationals or corporations or business institutions within the countries. They have had security or the endorsement of a bank within that country. Not only a bank within that country, but a responsible bank within that country.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. POAGE. It seems to me I am getting a little confused here. Does the gentleman mean that the loans are made to an individual or a bank in the foreign nation? Are not the loans made to an American national or an American corporation that is selling the goods in the foreign nation and accepting foreign credits, which are then purchased by the Export-Import Bank?

Mr. GORE. I would be glad for the gentleman to apply his own interpretation to these facts. The paper is generally bought from the American exporters.

Mr. POAGE. That is right, but the American Export-Import Bank never makes a direct transaction with a foreign agency?

Mr. GORE. If the gentleman means that the money leaves America, it never does; and the bank does not make a direct contract with the foreign purchaser. The bank deals through the American exporter and buys paper from the American exporter which has been executed by foreign purchasers, with the proper endorsement.

Mr. POAGE. Do we also require endorsement of that paper from the American exporter?

Mr. GORE. I will be glad to answer that. In some cases they do; in some cases they do not. Further, in some cases we retain a vendor's lien upon the property sold. One of the most beneficial things that the bank has engaged in is a line of credit to small exporters.

I hold in my hand, which you can see, two sheets of small corporations which have been given a line of credit, with only one exception, of from $2,000 to $10,000. The line of credit is revolving, in that these companies can continue to use that line of credit so long as it has outstanding at no time more than its line of credit. For instance, the Anglo-American Trading Corporation has been given a line of credit of $10,000. The bank has disbursed to that corporation over its operation $62,000. All of that has been repaid except $1,160. It is still operating. The line of credit is still in effect. Why is that not beneficial to that small company and to the country as well?

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, we are faced with a very difficult problem today. There is an overwhelming desire in this country to aid Finland in her gallant fight to save her homeland, but there is just as strong a feeling that we must take no steps that would involve us in foreign entanglements or violate our neutrality. The question is, How can we help Finland and at the same time maintain our strict neutrality?

In my opinion, the pending bill, because it does not include implements of war, would in no way violate our neutrality, but I am wondering if it will accomplish its purpose in bringing the necessary aid to Finland. This raises the question whether or not we can make a direct loan to Finland without any conditions attached as to its use. I addressed this question to the Honorable Cordell Hull, Secretary of State, and received the following reply:

FEBRUARY 23, 1940.

DEAR MR. CHIPERFIELD: I am in receipt of your letter of February 16 inquiring whether, if the Congress should, under existing conditions, appropriate a sum of money for Finland without any condition attached as to its use, such a loan would violate our Neutrality Act, the Constitution, any domestic law, treaty, or obligation of the United States under the law of nations.

The Neutrality Act would not become operative as to Finland unless, as stated in section 1 thereof, the President should issue a proclamation after he "or the Congress, by concurrent resolution, should find that there exists a state of war * * * and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States." No such proclamation has been issued by the President.

While section 7 of the act prohibiting the making of loans or the extension of credits to belligerent governments is not by its terms applicable to this Government, there is authority for the proposition that the making of loans for general purposes by a neutral government to a belligerent government is contrary to the principles of neutrality.

The Convention on Maritime Neutrality between the United States and other American republics concluded at Habana in 1928 states, in article 16, that a neutral is forbidden to grant loans or to open credits for a belligerent during the progress of war, but that "credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials are not included in this prohibiion."

The suggestion contained in the President's letters of January 16, 1940, to the President of the Senate and the Speaker of the House of Representatives was that Congress might authorize an increase in the revolving credit fund of the Export-Import Bank and authorize the "Reconstruction Finance Corporation to purchase loans and securities from the Export-Import Bank to enable it to finance exportation of agricultural surpluses and manufactured products, not including implements of war." It will be noted that the President's suggestion was confined to exportation of agricultural surpluses and manufactured products and specifically excluded "implements of war." He also stated that, if the applications for loans were acted upon favorably by the Congress, the matter would be kept "within the realm of our neutrality laws and our neutrality policies."

I know of no provision in our Constitution prohibiting Congress from making an appropriation of the character referred to, nor do I know of any statutory provision that would be contravened, but even if there were some inconsistent provision in existing law, it would, in my opinion, be superseded by our present act making an appropriation for the purpose mentioned by you.

Such an appropriation for purposes stated by the President would not run counter to provisions in any treaty to which the United States is a party, nor would it, in my opinion, run counter to the law of nations.

Sincerely yours,

CORDELL HULL.

From this letter I reached the conclusion that if such a loan were made there would be no violation of our Neutrality Act because the President has not found there exists a state of war between Finland and Russia, and it is not necessary to do so to promote the security and peace of the United States, or to protect the lives of citizens of the United States.

However, there is no question, but it is a well-recognized principle of international law, that a neutral is forbidden to grant loans for general purposes, or open credits to a belligerent during the progress of war. Whether we would be violating this rule of international law in making a loan to Finland for general purposes would seem to depend on whether Finland and Russia are belligerents, as defined by international law. If we consider that Finland and Russia are belligerents under international law, then we cannot make a loan without restrictions as to its use. On the other hand, if they are not belligerents, we can make them a loan for general purposes without violating our neutrality.

Upon this question whether Finland and Russia are belligerents under existing circumstances I have consulted Dr. Carl L. W. Meyer, of the International Law Division of the Congressional Library, and he has reached the conclusion they are not belligerents. His letter is as follows:

Having reference to our conversation last Saturday in respect to the international relationship between the United States on the one hand and Finland and Russia on the other, I am in a position to state that the Government of the United States has not recognized thus far that war exists between Finland and Russia. Nor has any declaration of war been issued by Finland or Russia. Officially, therefore, the relationship between the United States and the said countries is quite different from what it would be if a state of belligerency had been recognized.

You are well aware, I am sure, that the existence of a state of war will call into operation the international law of neutrality; the right of visit and search on the part of the belligerents and the duty of neutrals to submit to it; and other rights and duties incidental to the international law of war.

I am enclosing a copy of a report recently prepared by me entitled "Loans or Contributions of Money by Neutrals to Belligerent Nations." As I indicated in the introductory note, the references contained in this report are applicable to belligerents and neutrals and have no direct bearing, at the present time, at least, on the relationship between the United States and Finland or Russia, since the Government of the United States, as stated above, has thus far not recognized that a state of belligerency exists. The said references merely refer to the rights and duties of neutrals in respect of loans to belligerents.

I am also enclosing a statement concerning opinions of authorities on international law on belligerency, for which you have asked me.

If his views are correct, then there would be no reason why this Congress, so far as international law is concerned, should

not make a direct loan to Finland without any conditions attached as to its use.

There seems to be a clear distinction between undeclared wars and recognized war so far as neutrals are concerned. Strange as it may seem, there can be an armed conflict and still not be a recognized war. If neither of the parties admit there is a legal state of war and neither exercises belligerent rights against neutrals, they need not necessarily be considered as belligerents. Just because there is an armed conflict going on between two nations, which everyone knows to exist, is no reason why our country should recognize a state of belligerency between those nations unless it is for our best interest to do so.

This distinction has been recognized by Dr. Thomas H. Healy, professor of international law and dean of the school of foreign service of Georgetown University, on pages 71 and 72 of the hearings before the Committee on Foreign Affairs. He said:

You have before you proposals to include warfare or undeclared wars as distinguished from recognized wars. Such warfare is neither new nor illegal, and we ourselves have indulged in it. As far as neutrals are concerned, there is a vital difference between warfare and war. Unless at least one of the parties admits that there is a legal state of war, neither exercises belligerent rights against neutrals.

I might say that the hearings have been available only today, but Mr. R. Walton Moore, Counselor for the State Department, in his testimony before the committee made the same definition. His statement will be found on page 57 of the hearings.

Continuing Dr. Healy's statement, he said further:

As the Far Eastern conflict has precipitated this discussion, we should remember that not a single nation on the face of the globe (not even including China itself) considers that conflict as war, nor has either China or Japan attempted to exercise belligerent rights; that is, the right to stop, search, and seize neutral ships and cargoes on the high seas.

Mr. Green H. Hackworth, legal adviser to the Secretary of State, in his testimony before the Foreign Relations Committee, page 39, said in a reply to a question from Senator JOHNSON of California:

I think, Senator, you have to take into account another situation which may or may not, in your judgment, be persuasive one way or the other; that is, that both Soviet Russia and Finland have said in unqualified terms that they are not at war. Soviet Russia said that to the League of Nations. Finland said it to the Government of the United States. Each has said that it is not making war on the other party.

Again, Senator JOHNSON of California asked this question:

Do you think we fool anybody by saying that countries are not at war when actually they are shooting down one another all day long?

Mr. HACKWORTH. Of course, you do not; you do not fool anybody by that, but you still have the question as to whether we are going gratuitously to say that they are at war and thereby circumscribe our rights—whether there is any particular reason for doing that.

Senator JOHNSON of California. There is one reason for doing it, and a very good reason; that is, it is a fact.

Mr. HACKWORTH. It raises still a further question, whether we have to recognize every fact, or whether we can pass over the fact, if it is to our interest not to recognize it, if we are under no obligation, no compulsion, to recognize it.

And again on page 41, in reply to this question from Senator BARKLEY:

To what extent has this new form of war, this undeclared war, modified the rules of international law?

Mr. HACKWORTH. I do not know that you could say that it has modified the rules of international law, because under international law a neutral is not obligated to recognize a state of belligerency between two other countries which expressly deny belligerency, unless his interests are such as to make it impelling that he should do so.

At no time has the United States recognized a state of belligerency between Finland and Russia. Therefore there seems to be no legal reason why a direct loan could not be given to Finland under present conditions without restrictions as to its use. While such a right apparently exists, the wisdom of adopting such a policy of granting loans to other nations, when there is an actual armed conflict existing but when a state of belligerency has not been recognized, to be used for the purchase of war materials in this country is an entirely different question. We do know, however, that Finland needs small arms, ammunition, shells, and airplanes, and, although she would be grateful to receive a loan to obtain raw material and food products, that is not her crying need at the moment.

We do know that on December 13, 1939, a $10,000,000 loan to Finland was approved, and yet after more than 2½ months she has not used all of this loan. We do know that we are attempting by this bill to appropriate $100,000,000 to loan Finland $20,000,000 for materials that would probably not help her win the war.

But let us remember this: While we may differ as to the best course to follow, we as private citizens can continue to make any gift or donation to Finland we desire until the President invokes the Neutrality Act, when section 7 of that act, prohibiting any person from making any loan or extending any credit to any government named in such proclamation, will be in full force and effect. I hope we will continue to make these gifts.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, I shall support the pending resolution. When all the facts relative to the resolution are thoroughly known and understood I cannot understand why anyone should oppose it. I have heard only two suggestions made by any who questioned the wisdom of the legislation. I heard someone say that it might be a step toward war and that being for peace he would, therefore, oppose the resolution. I heard another indicate that he might vote against the resolution because he felt that the distressed condition in this country and of agriculture in particular called for the expenditure of these funds at home rather than abroad, and for that reason, believing that charity should begin at home, we should not appropriate money to be spent abroad. I want to discuss these two questions briefly because there is a good and adequate answer to both, and when thoroughly understood neither objection is tenable.

As to the objection that this is a step toward war, I say that this fear is founded upon a misapprehension or misunderstanding of international law and of our own neutrality law and our own policy in dealing with other governments. As was just said by the gentleman from Illinois [Mr. CHIPERFIELD], who read a letter from Secretary Hull, this resolution as it is drafted violates neither our neutrality law nor our rights as a neutral under international law. We all understand, of course, that until our own neutrality law is invoked its provisions do not apply. Our neutrality law provides that when the President or the Congress finds that a state of war exists between foreign states and that it is necessary to promote the security of our own country or to protect the lives of our own citizens, then it is their duty to invoke it. Then, of course, all of its provisions are applicable and no loan, of course, could be made. Our neutrality law has not been invoked in the conflict between Russia and Finland and is therefore not applicable.

Under international law, however, which is always the law applicable to all countries, I may say that I have made some investigation with reference to this question, and the resolution as drafted does not contravene international law in the slightest particular, and does not violate our rights as a neutral, or subject our Government to the charge that we have acted unneutral under international law by the passage of this resolution.

The gentleman from Illinois [Mr. CHIPERFIELD] bases his proposition upon the ground that there being no declared state of war between Finland and Russia, neither is a belligerent under international law and, therefore, any loan could be made. I do not fall out with the gentleman about that, and I think that is eminently correct, but I go further. If anyone should take the position that that is farfetched, that it is a technicality, that while war has not been declared, yet an actual state of war exists between these countries, Russia and Finland, and both countries are belligerents, therefore,

a loan under international law should not be made to either—I say that under international law even though a state of war had been actually declared between these two countries and a legal state of war did exist, the resolution is so framed as not to contravene international law.

The resolution as reported by the committee clearly safeguards this contention, because it provides in express language that no loan shall be made in violation of international law as interpreted by the Department of State. So we need have no fears, and even the most timid and the most apprehensive should have no fears of our becoming involved in war. Such fears are groundless, because the resolution itself provides specifically that loans shall not be made which violate the rights of neutrals under international law as interpreted by our State Department. This ground of objection, therefore, goes out. I am opposed to war, and would take no step to involve us in war, and this resolution does not do so.

We come now to the other objection that this loan should not be made because of distressed conditions at home, because agriculture and industry are suffering, and that charity should begin at home. The complete answer to this objection, I say, is the fact that this will help agriculture, this will help industry, this will help our domestic business, for the expenditures are not to be made in foreign countries but in our own country for the buying of our own products.

The creation of the Export-Import Bank was primarily to dispose of the surpluses of agricultural products that may have a depressing effect upon the current prices of such products, and the Corporation is authorized and directed to make loans in such amounts as may in its judgment be necessary for the purpose of financing sales of such surpluses in the markets of foreign countries in which such sales cannot be financed in the normal course of commerce.

The Export-Import Bank, created in 1935, in existence now for 5 years, was designed primarily to encourage and facilitate exports and imports between our country and foreign countries. This resolution merely increases by $100,000,000 the amount that can be loaned by the Export-Import Bank, and provides that not more than $20,000,000 shall be loaned to any one country, in addition to loans heretofore made. Anyone who votes against this bill on the ground that he is fearful it might hurt our country is not casting an intelligent vote, because it will help us, every dollar of all these loans will be spent in this country and it will facilitate the sale and export of the products of our own country, and that is what we need at the present time more than any other one thing. There is no reason why anyone should oppose this resolution.

Mr. Chairman, some have said that the resolution should be specifically designed so that it will direct that a loan shall be made to Finland. Why do you raise that question? If under the resolution an authorization is made whereby Finland may secure a loan and if, as testified in the hearings, it is contemplated a loan will be made if a proper showing is presented, why is it necessary to specifically designate Finland or any other country? The best policy to pursue, as we have done heretofore, is to designate no country, but leave to the Export-Import Bank the making of all such loans.

The gentleman from New York [Mr. FISH] argued the question on the ground we were delegating power. If these loans are to be made we have to delegate to some agency the question of the terms, conditions, and provisions under which the loan can be made. We can more safely trust than any other agency, the Export-Import Bank, headed by Mr. Jesse Jones, who, in my judgment, is one of the most astute and able businessmen in this country, a great administrator, and who has made a success of every task he has ever undertaken. The Export-Import Bank has demonstrated its efficiency so ably, and it is so well managed by Mr. Jones, that I think it is farfetched to say that you are against the bill, because Finland is not specifically mentioned. We can trust Mr. Jones and the Export-Import Bank to deal fairly and justly with Finland, with which we are in sympathy, and want to help.

Mr. SOUTH. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Texas.

Mr. SOUTH. Is it not a fact there is no legislation involved here? The Export-Import Bank has already been set up; it is already functioning, and Mr. Jones testified it has shown some profit up to date. So this is not a matter of legislation.

Mr. LUTHER A. JOHNSON. The gentleman is right. There is no legislation involved here. It is simply a question of an increase in the amount of loans that may be made by one of our agencies that has been very well managed heretofore. We put this matter into the hands of an agency that is now in existence and now in operation, and I think the pending resolution should command the support of everyone, regardless of whether you are an isolationist or an internationalist, and regardless of whether you sympathize with one faction or the other. If you are a good American and want to help our business, while at the same time not violate any provisions of the law, you will support this resolution. I cannot find any just ground upon which anyone should oppose it. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. ALLEN].

Mr. ALLEN of Pennsylvania. Mr. Chairman, I am one of those who, until an hour ago, thought that a portion of the funds which we are considering this afternoon would be lent to the Government of Finland. When I express my own disappointment over the revelations which have been made here I believe I speak the feelings of a vast segment of the American people who, through the press and the pronouncements of public officials, have been led to believe that the bill now under consideration would eventuate in a loan to the Finnish Government.

Mr. Chairman, as the Representatives of a nation that owes its very existence to the timely aid rendered by France 160 years ago, we are conducting ourselves in an untenable manner. Had it not been for French military and economic aid in 1776, there is grave question whether we would be assembled here today as the Representatives of a free people.

Had it not been for France our independence would have been lost altogether or long delayed. If Louis XVI, Beaumarchais, and Vergennes had placed their principles and sentiments on a cake of ice, as the gentleman from Michigan [Mr. MICHENER] recommended that we do in the matter now before us, earlier this afternoon, there would have been no Yorktown, and very probably no Constitution and no free democracy in this hemisphere. We needed the 35,000,000 livres which the French Government loaned to us at that time with no strings tied to them. Back in 1776 we needed the 10,000,000 livres which came to us from France as an outright gift. We needed the clothing which France gave us for for 20,000 ragged Continentals. The brass cannon and the guns, as well as 90 percent of all the gunpowder which was used in our Revolutionary War, came from France as either a gift or in return for credits which had been established on the other side. A fleet of 40 French vessels, if you please, came to our assistance when we were hard pressed and 47,000 French soldiers and sailors aided Washington in his struggle for independence. If it had not been for this aid there probably would be no United States today, and had it not been for the help rendered us by France under circumstances which are very similar to those which obtain on the Karelian Isthmus our Continental Army would have been defeated and the cause of liberty retarded indefinitely.

As I sat here during the course of this debate while the subject of a loan to Finland has been discussed, I gazed toward that picture of Lafayette on the left of the Speaker, and realized that that portrait hangs in its place because of our respect for that man and what he stood for. We honor him and exalt him for the aid he gave us when we as 13 struggling colonies were in need. We have rendered to him a distinction accorded to no other man except the father of our country, Washington. Even Lincoln's picture does not appear on the walls of this Chamber. Why do we honor Lafayette in this manner? Because he dared do the very

things which we are flunking on this afternoon if we do not set aside a sum of money for the free and unrestricted aid of the little Finnish republic. [Applause.]

I do not feel that we are worthy of a great heritage if we equivocate and delay in this matter any longer.

We have the right as Representatives of 130,000,000 American people, and the American people themselves are entitled to a clear-cut debate on whether we are going to lend money to Finland. We have delayed long enough. I for one am going to support the amendment which will be offered by the gentleman from New York [Mr. FISH], and later an amendment which will be introduced by the gentleman from New Jersey [Mr. EATON] to give to Finland an unrestricted loan with which they can purchase the necessary military equipment to defend themselves. [Applause.]

Mr. Chairman, this is not merely a Finnish-Russian war which is raging in Europe. There are deep principles involved which affect the whole world. This is a conflict between the principles of freedom, liberty, democracy, and Christianity on the one hand, and dictatorship, ruthless aggression, and atheism on the other.

Those things which we hold dear, the principles on which this Nation has been founded, those institutions which Washington and his ragged little army fought for, bled for, and died for will suffer if Russia is victorious over Finland.

I have heard it said that the Finnish affair is none of our business. It has been prophesied that a loan to Finland may involve us eventually in the conflict now raging on the Karelian Isthmus. I wonder when I hear such idiocies uttered what kind of a world we will live in tomorrow, what kind of a world our children will live in, if Russia conquers Finland and then marches onward, conquering other little republics as she is bound to do on the Scandinavian Peninsula. If the torch of liberty is snuffed out in any free nation it is bound to burn dimmer right here at home. Liberty and freedom cannot be murdered in any part of the world without those principles suffering a severe set-back here in America. Those institutions on which this Nation is founded cannot be shattered in other nations of the world without our suffering here in America indirectly because of their destruction.

What will be the effect on our institutions if Russia conquers Finland, as she will do if aid is not forthcoming? In the first place, it will certainly encourage those subversive groups here at home which have caused us so much trouble in recent years. Certainly they will receive encouragement from abroad, and their attempts to undermine our free institutions and this democratic form of government will be more open and bolder than they have been in the past.

Some day, if this Red scourge continues to ride roughshod over Europe, we will be faced with the issue. If Russia and Germany conquer the democracies, you know what the results will be here in America. We will spend untold millions strengthening our own defenses. Where we are now asked to loan only the price of one battleship, we will be forced to spend millions and millions for a whole new fleet with which to defend these shores. A larger Navy, an enlarged Air Force, and an increased Army are bound to result here in America if Russia and Nazi Germany win their respective wars in Europe today.

There is no difference between domestic and international gangsterism. When gangsterism rears its ugly head in any community in the United States, we law-abiding citizens immediately seek to defend ourselves by increasing our police force, and other agencies of law and order. And so it is when gangsters of the Hitler-Stalin type crush the liberties and freedom of human beings beneath their feet that the peaceful countries of the world in self-protection increase their defenses in proportion to the force of the exterior threat. American citizens who feel no responsibility for the plight of Finland today will feel otherwise if Russia is victorious and when they are forced to pay the tax bill for steadily increasing defensive armaments.

An unrestricted loan to Finland at this time for military supplies and other purposes will be no breach of international law. International law is not violated because Russia herself has insisted that a state of war does not exist. That, of course, is a technicality, but Russia having proclaimed to the League of Nations that she is not waging war on Finland could not accuse us of violating the precepts of international law if we gave Finland an outright loan.

Under the provisions of the legislation which we are now debating, if any loan is made to Finland it will be for civil commodities only. If other nations restricted their loans to Finland with these limitations, the little Republic would have been gobbled up before this. We in America applaud Sweden for aiding Finland with military supplies, yet we shrink from doing the very thing which we so vocally commend in others. If we are justified in loaning Finland money for civilian commodities, we are equally justified under the same principle in selling her military supplies.

I shall support those amendments to this bill which will guarantee a forthright loan to Finland, unrestricted and unencumbered, so that it may be used for those purposes which in the judgment of her leaders Finland feels are most necessary. When I support those amendments I shall be motivated by the same reasoning which brought Lafayette, Von Steuben, Kosciusko, and Pulaski to the defense of this Nation when it was struggling for its independence and for the freedom of its people. In my carefully considered judgment a loan to Finland at this time will go far toward perpetuating those fundamental principles in which we profess to believe so strongly. If Finland can hold fast on the Karelian Isthmus, democratic institutions, the sanctity of the church, and the dignity of mankind in all corners of the earth will be more secure.

Mr. Chairman, I sincerely hope that the Fish and Eaton amendments to this bill will be adopted. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, with all due respect to my friend and colleague from Pennsylvania, I cannot get very excited when he brings in the distinguished Marquis de Lafayette and reminds us so emotionally of what transpired back in the days when this country was founded. If my memory serves me right, the French were engaged in a little unpleasantness with their own traditional enemy, and while they were an ally of ours, at the same time we served a rather useful purpose as an ally of theirs. If we were indebted to them, I feel that we more than balanced the budget of the equities back in 1918 and thereabouts.

This theory that if Russia conquers little Finland that then the great communistic wolf is going to spread all over Scandinavia and all over the world has a certain appeal, but I cannot help but remember that for 700 years little Finland was a part of Sweden until, back about 1809, brave little Finland became a grand duchy of the Czar. From my humble democratic outlook I cannot see any great difference between the government of the czars and its imperialism and the Communist Government and its imperialism and its dictatorship. Unquestionably the Czar had more tolerance with his subjects in a religious sense, but I believe he gave them less bread than even Stalin does. There is little to choose between them. During the 100 years from 1809 to 1917, when Finland was part of Russia, we were in no danger, and the situation was not greatly different. While I am rooting with all my heart for Finland, I am rooting still more for the peace and security of this country. I do not believe the impact will be so great that we will suffer disaster as a result of the conquest of Finland.

I want it clearly understood that if I vote for this bill I am not doing so because I believe we are under any obligation to lend any money to Finland.

It seems to me, as a matter of common sense, if someone lends me money when I need it and I use that money for a good purpose and I pay it back, I should be grateful to the lender rather than the lender owing some obligation to me. [Applause.] It has always been that way, and the only difference in respect to Finland is that our former Allies and

other countries welshed on their payments and made no attempt to meet them; thereby, because Finland fulfilled its obligations, it achieves a unique position and hence some people think that we should start cheering for Finland and make our frontier out on the Karelian Isthmus.

If we vote for this bill on the basis stated by the gentleman from Pennsylvania [Mr. ALLEN], then by all the rules of reason, if Hitler decides to invade Switzerland or Belgium or Holland—grand little republics that have done more to build up this great Nation than little Finland—then by all the rules we should step in and make loans to those countries. There is no real difference except that Belgium is affected by the Johnson Act, because it still owes us money. However, that act does not apply to either Switzerland or Holland. Then we get the camel's nose under the tent, and then will inevitably come the repeal of the Johnson Act itself.

Mr. ALLEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. The gentleman does not stop to consider that if the Russians are stopped at Finland's borders, these aggressors will not dare commit other acts of conquest.

Mr. BARRY. I have no authentic information about that possibility, and, by the way, the Government of Sweden is not saying that the Russians want to go beyond Finland.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. SOUTH. The gentleman understands that under this very act these loans will only be made after they have been closely scrutinized by the best financial minds in America and after they have been passed upon as being sound loans, and would the gentleman object to such a loan being made to Holland or Belgium if they were invaded later on?

Mr. BARRY. Not on that basis, and in this connection I want to quote Mr. Jones.

Miss SUMNER of Illinois rose.

Mr. BARRY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I was just going to remind the gentleman from New York that when we fight communism we do not just fight Russia or some other nation. We are fighting a sort of leprous theory of government, and we can win a war and still lose by being overcome by communism in our own country.

Mr. BARRY. And I believe we should fight communism in this country, but when we go to fighting it up in Finland we might as well start in Mexico, because we should consider first the enemy nearest home.

Miss SUMNER of Illinois. I think the gentleman has spoken good sense and sound jurisprudence.

Mr. BARRY. I thank you.

I have great confidence in Jesse Jones, the Administrator of the R. F. C., and the man who is going to decide whether or not this is a sound loan; and if I do vote for this bill, I am going to vote for it on his testimony that this is simply an authorization to make loans to Finland up to $20,000,000; not a direction, but an authorization, leaving it to his judgment at the time, and Mr. Jones has said that he will not lend the money unless he thinks Finland can pay it back. That may be funny to the gentleman here [referring to Mr. SCHAFER of Wisconsin, who laughed], for I differed with Mr. Jones on the Chinese loan about a year ago, but now I am convinced Mr. Jones was very sound in making that loan, and I am willing to leave it to his discretion and take his word if he thinks Finland is going to be able to pay, viewing it purely on a commercial basis. You cannot help them on these things in any other way. You cannot engage in an emotional campaign like my friend the gentleman from Pennsylvania [Mr. ALLEN]. You have got to regard this thing on a commercial basis and not on a purely sentimental basis. I am inclined at this time, the way the bill is now drawn, to go along with it on the assurance of Mr. Jones.

In conclusion I want to say that I believe the Export-Import Bank is one of the best vehicles we have ever created in this Congress to promote our foreign trade, whether it be with Latin America or with Scandinavia, and the balance of trade is well in our favor with the Scandinavian countries; and it will be purely on that basis that I expect to go along with this bill.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. HINSHAW. I have been trying to find out what restrictions the chairman of the Rules Committee was referring to in connection with private banks in making these long-term loans to foreign individuals, nationals, corporations, or governments. He said, as I remember it, that the private banks were not able or did not make such lons. Does the gentleman know the restrictions that may be placed on private banks that would prevent them from making such loans?

Mr. BARRY. I did not hear his statement and I do not know of any restrictions, but I assume that private banks would not make this type of loan as a purely commercial proposition, and the only way I can distinguish it to my satisfaction is that when we make loans to a country, we are doing it for the general welfare and not on a particular item for immediate profit, but rather to build up our balance of trade with Scandinavia or Latin America, for instance. I do not know whether I have answered the gentleman's question or not.

Mr. HINSHAW. I was just asking about the specific restrictions on private banks.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. SPENCE. I think Mr. Jones said that in the sales of heavy capital goods to those countries, they wanted credits over 6 or 7 years and the ordinary banker would not take care of them for that reason.

Mr. HINSHAW. You say he would not or could not?

Mr. BARRY. Well, he would not, anyhow.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. BARRY. Mr. Chairman, instead of getting into a state of hysteria about ideological conflicts, I think this Export-Import Bank can be made to function so that we can compete with our commercial rivals, such as Great Britain, Germany, Japan, and others, so that we can build up our trade in this hemisphere and not be trying to extend our boundary lines to the Scandinavian Isthmus. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, in helping Finland we are giving assistance to a nation which unwaveringly stands for democracy and western civilization. Finland's union with Sweden during 700 years, up to 1808, accounts for the fact that the social and political structures in Finland have developed along the same lines as in the other northern countries, although Finland during all that time retained her own character and was thoroughly Finnish. Already at that time Finland's boundaries toward the east, toward Russia, were, on the whole, drawn up more than 300 years ago. During the time Finland was in union with Russia, from 1808 till 1917, as an autonomous grand duchy, the frontier between her and Russia proper was clearly defined and fixed.

When Finland became independent in 1917 she took no territory that was not Finnish. There are no minorities—particularly no Russian minorities—in Finland.

Three times has Soviet Russia solemnly pledged herself to respect Finland's independence and her frontiers. The first time was in 1917, when the Soviet Russian Government recognized Finland's independence. Next was through the Peace Treaty of Tarttu in 1920 and the third time in 1932, when there was entered into between Finland and Russia a nonaggression treaty, which in 1934 was renewed for 10 years.

Russia has violated all pledges then made, although Finland's policy toward her great neighbor to the east has ever been to maintain good and peaceful relations. Finland never joined any bloc of the big European powers. She was always

most anxious to maintain, like the other Scandinavian states, a policy of strict neutrality, and never once did she in any way threaten Russia or any other state.

Despite this, Russia has launched against Finland a most ruthless, brutal, and unprovoked aggression. She has taken her part of Poland and has secured control over the Baltic states of Lithuania, Latvia, and Estonia, from where she now launches her air-raid attacks against the defenseless civilian population of Finland.

Russia, early in the autumn, proposed to Finland a number of most wanton and impossible demands. She demanded, among other things, that Finland cede to her the city of Hanko, in the southwesternmost part of the country, for a naval and military base; that Finland give up a part of her territory on the Karelian Isthmus; and that she destroy her main defense line there, the Mannerheim line; furthermore, that she cede a number of islands in the eastern part of the Gulf of Finland and also a part of her possessions in Petsamo, on the Arctic Sea. There is not the slightest reason nor justification for these Russian demands. It is pure imperialism and the application of the rule of force as against right. To give Russia the port of Hanko, or what she demanded on the Karelian Isthmus, would have been to open the gateway for Russian penetration into Finland and to sacrifice the country's integrity, independence, and neutrality. However, Finland was and is willing to meet the Russian demands as far as is possible. Last fall Finland was disposed to cede to Russia some of the islands in the Gulf of Finland, outside of Leningrad, although those islands have since time immemorial belonged to Finland and have a purely Finnish population. She was further willing to remove somewhat the frontier on the Karelian Isthmus without, however, destroying or endangering Finland's natural line of defense.

Russia bluntly rejected the Finnish concessions. She launched against Finland a campaign of blackmail, lies, and vituperation, pretending that Finnish artillery had fired over the Russian border, although the Finns, in order to avoid all untoward incidents, had withdrawn their artillery so that the Russian border was out of its firing range.

On the 30th of November Russia, without a declaration of war, attacked Finland, directing these attacks not only against the Finnish troops and defense lines, but also against unfortified and open cities and places, where already in the first days hundreds of civilians, particularly women and children, were killed, the able-bodied men having been called to the colors.

Finland at once accepted the idea of mediation when the American Government, on the same day as hostilities broke out, offered its good offices to settle the dispute. Russia bluntly rejected the offer. Finland was also fully disposed to agree to the American Government's appeal that open and unfortified cities and places be not bombed. Russia turned down this appeal as pointless.

Russia's real intention toward Finland appeared in all its ruthlessness when 2 days after the attacks had begun, the Soviet Government set up a so-called Finnish Communist Government. As far as I am informed, not a single member of this government is a Finnish citizen, but all of them Communists, who have lived for many years in Soviet Russia. By setting up this puppet government Russia showed what she aims at: To introduce totalitarian Communist rule in Finland, to destroy Finland's democratic system of government and to incorporate the country into the Soviet Union.

Present hostilities in Finland are from the point of view of international law, of an extraordinary nature, most aptly to be compared with the Japanese attack upon China. It is not a war in the sense of international law. Russia has not declared war upon Finland, nor has Finland upon Russia. Furthermore, Russia pretends to be on the most friendly terms with the puppet government she set up and which resides somewhere on the frontier, or on Russian territory, but is without the slightest support in Finland. The hostilities in Finland do not fall under the stipulations of our neutrality legislation nor can the general rules of international law be applied to the present conflict. What goes on in Finland is an absolutely unprovoked and unwarranted aggression, and every third party has the right, without being dragged into the conflict, to take such financial and other peaceful measures as it may deem fit in order to assist the victim and to contribute to the maintenance of justice and order in the international world.

We have taken the same attitude in giving China our help through the credit granted her a few years ago. And, may I emphasize that in this respect there is no difference between a loan given a foreign government for military purposes and a credit granted to be used otherwise. Both are assistance and support given that government. It is maintaining an obsolete and unwarranted rule to pretend that neutrality implies absolute passivity. Even a neutral country must have the right, without resorting to war, to do its part to uphold morality and decency in international relations.

Finland has shown that she can resist the aggressor, and over and over again she has given proof of her firm decision to do so in the future. But it is evident that a nation of a little more than three and one-half million cannot in the long run successfully resist an aggressor that is 50 times more powerful in number and resources, and which has no lack of modern instruments of destruction, even though it does not get material help from abroad.

Finland has always been a peaceful nation. During the 20 years of her independence she has made wonderful progress in developing her economic life upon a sound and firm basis. Her industries have grown, her agriculture has expanded and her foreign trade more than doubled. Her yearly exports are nearly $200,000,000, and her national income reached, in 1937, about $600,000,000. At the same time she has honorably and consistently followed a policy of paying off her foreign debts. It is calculated that during the period 1932–37 Finland redeemed foreign bonds to an amount exceeding $125,000,000, and in this country alone she at the same time paid off debts to an amount of about $90,000,000. I think that we all appreciate this honorable policy of hers. But it must be evident that in following this honorable program Finland could not create any considerable balances abroad. Had she not been most scrupulous in fulfilling her international obligations and in paying her debts, she would now have ample balances abroad in foreign currencies. Russia has not paid us 1 cent of her debts since the World War, but sold us her gold at enormous profits, and can now buy what she needs in this country. Finland has paid her debts both to private creditors and to the United States Treasury, hence has no balances here and can therefore not buy the different commodities she most urgently needs. In refusing credit to Finland we thus directly favor Russia.

Finland needs, immediately and urgently, arms and munitions, guns and shells, airplanes and antiaircraft guns. She needs foodstuffs, raw materials, and manufactured goods. We can help her in all these respects without creating any precedent. Let us remember that Finland's front is not a part of the general front in the European war. Finland has been given help by Sweden, Norway, England, France, Italy, and also from other countries, but she must have more help than they can give.

The sympathy of this country is overwhelmingly in favor of Finland, and there have been put forward different proposals in order to give her the assistance public opinion in this country most unanimously urges us to give.

It is here proposed that the capital of the Export-Import Bank be increased by one hundred millions and out of this reserve grant Finland a credit of twenty millions in addition to the ten millions which were loaned her in December after the outbreak of hostilities. This credit would be granted like the previous ten millions, exclusively for the purchase in this country of agricultural surpluses and other commodities. There is no doubt that Finland needs much in the way of food, clothing, and so forth. Such a credit would be highly useful to her, provided the sum is adequate and the conditions satisfactory. The sum of twenty millions in addition to the previous ten millions ought, in any event, to be increased. But

the restrictions placed upon her make it impossible for Finland to get from us the arms she needs to protect her defenseless civilian population and to save the Finnish Nation from enslavement.

Finland fights fearlessly, not only for her own existence but also for the principles of liberty and democracy. Her defeat would mean the defeat of all the ideals which she shares with us. Her annihilation would completely change the situation all over Europe, giving the totalitarian states complete control, not only over the Baltic Sea but over northern Europe and in the Balkans as well. Such a development could not but also affect our country, and in the economic field it would have a most detrimental effect. Finland and the other Scandinavian countries have always been good friends and customers, ever faithful supporters of sound and normal principles in all international relations.

In the interest of free government and for the maintenance of civilization and the preservation of the ideals for which this country stands, we must see to it that Finland gets from us the help in arms, materials, and financial resources she needs and which we can give without endangering our own position or running the risk of being dragged into the European conflict. That, of course, must be avoided at all costs.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes, to my old friend.

Mr. LUTHER A. JOHNSON. The testimony of Mr. Jesse Jones before the Senate committee stated that Norway had asked for a loan of $10,000,000 under this, and that Sweden had also asked for a loan. Does the gentleman think it would be wise to make loans to Norway and Sweden?

Mr. KNUTSON. Yes. I think if Russia secures control of the Scandinavian Peninsula, Europe will inevitably go totalitarian. That may be good news to some, but not to me. It would be a tragedy of the first magnitude were the British Empire, as such, to be destroyed, and I am satisfied it would mean the end of democratic and Christian government in France, the Balkans, and all Europe.

There are times when I become so indignant over the way Britain searches our ships; over the way she violates the rights of neutral nations and her disregard for international law, that I could grab the old squirrel rifle off the wall and go onto a little war of my own. However, when I think of the stabilizing influence of that mighty empire I realize that its continued existence is necessary to the preservation of democracy and representative government. On that score I am willing to overlook, although reluctantly, her outrageous conduct in violating the rights of neutral nations. After all, my main concern is the preservation of representative and Christian government. To that creed all loyal Americans subscribe wholeheartedly and without reservations.

Mr. LUTHER A. JOHNSON. Then the gentleman believes in these loans to Norway and Sweden?

Mr. KNUTSON. I believe in these loans in the same way that I believe in the loan that France made to us back in Revolutionary days when we were fighting for independence. That was one of the best investments that France ever made. It resulted in the establishment of a democracy in France, if I remember my history correctly. This loan will result in the preservation of democracy in northern Europe, and not alone in northern Europe, but in the Balkans as well. It does not require a keen student of history to foresee that once Russia triumphs in northern Europe, the entire continent and perhaps all other continents, with the possible exception of the Western Hemisphere, will become totalitarian.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. KELLER. Is it not true that at the time that Finland was a part of Sweden that they were willingly a part of Sweden?

Mr. KNUTSON. That is absolutely true. As a matter of fact, the language of a considerable part of Finland, the southern part, as the gentleman knows, is Swedish as well as Finnish.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. GORE. Mr. Chairman, I notice the gentleman gives his approval to loans to the Scandinavian countries. Does the gentleman give the same approval to loans to South American countries?

Mr. KNUTSON. We would have to view loans to the South American countries from a different angle.

Mr. GORE. The gentleman means put them on a commercial basis?

Mr. KNUTSON. Strictly so. I would view such loans on a commercial basis, although, as I recall the testimony of Jesse Jones, he stated to the committee as his opinion that Finland would repay any money that we advance. It may be news to the gentleman that Finland has paid to this Government and to private creditors in this country over $90,000,000 since the World War. Had Finland defaulted on her loans the way the other debtor nations did, she would now have a very large dollar credit in this country, which she could use to buy things that she now needs and therefore would not need the credit we now propose to extend.

Mr. GORE. While that is not news, it is very welcome information.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CRAWFORD. Mr. Chairman, I yield myself 15 minutes. There has been so much evidence produced to the effect that this bill in no way guarantees a loan to Finland, that I shall not spend any material time discussing that phase of this proposed legislation. I think the subject has been pretty well covered, and I think it will be covered still better before we finish the debate.

AN ATTEMPT TO PUMP PRIME THE HEMISPHERE

The gentleman from Illinois [Mr. SABATH] brought up two or three points that I wish to discuss briefly. They deal with a situation which has to do with the financing of exports to Latin American countries. Here is an additional chapter in our attempt to pump prime the hemisphere, and here is exactly what I mean by that statement. We have gone along in this country with our pump-priming policy, and if we can believe what the President said to the convention of young people here a few days ago, we come to the conclusion that the unemployment situation is not solved through the Wagner Act or the Wage and Hour Act or pump-priming procedure. This has been primarily due to the fact that the pump priming was not geared to the removal of maladjustments which govern internally in the United States. That is proven by the fact that our people are not investing money in new industries, and by the further fact that our banks are loaded with excess reserves, to such an extent that there has been criticism offered here today against the banks to the effect that they will not lend money.

Now we jump across the water, through the Export-Import Bank, to western Europe, in an attempt to pump prime, and we go to the Latin American countries through the Export-Import Bank in an attempt to pump prime; but at the same time we are proceeding in that manner we are letting the Republic of Mexico thumb its nose in our faces, confiscate private investments of our people in that country, which investments call for more exports from this country than the Export-Import Bank can ever hope to finance. We go into countries further to the South, which have in round figures a billion dollars of default in payments coming to our people. We say to them, "That is perfectly all right. You go ahead and default all you please. You go ahead and confiscate all the private holdings of our citizens in your country which you desire to confiscate and we will extend to your countries loans through the Export-Import Bank."

That is international pump priming.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

DESTROYS PRIVATE INVESTMENT INCENTIVE

Mr. CRAWFORD. I decline to yield. That is pump priming in a manner which destroys every desire of our people to make private investments in Latin American

countries, which, if they did, would be followed by enormous exports of our goods to those countries.

I ask you, what hope is there to our people who hold securities on which default has occurred, who walk the streets without jobs, if they must look to the little trickle of business that comes to our industries through the measly sum which we will afterward give to the Export-Import Bank?

Let us take the testimony of Mr. Jones, which you will find on page 3 of the hearings, in which he says:

> Therefore we are $30,000,000 overcommitted at the present time, and the reason we can be overcommitted is because of repayments and cancelations.

What is he talking about? They had a capital of $100,000,000. They ask here for an increase in that capital of $100,000,000. He is overcommitted to the extent of $30,000,000. At the bottom of page 3 he speaks of a $10,000,000 commitment to Norway. He must add that to the overcommitment of $30,000,000, which gives a total of $40,000,000. He speaks of a $10,000,000 commitment to Sweden. Add that to the $40,000,000 and it gives you $50,000,000. If you take the $20,000,000 which some think Finland is going to get out of this and add it to the $50,000,000, you have $70,000,000 committed. What have you got left? You have got $30,000,000 left, plus the cancelations which might follow, plus payments which might be paid into the revolving fund. What will that $30,000,000, plus these accretions from time to time, amount to in the way of exports? You draw your own conclusions. In my opinion, it is one of the most dangerous policies that we can follow now or at any later time.

An editorial from the Herald Tribune points this out:

> One of the natural repercussions of this American debt policy is to discourage still further the investments of private American capital in Latin America. Would-be investors see that outstanding debts are flouted with impunity and that, in addition to taking no steps to protect American investors, the American Government does nothing effective to protect the legitimate interests of American business concerns from expropriation or confiscation by Latin American governments. The inevitable result is the retardation of business here and abroad.

Let us take up another phase of this situation. Have you heard of the Inter-American Financial and Economic Advisory Committee? If you have not, get a copy of the third draft of the preliminary draft from the Pan American Union and see what the United States is about to be committed to in the way of a $5,000,000 subscription to the stock of that inter-American bank for the purpose of facilitating trade between the United States and Latin American countries. Then take a copy of the bylaws issued under date of February 5, 1940, and look at the powers and look at the involvements. All of that is in the face of these defaults. If I can secure permission to extend the voluminous data in the RECORD, I shall do so, to show some additional information in connection with this.

All of that has to do with our pump priming the Western Hemisphere. This bill moves in that direction. It is not a Finnish loan. If it were I would certainly give it more favorable consideration than I do. As it stands, I am opposed to the bill. I am opposed to this type of operation. I voted against the bill coming out of committee. I do not think we should put it into law at this time. Last year, for instance, the proposition came up. The Export-Import Bank, I believe, asked for $500,000,000. It finally went into a bill in the Senate at $100,000,000. The House later killed that proposition. Now it comes to us in a different form.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. CLEVENGER. Would not the gentleman say that this thing is like a good many other of these propositions? By casting a slight Finnish aura around it in the hope of getting one little slice of turkey, we are asked to take several slices of turkey buzzard. [Laughter.]

Mr. CRAWFORD. That is exactly what this whole program is leading to. Of course it acts as a little cement now and then to finance a little exporting of goods, but keep in mind the Export-Import Bank is not big enough to solve your export problems and thus lead to greatly increased employment.

The chairman of our committee has pointed out that the ratio of exports furnished by the Export-Import Bank as compared to our total exports is almost infinitesimal; it is just a shadow, you might say. Unless you put billions of dollars into the Export-Import Bank it will remain a shadow. Any man who knows anything about figures, and exports, and business knows that.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. SOUTH. Does not the gentleman also know that Mr. Jones testified that the operations of the bank had shown a profit up to this date?

Mr. CRAWFORD. Talking about profit, Mr. Chairman, with $46,000,000 capital and $2,000,000 surplus, a total of $48,000,000, the bank has been operating since 1934. Here it is, 1940, and we talk about a measly profit of $5,000,000. If we had to depend upon profits of that kind to finance the expenditures of this Government, God only knows what would happen to us. Let us forget or not overemphasize that little profit. It is better than a loss, I must admit. But are we to drive out industry and close the private sources of funds in this country for that little profit? I clipped the following statement out of the Post this morning. Listen to this:

> On February 16 last the Secretary of the Treasury reported to Congress that borrowers from 31 Government corporations and lending agencies had defaulted on $1,053,742,488 in principal and interest payments. Presumably this lost billion has been written off or charged to the taxpayers. Investment banking cannot meet that kind of competition. It must work within the bounds of sound and prudent business principles.

Can private business stand up against that? You try it with your business. Of course, the program interferes with the investment of private funds. Of course, it closes private business. Of course, it discourages people. Of course, it, with great gold imports, builds excess reserves in your member banks. Of course, nobody wants a loan of consequence at the banks for business expansion—and so on the story goes. I repeat that every time you try to pump prime with this kind of shadow boxing you discourage someone in private industry. You had better stop these tactics unless you want the Government to take over all private industry.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Miss SUMNER of Illinois. As the gentleman knows, there would probably be a loss if all assets were now realized and the books closed. This may happen in 1941.

Mr. CRAWFORD. The whole profit is so small that I do not like to talk about it. It is like talking about a profit of $50,000 for General Motors, and maybe next year there will be a loss of $92,000,000, as there was in United States Steel one or two years ago—a $92,000,000 loss. They may make money this year, but they may lose much more money next year, as Dr. Lubin, the economist of the Department of Labor, has pointed out.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. CRAWFORD. Certainly.

Miss SUMNER of Illinois. Does the gentleman from Michigan know any broker or any banker who would tell you that a loan to a country where a state of war exists, whether declared or undeclared, is a sound and good loan?

Mr. CRAWFORD. So far as concerns what is a good loan or what is a bad loan, go to any good banker and try to get the depositors' funds to spend in any way you please. If he is a good banker he will get security. Now, as to what securities are worth when put up by foreign governments in this day of war and defaulting I do not know. But I do not want us to create any more Government lending agencies or add to their capital structures so they can compete with private industry.

The President told us at the beginning of this session that these Government agencies could turn back about $700,000,000 into the Treasury, yet here before we get nicely started into the session is a bill to increase by $100,000,000 the capital of one of them.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. SCHAFER of Wisconsin. In view of the record of these defaulting foreign countries should we not change the title of this bill to read: "Uncle Sam, the international Santa Claus"? And should we not amend the bill to include a section providing that any American may ship anything he wants to to any foreign country, and send the bill to Mr. Morgenthau, the Secretary of the Treasury, for payment?

Mr. CRAWFORD. The Latin-American countries are smooth enough to know that they can play us for the sucker. We were driven out of Mexico, yet we go right back in there and buy their silver and give them the dollar exchange with which to carry on. See what Bolivia did. [Applause.]

FEBRUARY 7, 1940.

THIRD PRELIMINARY DRAFT OF CONVENTION RELATING TO THE INTER-AMERICAN BANK

The contracting Governments of the American Republics considering

First, that economic and financial cooperation among the American Republics is an essential factor in fostering the welfare of and maintaining solidarity among these Republics:

Second, that such cooperation would be greatly facilitated by the establishment of an Inter-American Bank;

have resolved to conclude a convention on the following lines:

FIRST ARTICLE

The contracting parties agree to the creation of an institution to be known as the Inter-American Bank to carry out the purposes and to have the powers stated in the proposed charter and by-laws annexed hereto. The contracting parties agree that the Bank shall be accorded the powers, rights and privileges under their laws to engage in all types of activities, transactions and operations envisaged in such charter and by-laws and further agree to enact any legislation and to take any other action necessary to accord such powers, rights and privileges to the Bank. The United States of America also agrees to grant to the Bank a charter substantially in accordance with the proposed charter annexed hereto. Each contracting party hereby agrees to subscribe for the minimum number of shares required of such government for participation in the Bank as provided in the annexed by-laws.

SECOND ARTICLE

The contracting parties grant within their respective territories, the following rights, privileges, immunities and exemptions, in time of peace or war and in any period of emergency or otherwise; and agree to enact any legislation and to take any other action necessary to effectuate such rights, privileges, immunities and exemptions.

A. The Bank, its assets, obligations to it and its real and personal property of whatsoever nature, including any property deposited with it on a custody basis or otherwise, shall wheresover located and by whomsoever held, be exempt and immune from

(i) requisition, seizure, attachment, execution, confiscation, moratoria and expropriation;

(ii) prohibitions, restrictions, regulations and controls of withdrawal, transfer, or export; and

(iii) currency, monetary, exchange and debt regulation and control:

by the contracting party or any political subdivisions thereof, whether or not compensation is offered; provided, however, that nothing in this paragraph shall prevent a contracting party or political subdivision thereof from attaching or levying execution, subject to any lien or claim of the Bank, upon claims of its nationals against the Bank or upon property held by the Bank for such nationals.

B. Where restrictions, regulations, prohibitions or controls exist or are imposed in the territory of a contracting party in regard to the conversion or exchange of its currency into foreign currencies, the contracting party shall grant, sell or otherwise make available to the Bank, as provided in the next sentence, foreign exchange including precious metals, desired by the Bank for such local currency acquired by the Bank as a result of loans, discounts, extensions of credit, guaranties thereof, or investments, made to or with the guarantee, approval or consent of such contracting party, including principal, interest, and other returns thereon. Such foreign exchange shall be so made available on a basis, as to amount and rate as well as to all other factors, no less favorable than the most favored treatment extended under any circumstances by the contracting party to any government or political subdivision thereof, or to any individual, partnership, association, corporation or other organization or entity of whatsoever nature.

C. The Bank, its assets and real and personal property of whatsoever nature, including, without limitation of the foregoing, its charter, capital, reserves, surplus, income and profits, its activities, transactions and operations, and shares of stock and all notes, debentures, bonds and other such obligations issued by the Bank including dividends and interest thereon, by whomsoever held, and any remunerations or salaries paid by the Bank, and also any individual, partnership, corporation, association or other entity in its dealings and relations with the Bank in any of the foregoing matters and in its acquisitions, holdings, transfers or dispositions of any such shares and obligations of the Bank, shall be exempt and immune from all taxation by a contracting party or a political subdivision thereof now or hereafter imposed and by whatever name described, including, without limitation of the foregoing, excises and imposts; provided, however, that the foregoing shall not be construed as preventing the imposition by a contracting party or any political subdivision thereof of non-discriminatory taxes upon nationals of such contracting party with respect to any of the foregoing. As used in this paragraph "nationals of such contracting party" shall include any person who is domiciled in, or a citizen or resident of, such contracting party; and shall also include any individual, partnership, association, corporation or other entity organized under the laws of such contracting party or political subdivision thereof or having a permanent establishment, such as a branch, office, agency or other fixed place of business, in the territory of such contracting party; but shall not include the Bank. Notwithstanding any of the foregoing, neither a contracting party nor any political subdivision thereof shall impose any tax on or measured by salaries or remunerations paid by the Bank to its officers or employees who are citizens of any other contracting party. Nothing in this paragraph shall make the Bank or any other party referred to above exempt or immune from any customs duties or other taxes, fees, charges or exactions imposed on or in connection with the importation or exportation of any article; provided, however, that the exportation of

(i) coin, currency and of intangible property, including, without limitation of the foregoing, stocks, credit instruments, securities, and evidences of indebtedness, and

(ii) precious metals, other than precious metals produced in the territory of the contracting party and being exported for the first time,

owned or held by the Bank, or deposited with it on a custody basis or otherwise, and by whomsoever held, shall be exempt and immune from any customs duties or other taxes, fees, charges, or exactions. The provisions of this paragraph shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance accorded by the laws of any of the contracting parties in the determination of a tax imposed by such party.

D. The Bank, its assets, obligations to it and its real and personal property of whatsoever nature, shall, wheresoever located and by whomsoever held, be subject to attachment or execution by a private party only after final judgment or decree in a suit, action, or proceeding in a court of a contracting party or political subdivision thereof.

E. The stock and the notes, debentures, bonds and other obligations and securities issued by the Bank shall be exempt and immune from prohibitions, restrictions, regulations, or controls now or hereafter imposed by any contracting party or any political subdivision thereof, with respect to the registration, issue and sale of stock, notes, debentures, bonds and other obligations and securities; provided that notes, debentures, bonds and other obligations and securities issued by the Bank shall not be issued or sold by the Bank in the territory of a contracting party which makes a timely objection, as provided in the By-laws of the Bank.

As used in this Article "political subdivision" shall include territories, dependencies, possessions, and also states, departments, provinces, counties, municipalities, districts, and other governmental organizations and authorities.

THIRD ARTICLE

The present convention shall be ratified and effectuated by the contracting parties in conformity with their respective constitutional methods. The original instrument shall be deposited in the Pan American Union, in Washington, which shall transmit authentic certified copies to the contracting parties for the purpose of ratification. The instrument of ratification shall also be deposited in the archives of the Pan American Union, which shall notify the signatory governments of such deposit. This notification shall be considered as an exchange of ratifications.

FOURTH ARTICLE

The present convention shall come into force and effect as between such ratifying parties if and when ratifications of this convention shall have been deposited with the Pan American Union by at least five of the contracting parties which have agreed to subscribe for at least a total of 145 shares of stock of the Bank. Each deposit of ratification shall be accompanied by the designation of a person to serve on the Organizing Committee of the Bank, which Committee shall meet forthwith after the convention shall have come into force and effect as provided herein and proceed with all arrangements necessary for prompt organization of the Bank.

FIFTH ARTICLE

A contracting party shall remain bound under this convention for one year after such party ceases to participate in the Bank and ceases to be in any way obligated to the Bank.

SIXTH ARTICLE

This convention shall remain open to the adherence of American Republics which are not now signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other contracting parties.

FEBRUARY 6, 1940.

THIRD DRAFT OF CHARTER OF THE INTER-AMERICAN BANK

(Such charter would be granted by an act of the Congress of the United States of America)

SECTION 1. There is hereby created a body corporate with the name "Inter-American Bank," hereinafter referred to as "the bank."

SEC. 2. The structure, operations, and activities of the bank shall be as defined by the bylaws, which are annexed to the convention relating to the establishment of the bank. The bank shall also have all incidental powers necessary and proper to carry out the powers now or hereafter expressly authorized herein or in the bylaws of the bank.

SEC. 3. The bank may begin operations when at least a total of 110 shares of stock of the bank are subscribed for by at least five governments which have also deposited their ratifications of the afore-mentioned convention with the Pan American Union.

SEC. 4. The bank shall have succession for a period of 20 years from the date of enactment hereof or until such earlier time as it shall be lawfully dissolved. The United States agrees not to repeal or amend this charter except upon the request of the bank pursuant to a four-fifths majority vote of the board of directors of the bank. The United States may extend the charter for additional 20-year periods upon the request of the bank pursuant to a four-fifths majority vote of the board of directors of the bank.

SEC. 5. Amendments to the bylaws of the bank, consistent with the afore-mentioned convention, this charter, and the purposes of the bank as now set out in article 5A of the bylaws of the bank, may be adopted by the bank pursuant to a four-fifths majority vote of the board of directors: *Provided, however,* That article 5A of the bylaws may not be amended, and provided further that the provisions in such bylaws relating to the effect and manner of the making of a timely objection by a participating government may not be amended except by a unanimous vote of the representatives of all the participating governments.

SEC. 6. The bank shall have power to adopt, alter, and use a corporate seal, and to make such contracts and to acquire, own, hold, use, or dispose of such real and personal property as may be necessary for the transaction of its business.

SEC. 7. The bank may sue and be sued, complain and defend, in any court of competent jurisdiction. Any civil suit at law or at equity, brought within the United States, its Territories, and possessions to which the bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of all such suits; and the bank, in any such suit, may, at any time before the trial thereof, remove such suit into the district court of the United States for the proper district by following the procedure for the removal of causes otherwise provided by law.

FEBRUARY 5, 1940.

DRAFT OF BYLAWS OF A BANK TO BE CALLED THE INTER-AMERICAN BANK

1. LOCATION

The principal office of the bank shall be in the United States of America, and branches may be established anywhere in the Western Hemisphere.

2. CAPITAL STRUCTURE AND PARTICIPATION

A. The capital stock shall be expressed in United States dollars (hereafter referred to as dollars) and shall be authorized in the amount of $100,000,000, consisting of 1,000 shares having a par value of $100,000 each, to be paid for in gold or in dollars. Fifty percent of the issue price of each share shall be paid up at the time of subscription. The balance may be called up at a later date or dates at the discretion of the board of directors of the bank. Two months' notice shall be given of any such calls. Upon the formation of the bank the shares of stock shall be sold at par. Thereafter the issue price of shares shall be fixed by a four-fifths majority vote of the board of directors.

B. Stock shall be available for subscription only to the governments of the American republics which have subscribed or adhered to the convention relating to the bank. For a government to participate in the bank it must subscribe for a minimum number of shares, determined in proportion to the dollar value of the total foreign trade of each of the American republics during the year 1938 as follows:

Group A. Up to $25,000,000: Costa Rica, Ecuador, El Salvador, Haiti, Honduras, Nicaragua, and Paraguay, 5 shares.

Group B. Over $25,000,000 and up to $50,000,000: Dominican Republic, Guatemala, and Panama, 10 shares.

Group C. Over $50,000,000 and up to $75,000,000: Bolivia, 15 shares.

Group D. Over $75,000,000 and up to $100,000,000: Uruguay, 20 shares.

Group E. Over $100,000,000 and up to $150,000,000: Peru, 25 shares.

Group F. Over $150,000,000 and up to $250,000,000: Chile, Colombia, and Cuba, 30 shares.

Group G: Over $250,000,000 and up to $500,000,000: Mexico and Venezuela, 35 shares.

Group H. Over $500,000,000: Argentina, Brazil, and United States, 50 shares.

Each participating country may subscribe for stock in addition to the minimum. Where the demand for such additional stock exceeds the amount available for issue by the bank, such demand will be met on an equal basis from such available shares.

C. Governments of American republics which do not participate in the bank at the time of its formation or which shall have at any time ceased to participate in the bank shall be permitted to participate in the bank upon adhering to the convention relating to the bank, subscribing for the minimum number of shares and complying with any other terms and conditions designated in regulations of the bank.

D. Liability of a shareholder in its shares shall be limited to the issue price of the shares held by it.

E. (1) The shares of stock held by each government shall be security for all the obligations of such government to the bank, and shall not be otherwise pledged or encumbered by the shareholder.

(2) If a government fails to pay any call on a share on the day appointed for the payment thereof, the bank may, after giving reasonable notice to such government, revest in itself title to such share, paying to the defaulting shareholder an amount equal to the fair value of such share as determined by the bank less the amount unpaid on such share and less any amount which the bank considers necessary as additional collateral for any outstanding obligation or liability of such government to the bank. Failure to pay any call on a share on the day appointed for the payment thereof shall deprive the defaulting government of its right to exercise a vote in respect of such share so long as such government remains in default, provided that the failure of a government to pay any call on the minimum number of shares required to be subscribed by it shall deprive such government of the right to exercise any voting power during the period of default.

(3) If a government defaults on any other obligation to the bank, the bank may, after taking reasonable action to realize on any other collateral given to secure such obligation and after giving reasonable notice to such government, revest in itself title to an appropriate number of shares belonging to such government and apply to the defaulted obligation the fair value of such shares as determined by the bank less the amount unpaid on such shares. Any amount remaining, less any amount which the bank considers necessary as additional collateral for any outstanding obligation or liability of such government to the bank, shall be paid by the bank to the defaulting government.

(4) If, after a government has had a reasonable opportunity to present its position to the Board, the Board by a four-fifths majority vote finds that such government has violated any provision of the Convention relating to the bank, such government shall cease to participate in the bank, but its obligations and duties with respect to the bank shall continue and the bank may revest in itself title to an appropriate number of shares belonging to such government and apply the fair value of such shares as determined by the bank, less the amount unpaid on such shares, to compensate the bank for such damages as the bank determines it suffered by reason of such violation. Any amount remaining, less any amount which the bank considers necessary as additional collateral for any outstanding loan or liability of such government to the bank, shall be paid by the bank to such government.

F. Shares of stock may be transferred only to the banks or to other participating governments at a price to be agreed upon between the parties and upon the approval of the transfer by a four-fifths-majority vote of the board of directors. If, as a result of the transfer of shares of stock or reacquisition by the bank, or for any other reason, a government holds less than the minimum amount of shares of stock required of it, such government shall cease to participate in the bank, but its obligations and duties with respect to the bank shall continue.

G. The capital structure of the bank, including he number and par value of shares may be increased or decreased by a four-fifths-majority vote of the board of directors, except that a unanimous vote of the representatives of all the participating governments shall be required to increase or decrease the minimum holdings of participating governments.

H. The voting power of each government on the board of directors shall be distributed as follows: 20 votes for each government for its minimum shares, and 1 vote for each additional share. However, regardless of the amount of stock owned by it, no government shall have a voting power in excess of 50 percent of the total voting power of all the other participating governments on the basis of stock which such other governments own at the time.

3. MANAGEMENT

A. The administration of the bank shall be vested in the board of directors composed of one director and one alternate appointed by each participating government. Each government shall appoint its director and alternate in a manner to be determined by it. Such director shall serve for a period of 2 years. An alternate shall serve for such period as shall be determined by his government. The bank shall pay such reasonable expenses as are incurred by the directors and alternates in attending any meetings of the board or any committee of the bank. The voting power held by a participating government shall be exercised by the director and in his absence by the alternate or a nominee or proxy. The alternate may otherwise participate in the activities of the board.

B. Meetings of the board of directors shall be held not less than four times a year and may be held either at the principal or any branch office or at any other city in a participating country as the board of directors may determine. The president may call special or extraordinary meetings of the board of directors at any time.

C. The board shall select a president of the bank, who will be the chief of the operating staff of the bank and who also shall be ex officio chairman of the board of directors, and one or more vice presidents, who shall be ex officio vice chairmen of the board of directors. The president and vice presidents of the bank shall hold office for 2 years and shall be eligible for reelection.

D. The departmental organization of the bank shall be determined by the board. The heads of departments and other similar officers shall be appointed by the board on the recommendation of the president. The remainder of the staff shall be appointed by the president.

E. The board may also appoint from among its members an executive committee. The board may at any meeting by a four-fifths majority vote, authorize the president or the executive committee or any other committee of the bank to exercise any specified powers of the board; provided, however, that such powers shall be exercised only until the next meeting of the board and shall be exercised in a manner consistent with the general policies and practices of the board. The board may also, by a four-fifths majority vote, delegate to designated officers and committees of the bank, for such periods as it may determine, power to make loans and extend credit in such small amounts as may be fixed by the board.

F. The board may appoint advisory committees chosen wholly or partially from persons not regularly employed by the bank.

G. The board, within a year after its first meeting, shall by regulations prescribe the reserves to be established and maintained against demand deposits and other obligations of the bank and shall prescribe a limitation on the amount of intermediate and long-term assets in relation to capital and surplus; and such regulations shall not be amended, modified, or revoked except by a four-fifths majority vote of the board.

H. Before the bank finally approves an intermediate or long-term loan or extension of credit, a full written report on the merits of the proposed transaction shall be prepared by a committee of experts which may include persons other than officers and employees of the bank.

I. Except as herein otherwise provided, decisions of the board shall be by simple majority of the votes cast. In the case of equality of votes the chairman shall have a deciding vote. A government may vote at meetings either through the director or alternate or through a nominee or proxy in such manner as the board may provide by regulations. When deemed by the president to be in the best interests of the bank, decisions of the board of directors may be made without a meeting by polling the directors on specific questions submitted to them in such manner as the board of directors shall by regulations provide. The board of directors shall by regulations determine what constitutes a quorum for a meeting.

J. Approval by four-fifths majority vote of the board of directors shall be required for the making and granting of intermediate and long-term loans and credits, including the assumption of the obligation of a guarantor on intermediate and long-term loans and credits; the acquisition and sale of intermediate and long-term obligations and securities; the discounting and rediscounting of intermediate and long-term paper; engaging in bullion and foreign-exchange transactions and otherwise incurring foreign-exchange risks; the issuance of debentures and other securities and obligations of the bank; the determination of the functions and duties of the officers and principal employees of the bank and the executive and other committees; the calling up of the balances due on stock; the creation of branches of the bank; and for amending the bylaws, except that article 5A of these bylaws may not be amended and except that the provisions of these bylaws relating to the effect and manner of the making of a timely objection by a participating government may not be amended except by a unanimous vote of the representatives of all the participating governments. Four-fifths majority vote of the board of directors, as used in these bylaws, means four-fifths of the votes cast.

4. ACCOUNTS AND PROFITS

A. The financial year of the bank shall end on December 31.

B. The books and accounts of the bank shall be expressed in terms of the United States dollar.

C. The bank shall publish an annual report and at least once a month a statement of account in such form as the board may prescribe. The board shall cause to be prepared a profit-and-loss account and a balance sheet for each financial year. All published documents shall be printed in the official languages of the participating governments. The board shall designate a committee of directors to arrange for examination, at least once a year, of the books and accounts of the bank by competent experts to be selected by the committee.

D. The yearly net profits of the bank shall be applied as follows:

1. Not less than 25 percent of such net profits shall be paid into surplus until the surplus is equal in amount to the par value of the authorized capital stock of the bank.

2. The remainder of such net profits shall be applied toward the payment of a dividend of not more than 3 percent per annum on the paid-up amount of the stock of the bank; provided, however, that dividends shall be noncumulative and no dividends shall be paid so long as the capital of the bank is impaired.

3. The balance of such profits shall be paid into surplus and be designated a dividend reserve.

E. The board of directors by a four-fifths majority vote may declare dividends out of the dividend reserve in surplus of the bank; provided, however, that total dividends in any one year, including dividends paid pursuant to paragraph D–2 above, shall not be more than 3 percent of the paid-up amount of the stock.

F. The bank may not be liquidated except by a four-fifths majority vote of the board of directors. Upon liquidation of the bank and after discharge of all the liabilities of the bank, the assets remaining shall be divided among the shareholders.

G. The shares shall carry equal rights to participate in the profits of the bank and in any distributions of assets upon liquidation of the bank.

5. PURPOSES AND POWERS

A. The bank is created by the American republics to carry out the following purposes:

(1) Facilitate the prudent investment of funds and stimulate the full productive use of capital.

(2) Assist in stabilizing the currencies of American republics, encourage the maintenance of adequate monetary reserves, promote the use and distribution of gold and silver, and facilitate monetary equilibrium.

(3) Function as a clearing house for and in other ways facilitate the transfer of international payments.

(4) Increase international trade, travel, and exchange of services in the Western Hemisphere.

(5) Promote the development of industry, public utilities, mining, agriculture, commerce, and finance in the Western Hemisphere.

(6) Foster cooperative action among the American republics in the fields of agriculture, industry, public utilities, mining, marketing, commerce, transportation, and related economic and financial matters.

(7) Encourage and promote research in the technology of agriculture, industry, public utilities, mining, and commerce.

(8) Engage in research and contribute expert advice on problems of public finance, exchange, banking, and money as they relate specifically to the problems of American republics.

(9) Promote publication of data and information relating to the purposes of the bank.

B. In order to carry out the foregoing purposes the bank shall have specific power to:

(1) Make short-term, intermediate, and long-term loans in any currency and in gold or silver to participating governments and to fiscal agencies, central banks, political subdivisions, and nationals thereof; provided that any such loan to such fiscal agency, central bank, political subdivision, and national shall be guaranteed by the government thereof.

(2) Buy, sell, and deal in the obligations and securities of participating governments and of fiscal agencies, central banks, political subdivisions, and nationals thereof; provided such obligations and securities as are not the direct liability of such government are guaranteed by such government; and provided further, that the bank shall not buy obligations and securities that are in default in whole or in part as to principal or interest.

(3) Guarantee in whole or in part loans made from any source to participating governments and to fiscal agencies, central banks, political subdivisions and nationals thereof, provided that such loans as are not the direct obligation of such government are guaranteed by such government.

(4) Act as a clearing house of funds, balances, checks, drafts, and acceptances.

(5) Buy, sell, hold, and deal in precious metals, currencies, and foreign exchange for its own account and for the account of others; provided, however, that no such transaction shall be entered into with a fiscal agency, central bank, political subdivision, or national of a participating government, if such government makes a timely objection; and guarantee the availability and the rates of exchange of the currencies of participating governments.

(6) Issue or sell debentures and other securities and obligations of the bank to obtain assets for the purposes of the bank, provided that such debentures and other securities and obligations shall not be issued or sold by the bank in the territory of any participating government which makes a timely objection. The bank may also borrow in any other manner from participating governments, and from political subdivisions and banking institutions thereof unless the government of the lender makes a timely objection.

(7) Accept demand and time deposits and custody accounts from others, including participating governments and fiscal agencies, central banks, political subdivisions and nationals thereof unless the participating government makes a timely objection; provided that the bank shall pay interest, if any, only on deposits of governments, fiscal agencies, and political subdivisions thereof, and central banks.

(8) Discount and rediscount bills, acceptances, and other obligations and instruments of credit of participating governments and fiscal agencies, central banks, political subdivisions and nationals thereof, provided that such paper as is not the direct obligation of such government is guaranteed by the government.

(9) Rediscount with any government, fiscal agency, or banking institution bills, acceptances, and instruments of credit taken from the bank's portfolio; provided, however, that the bank may not rediscount with a fiscal agency or a banking institution in the territory of a participating government which makes a timely objection.

(10) Open and maintain time and demand deposits and custody accounts with governments and banking institutions and arrange with governments and banking institutions to act as agent or correspondent for the bank.

(11) Act as agent or correspondent for any participating government and for fiscal agencies, central banks, and political subdivisions thereof, unless the Government makes a timely objection.

(12) Engage in financial and economic studies and publish reports thereof.

(13) Buy, sell, negotiate, and deal in cable transfers, accept bills and drafts drawn upon it, and issue letters of credit—all subject to the limitations herein provided with respect to loans, extensions of credit, discounting and rediscounting of paper, and dealing in obligations and securities.

(14) Adopt, alter, and use a corporate seal; acquire, own, hold, use, or dispose of such real and personal property as may be necessary for the transaction of its business; and make contracts subject to the limitations herein provided.

(15) Exercise incidental powers necessary and proper to carry out the powers expressly authorized herein.

C. The board of directors shall determine the nature of the operations which may be undertaken by the bank in the exercise of its powers and in order to effectuate its purposes. The operations of the bank shall at all times be conducted in conformity with the laws of the territory where the bank is acting and, so far as possible, be conducted in conformity with the policies of the participating government directly concerned.

6. DEFINITIONS

A. As used herein "nationals" of a participating government or country shall include any person who is domiciled in, or a citizen or resident of, such participating government or country; and shall also include any individual, partnership, association, corporation, or other entity organized under the laws of such participating government or political subdivision thereof or having a permanent establishment, such as a branch, office, agency, or other fixed place of business, in the territory of such participating government.

B. As used herein "short term" shall mean a period less than 1 year; "intermediate" shall mean a period from 1 to 5 years; and "long term" shall mean a period longer than 5 years.

C. As used herein "political subdivision" shall include territories, dependencies, possessions, and also States, departments, provinces, counties, municipalities, districts, and other governmental organizations and authorities.

D. Within the meaning of these bylaws a government shall be deemed "to make a timely objection" only if such government, after its director is notified of the proposed action or course of action by the bank and within the reasonable period of time fixed by the board, presents to the bank through such government's director, alternate, nominee, or proxy its objection to such action or course of action. The bank shall notify the directors representing the governments concerned when action or a course of action is contemplated by the bank under article 5B (5), (6), (7), (9), and (11) of these bylaws.

Mr. CRAWFORD. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. THORKELSON].

Mr. THORKELSON. Mr. Chairman, this bill, S. 3069, is known throughout the country as the Finnish loan bill, and on its face does not disclose its real purpose.

The minority members of the Committee on Banking and Currency of this House have put their finger on what it really is.

It is a subterfuge to finance Latin America through political loans.

I have in my hand three interesting documents proving this point, which point was raised by the minority when the rule was granted yesterday. The first document is a draft of a convention relating to the Inter-American Bank. A convention is a treaty which need not be confirmed by the Senate, as illustrated by the "300-mile neutrality zone" under the recent Panama convention.

The second document is the charter of the Inter-American Bank, and the third document is a draft of the bylaws which control the "structure, operation, and activities of the bank." On their face the documents show that they were issued by the Pan American Union, of Washington, D. C., and apparently prepared by the Inter-American Finance and Economic Advisory Committee, made up of bureaucrats in the Treasury, State, and Commerce Departments.

The idea of this bank was proposed last fall by the Mexican delegate to the Costa Rica financial congress.

Under this program, as revealed by these three clever documents, the President of these United States signs the convention which becomes a treaty binding upon this Congress.

Therefore this Congress is bound to grant the bank charter provided in the convention.

This is international finance with a "cold deck." When these three Latin American countries have confiscated American property, destroyed established American businesses, embracing the doctrines of Lenin and Marx by "sharing the wealth" with force, then it is communism or the communal ownership of private property in its most precise form.

This bill now under consideration is clearly a step in the program that I set before you, which has destroyed, is destroying, and will continue to destroy, American foreign trade.

The New York Herald Tribune, on June 5, 1939, in an editorial entitled "Pump Priming a Hemisphere," points out that Chili has just announced that it will take over American oil distribution in that country and would like to place an $80,000,000 loan in the United States through the Import-Export Bank covered by this bill. Although pump priming has failed at home, this Congress is risking the drying up of further markets for American capital and enterprise. It points out that most Latin American countries are already heavily in debt, and nearly all of them, with the exception of Argentina, have been in default for years. By this bill Congress seeks to ignore these defaults and is directing the management of the Import-Export Bank and the Federal Loan Administrator to grant further credits to the Government and businessmen of Latin America, without any assurance, as the Latin-American record of defaults and expropriations proves that the Import-Export Bank will ever see the American taxpayers' hard-earned tax payments returned to us.

If these credit risks in Latin America are so desirable and so advantageous, so profitable, and so secure, I put it to you that private banking would gladly embrace this wonderful opportunity before the Inter-American Finance and Economic Advisory Committee of the State, Treasury, and Commerce Departments ever got underway; before this Congress in its cautious legislation ever had a chance to consider this bill; and before the Government bank in Washington or the Latin American pipe line got a chance to advance the American taxpayers' moneys to the governments and businessmen of Latin America.

It points out that the American Government does nothing effective to protect the legitimate interests of American business concerns from expropriations or confiscations by Latin American governments. It shows that the administration has done nothing to protect American interests against illegal and unfair acts of some of the governments of these countries. Bolivia, Mexico, and now Chile—their technique is different but their objective is the same, namely to take over well-running organizations after Americans have done the pioneering and development.

The New York Journal of Commerce, in an editorial of July 11, 1939, shows that—

> Efforts to prime the pump of American foreign trade through Export-Import Bank loans are doomed to failure. Whatever benefits are derived from such loans are more than offset by a failure to create conditions that promote new private investments abroad. As long as this continues to be the case, Congress is justified in keeping the activities of the Export-Import Bank within modest limits.

The Wall Street Journal recently pointed out in an editorial that—

> It is inconceivable that our Government should make loans or commerce credits available here to governments which have refused to respect the legitimate rights of foreign investors, or to the citizens of such governments—desirable as it is that we cultivate commercial relations with the countries to the south of us on a basis of fairly balanced mutual advantage, the question of good faith comes first. Somewhat unfortunately there is no easy way of determining just how far the doctrine of confiscation may have spread south of the Rio Grande. In view of that difficulty it is necessary to say that our Government credit agencies had better confine their activities to countries the governments of which clearly dissociate themselves from that doctrine.

This Congress must be aware that the views which the press express are known to their readers throughout the country. There comes a time, gentlemen, there comes a time.

The Calumet (Mich.) News, in an editorial dated June 16, 1939, entitled "Dreams That Become Nightmares," points out that governments owe the United States more than $12,000,000,000; that Mexico postponed payment on confiscated farm lands for decades, and justified her position as "expropriation of a general and impersonal character" affecting her own

nationals and foreigners alike; that obviously if a gang of Americans in the United States should seize all the oil properties in Oklahoma, Texas, or California, they would be held responsible for daily crimes. The editorial out West goes on to conclude that:

In the meantime, while Mexico ducks and evades settlement of this vital issue, the daily confiscations go on to the tune of over $100,000 a day—a loss to foreign property holders which the Mexican Government never can make up. * * * But in spite of this apparently easy way of getting something for nothing, the Mexican confiscation program is not working out the way it was planned, and already the properties are deteriorating. Laborers, commerce, and industry have not received the promised profits or spiritual uplift. There has been no increase in employment or wages. Living conditions have not improved. In fact, government management has been decidedly unsuccessful. The dream of the National Revolutionary Party headed by President Cardenas has turned into a nightmare.

The Mexican peso has dropped from 2 to 1 to the dollar to 5 to 1, and is well on its way to 10 to 1, which raises the cost of living of every Mexican citizen, and the elections in Mexico are in October.

The New York Herald Tribune last October carried an editorial on the subject which we are considering under this bill, and points out that—

In the first place, not all the countries of Latin America need stabilization loans, whereas all except Argentina want capital; that while it is obviously desirable to enlarge the trade between the United States and Latin America this must be, in the final analysis, on a basis of exchange rather than of loans.

The editorial says that Mr. Jesse Jones—to whom we are contemplating the wisdom of giving $100,000,000 under this bill—put it well in his letter to the National Foreign Trade Council last week when he said that—

While credit can help, the only permanent solution is real trade, where we buy as well as sell—somewhat as our seafaring ancestors used to do when the ship captain was the trader.

The editorial points out that the trouble is to find things to buy in Latin America that we can use. Until we find such articles, it is folly to advance large sums to finance selling to Latin America. This becomes a form of international pump priming, with all present signs indicating that it will not work.

As a matter of fact, when the broad picture of the relations between the United States and Latin America is considered, it is impossible to leave out the record of defaults on loans made by Americans to Latin American countries and the effect of direct investments in stimulating trade. The idea that loans create trade is open to grave question.

We had our post-war loans which have never been repaid. The foreigners got the goods, which created a false period of prosperity in the gay 1920's and we have had a headache ever since.

As the editorial says, for a brief period loans give the illusion of increased trade. But as a rule, a loan is little more than "a shot in the arm."

Direct investments, on the other hand, especially those in productive properties, tend to maintain and slowly increase the volume of trade between the investing nation and the country where the money is invested. While this generalization is subject to certain qualifications, its pertinence is exhibited by the fact that one of the proposals being considered in Washington calls for an increase in direct investments in Latin America.

The editorial concludes with a statement that the good-neighbor policy must, in the final analysis, rest on economic realities. It may be diplomacy, but out West we would call it the double-cross for the State Department to try to set up this inter-American bank under these circumstances, and yet, at the same time, attempt to convey to Latin American governments the absolute and unlimited conviction of this Congress that no neighbor is a good neighbor who attempts by trick, subterfuge, or indirection to achieve communization of American property abroad. [Applause.]

SESSION ON INVESTMENTS AND NATIONAL POLICY OF THE UNITED STATES IN LATIN AMERICA [1]

(By Max Winkler, College of the City of New York)

Latin America appeared a logical field for the placement of American capital. Half a century ago our total stake in the countries south of the Rio Grande barely exceeded $50,000,000. At the outbreak of the European war our investments in Latin America had reached $1,300,000,000, or almost four times as much as our European investments, which were estimated at $350,000,000. At the beginning of the current year American investments in Latin America totaled $5,705,601,000, or slightly in excess of our stake in Europe. * * *

Few probably realize that for every increase of $1,000 in our investments in Latin America during the past decade and a half our commerce with our neighbors increased $140.49, while our trade with Europe during the period 1913–30 registered a gain of only $72.67 for every $1,000 increase in American investments in the old continent.

These figures would seem to demonstrate the underlying causes for America's economic penetration of her southern neighbors. It is obvious that we did not make our investments largely in order to make it possible for our soldiers, our bankers, and oil barons to rule Latin America, as stated by a rather prominent American historian versed in Central and South American affairs.

Although both interest and expedience dictate that Latin America should rank first as an investment field for America's surplus funds, extreme discrimination must be exercised in the granting of credits, and precise stipulations made regarding the purpose to which they shall be put. Lenders who ignore or do not heed sufficiently these cardinal principles are conferring no benefits upon the borrowers. On the contrary, they are definitely aggravating their difficulties without securing for themselves corresponding compensation, except perhaps the transitory joy which resides in monetary rewards.

Our experience as a lending power, brief though it is, is replete with instances which clearly demonstrate that many a credit, granted regardless of the manner in which the proceeds were expended, turned into a discredit to ourselves, without in any way benefiting the borrower, except perhaps some unscrupulous public official. * * *

During and after the war our friends south of the Rio Grande discovered that the Norte Americano was no longer a myth. He consumed large quantities of coffee and sugar and bananas, of tin and nitrate and manganese. He supplied ingenious farming devices and cheap automobiles which did as good service as expensive cars from Europe. But he was not popular because his ways differed from all precedents, and he was suspected of contempt for those whom he arrogantly termed "Latin Americans."

Then was born a wonderful new era—an era in which millions of dollars—tens and hundreds of millions—were offered to the governments and industries of the southern republics by the same incomprehensible Norte Americano, who not so many years back would bicker over 90 days' credit on a hundred dollars' worth of merchandise. In typical American fashion, we aimed at achieving overnight what it has taken our European friends decades to accomplish. It seemed as if we had set as our goal the creation of a record as regards the investment of capital in South and Central America. The desirability of such investments was rarely questioned, the principal object, on many occasions, being the extent of the underwriters' profit. * * *

So long as the golden stream was flowing in, respect and gratitude filled the hearts of Argentinians and Brazilians, Chileans and Peruvians, Bolivians and Colombians and Uruguayans for the manifestation of good will and confidence on the part of the United States. Thousands of young men from those countries came here to learn our language and commercial methods. Our engineers and business experts journeyed south by invitation. Presidents of the United States exchanged visits with the Presidents of those republics. Good relations and mutual confidence became firmly established.

America's leadership in the field of international finance was undisputed. Americanization and American methods were the goal of every nation across the Atlantic and south of the Rio Grande. The United States abounded in experts in practically every field of endeavor and at all times ready to lend those American wizards of economics and finance to whomever was anxious to borrow them. Of course, each time an expert was dispatched to a foreign land the American investing public began to be prepared for a loan to that country. The expert's advice was invariably followed or accompanied by the flotation of issues on behalf of the nations whom he had been called upon to advise. * * *

Then, suddenly and without warning, the fountain of credit dried up. The New York foreign-bond market, expensively organized through years of educational campaigns, collapsed. Underwriting houses, investment corporations, and foreign-bond brokers abandoned their bond departments in order to devote all of their time to a stock-market orgy which lasted 17 months.

Latin America was bewildered by this changed situation, which New York bankers were finding difficult to explain. Relations were still good, but there was an undercurrent of resentment, particularly on the part of governments with unfinished roads and public works for which funds were actually promised, subject to market conditions. It cannot be said that there is good understanding when one of the parties does not understand.

Unemployment set in. Demand for native products decreased. Governments were found wanting because they could no longer keep promises. Discontent grew, and so did the desire to change conditions through revolutions—a method which, on the whole,

[1] Papers and Proceedings of the Forty-fourth Annual Meeting of the American Economic Association. The American Economic Review, vol. 22, Supplement, March 1932.

had lain dormant for decades. It was discovered, however, that a mere change in government cannot alter appreciably the price of copper and tin, of silver and nitrate, of coffee and sugar. The governmental treasuries were empty; trade was falling; reserve ratios dwindled; and the inevitable happened—suspension of payment on contractual obligations.

The age-old theory was revised: South and Central American countries have little, if any, regard for the rights and privileges of creditors. Nothing can be further from the truth. Integrity and honesty are not the sole property of certain nations. Our southern neighbors are inherently as honest as our Anglo-Saxon cousins or our far-eastern friends. The fault is at least as much the lender's as it is the borrower's.

To begin with, we almost went out of our way to finance Latin-American projects. No loan was turned down so long as we felt that it would be absorbed by the American investing public. It is indeed amazing to find that, in spite of the unparalleled demand for foreign issues during the period 1924–29, not a single loan was sold to the American public on behalf of a nonexistent foreign government. Anyone familiar with the state of the bond market at that time knows how easy it would have been to place successfully even bonds of such category.

The result was that nations were permitted to accumulate a debt far beyond their capacity to meet. Many of our bankers, relatively new in the field, had cultivated a peculiar idea about Latin America. They were inclined to look upon financial transactions with most of our neighbors as hazardous, and consequently decided to have the supposed risk offset by the onerous terms imposed. In this connection it may be of interest to quote from a statement made by one of South America's most distinguished statesmen, Dr. Augustin Edwards, of Santiago, anent the sale to an American group of a Bolivian loan. "Loans," he said, "are made to countries in which the financial and economic condition and the governments offer reasonable guarantee of repayment. Capitalists are not obliged to extend credit to those who do not offer such guarantees. But beyond this it is not safe to go." American bankers did go beyond this, and it has proved distinctly unsafe, not so much for them as for those of the American investing public who had been prevailed upon to purchase those bonds.

The default on the part of South American republics, regardless of who may be responsible, has doubtless dealt a severe blow to the credit standing of these countries in the financial markets of the world. Fear on the part of investors, due largely to paucity of information, that the countries which have not as yet defaulted might emulate their neighbors has aggravated an already complicated problem. It is for these and similar reasons that we often encounter the most unusual spectacle of seeing South American issues, the service on which continues to be met, sell at prices which are not appreciably above the coupons which they bear. We witness third-lien bonds selling substantially in excess of first-lien issues, and bonds with higher interest rates selling considerably below issues with lower rates.

Such is the irretrievable penalty a nation is obliged to pay for the collapse of its credit. And since credit is one of the underlying factors in a nation's commerce, the trade of the country in question with its neighbors also suffers considerably.

Even in 1930, which was admittedly one of the most trying years in the economic history of Latin America, our total commerce with our southern neighbors showed a gain over the 1913 figures of more than 73 percent and compares with a gain in our own total trade over the pre-war figure of about 63.5 percent.

Careful and unprejudiced analysis of our relations with our southern neighbors reveals that the United States banker was not always extending aid for purely selfish reasons, or because he was anxious to further an imperialistic scheme evolved to subjugate all of Latin America. * * *

Within the past 50 years, our trade with Latin America has increased almost seven times; whereas our trade with Europe has, in the same period, advanced less than three and one-half times. Moreover, our commerce with Latin America has shown an even more impressive growth than the total trade of the United States, which increased slightly more than six times during the period 1880–1930.

Many are the disappointments to which our bankers for, and investors in, Latin American countries have been subjected, and even more numerous are the disappointments of American holders of Latin-American bonds. But large, too, is the number of mistakes which have characterized in the past our foreign-loan policy in general, and our Latin-American loan policy in particular, and for which the irretrievable penalty is now being exacted in the form of defaults and suspensions of payment.

Nevertheless, the importance of Latin America to the United States as a future market for our manufactured goods, cannot be disputed. Why do we not, therefore, concentrate our efforts to the end that our commerce with Latin America, amounting to $1,600,000,000 yearly, be at least maintained, and that it be not lost to us at a time when we most need it?

With approximately $6,000,000,000 of American capital invested in Latin-American securities and enterprises, it is no longer a question whether such investments should or should not have been made. Such question is by $6,000,000,000 too late. We are in Latin America to that extent, and it is incumbent upon us, or those of us who are charged with the guidance of the economic policies of the American people, to see to it that adequate protection is given to what has already been staked in Latin America, and that proper care is exercised in whatever investments we may make in the future.

This could best be accomplished through an unbiased and impartial agency, whose activities would be directed by men of experience in international affairs and of sufficiently high standing to command the respect of the community. And, while it is true that such an agency might from time to time find itself opposed to interests anxious to finance Latin American or foreign projects in general, largely because of the profits accruing from such undertaking, it could to advantage adopt as its slogan the Latin words: "Let them dislike us, as long as they respect us."

United States-Latin America trade and investments [1]

	1880	1913	1930	Over first period	Over 1913
	Millions of dol.	*Millions of dol.*	*Millions of dol.*		
Total United States exports	677	2,484	3,843	467.65	54.71
Exports to Europe	562	1,500	1,838	227.04	22.53
In percent of total	83.01	60.38	47.82		
Exports to Latin America	58	361	680	1,072.41	86.70
In percent of total	8.57	14.53	17.69		
Total United States imports	493	1,739	3,061	520.89	76.02
Imports from Europe	248	865	909	266.53	4.04
In percent of total	50.30	49.75	29.70		
Imports from Latin America	155	481	781	403.87	62.37
In percent of total	31.44	27.66	25.51		
Total United States trade	1,170	4,233	6,904	490.08	63.48
With Europe	810	2,365	2,747	239.13	16.15
In percent of total	69.23	56.00	39.79		
With Latin America	213	842	1,461	585.91	73.51
In percent of total	18.21	19.94	21.16		
Total United States investments abroad	200	2,625	17,528	8,664.00	627.50
Investments in Europe	120	350	5,607	4,572.50	1,502.00
In percent of total	60.00	13.33	31.98		
Investments in Latin America	50	1,300	5,708	11,312.00	338.92
In percent of total	25.00	49.52	32.55		

[1] Trade figures represent annual average for period preceding 1880.

United States investments in Latin America as of Jan. 1, 1931 [1]

	Direct investments	Portfolio investments	Total investments
Argentina	$353,369,000	$517,800,800	$871,169,800
Bolivia	61,619,000	61,104,000	122,723,000
Brazil	222,498,000	401,424,000	623,922,000
Chile	295,735,000	311,367,000	607,102,800
Colombia	123,994,000	184,402,800	308,396,800
Ecuador	11,777,000	10,726,000	22,503,000
Paraguay	12,615,000	150,000	12,765,000
Peru	126,530,250	102,881,000	229,411,250
Uruguay	27,904,000	81,977,300	109,881,300
Venezuela	240,808,850		240,808,850
Total, South America	1,476,850,900	1,671,832,900	3,148,683,800
Costa Rica	22,166,000	9,400,000	31,566,000
Guatemala	69,979,000	4,775,000	74,754,000
Honduras	71,485,000	1,250,000	72,735,000
Nicaragua	13,002,000	1,646,700	14,648,700
El Salvador	29,466,000	14,530,300	43,996,300
Panama	28,584,000	19,866,000	48,450,000
Cuba	1,014,444,500	206,320,500	1,220,765,000
Haiti	14,191,000	16,015,000	30,206,000
Mexico	725,043,900	145,796,300	870,840,200
Dominican Republic	69,322,000	19,684,000	89,006,000
Miscellaneous Latin America [2]	60,000,000		60,000,000
Total	2,117,683,400	439,283,800	2,556,967,200
Grand total	3,594,534,300	2,111,116,700	5,705,651,000

[1] The estimates of American investments in Latin America have been prepared by the writer.

The reasons for the discrepancy between these figures and those presented by the Department of Commerce are presented in a special study on "A New Estimate of American Investments Abroad," prepared by the Department. These reasons include, among others, the elimination by the Department of American investments in the obligations of the Mexican Government, its various political subdivisions, as well as in Mexican railways, advancing as a reason for the elimination the prevailing low quotation of Mexican securities and the resultant difficulty to determine their true value.

It is obviously difficult to subscribe unqualifiedly to such arguments. After all, the investment of American capital cannot be determined on the basis of the liquidating value at the time the computation is made, but must be based upon the actual amount invested in any given situation. If market values are chosen, it will become necessary to revise American capital investments abroad every time the quotation of the various foreign securities held in this country will undergo changes.

[2] Includes the Guianas, Jamaica, and other West Indies.

Mr. CRAWFORD. Mr. Chairman, I yield such time to the gentleman from Pennsylvania [Mr. VAN ZANDT] as he may desire.

Mr. VAN ZANDT. Mr. Chairman, for many years I have been a stanch advocate for a neutrality policy that will keep our country from becoming involved in another World War.

During the first and second sessions of this Congress there was much discussion concerning neutrality. Those of you who supported the administration's neutrality measure assured the membership of this House that such legislation was an iron-bound and foolproof neutrality policy. Those

of us who voted against repeal of the arms embargo cast aside our opposition to the administration's neutrality policy when the majority adopted it, joining in the pious wish that such a policy would keep America out of war.

Since the enactment of the administration's neutrality policy much water has flowed over the dam. Russia's invasion of Finland has aroused the sympathy of the American people. Some say this sympathy demands military aid for Finland in her valiant battle of resistance against the Russian bear.

I challenge the interpretation to be placed on this word "sympathy." True enough fully 98 percent of the American people are sympathetic to the Finns, provided our feelings are translated purely in the light of giving nonmilitary aid to this stricken country.

Every Member of this House has a definite mandate from the American people to keep this Nation out of war. As a Member of this body, I take this opportunity to call to your attention that while our sympathies are definitely with the Finnish people in their distress yet we cannot permit our sympathies to lead us in the direction that will ignore the mandate of the American people by setting a precedent that will surely plunge us into war.

We have before us for consideration S. 3069—a bill that provides for increasing the lending authority of the Export-Import Bank of Washington and for other purposes. This bill has been labeled by the spokesmen of the administration as a measure to aid Finland. Yet at no place in the bill is Finland mentioned. Even the committee report of the House Committee on Banking and Currency which accompanies this bill discloses that the Export-Import Bank may make a loan to Finland, but no definite commitment is made nor guaranty given that Finland will receive any assistance.

When Jesse H. Jones, Administrator of the Federal Loan Agency, under whose jurisdiction the Export-Import Bank functions, testified before the House Committee on Banking and Currency, he was courageous enough to confess the fact that no part of the $100,000,000 to be authorized under S. 3069 was committed to Finland. In other words, Administrator Jones was asking for $100,000,000 for the Export-Import Bank regardless of what has taken place in Finland. This is proved by quoting Administrator Jones while before the House Committee on Banking and Currency. I quote from page 35 of the hearings before the House Banking and Currency Committee:

Mr. GIFFORD of Massachusetts. And somebody is trying to take advantage of it (Finland) by using the Finland situation to get $100,000,000.

Mr. JONES. There is no reason for Finland to be mentioned in this bill at all. This is the same bill we came up here with last year.

Mr. WILLIAMS of Delaware. In other words, you need the $100,000,000 regardless of what has taken place in Finland.

Mr. JONES. Yes.

A little further in the hearings Mr. Jones makes a similar statement as recorded on page 35 of the hearings.

Miss SUMNER of Illinois. If the $100,000,000 is authorized Finland will get about $10,000,000. Is that correct?

Mr. JONES. Finland may get $20,000,000 or $10,000,000 or maybe $12,000,000 or $15,000,000. I want to make it plain I am not able to make a definite answer about that.

And on page 36 of the hearings I quote Mr. Jones again.

Miss SUMNER of Illinois. But we have to authorize $100,000,000 before you can make a $10,000,000 loan to Finland.

Mr. JONES. Well, I do not know about that definitely.

Miss SUMNER of Illinois. Did not I understand you to tell me yesterday that in order to make a $10,000,000 loan we would have to authorize $100,000,000?

Mr. JONES. I do not think the bill ought to be based on that assumption. I think if you do not want to pass this bill for general purposes, it should not be passed.

Anyone reading the above testimony will agree that someone is deliberately camouflaging the real issue here today at the expense of Finland. As previously stated, at nowhere in the bill is Finland mentioned. Mr. Jones, when appearing before the committee, and in his own words, states that no commitment of any of the sum of $100,000,000 has been made to Finland. Furthermore, by frequent use of the words "may" and "if" he refuses to even make a promise that a portion of this money will go to Finland.

Let us tear the mask from this bill, S. 3069, which has been erroneously labeled as the Finnish loan bill. As Mr. Jones has said, this bill is nothing more than a request for a New Deal agency to grab an additional $100,000,000 of the American taxpayers' money and disburse same at their own pleasure under the guise of aiding war-torn Finland.

My heart goes out to the stricken Finnish people, who are deserving of a humanitarian loan to aid them in their plight. This bill, however, is not providing definite aid to Finland but is merely a means by which the New Deal can snatch an additional $100,000,000 of the taxpayers' money while crying, "Let's aid Finland."

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. HOFFMAN].

HE SEEKS OTHER WORLDS TO CONQUER

Mr. HOFFMAN. Mr. Chairman, convinced by the flattery of those whom he has raised to high positions and by his own self-esteem that he is the only individual in our 140,000,000 population competent to direct the destinies of our Nation, Franklin Roosevelt is now engaged, through the use of Federal funds and Federal patronage, in an effort to reelect himself President of the United States.

As the lifelong patriotic Democratic Senator from Virginia, CARTER GLASS, stated on the floor of the Senate on June 24, 1937:

The last election (meaning the election of 1936) was carried by people who were getting favors from the Government, people who were subsidized by the Government, people who were on relief rolls, and people who were sanctioning the invasion of private property and its occupation, as is being done now.

The consuming fires of his ambition have overcome any reluctance which the President might have had to accept the aid of the Communists, a party whose objective is the overthrow of our Government by force. President Roosevelt himself and his henchman, Murphy, received in their political campaigns, without protest, the aid of Earl Browder, head of the Communist Party. The President and Murphy broke with Browder and the Communists, on the surface at least, but they did this only after the activities of the Communists had been exposed by the Dies committee and the prosecution of Browder for criminal acts could no longer be delayed.

Today the President is using his great office to secure delegates who, in the Democratic National Convention, will do his bidding. It is not denied that he seeks to dominate that convention, to take the nomination for President for himself or to name his successor—all this on the theory that he, and he alone, can successfully perform the duties of a Chief Executive.

No man in the history of our country has done more to curtail the powers of Congress; to take over the legislative functions granted it under the Constitution. No man in the history of our country has so attempted to influence the judicial branch of our Government as has Roosevelt. He has followed the course of Hitler and has attempted, by usurping the functions of Congress and of the courts, to utterly change our form of government; to concentrate all power in the hands of the Executive—in his own hands.

He revealed his purpose when he said of his first administration that, in it, those who insisted upon government under the Constitution had met their match and that he hoped that of his second administration he could say that they had met their master.

He acknowledged that he stood in a position to destroy the liberty of our people when he stated:

In 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people.

Of course, he wanted us all to understand that his motives and his desires were beyond question; that the arbitrary powers of a dictator placed in his hands would in no way destroy our liberty.

Time and time again he has told the people of this Nation that all those who opposed him were greedy, were selfish, without charity or kindliness, and lacked patriotism. He hails himself, and his followers hail him, as infallible. He has set himself, if not upon a throne, at least upon a pedestal, at which all should look not only with admiration but with the eyes of an idolater.

History teaches us that all dictators have attained their power by leading those who eventually became their subjects to believe that the program adopted and followed was a benign one; one in the interests of humanity; one whose only object was for good.

First in the name of the forgotten man; then for the purpose of serving humanity; now under the guise of an effort to establish world peace, Roosevelt has carried on his drive for absolute power.

Already one of his satellites has publicly declared that Roosevelt, the man, is the "symbol" of our democracy. For 150 years the Constitution has been our guide; our courts, our executive officers, our Congress, have been the symbols through which the Constitution was made a thing of life.

Even a Roosevelt must die; or are we, when the reign of this one is ended, to have so far yielded our independence that we shall accept with servility a "Jimmie"?

With 7 years of his administration behind him, facts—cold, indisputable facts—bring the realization that President Roosevelt has time and again violated his most solemn promises; the promises on which he secured his election to the office he holds. The record shows that he has not kept faith with the American people.

Although he told us, when a candidate for office, that the then depression was the problem of that day and that we must not borrow to meet it—that such a course would inevitably bring ruin and bankruptcy to us as a nation—he has for 7 years, without fail, created deficits, continued to borrow, and has without variation followed the course which he himself declared would wreck our Nation as a nation.

Not only has he brought us to the verge of financial ruin—and this in violation of every promise which he made—but he has created agencies and appointed to office men who have deliberately followed a course which has deprived a large group of our citizens of their rights under the Constitution.

I need cite but one law, one agency, to prove my point. The National Labor Relations Act, while purporting to give to workingmen the right to bargain collectively through representatives of their own choosing, was so drawn, and has been so interpreted and administered, that the highest Court of this land—the Supreme Court of the United States—has solemnly declared that under it employees may be deprived of the right to bargain collectively through representatives of their own choosing.

Under that act, as administered by the Board, men have been deprived of the right of free speech; and it yet remains to be seen whether the Supreme Court, a majority of whom now owe their appointment to the President, will sanction this violation of the Federal Constitution.

The disclosures before the Smith committee investigating the National Labor Relations Board and the operation of the National Labor Relations Act show that employers hailed before that Board have been denied the right to be confronted by the witnesses who gave evidence against them. They have been denied the right of cross-examination. They have been deprived of the opportunity to present witnesses in their own defense and cases in which they were involved have been decided by biased and prejudiced officials.

The objective of the Communists is the overthrow of this Government by force. As long ago as 1934, Bainbridge Colby, Wilson's Secretary of State, made the declaration that:

> It is openly charged, and indeed admitted, that a substantial number of the President's immediate advisers are not desirous of business revival, feeling that to prolong the depression will produce a better psychological background for the prosecution of their revolutionary designs. The overturn of our institutions, including the Constitution, is their avowed goal.

Earl Browder said:

> We industrial unionists are going to take over the factories some day for three very good reasons:
> 1. Because we need them.
> 2. Because we want them.
> 3. Because we have the power to get them.

Browder's drive, through his Communists in the C. I. O., to take over the industries of this country, was successful to a marked degree in the sit-down strikes beginning in Michigan in 1937. Browder's campaign has been carried on with not a little success by the President's friend and confidant, John L. Lewis, who was instrumental in making contributions to a fund for the President's election which totaled more than $1,700,000.

The charge of Colby has, by subsequent events, been shown to be true, and one who now views and weighs the facts can clearly see that the President has, by peaceful means, gone a long way in his campaign to overthrow our constitutional form of government.

Confronted by the failure of his domestic policies, fearful that the expenditure of millions—yes, billions—of dollars of Federal money will not purchase for him a renomination and an election, the President now seeks to involve himself in foreign affairs. Even new dealers are now complaining that, for the time being, the President has—we might say momentarily—ceased to aid them in their plan for "making America over" and is now looking for other worlds to conquer.

He has seen a Mussolini in Italy, a Hitler in Germany, and a Stalin in Russia all march forward to the spotlight, to the front of the stage of world affairs. Apparently consumed with envy and jealousy, not content to remain at home and exercise the arbitrary power which he has seized and which has been used to destroy the liberty of our citizens, he now seeks to range himself alongside the world's dictators, and, perchance, become the chief of the four. He has sent his envoy across the seas in the opening drive for a place in the tragedy now being played by those abroad who have successfully destroyed democracy in their respective countries.

While talking peace, expressing a desire to keep this country out of war, President Roosevelt has been guilty of provocative acts, the natural result of which would lead us into war. A failure at home, with a record which shows that he has no solution for our domestic problems, no regard for his promises, no concern for the future welfare of our children, he is now seeking to distract our attention from our homeland, to become entangled in foreign affairs, and to place himself in a position where, at our Nation's expense, he can be hailed as the peacemaker of the world.

It is time that Americans who love their country, who have faith in our form of government, as asked by Lincoln at Gettysburg, again dedicate themselves to the preservation of our liberties.

The thought which I have attempted to express you will find in an article by Arthur Sears Henning in the Chicago Tribune of February 26, and which is made a part hereof. That article reads as follows:

PRESIDENT SETS CAP FOR ROLE OF PEACE ARBITER—EYES THIRD TERM AS MEANS TO END

(By Arthur Sears Henning)

WASHINGTON, D. C., February 25.—President Roosevelt, it was learned today, has bared to several Democratic officials the ambition to become the pacificator of Europe and Asia either as President of the United States or as the appointee of his successor to represent America in the peace conference that will end the war.

Also, it was indicated to his confidants that if he should realize that ambition, and if there should evolve from the peace conference that widely discussed federation of the powers, Mr. Roosevelt would consider himself the logical choice for first president of the world.

These ambitions are now engrossing the interest and energies of the President to the subordination of the Presidential attention to domestic problems, according to leading new dealers, who are complaining that Mr. Roosevelt has abandoned their great program for "making America over."

THIRD TERM OR CONTROL

To attain these objectives it is essential that Mr. Roosevelt either get himself elected to a third term or get a successor elected who would appoint him chairman of the American delegation to the peace conference.

That his preference is to get a third term for himself is little doubted in official Washington, particularly in view of the encouragement given Democratic leaders by Mr. Roosevelt to enter his name in the Presidential primaries in numerous States.

Most significant is regarded the failure of the President to withdraw his name from the Illinois primary before the withdrawal dead line last night. No less significant is regarded the character of the President's evasiveness on the subject, particularly his statement that he knew nothing about the filing of his name in Illinois, accounts of which have filled the newspapers.

CONVERSATIONS BARE PLANS

The President's plans and ambitions have been divulged in conversations with Democratic officials and in several letters which are destined in due time to take their place in the historic record.

According to these accounts, Mr. Roosevelt sees himself as the dominant figure at the peace conference molding the peace structure of the world as did Prince Metternich at the Congress of Vienna after the downfall of Napoleon. In at least one conversation he mentioned Metternich as the statesman whose diplomacy he felt himself capable of equaling, nay, surpassing.

It was Metternich who went down in history as the chief architect of the balance of power established at Vienna that kept the peace of Europe for a hundred years. Mr. Roosevelt thinks he could devise a permanent peace.

DETERMINED TO HAVE HAND

On more than one occasion the President has said that he is determined to have a hand in the settlement of the European war. And his project is not confined to the continent of Europe. He believes that the pacification of Asia can be accomplished at the same time.

His confidants gathered from his remarks that Mr. Roosevelt conceives it to be his mission to employ the power of the United States to obstruct the subjugation of China by Japan until the European war shall end and Great Britain and France shall be free to come to the aid of China.

Then, as the President conceives it, the peace conference would be broadened to embrace the Asiatic war and Mr. Roosevelt, invoking the arts of Metternich, would manipulate a settlement forcing Japan to evacuate China.

RECALLS WILSON'S MISTAKES

In these conversations the President indicated his determination to avoid the mistakes of President Wilson in the negotiation of the Versailles Peace Treaty, which the United States Senate failed to ratify. Mr. Roosevelt would not make Mr. Wilson's mistake of excluding Senators from the peace delegation. He would include even Republican Senators.

Mr. Wilson's mistake of going to Europe himself while President as head of the American delegation also has been pondered by Mr. Roosevelt, who suggested that this difficulty might be obviated by electing Secretary of State Cordell Hull to the Presidency and by Mr. Hull's appointment of Mr. Roosevelt to head the American peace mission.

POINTS TO WELLES TOUR

To the officials who have received these confidences from the President there is nothing mysterious in his current moves in relation to the Presidential election and to peace in Europe. His dispatch of Under Secretary of State Sumner Welles to Europe to sound the powers on peace, his appointment of Myron Taylor to collaborate with Pope Pius on peace possibilities, and his initiation of conversations with neutral nations on the character of the peace are regarded as maneuvers to exploit Mr. Roosevelt as the logical world pacificator.

The inference then would be that it would be advisable for the United States to retain him at the helm or a person of his choice for the Presidency during the next 4 years.

NEUTRALS BARRED LAST TIME

Unless the United States enters the war Mr. Roosevelt cannot be assured of a hand in the peace. Neutrals did not take part in the Paris or any other peace conference. Europeans who blame Woodrow Wilson's visionary panaceas for the current war are voicing demands that America be kept out of the next war settlement.

Mr. Roosevelt, however, has set out to organize the neutrals to demand a voice in the peace. If that demand becomes sufficiently insistent, Mr. Roosevelt can look forward to a place at the peace conference, provided he or a President of his choice occupies the White House at the time.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman, I am in favor of aid for Finland, either by way of a loan or the supplying of materials, or whatever is necessary to help a republic that is fighting our battle—the battle of civilization against communism.

I think that the golden opportunity of the Republic of the United States to help the Republic of Finland is here. It was here, in fact, last October, when the brutal Russian hordes were on the boundary line of Finland. Now is the time to extend aid and not split hairs about it.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

FOREIGN LOANS

Mr. ALEXANDER. Mr. Chairman, the proposition before us to increase the lending authority of the Export-Import Bank of Washington from $100,000,000 to $200,000,000 is, we must all realize, a complex and, therefore, a controversial matter. Having to do as it does with an increase of our loans among others, to not only China but also to Finland, both of which countries are in the throes of war as the result of an aggressive attack by military dictatorships, it is therefore necessary that we give the matter more than casual consideration. These two countries are probably the best friends we have among all the nations of the world, and for that reason, the heart and sympathy of America is with them in their hour of trouble.

To show the overwhelming sentiment in my section for the policy of extending the aid proposed in this bill for the Republic of Finland, I have added below the names and messages from many individuals, and from numerous organizations having several thousand members; all showing their favorable sentiment. I have also added at the bottom of the list messages from two groups, and three individuals, who are all the ones that have written me opposing the extension of aid to Finland.

Here are those who favor aid:

Hon. JOHN G. ALEXANDER,
Washington, D. C.:

By the action of the Sons of Norway Lodge of Bayport, Minn., we urge you to vote for the loan to Finland. We trust you to do all in your power to put this through.

Respectfully yours,

GEO. RAMSTAD, *President.*
PEDER EBRE, *Secretary.*

MINNEAPOLIS, MINN.

Freya Lodge No. 1, Daughters of Norway, with its 218 members, hereby earnestly appeal to you, to support the bill before Congress, extending loan to Finland.

Respectfully yours,

FREYA LODGE NO. 1, DAUGHTERS OF NORWAY,
By Mrs. T. A. SWAN, *President.*
Mrs. T. MOSLET, *Secretary.*

Vote in favor of a loan to Finland to be used as they see fit—for the purchase of munitions as well as foodstuffs.

G. S. WALL, *Minneapolis.*

Do everything in your power to make possible a loan to Finland.

M. A. DIXON.
F. JOHNSON.

This letter came from the following:

Hon. JOHN G. ALEXANDER.

DEAR SIR: Please support the issue for a loan to Finland.

Rev. R. H. Huffman, C. A. Betteridge, Karl H. Gustafson, A. W. Cameron, John J. Schuster, Catherine Mullen, Harley A. Miller, C. D. Tilton, A. S. Anderson.

MINNEAPOLIS, MINN.

I sincerely hope you will find it entirely consistent to support the loan to Finland, who has fulfilled their obligation in every respect and now needs the full support, both morally and financially, of all Christian people.

Thanking you very kindly for consideration given, I remain,

Yours very truly,

H. C. STROHM.

STOCKHOLM, WIS.

DEAR SIR: Until a couple of months ago I lived in Minnesota. In view of this fact, I take the liberty to write you and ask you pleadingly to do all you can to support the President's proposition to give a loan to Finland so that she can buy material by which to fight for her freedom and independence. If ever a nation was unjustly and brutally attacked by a giant neighbor, it has been poor Finland. She has put up a wonderful fight so far but must have help. We owe it to her as we owe it to defend a child attacked by a mad dog. If Finland is subdued, all the rest of the small nations will surely go the same way, and the small nations will be reduced to slavery by a few big, brutal powers like Russia. There-

fore, Mr. ALEXANDER, do all you can to give her the support she so sorely needs and deserves.

Sincerely yours,

Rev. H. GUSTAFSON.

MINNEAPOLIS, MINN.

In view of the apparent reluctance of Congress to consider the making of a loan to Finland, I thought you should know that this constituent favors the loan. Certainly the 1 nation out of 18 or so that respected its obligations to the United States stands in a class apart. I do not think the loan would seriously affect our neutral position; but even though it did, that should not prevent the making of it. In this particular matter I am in wholehearted agreement with the President's recommendation, and I hope very strongly that Congress will authorize the loan.

G. A. YOUNGQUIST.

A resolution for the purpose of expressing the sentiment of the Finnish people in the United States toward giving assistance to the Finnish Government by the United States of America and its people

Whereas the Finnish people in this vicinity and in the State of Minnesota are each and all related and are direct descendants of the Finnish people in Finland: Be it further

Resolved, That the Representatives of the people of the United States in Congress pass such laws as will make it possible for the Finnish Government to receive from the Government of the United States of America and from the people of the United States of America loans of money to be used in maintaining their Government.

FINNISH RELIEF COMMITTEE OF NEW YORK MILLS, MINN.,
ADOLPH LUNDQUIST, *Chairman*.
EYINAR E. RAULEY, *Secretary*.

The following telegrams were received:

Hon. JOHN G. ALEXANDER: I believe a loan should be granted Finland and hope you will exert your influence in its behalf; your constituents are 98 percent for this loan.

IVAR SIVERTSEN, M. D.

The Norwegian Memorial Church of Minneapolis, Minn., assembled for morning worship Sunday, February 18, instructed me by rising vote to wire you urging quick action in the passage of Finnish loan bill. Hundreds of American citizens thus voiced their approval that our United States help the fighting Finns.

ELIAS RASMUSSEN, *Pastor*.

Dover Lodge, Sons of Norway, sincerely request your support of a substantial loan to Finland.

JOHN WALSETH, *Secretary*.

Appreciate stand on neutrality but think Finland should have loan.

Rev. M. L. HALVORSEN.

Helping hand to Finland urge your support substantial loan Finland.

Dr. V. A. LUTTIO, *Chairman*.

We urge you to endorse and vote in favor of the loan to Finland.

NIDAROS LODGE, NO. 1, SONS OF NORWAY,
JOHN M. RENO, *Secretary*.

Vonheim Lodge, No. 108, Sons of Norway, Minneapolis, an organization of 300 members, have unanimously decided to request your support of loan to Finland.

KNUTE HAUGSETH, *President*.
ARNOLD IVERSON, *Secretary*.

Urge you support loan to Finland.

JACOB STEFFERUD.
T. M. THRONTVEIT.

We urge you support loan for Finland and whatever other support our neutrality laws will permit.

NORWEGIAN GLEE CLUB,
O. J. EIDE,
Corresponding Secretary.

The following oppose any loan to Finland:

Hon. JOHN G. ALEXANDER.

DEAR SIR: Please do anything possible to stop the sending of money to Mannerheim which will only get us into war. Please do the best possible.

Yours truly,

Miss ETHEL OLSON.
G. YOUNG.

DEAR REPRESENTATIVE ALEXANDER: Now that Congress is in session, I wish to take this means to discuss with you some of my convictions in regards to legislation. As the war in Europe is going on, it requires us to be constantly on our toes to see to it that our country is not involved. We must be strictly neutral by supporting or making any kind of loans to none, Finland included.

ALBERT OHMAN.

DEAR SIR: The Minneapolis Finnish Workers' Club, at its regular meeting, unanimously went on record protesting the granting of loans, through the United States Government, to any of the European nations, particularly the Finnish Government.

CARL WALDER, *Chairman*.
MATIAS E. HILL, *Secretary*.

DEAR SIR: The Ninth Ward Local of the Hennepin County Workers' Alliance unanimously places itself on record protesting the granting of loans by the United States Government to any European nations, particularly to Finland.

JAMES KING, *Chairman*.
I. L. MYKLEBURST, *Secretary*.

It seems to me that the sentiment of our section is thus clearly in favor of extending aid to Finland.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, we have a peculiar situation facing the House this afternoon in the opposition to the pending bill. Those who oppose the bill as reported by the committee make two points. In the first place, they state that the bill will not help Finland at all, and the second point is it will help Finland so much that it might involve us in an international situation.

I agree with my distinguished friend and colleague, the gentleman from Pennsylvania [Mr. ALLEN] when he spoke about the need of this country giving aid and help to Finland at this time. It is to the Members of the House who feel sympathetic toward Finland that I would like to address my remarks at this time.

I hate to see this matter delayed. I hate to see this bill, which will mean a loan of $20,000,000 to Finland for nonmilitary supplies and help, delayed through long weeks of legislative bickering. I am confident if the bill goes through in amended form, such as some of the Members have suggested, it will mean a long tie-up through legislative processes, and in the meantime the 4,000,000 people of Finland will bleed and die while they try to hold the line for democracy. I marvel at their bravery when I think of the fight that the Finns are making on the Karelian Isthmus, and I am sure almost every American feels the same way. When history is written on this great battle I would be satisfied, indeed, if we had sent $20,000,000 of American money into that conflict to help stem the wave of bolshevism and communism. If I thought it would do any good to amend this bill, if I thought it would help Finland any more, I would be willing to go along with those who want to amend it; but after reading the testimony and hearing the men who have spoken on this matter, after having read the Senate hearings, I am convinced this is the best way to give aid to Finland, and in a way that they need it the most—now.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Under the Fish amendment the loan would have to be made to Finland?

Mr. MONRONEY. Yes.

Mr. BROWN of Georgia. In other words, that would change the whole policy of the Export-Import Bank Act and also the Reconstruction Finance Corporation Act?

Mr. MONRONEY. Indeed it would.

Mr. BROWN of Georgia. In one instance there would not be any discretion and in connection with the rest of the money every discretion could be used?

Mr. MONRONEY. If amended, this bill would have to go to the other side of the Capitol, there to be debated all over again, and I fear aid would not be given to Finland in time for them to meet their pressing need insofar as supplies are concerned. Some Members have criticized the fact that the bill only provides for nonmilitary supplies. I took the occasion to call the Chief of Staff of the War Department to ask his offices just what percent of every dollar is necessary for implements of war, and he informed me that so far as the United States is concerned from 24 to 28 cents out of every dollar in time of war is used for implements of war.

The other 72 to 76 cents is for nonmilitary supplies. I asked if this figure varied materially insofar as foreign countries were concerned and was told it would probably go up to 33 cents out of every dollar for military weapons and about 66 cents out of every dollar for nonmilitary supplies.

A number of Members who oppose this bill say that Finland is not mentioned in the bill. I believe that is the proper way to bring in the bill. No country is mentioned in the bill. We leave it up to a lending agency to investigate and determine. No one heard any criticism when the $10,000,000 loan was first announced, and I do not believe there was a protest written to a single Member of the House against that $10,000,000 that was advanced by the Export-Import Bank.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. I yield the gentleman 3 additional minutes.

Mr. MONRONEY. Mr. Chairman, now that the $10,000,000 is practically used up and gone, we are merely trying to make possible another loan of $20,000,000 to Finland. I say it is our duty to do that. I do not believe that governmental policy would be best served by this Congress going on record as authorizing a direct loan to any foreign country, but we can turn it over to the regularly established institutions of this Government to handle.

It has been said by a number of men on the floor that Finland is not mentioned in this bill, and that we have no assurance that Finland will receive any aid whatsoever. The President sent us a message on January 16 in which he stated:

> There is without doubt in the United States a great desire for some action to assist Finland to finance the purchase of agricultural surpluses and manufactured products, not including implements of war. * * * It seems to me that the most reasonable approach would be action by the Congress authorizing an increase in the revolving credit fund of the Export-Import Bank and authorizing the Reconstruction Finance Corporation to purchase loans and securities from the Export-Import Bank to enable it to finance exportation of agricultural surpluses and manufactured products, not including implements of war.

Are you still afraid that Finland will not be considered for the $20,000,000? The Senate Committee on Foreign Affairs and the Senate Banking Committee heard testimony that virtually indicated a part of this loan would be used to help Finland. The Senate Banking Committee also heard that testimony; then the author of the bill appropriating and directing a $60,000,000 loan to Finland revised his bill and brought it out in this form. Still there are members who say that Finland will get no help whatever from the bill. We have heard this testimony in the committee and the members of our committee are satisfied that some help will be given Finland under the terms of this bill in a proper, judicious manner.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. SECREST]?

There was no objection.

Mr. SECREST. Mr. Chairman, not many weeks ago the peace-loving peoples of the world were stirred with resentment by the aggression of Russia's powerful belligerent dictatorship against the small, peaceful nation of Finland. This kind of aggression was not new, for we had seen the same thing happen in China, in Abyssinia, in Austria, in Poland, and in Czechoslovakia.

Our American sense of right and justice was shocked by each of these barbarous and bloody acts. But when sprawling and mighty Russia's Stalinese gangsters began to bombard and shell the borders of our friendly and debt-paying sister democracy, Finland, American indignation swept to a peak of condemnation of the unprovoked attack. Every cherished ideal of American liberty and fairness was at stake and a sentiment of sympathy filled our country with the desire to aid our neighbor. Because of this sentiment, we are today debating a proposal to aid Finland by lending her $20,000,000 for nonmilitary purchases.

But it is time that this Nation examine its methods of helpfulness. By our acts, this Nation is not a friend of peaceful nations ruthlessly attacked but is becoming a partner in the crime of death and destruction.

We are a friend of China. The springs of private charity flowed to relieve suffering millions. Our Nation made much-needed loans to the Chinese Government. We sympathized with her in her tribulation and extended our hand in help. But with the other hand we were aiding her aggressor Japan with the absolutely essential trade to sustain its war machine in its campaign of indiscriminate slaughter. We have been a party to this grinding of a nation of 400,000,000 humans to dust and abject slavery.

This country is Japan's only source of material for the prosecution of her war. Other nations either will not sell or have nothing to sell that they do not need themselves. Japan depends almost entirely on America for her iron, steel, trucks, copper, lumber, alloys, leather, and gasoline. In November, the largest shipment of high-octane aviation gasoline in 2 years, nearly 2,000,000 gallons in one vessel, left our shores for Japan.

We aid the Chinese by loans and donations. On the other hand, we buy Japan's silk, glassware, pottery, cotton goods, and American flags and trade her planes to bomb the Chinese, gasoline to fly the planes, copper for munitions, and scrap iron that later becomes bloody shrapnel.

We now propose to aid Finland by lending her $20,000,000 to be used for nonmilitary purchases. Such a proposal is a sham and a gesture just as has been our aid to China.

Beyond doubt, Finland can use food, clothing, and nonmilitary supplies but any American, through the Red Cross, can donate money for these purposes now if he cares to do so. This bill is not the way to help Finland. The only way is to stop sending war material to Russia. A small army like Finland's, no matter how well supplied, prepared, and positioned, cannot withstand the tremendous odds of manpower, plus American airplanes, machine guns, and ammunition. With no reserves they may hold their lines in battles of 6 or 8 days' duration, but they must give ground from sheer exhaustion when faced by a dictator who values human life less than a hair from his grizzled head and whose hordes are driven on endlessly for 10, 12, or 15 days over the grist of comrades' bones.

As long as Russia can get supplies for her enormous Army, Finland cannot hope to win no matter how well she may be supplied unless she has additional men. We cannot give Finland such aid but we can still help, and help her effectively.

Only recently there was made public part of a report by the French military intelligence on the real military strength of Russia. This report reveals that under its impressive surface appearance, Russia's war machine is a chaos of incompetence. Aside from the fact that purges have taken from service nearly every able military scientist, Russia's industrial plant is ill-managed, ill-manned, and lags far behind in the production of such war essentials as iron, steel, electric power, and fuels. Much of her war equipment is mechanically imperfect.

Russia knows this fact and is following the example of Japan by turning to the United States where war supplies can be bought since the Neutrality Act was amended, contrary to my conviction and vote. In the last few months we have become Red Russia's No. 1 source of war materials. Fifty percent of the total United States exports to Russia last year left our shores in the last 4 months of the year while Russia was preparing her attack on Finland. Ninety percent of these Russian purchases consisted of tools, machinery, and materials vitally necessary in wartime. Nearly all shipments to Russia in January consisted of copper and metal-working machinery. Commerce figures show that all the gasoline purchases made by Russia in 1939 were made in the last 3 months of the year. During 1939 we sold Russia airplanes, airplane engines, and airplane parts.

We are supplying the credit in America for these purchases in buying gold at $35 an ounce which is produced there for $11 an ounce. In 1939 the United States purchased $50,000,000 worth of Russian gold. Early this month a direct shipment of gold from Russia reached the west coast. We paid Russia $5,500,000 for this single shipment. Russia buys war necessities here with those dollars to fight the Finnish people we propose to aid today. We propose to help Finland as we have helped the Chinese. We are proposing to continue the policy of buying goods and gold so that the aggressor nations may purchase war materials while Uncle Sam lends money to the oppressed.

We have not aided China by working both sides of the street, and if we wish to aid Finland we cannot be guilty of the same reprehensible practice. The real help that we can give both China and Finland is to stop further trade in war materials with both nations. That is the one and only effective way to help.

Without access to our markets, Japan's war machine will be hopelessly crippled in a short time. Likewise, denying Russia access to our materials will aid the Finns immeasurably more than a loan for nonmilitary purchases.

When I support such a loan, the buying of Russian gold must be stopped, and Japan must be prohibited from dumping pottery and trinkets on the American market, which constantly adds to our army of unemployed. I will not be guilty of a pretense of feeding and clothing the hungry and naked and at the same time furnishing their enemies with the implements of slaughter.

Furthermore, I do not believe we should increase the lending authority of the Export-Import Bank $100,000,000, when, by the terms of the act, we limit any possible loan to Finland to $20,000,000.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. AUSTIN].

Mr. AUSTIN. Mr. Chairman, it occurs to me that this is the time and this is the place where remarks having to do with our consideration of Finland are in order. I am well aware that in a four-hour debate on a restricted subject there can be little but reiteration. However, an attempt to define, to clarify, may not be amiss. It further occurs to me that discussion of this subject with finality without the evidence before us and without the support of the hearings could be premature. The title of this bill, as the title of many others considered during my short stay here, is deceptive. There is no one in this House that does not recognize the fact that this bill has two intentions. The first is to afford financial credit to Finland, and the second is, under the guise of this financial support to Finland, to increase the capital of the Export-Import Bank for purposes not divulged in the bill and in extension of previous unsuccessful attempts. The deception comes in the fact that the title of this bill does not carry with it a plain, unmistakable intent. The question naturally arises whether the lateness of the hour at which the reports of hearings were made available to the Members is not evidence along this same line. A clear-cut definition of the bill's aim would aid you and me in coming to a decision as to the wisdom of the purpose in view. There then would be no possibility of Members being confronted later on with a charge of inability to maintain a consistent position. This would be apparent if some of us vote for this bill who opposed the previous neutrality bill in the fall of last year. In order to be consistent it is necessary to present a few fundamentals.

At the time of our consideration of the neutrality bill, rejoicing in that pseudonym instead of a truthful title of intervention, England, France, and Germany were "legally at war," even as our interpretation of "legally at war" is applicable. The purpose of that bill was to intervene in an existing war by giving to England and France the opportunity of purchasing arms and munitions of war in this country—it is true for cash and by transportation in their own vessels. It was a purely out and out intervention bill, because it was passed at a time when a state of war did exist between the Allies on the one hand and Germany on the other. Further provisions of that bill regulated our commercial intercourse with those countries because of a declaration by the President that a state of war existed between them. Such a declaration was made. Those of us who voted against that neutrality bill—I think in great part—voted against it because it was a bill carrying deceit on the face of it.

The motivating or evasive purpose in the passage of Senate bill 3069 is to furnish aid to Finland. Whatever our position may have been on the neutrality bill inconsistencies cannot be charged against us, for now we are playing the game according to the new rules. The law is explicit in its implications, and we are perfectly at liberty to conduct ourselves as we please in reference to nations in Europe not declared belligerent by the President or by the Congress or by themselves. There is no war between Russia and Finland. Laugh it off if you will, but, according to our Neutrality Act and because of the silence of our President there is no existing state of war between Russia and Finland, and for that reason no restrictions can be placed upon our commercial intercourse with either one of those nations. I await with interest an explanation by some Member of this House which will convince me that Finland legally, insofar as purchase of arms for cash is concerned, is in any other position than is Italy. Because of all this we are privileged to take a position whereby we can be of financial assistance to Finland. We may not agree with the rules which have been laid down and adopted, but that is the rule which now governs our actions and is the law of the land. What are we trying to do anyway? We are trying to get some money to Finland, but this money has a string on it, and the string is that the use of this money is restricted to the purchase of materials from this country that are of no practical use to Finland in her emergency. What Finland is trying to do is to repel a ruthless invasion, and she needs money to purchase arms for this purpose. If our intent is humanitarian, and we hope to relieve dire suffering in that country either now or in the future, why have we not been, and why are we not now, more materially solicitous about the distressed populations of Poland and Czechoslovakia? Let us be frank about this thing. We want to aid Finland and we want to aid Finland by arms and munitions of war.

The method of procedure outlined in this bill is to increase the lending authority of the Export-Import Bank of Washington by $100,000,000. What you and I are trying to do is to make it possible to put to the credit of Finland at this time $20,000,000. I want somebody to tell me, if that is your intent and my intent, why this bill calls for $100,000,000, and for what purposes are the remaining $80,000,000 intended. When we remember that the loans of this bank are available to stimulate commerce, one naturally wonders what commerce exists between Finland and this country to be stimulated. Regulations of the Export-Import Bank, according to Mr. Jones, frown upon any loan where there is no certainty of return. If we pass this bill exactly as it is, there is absolutely no certainty that the $20,000,000 intended for Finland will be allocated or earmarked for Finland. In the report from the Committee on Banking and Currency of this House the following statement is made:

> Under the provisions of the reported bill the Export-Import Bank may make an additional loan to the Republic of Finland in the aggregate amount of $20,000,000.

Do not let that "may" escape your attention. There is nothing definitive, there is nothing authoritative. There is potentiality only. In answer to a question as brought out by the hearings, Mr. Jones said that the Export-Import Bank would consider this $100,000,000 as intended for general use.

Before we allocate $20,000,000 to Finland a brief survey of her situation in the family of nations today is essential. Legally or otherwise Finland is engaged in a life or death struggle with an antagonist who through sheer weight of numbers is bound ultimately to triumph. Her apparently victorious career of the last two months is destined to be a transient one. The need of Finland today is not for agricultural implements, food, and raw products—materials which are allowed by the President's pronouncement, and fall within the proviso in the bill that the Export-Import

Bank of Washington shall not make any loans for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States and so forth. What Finland needs today is just those articles which are forbidden, but the paramount need of Finland is men. If her noble army is picked off 50 to 100 men a day where are their reserves? This question is pertinent particularly in view of the fact that her men of 45 have now been called to the colors. The manpower which can preserve Finland from the fate of other victims of totalitarianism must come from England and France or her neighbors. These men are not coming from the United States of America. No matter how much we may applaud the splendid sacrifices, common sense sees the end of Finland, and the $20,000,000 under contemplation will be as fleeting in their effect as a drop of water to a man dying of thirst.

In an attempt to solve a problem of this kind there is no place for sentiment. Certainly Finland has been honest and honorable with us in her debt relationship. Certainly she is a bulwark standing against the foes of liberty, democracy, and religion. Certainly the valor and fortitude of her courageous sons have thrilled an astonished world. But our duty as representing 130,000,000 people is to attempt to interpret the real situation, to separate hysteria from the ordinary principles of government, to bring to the problem an application of judgment and sound sense. The heart of our country may be willing, but the brain of our country must, if it analyze carefully, say "No." A difficult situation, of course, because our desks have been covered with demands that we aid Finland, but the great majority of those demands end up with some expression as this, "Keep us out of war." In the chaotic condition of thought, in the apparent failure of our fellow citizens to look at this problem actuated only by hard and cold common sense, our job is to translate the best of the country's thought into reasonable, effective, and nonparticipating action. No man may foretell the consequence of what we may do today. Perhaps damned if we do and damned if we do not. Are our constituents prepared for what may follow? What will be the attitude of this country if after we pass this bill the newspapers flash day after tomorrow that Russia has broken diplomatic relations with this country? What will be the attitude of our people if two days later Germany, Russia's ally, breaks off diplomatic relations with this country? Are you and they prepared to meet this issue? Such an eventuality would really mean nothing, because Russia and Germany, singly or combined, against this country would be only another evidence of their madness. It would not mean war. Should Finland be able, I cannot say because of the $20,000,000 which we might afford her, to carry on and should she need more than $20,000,000 to carry on longer, does she get it? In this very emergent dilemma we are confronted with the fact that we have not a President who is a leader in the issue. He has hedged; he has attempted to shift responsibility; he will not come out flatly with a definite foreign policy. So this Congress must assume that task for the country with a certain assurance that we may be obliged to follow through.

If this bill passes, and if there be allocated to Finland $20,000,000, and if Finland by barter is able to exchange what she is allowed to purchase from us for military supplies from other countries, are we to continue to allow Russia to buy for cash, because she cannot get on credit, any war materials she may desire from this country? If there can be any more absurd situation than this, or if there can be a more striking paradox, tell me what it is.

Mr. Jones in his testimony before the Banking Committee of this House stated a loan by us to Finland will not make us unneutral, but also will not stop the war—legally nonexistent, but actually existent—between Russia and Finland. Hence, there are certain conclusions to be drawn. Without doubt, the sentiment of this House is to aid Finland insofar as we can. By the same token the almost unanimous sentiment of the country is to the same end. I am positive that a bill, striking straight from the shoulder, that authorized a $20,000,000 credit to Finland would pass this House without serious opposition; but such a bill has not been presented. Only a circuitous method seems available, and those of us who want to help Finland must willy-nilly vote for this bill. It may be possible through amendment to provide definitely for Finland instead of allowing the Export-Import Bank to add it to its general credit system. This will do absolutely no good unless at the same time exportation to Russia by any person, corporation, association in this country of implements of war be forbidden. The passage of such an amendment as just mentioned, and the restriction of exportation of arms to Russia—an amendment to which end I may offer—would strip all of the deceit from the title of this bill and would bring out in the open exactly what we are trying to do. Under these conditions it seems to me that in response to almost universal request we must pass this bill, preferably so amended that the intent of our people may be carried out and our purpose made unmistakably clear. [Applause.]

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SECCOMBE].

Mr. SECCOMBE. Mr. Chairman, I ask unanimous consent to insert at this point in the RECORD the remarks of my colleague the gentleman from Ohio [Mr. BENDER], who is ill.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The remarks referred to follow:

Mr. BENDER. Mr. Chairman, the people of our Nation have found themselves in serious dilemmas on international affairs before. We have rarely floundered in more troubled waters than those which surround us today.

I have found no one in my native State of Ohio in sympathy with Russia. We are all fervently hoping that somehow little Finland will be able to accomplish the miracle of the twentieth century. Everyone I know is hoping against hope that one of the smallest nations in the world will stand up and whip the daylights out of the biggest. It is another story of David and Goliath, but the outcome does not promise to be so satisfying.

For those people who insist upon classifications, who want their Representatives neatly pigeon-holed as either "internationalists" or "isolationists," I have always been listed as a traditional "isolationist." All my life I have been influenced by the thinking of such leaders as our late great Senator Borah.

But this time I cannot remain in the ranks of the objective, dispassionate observer.

Finland, one of the few remaining states of the world which cherish democratic ideals, has been ruthlessly attacked by an aggressive, despotic dictatorship. I join the people of America in refusing to swallow the absurd theory of self-defense against a potential invader which Stalin has foisted upon the guillible readers of the Daily Worker. Russia has done in Finland precisely what Japan has done in China. A month ago, Stalin set up in Finland a puppet state, ruled by Communists. He has "recognized" this clique of old Bolsheviks as the "rightful" government of the Finnish people. This is no defensive technique. It is the same kind of blatant imperialism which we can no longer stomach if the world is to be saved from future devastation.

We Americans cannot in honor and morality sit calmly by while one of the most honorable, decent, and deserving nations of the earth is ruthlessly exterminated. We are not asked to contribute men. Finland has proven that she has men. Finland is ready and willing to fight its own battle. It asks for no military intervention. All it needs from our Nation is money. Thousands of men and women, rich and poor, have contributed their private funds to the Finnish cause. They have given of themselves. Our Government is not asked to give. We are asked to lend. We are asked to lend to the only people in the world who have consistently and honestly attempted to live up to their obligations to us.

I say, "Let's stop this juggling." Either we are in smypathy with Finland or we are not. If we are, the Finnish people need more than our tears. They need some help—and they

need it now. If we who are the wealthiest nation in the world, if we who are the greatest democracy on earth, refuse to aid this brave nation, to whom shall Finland turn for help?

If that help does not arrive soon, it will be too late to send it at all. I urge that we act immediately, if we are not to bear the eternal shame of deserting the ideals for which we stand in the hour of their greatest trial.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. JOHNS].

Mr. JOHNS. Mr. Chairman, when a similar bill was up for consideration before in this Congress giving power to extend the lending authority of this bank I opposed it because I saw at that time just what is transpiring here today. We have said a good deal about Finland's getting some money here today, but if you read the testimony in the hearings you will find that Finland could have this $20,000,000 without this bill having been brought in here at all. Mr. Jones says there is money there to make a loan to Finland, but someone would have to take some responsibility. The President of the United States and Mr. Jones would have to take some responsibility for making this loan. What they have done is to shift it over to the Congress, with the idea that we should take the responsibility for this loan in case anything happens to this country to get us into war, and also with the idea of getting the additional $80,000,000 that they could not get last year. That is about what this amounts to, stripped of the mask around it.

I am opposed to this bill for numerous reasons. First of all, $20,000,000 would not save any nation, even one the size of Finland, with the power of Russia against it. In the second place, we would have to borrow this money if we loaned it to Finland, or at least a large part of it. We now owe $43,000,000,000, or approximately that amount. We have run in debt at the rate of over $10,000,000 a day since we started this fiscal year. We have spent over $25,000,000 a day during that period of time.

We have 9,000,000 unemployed in this country, and many of them are suffering and need help. It seems to me this would be a pretty good time to think about the 9,000,000 people in this country who are unemployed and to take care of them at this time.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from Wisconsin.

Mr. HAWKS. No one has pointed out how much money it takes to conduct a war for even 1 day. How far would $20,000,000 go in conducting a modern war? It would not go even 1 day.

Mr. JOHNS. That is what I say, $20,000,000 would not help anybody, even a nation the size of Finland, which has about 4,000,000 inhabitants.

If we could believe the morning papers, Finland at this time has an agent in this country buying war materials. Of course, if they could get this money, if Mr. Jones would lend it to them, which he does not say he will, and, if so, not for buying war materials, they might spend it in this country for that purpose. I am in favor, of course, of every individual's contributing to help Finland if he possibly can. I went so far as to introduce here in Congress a bill providing that an individual might make a deduction in connection with his income tax for such a contribution, in the same percentage that he does on gifts to charities and churches, and for other purposes, at the present time.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from Texas.

Mr. SOUTH. The gentleman represents an agricultural district in part, I believe. The gentleman does not object to the purchase of farm products to feed and clothe the Finns, rather than the purchase of war materials with which to fight?

Mr. JOHNS. I am very glad the gentleman asked me that question, because this is what has happened with the Export-Import Bank. We have imported into this country, as the gentleman knows, millions of dollars' worth of agricultural products. We exported to the South American countries agricultural implements to the extent of $69,000,000, so that they might raise more of these farm products with cheap labor and ship them into this country, and we loaned them a good deal of the money with which to buy these implements, yet we have exported only about $2,000,000 worth; so as far as helping the farmers of this country or Finland are concerned, I say this loan will not make much difference, because neither will see but little of the money if the loan is ever made.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. JOHNS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to point out that when this bill was under consideration last summer Secretary of Agriculture Wallace gave us strictly to understand that we should not expect this money to be limited to loans that did not bring competitive agricultural products into this country. He took the position that loans of that kind could be made, and that position has been sustained since then and is confirmed in the hearings.

Mr. JOHNS. No question about it.

Mr. CRAWFORD. The money can be used to facilitate imports of competitive agricultural products.

Mr. JOHNS. It has been.

Mr. CRAWFORD. What some administrator may say has nothing particularly to do with it, because the law permits it to be done.

Mr. JOHNS. Not only that, but it opens the field here to loaning money to every foreign country to which you might wish to loan it, and just increase it all the time. When this war is over we will be holding the bag, just as we were at the end of the last one and have been ever since, but probably not quite so bad, because so many of these foreign countries are owing us money now that we cannot loan them any more. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. BUCKLER] such time as he may desire.

Mr. BUCKLER of Minnesota. Mr. Chairman, I have made the statement on the floor of this House that I will never vote to send our American boys to Europe to fight. I believe that perhaps 95 percent of the American people feel the same way about it as I do.

When Congress convened January 3, I fully expected that we would appropriate at least $30,000,000 for the Finnish people to buy guns and airplanes to protect their country and their lives. But almost 2 months have passed by and we have done practically nothing.

Some say that we do not want to violate the neutrality law. You are not violating the neutrality law when you loan Finland money, because Russia has never declared war on Finland. The Communists of Russia have entered Finland like a thief that enters your home. They have murdered women and children by the thousands and are still at it.

We should have loaned them money 2 months ago to stop this murder. I intend to vote for this bill which would provide food and clothing for the Finnish people. I wonder what good it will do if you wait until they are all murdered. The Finnish people are fighting for their homes, for democracy, and Christianity. They are fighting against an outlaw nation whose leaders do not believe in God and who have sent money to most every nation, including the United States, to set up an organization with the intention of controlling the world. If they are not stopped in Finland now, some day we may have to fight them alone.

It is America's duty to help Finland now, before it is too late. Finland is sacrificing all she has in order that civilization may not perish from this world. The Finnish people have the greatest faith in America. In this hour of her greatest need she has turned to us for help. Are we going to desert little Finland now? We have in the past sold war materials, airplanes, aviation gasoline to her blood-thirsty aggressor, Dictator Stalin. We should not hesitate now to help Finland with money and materials.

The longer we delay the more pleased will be the Communists of Russia and their dictator. The American people, according to the words of President Roosevelt, are about 98 percent in support of little Finland. Why does Congress hesitate, and why has there been so much delay in the approval of a little bit of help for Finland? We must remember that sympathy alone will not help Finland save its nation. Finland needs financial help immediately, and it would be un-American and an act of ingratitude to the Finnish people, as Finland is the only country that paid the United States its honest debts.

What is the use of spending money to investigate un-American activities if we do not practice Americanism and democracy now? If Finland goes down in defeat—and it certainly will without outside assistance—Stalin will be well on the way to ruling all of Europe. I think we should help Finland at once.

While I am in sympathy and want to help the Finnish people, I am fully aware of our own serious problems at home. There are millions of unemployed; there are millions of needy and distressed on relief; thousands of farmers are losing their homes; millions of them do not receive enough to live decently. In view of this situation in our own country, we might hesitate in loaning to Finland if we were without resources. But we have eighteen billions in gold buried in Kentucky. There is plenty of money to take care of our farm problem, our needy, and our unemployed, if there is a will to do so.

I hope the Members of Congress will also help our own people, and they can if they will only do it, since we have plenty of money and plenty of resources and plenty of everything.

Virtually all of the people of my own district, the Ninth of Minnesota, are supporting the drive for Finnish relief, and they also are favorable to this loan to Finland.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. FADDIS] such time as he may desire.

Mr. FADDIS. Mr. Chairman, by their heroic efforts to preserve their independence, the Finns have earned the admiration of the liberty-loving peoples of the world. Against overwhelming odds and superior matériel they have waged a fight which has been, and still is, one of the outstanding feats of military achievement of all times. From the first it seemed as though it would be utterly impossible and only a futile gesture to attempt to even delay the hordes of communistic conscripts which were hurled upon them. Their almost superhuman resistance thus far proves to what heights of heroism and sacrifice a liberty-loving people will rise in defense of their homeland.

Their invasion is but the first step toward fastening upon the world by force of arms the ideology of the hammer and sickle, which the International Communist Party has failed to fasten by infiltration.

Other nations in the path of this "red" colossus are stupefied by terror. They have not engaged in war for so many generations that the instinct of self-preservation is dormant. They have not dared to strike a blow even while they have the advantage of the full strength of the Finnish spearhead. Helpless in their servile panic, they can only gaze in terror-stricken awe at their inevitable defeat in detail and ultimate doom unless outside influences interfere to effect their salvation. Forgotten are their days of martial might. Faded are their national ideals. Fear has replaced reason. Sapped and softened by wealth and security furnished by others, impregnated by unsound pacifism, their national impotence makes them a fair target for international imposition. The other Scandinavian nations seem to prefer subjection and slavery to timely self-defense.

Valiant Finland, however, is not of this mind. They won their independence on the battlefield at a date not so far distant but that the event is still fresh in their minds. They know from bitter experience that there are calamities far worse than war and that national slavery is one of these. They know that there are "certain inalienable rights," among which are "life, liberty, and the pursuit of happiness," which are worth fighting for. They know that without freedom of speech, freedom of the press, and freedom of religion life would not be worth living. In defense of western civilization, Christianity, and democracy they have dared to appeal their cause to the god of battles. Is there anyone here who will say that in this crisis they do not deserve assistance?

Some may argue that we are too late in this our meager contribution to the cause of Christianity and democracy. No one at this time can say whether or not this be true. The Finns have been resisting invasion with nature fighting for the invaders. Finland is a land of lakes and swamps and bogs. At the present time ice has turned the entire nation into one vast highway, favorable for the transportation of supplies, troops, and matériel. With the coming of spring the country will change into a vast morass, which will constitute a barrier against any except very light vehicles. Each isthmus between the lakes will be a bottleneck, where the strength of the defenders will be multiplied and the defense facilitated. The knowledge of the country and terrain, the interior lines of communication, and the handicaps placed on the enemy will all operate to the advantage of the Finns. By the time the country is once more accessible to heavy transportation it is quite likely that the attention of the invading hordes will be attracted elsewhere.

The question is: Shall we loan Finland money; and if so, how shall we make the loan? Some wish to loan it so it can only be used for the purchase of so-called nonmilitary supplies. This would be impossible. Today any essential supply is a munition of war—food, clothing, medicine—they are as much a part of a plan of blockade as are guns, shells, powder, or bombs. If we intend to assist Finland, let us give her the choice of whatever material assistance she needs. We are a powerful Nation. We believe in the cause of justice, both national and international. Can it be said of us that we dare not do what we believe to be right? If we make an unrestricted loan to Finland, we are violating no law of our own. Russia herself has said she is not at war with Finland. She is only going into Finland on a peaceful mission to assist the Finns to police their nation, so to speak. Let us also assist the Finns to police their nation.

The contention that an unrestricted loan to Finland would be objectionable to Russia is a curious one, to say the least. What scruples has the Soviet Government ever observed in their dealings with us? Have they kept any of their promises made when we resumed diplomatic relations with them? They have violated their pledges to us as they have violated their pledges to all of the world, including their own people. Have they not violated their pledged word and in every conceivable manner attempted to undermine our institutions and form of government? What, I ask you, do we owe to Soviet Russia? What psychology influences those who attempt to defend her cowardly and dastardly attack on Finland, or her insidious attempt to inoculate this Nation with communism?

In Europe today two schools of thought are locked in mortal combat. Totalitarianism is endeavoring to crush democracy and impose its will and institutions upon the rest of the world. Democracy is endeavoring to defend its institutions and its rights to survive. The outcome of this war will determine what kind of world we will live in in the future. We cannot ignore the fact that we are vitally concerned in the ultimate result of this struggle. Let us rise to this occasion and exercise one of our perfectly legitimate national functions by making the Finns an unrestricted loan according to the dictates of our conscience and regardless of the wishes of a nation which has no knowledge of truth, honor, democracy, or Christianity.

By virtue of the timely assistance which we received from France in that dark hour of our history when we were struggling to achieve our independence; by virtue of all we owe to the ideals of justice, democracy, humanity, and Christianity let us give something more tangible than mere sympathy upon this occasion. Let us extend an unrestricted loan to this courageous, heroic nation which observes its international obligations. [Applause.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman——

Mr. CRAWFORD. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. HOOK. Mr. Chairman, I have a smile of satisfaction on my face this afternoon because of the fact that way back in 1935, before most of the Members of this House even realized there was such a nationality as Finns in the United States, I introduced a bill for the erection of a legation building at Helsinki, Finland, and at that time stated to this House the fact that the Finnish Nation was the only nation that had paid her debts to the United States. I spoke about the characteristics of the Finns—their loyalty to integrity, their democratic spirit, and their peace-loving qualities.

Then following that I had the satisfaction of suggesting that Finland be invited to participate in the Delaware Tercentennary. I refer you to my speech of August 21, 1937. I went into the history of the Finnish people and showed where, 138 years before the Declaration of Independence, the Finns were helping to settle this Nation, and then on October 16 of this year I addressed this House and advised Russia that any overt act toward that stalwart little democracy of Finland on her part might arouse the emotions of the American people to such an extent that aid would be given to that little democratic country by the United States because of the demand of the people. That time has come.

Yes; it has been a fight with me from the very beginning on behalf of recognition of that great and stalwart republic, and on the 3d of January of this year I introduced in the Congress a bill for an unrestricted loan of $60,000,000 to Finland. Let us go into the history of this thing. What happened after that bill was introduced? I went over to the other side of this Capitol and arranged with a Senator, the author of this bill, to introduce a bill that has finally ended in the form that it comes here on the floor. He introduced a bill for an increase in the authority of the Reconstruction Finance Corporation of $60,000,000 and an unrestricted loan at my request after a lengthy conference. There is no doubt that we can extend such a loan to Finland without any breach of neutrality.

I still have hopes we may authorize an unrestricted loan of $60,000,000 to Finland, but we must be practical in this matter. An amendment that would add $60,000,000 to this bill or an amendment that would definitely change this bill to such an extent that it would have to necessarily go back to the Senate; I do not believe that such an amendment would throw it into conference. If this bill would be forced into conference, it would be of no use to the nation of Finland because they need help now.

Yes; there are those who can say, "I want a direct loan," or "I want to help Finland," or "I want to help her stop the communistic hordes of Russia, but I cannot go for this measure." I say that I am going to vote for any bill that will aid Finland in her time of need. I care not whether it is restricted or unrestricted. This bill will aid to a degree because she can buy many things that will help her; and what are they? Let me read what Senator BROWN, of Michigan, has to say—and I agree with him:

> The important needs of the army are divided into four classes—transportation, foods and medicines, general supplies, shelter, and personal equipment. In transportation the army needs horses, mules, harnesses, saddles, wagons, railroad engines, rolling stock, motortrucks, automobiles, and, most important, oil and gasoline. You must remember that transportation in Finland is largely by water. They have 2,500 miles of interior water navigation; motorboats, rowboats, pontoons, steel for bridges are all needed and may be purchased under this bill. In communication there is telephone and radio equipment. In the line of foods and medicines there are all foods, including forage for the horses and mules, hay, oats, etc. There are first-aid kits, splints, surgical instruments, medicines of all kinds. In shelter and personal individual equipment, canvas tents, blankets, sleeping bags, mittens, socks, shoes, boots, earmuffs, all clothing, civilian gas masks, binoculars, parachutes—all of which may be purchased in the United States under this bill. Finally, in the line of general supplies, there are searchlights, which are badly needed for the spotting of airplanes, sound detectors, barbed wire, which is most valuable for defensive purposes, and many other articles too numerous to mention. All of these things not only may be purchased but they are essential, and their supply under this bill will leave funds and credits which the Finns have with other nations available for the purchase of shot and shell, or gun and plane, which we cannot under our law furnish.

I intend to offer an amendment for an unrestricted loan of $60,000,000 to Finland. I hope you will see fit to pass it.

If that does not prevail, I intend to offer an amendment for an earmarking of $20,000,000 to Finland, without restrictions.

In addition to this bill I have a bill, H. R. 7631, which provides for a refund of all interest paid by Finland to the United States on her debt to the United States, which amounts to approximately $5,000,000. I know you would not want us to hold interest on the loan that we made to Finland. This bill is now before the Ways and Means Committee and should be voted out. This would help Finland considerably without in any way affecting our neutrality. I could talk for an hour on this, but my speeches have been made from time to time and I hope you agree with me that we should help Finland now, so she can save herself and hold the lines for Christendom and democracy. Help Finland; do not just talk about it. An unrestricted loan of $60,000,000 would be the best insurance policy we could buy against the spread of communism or atheism in this country. [Applause.]

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman and members of the Committee, I believe that the President was right when he stated that 98 percent of the people of America desire to aid heroic little Finland in her fight to preserve her Government and her traditions and ideals. An individual must, indeed, be cold and heartless not to be stirred by the heroic deeds of the defenders of this small nation. Their exploits have aroused the imagination and the heroic impulses of people throughout the world, and certainly those in America who love liberty respond to the urge to help Finland.

On the other hand, there is an all-compelling urge manifested by 100 percent of the people of this Nation that we take no action that may tend to involve us in European wars. The people of America demand of the Congress that they take no steps that may result in the necessity of sending American soldiers to shed their blood upon foreign battlefields.

Torn between the emotional desire to help Finland in her fight against the communistic hordes of Russia, and the equally strong urge to stay out of European involvement and entanglement, conscientious Members of Congress are faced with a very distressing and disturbing dilemma. We have before us the picture of the events that transpired in 1916 and 1917, which surely but inevitably drew us into the European war. We do not want that experience repeated. The administration, however, vacillating from day to day in its foreign policy and making strained interpretations of international law and our neutrality policy, say that the making of a loan to Finland for the purchase of nonmilitary supplies will not involve us in foreign entanglements. The administration, seeking to appease the urge of the people of this Nation to aid Finland, have permitted the propaganda to go out to the Nation that the measure now before the House is an answer to the needs of Finland.

I want to briefly analyze this bill and to let the people of the Nation who expect this Government to help Finland know that there is not a single word in the proposal now before the House which guarantees the loan of a single dollar to Finland.

In the last session of Congress, the President offered his now famous lend-and-spend bill and incorporated in that bill was a proposal to increase the capital of the Export-Import Bank from $100,000,000 to $200,000,000. This proposal was defeated by the Congress. The President, however, never accepts a defeat, and it is as apparent as any fact of history that the proposal now before the House is an attempt on the part of the administration to stir up sympathy for Finland and by that medium secure the enactment of substantially

the same legislation that the House repudiated in the last session of Congress.

The pending bill simply provides that the authorized capital of the Export-Import Bank be increased from $100,000,000 to $200,000,000, and in the hearings before the House Banking and Currency Committee, Mr. Jesse Jones, the head of the Federal lending agency, testified that the passage of this bill ought not to be based upon the assumption that a loan would be made to Finland in any amount and he definitely stated, as shown on page 36 of the hearings: "I think if you do not want to pass this bill for general purposes, it should not be passed." All through his testimony he was very frank in stating that this is not a Finnish loan bill but a bill to increase the authority of the Export-Import Bank to enable it to carry on its general activities. He further stated that if Finland made application for a loan to the Export-Import Bank, the directors of that institution would determine whether such a loan would be made, based upon conditions existing at the time of the application.

Thus it is apparent that in the passage of this bill, Congress is not voting a loan to Finland but is giving to the Export-Import Bank extended authority to carry on its business under the guise and pressure that a loan to Finland is involved. The fact is that if the Export-Import Bank wanted to aid Finland, it could do it immediately out of funds now available by the simple procedure of canceling commitments heretofore made by the bank and not used to date. The testimony discloses that the bank has $34,000,000 that could be used for this purpose if the emergency were as grave as the promoters of this legislation seek to indicate.

The bill provides that the aggregate amount of loans to any one foreign country and the agencies and nationals thereof shall at no time exceed $20,000,000 in addition to amounts previously authorized or made. However, a further proviso is contained in the bill that the Export-Import Bank of Washington shall not make any loans to any government which was in default in the payment of its obligations or any part thereof to the Government of the United States on April 13, 1934. This proviso does not, in my judgment, do what the country has been led to believe was intended. Let me amplify this statement somewhat.

The Johnson Act, previously passed by the Congress, prohibits loans to governments that are in default, but specifically exempts public corporations created pursuant to special authorization of Congress or a corporation in which the Government of the United States has or exercises a controlling interest through stock ownership or otherwise. It is thus apparent that the Export-Import Bank is not precluded under this so-called Johnson Act from making loans to any government regardless of whether they have defaulted on previous loans or not. The proviso, therefore, in the pending legislation attempts to restrict the activities of the Export-Import Bank and prevent it from making loans to any government which was in default. It will be noted that this proviso does not include the words contained in the first proviso, namely, "Foreign country and the agencies and nationals thereof," but only uses the word "government." Therefore it appears perfectly clear that the Export-Import Bank, which is a Government corporation set up by special authorization of the Congress, may, despite the second proviso in the pending legislation, make a loan to a foreign agency set up by a foreign government that is in default on its prior loans from the United States Government. Under the terms of this act, if the authority of the Export-Import Bank is extended by increasing its capital from $100,000,000 to $200,000,000 and Great Britain and France were to set up a corporation in this country known as the French or English Trading Corporation, the Export-Import Bank could loan money to that corporation owned and controlled by the Government of France or England, when under the terms of the proviso it could not make a loan direct to the English Government or the French Government.

It is apparent, therefore, that as the war progresses, perhaps England will ask for a $20,000,000 loan, and perhaps France may ask for a loan through the medium of a corporation established in this country, and we may be loaning money indirectly to governments which the Johnson Act and this second proviso in the pending bill seek to prevent.

I repeat that the pending legislation promises nothing to Finland, and its proponents have been fair enough to openly state on the floor of the House that the Finnish loan question is not embodied in this legislation. It seems to me, in view of the urge from the people in this country, that the Congress of the United States should come out into the open and fearlessly and frankly decide whether or not they want to make a loan to Finland for the purpose of aiding her in her fight against Russia. Thus the question would be one readily understood by the people of the Nation. Instead of doing this, however, Congress, as has been its practice all during the present administration, is delegating its power and authority into the hands of a private corporation known as the Export-Import Bank, thus allowing the directors of that corporation, instead of the Congress, to determine whether a loan shall be made to Finland.

To me, the whole procedure stultifies the conscience of a thinking Member of Congress, and a vote for this bill is neither a vote for a loan to Finland nor a vote against a loan to Finland. Those who have cleverly guided the publicity on this subject have caused the people of the country to believe that a vote against this bill is a vote against a loan to Finland, and a vote for the bill is a vote to aid Finland. Neither represents the true fact, and I trust that when the time for amendment of this bill comes, amendments will be offered which will show this piece of legislation up in its true light and that Members of Congress will be called upon to vote their honest convictions either in favor of or against a loan to Finland.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, my sympathies run entirely in one direction, and I suppose that is in accord with the general sympathy of the country. That is, naturally, as a great powerful nation, we would like to step in somewhere, somehow, and help a small republic with its back to the wall fighting for liberty. There are some things that are rather inconsistent in regard to our position. Each speaker who has taken the floor has pointed out that we must be meticulous in not issuing war materials to Finland, though that is exactly what they need. On the other hand, what are we doing so far as Russia is concerned? From the very start we have been pouring our war supplies into Russia. We have been financing Russia by buying her gold at $35 an ounce, which means a profit to her of perhaps $24 an ounce, and we shipped her 450 engines for bombing planes, and quite a large number of bombing planes themselves have been sent over there; so that while we are shedding tears about Finland, we are responsible for blasting out the lives of women and children behind the lines while their menfolk are at the front fighting for liberty. I have the figures here from the Department of Commerce. They show what has been happening. In 1939, in October, we shipped no copper at all to Russia. In November we shipped $1,082,000 worth; in December, $4,376,000 worth, and January of this year—and I have just obtained the figures from the Department—we sent $6,997,000 worth of copper to Russia; metal-working machinery, $2,205,000; brass and bronze, $631,000; petroleum products, $187,000. So we are talking about a loan to Finland; that is, what we would like to do to help Finland, and at the same time we are furnishing materials to destroy Finland.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I have not the time. I maintain that is an inconsistency. We should stop this shipment of war materials to Russia if we want to help Finland, and I hope somebody will offer such an amendment on the floor. That is not all. I want you to stop and think of a few more things in regard to this. We are helping the aggressor nations with our shipments of war materials. Our exports to 13 neutral countries around Germany have increased 47 percent within

the last few months, while our exports to the Allies increased only about 10 percent. So we find ourselves, with all of our financial power, helping aggressor nations—those who are trying to crush those nations who stand for our form of government—the parliamentary system.

I give you another thought to think about, and all you have to do is to read the English magazines to find out about it yourselves. Naturally the English are looking out for themselves, and her policy is to keep all employees in her export factories employed in their present positions, to hold their markets, to be prepared to gain any loss in her markets after the war is over, but she says, "We will buy our finished war materials so far as we can from the United States, which is out of the range of bombing planes, and then we will not have to face the social dislocation which will follow the war."

So while you are building up war exports by this type of a bill, you will have an aftermath, after the war, just as you did after the World War. [Applause.]

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I rise to notify the House of an amendment that will be offered, as I think both sides of the House are entitled to know what that amendment will be.

After striking out the conditions on the second page of the bill insert:

Provided further, That the Export-Import Bank of Washington is authorized to loan to Finland on proper application not to exceed $20,000,000, without restriction on the type of merchandise to be purchased in the United States.

The Export-Import Bank would not then be forced to loan to Finland. It would be only an expressed authorization. If Mr. Jones thinks they can repay it, he would lend it to them; but it would at least provide an opportunity for the Members of this House to say that they had voted a Finnish loan, or at least tried to do something for Finland.

The threat was made over the heads of those in another body, with no mention made of Finland in the bill, that "If you vote against this bill you vote against Finland. If you vote for the bill it will be a vote for Finland."

The gentleman from Missouri spoke today about a certain Senator presenting a bill for $60,000,000, and then afterward concluded that that was not the orderly way, and supported the bill as it came from the Senate. Did you hear that Senator over the radio last evening? If you did, I hardly think you can reconcile the statements. Some of us, like that Senator, have to accept, in the last analysis, the best we can get. I again refer to the amendment that will be offered and we will then see whether we will vote for or against Finland. It does not force the bank to make the loan, but it does help out a little in forcing the expression that Finland should, if possible, have a share of this one hundred millions.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. McCORMACK. If we have the power to provide for a loan through the Export-Import Bank for limited purposes, without violation of international law, why do we not have the power to make a straight loan without restriction?

Mr. GIFFORD. We have, and we ought to have the courage to do it. [Applause.]

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. GORE. May I say it is not a question of the power, but a question of advisability.

Mr. GIFFORD. Advisability? Possibly. Yes. We are afraid of something. Afraid of whom I do not know. Afraid of what I do not know. Are you afraid of Russia? Are you afraid of violating some international law that nobody seems to know much about or cares to explain? Finland is free to accept and we are free to give her any sort of loan. She is not in default. We attempt here to describe her as a belligerent making a needed loan impossible.

Ninety-eight percent of the people ought to be represented in this body.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes; I yield.

Mr. CRAWFORD. As has so often been stated this afternoon, the Export-Import Bank has made a loan to Finland and Finland has withdrawn 70 or 80 percent of that—eight million of the ten million, has she not?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. The Export-Import Bank could now make a loan to Finland if it wanted to give Finland preference on the commitment, to some other commitment.

Mr. GIFFORD. Certainly they could. They have $34,000,000 available today. It is committed, but only partially so. It probably will not all be taken up. This trying to pry $100,000,000 more over poor little Finland takes away my appetite for the bill.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. THOMAS F. FORD. Is the gentleman attempting to convey to this House, on his responsibility as a Member, that the Banking and Currency Committee brought this bill in under fraud?

Mr. GIFFORD. Oh, no.

Mr. THOMAS F. FORD. Then what are you insinuating for and snarling about?

Mr. GIFFORD. Oh, this came from another body. This is an administration measure. There is no fraud about it. It is not a fraud, it is smart politics. Let us acknowledge that is the way you are trying to bring it about. I did not call it a fraud.

Mr. THOMAS F. FORD. The gentleman is attempting to make out it is a fraud.

Mr. GIFFORD. Oh, I did not say anything about fraud. I congratulate you on being so smart.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAWFORD. As a matter of fact, this bill is based on a special letter or message in the form of a letter sent to the House, is it not?

Mr. GIFFORD. Yes. This is the spend-lend bill—a portion of it, of fragrant memory.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. THOMAS F. FORD. A $10,000,000 loan has been extended to Finland, of which $8,000,000 has been used for munitions of war or for agricultural products and manufactures.

Mr. GIFFORD. I do not know about that. I agree with the attitude of the majority leader, the gentleman from Texas [Mr. RAYBURN], that they may buy food from us, but if they wish they may trade that food for munitions of war, and it is none of our business if they do.

Mr. THOMAS F. FORD. But does the gentleman know that it has been done?

Mr. GIFFORD. No; but if I cannot lend the gentleman money with which to buy a gun, but do lend him money with which to buy something else, and he trades that something else to his next-door neighbor for a gun, I cannot help that.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. TREADWAY. I realize the gentleman's knowledge of the subject matter. Will the gentleman inform a colleague the manner in which that colleague can vote and show sympathy for Finland by saying that he wants $20,000,000 lent to Finland instead of voting for a $100,000,000 fund for somebody else to use?

Mr. GIFFORD. Yes; that colleague can vote for the amendment to be offered by the gentleman from Connecticut [Mr. MILLER], a member of the Committee on Banking and Currency, an amendment which I hope will be offered as a motion to recommit, coupled with a cut of $50,000,000 of the $100,000,000.

Mr. TREADWAY. Will that then make the terms of the bill such that Finland herself can secure $20,000,000 from

the Treasury of the United States, as we have asked to have done?

Mr. GIFFORD. No; but the bill should be so amended as to give Mr. Jones the chance to make that loan if he cares to. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, I favor the legislation before us both on sentimental and on business grounds. There are some of us who would like to do more than this bill does for Finland, but I believe that the practical and common-sense thing to do is to pass this bill as it is, for if we amend it and it has to go through conference, there will be greater delay and possibly its passage will be delayed until no help at all can be extended to Finland.

As has been said by those who preceded me, especially by the gentleman from Pennsylvania [Mr. ALLEN], a recollection of our own hour of need and the significant help afforded us by France back in 1778 should prompt us to extend a helping hand, under similar circumstances if not in exactly the same way, to Finland. Such are the sentimental grounds on which I favor this measure. The business grounds, briefly stated, are that this lending agency of the Government has already done a great piece of work in promoting our foreign trade. The institution has done so in a business-like way, and I believe will continue to use good business methods. So I favor that portion of the bill, other than the relief extended Finland, on business grounds. Although I favor the relief to Finland on sentimental grounds, it is to a certain degree upon business grounds also. It would certainly be good business, to say the least, if by the extension of a little financial aid now we can keep the free peoples of Scandinavia between Russia and the Atlantic Ocean. If our money could accomplish that feat, in my opinion, it would be good business to furnish the money, even without the formality of a loan.

Those who do not want to facilitate foreign trade through this institution of the Government, but who do want to extend aid to Finland, may offer amendments to make direct loans specifically to Finland. Would such a move be a service or a disservice to Finland? Any amendment to this bill, which in its present provisions carries some aid to Finland, in an effort to furnish more direct aid to this courageous and admirable people, would have the effect of throwing the whole legislation into conference and delay. Now we have seen evidence that conference reports are sometimes long delayed. Such a conference report might not be brought back to this Chamber for several weeks and thus the long delay thwart the very purpose of our attempted aid to Finland. I think it unwise to attempt such amendment.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield to the gentleman from Alabama [Mr. PATRICK] 2 minutes.

Mr. PATRICK. Mr. Chairman, I had a lot I intended to say, but there is not time. Let us get right down to the facts.

This is merely a way in which to do business. This organization has been going on since 1934, this Export-Import Bank, and its operations have been profitable. It is a very excellent way to do business. It has encouraged imports that we wanted to encourage. Remember, too, that not one loss has been sustained and not a single default is outstanding.

Every reasonable assumption may be had that Finland will get the loan. Nobody doubts that. The gentleman in authority, Mr. Jones, has already looked it over. So why defeat their plan of doing business, why divert the channel through which we have so successfully been encouraging the export of our manufactured and agricultural products, one which has proven a successful channel in the hands of the safest people perhaps in the United States of America? Let us not hamstring the legislation or the agency through which this business is done. Let us use good common business sense and exercise calm and reasonable judgment, avoiding either extreme of lending to Finland at every hazard on the one hand or making no loan whatever on the other. Handling this bill sensibly and calmly we shall have exactly what we want. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Chairman, I like the work of the Export-Import Bank. I think it has done a good job. As a complement to the reciprocal-trade policies I think it is all right, but I am not going to talk to you today about that. I am going to talk about the effect some of the proposed amendments will have on the war in Europe.

Some of our friends want us to lend directly to Finland a certain amount of this money. I am afraid, Mr. Chairman, it is too late. They do not need any money now. What they need is guns, ammunition, planes, and a few destroyers out there in the Baltic. That is what they need. You are not going to give these to them, I take it, under this bill. But I will tell you why that would be far better. If we could cause a stalemate on the Karelian Isthmus it would mean, in the first place, concentrating the war south of that line. It would save the lives of untold numbers of men, women, and children. It would mean limiting the depredations caused by the nations to the south and confining the war to that theater alone. Second, if the Finns hold the Karelian Isthmus, you will not be barraged with pitiful appeals from our people of Scandinavian extraction to come to their aid in the face of further attacks of the Russian hordes. Wait and see if I am not right. If the Russians break through the Karelian Isthmus, they are on the way through Sweden, Denmark, and Norway, and then when Russia gets to the Atlantic and becomes an Atlantic power, the balance of power in the Atlantic is vitally disturbed. You would then have not only the British Fleet, which I never feared, but you would have another fleet. You know as long as there is Canada to the north of us we do not have to worry about the British Fleet. They are too vulnerable; and, besides, I think our Navy can whip them any day of the year. But when you have another power coming into the Atlantic you are disturbing the balance that exists there today.

There is another factor. You are going to cause hostilities to break out in other parts of the world unless you contain the Russians where they are, and I do not say this because I hate the Russians or because I love the Finns so much; but I am thinking of America. The instant you build up any other power and cause the conflagration to spread into other parts of the world, you are hurting our own country, and in self-defense we have to build up likewise. It is as my friend the gentleman from Pennsylvania [Mr. ALLEN] stated, the instant you permit the gangster to rise in any locality it means the expenditure of more money, because you have to increase the police force to put him down. And so it is in international affairs. It causes a great expense, and our people wonder why you and I keep voting more money for national defense. Let us restrict this war where it should be restricted and do something to help the Finns save their homes. I would say that in the interests of my own country, whether it was Finland or any other nation that was affected. It just happens that geographically that is where the war hurts us.

Mr. REES of Kansas. Will the gentleman yield?

Mr. IZAC. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I am interested, because the gentleman knows more about the horrors of war than most anyone on the floor of the House.

Mr. IZAC. I think not.

Mr. REES of Kansas. What does the gentleman suggest that we actually do about furnishing arms and ammunition to Finland? What should we do about that?

Mr. IZAC. Under the terms of the Neutrality Act, we do not deny ourselves the right to let them have any excess surplus material that we have, and we have a lot of it left over from the World War.

Mr. REES of Kansas. Then the gentleman would authorize in some way the shipment of arms and munitions direct to Finland?

Mr. IZAC. That would be my idea; make it possible for them to defend their homes and at the same time fight humanity's battle for us all. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask that the bill be read for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1) by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000", and (2) by inserting before the period at the end thereof a colon and the following: *"Provided further,* That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed $20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: *Provided further,* That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

With the following committee amendments:

Page 2, line 5, after the word "loans", insert "to any government which was in default in the payment of its obligation or any part thereof to the Government of the United States on April 13, 1934, or."

Page 2, line 9, after the word "articles", insert "except aircraft exclusively for commercial purposes."

Mr. WILLIAMS of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 3069, to provide for increasing authority of the Export-Import Bank of Washington, and for other purposes, had come to no resolution thereon.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order for tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a memorial on our late Member, Dr. Sirovich.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARTIN J. KENNEDY]?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement of the Export-Import Bank from February 12, 1934, through January 31, 1940.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend the remarks I made in Committee today, and to include an article entitled "Session on Investments and National Policy of the United States in Latin America," the cost of which I have been informed will be $68 and it will take a page and a half of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article entitled "Sidelights on Finland" by Edward T. Heald, secretary of the Y. M. C. A. at Canton, Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECCOMBE]?

There was no objection.

Mr. RISK asked and was given permission to extend his own remarks in the RECORD.

HENRY WADSWORTH LONGFELLOW

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

There was no objection.

Mr. DONDERO. Mr. Speaker, I am unwilling that this day should pass without making some reference to the birth of a great American. The month of February is significant in the birthdays of great Americans. Not only do we have Washington and Lincoln, but 133 years ago today in the city of Portland, Maine, there came upon this earth a very illustrious American, Henry Wadsworth Longfellow, one of that great and beloved company of illustrious and famous American poets to whom we owe a great deal, and who contributed much to the literature of this country.

Appropriate exercises were held this morning at his monument on Connecticut Avenue here in the city of Washington. There are very few Members of this House who do not recall with keen delight, inspiration, and benefit, the reading of his Psalm of Life, his Rainy Day, his Children's Hour, Paul Revere's Ride, and the story of Evangeline.

The Nation recently paid tribute to the memory of this illustrious American poet by the issuance of a postage stamp bearing his likeness.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD, and include therein a short statement prepared by the International Longfellow Society of Portland, Maine.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The matter referred to follows:

To lovers of Longfellow:

There are few names as well known the world over as that of Longfellow.

For 18 years the beloved poet was one of Harvard's greatest professors.

He lived the greater part of his life, he wrote his immortal works, and died within a short walk of the university.

Surely every American has many reasons to be proud of the name and fame of Longfellow. For the past 25 years the International Longfellow Society has cherished it and actively promoted it in many lands.

The noble old colonial home in which he was born now needs attention for its present preservation as well as permanent endowment.

To accomplish such purpose, and for placing 100 mammoth steel plate engravings of Longfellow, each autographed both by the poet and the artist, in strategic locations round the world, as outlined below, your assistance is needed and urged. Few endeavors are more worthy or will longer endure.

We hope to be honored with your permission to add your name to the list of honorary members of the International Longfellow Society, a distinction accepted with many expressions of appreciation by 5 Presidents of the United States, as well as 100 presidents of colleges and Governors of States, and more than 1,000 organizations representing every State in the Union and every country in the world.

To aid world-wide preservation and promotion of the name and fame of the world-beloved poet, Longfellow, and to present to Their Majesties King George and Queen Elizabeth in appreciation of their friendly visit to America, and in recognition of the great love for Longfellow throughout the British Empire; and to President and Mrs. Roosevelt; and to the Governor General of Canada; to the capitols of 100 States and nations; to the United States Embassy in London and the United States Legation in Ottawa; to Harvard University; and the Universities of Oxford and Cambridge, England; to the Congressional Library at Washington; the Portland (Maine) Public Library; the Maine Historical Society; and the New York and San Francisco World's Fairs; Marshall's great

engraving of Longfellow, each autographed both by the poet and the artist and valued at $500 each, you are urged to contribute $2, $5, $10, $100, or $500, as may suit your convenience.

Checks should be made payable to the International Longfellow Society or the Portland Historical Society.

Your contribution will be much appreciated and gratefully acknowledged by the International Longfellow Society and the Portland Historical Society.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to include in my remarks on the bill that was under discussion today a copy of the third preliminary draft of the convention relating to the Inter-American Bank, the third draft of the charter of the Inter-American Bank, and the fifth preliminary memorandum draft of the bylaws of the Inter-American Bank, released by the Pan American Union.

I am advised by the Public Printer that this material will take up 4½ pages, and the cost will be $192. I want the House to know this before permission is granted to include the material.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. VOORHIS of California asked and was given permission to extend his own remarks in the RECORD.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial from the Milwaukee Journal.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to include in the remarks I made today a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS

The SPEAKER. Under a special order of the House heretofore made, the gentleman from Minnesota [Mr. KNUTSON] is entitled to be recognized for 30 minutes. The Chair does not see the gentleman.

Mr. FISH. Mr. Speaker, I ask unanimous consent that the time allowed the gentleman from Minnesota for today be continued until tomorrow, at the conclusion of the legislative program of the day and any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

FEBRUARY 27, 1940.

Hon. WILLIAM BANKHEAD,
Speaker, United States House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby hand you my resignation from the Committee on Expenditures in the Executive Departments.

Respectfully yours,

JNO. L. MCMILLAN, M. C.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GILLIE (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of death in his family.

To Mr. FITZPATRICK, for the balance of the week, on account of a death in the family.

To Mr. AUGUST H. ANDRESEN (at the request of Mr. PITTENGER), indefinitely, on account of the serious illness of his mother.

To Mr. SWEENEY, indefinitely, on account of illness in the family.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6505. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

ADJOURNMENT

Mr. WILLIAMS of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, February 28, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON ROADS

The Committee on Roads will continue hearings at 10 a. m., Wednesday, February 28, 1940, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, February 28, 1940, at 10:30 a. m., for the consideration of H. R. 5477, H. R. 6957, and H. R. 8499.

COMMITTEE ON FOREIGN AFFAIRS

There will be a hearing Wednesday, February 28, 1940, at 10 a. m., before the Committee on Foreign Affairs on House Joint Resolution 412, House Joint Resolution 430, and House Joint Resolution 436, for the relief of the distressed and starving women and children of Poland.

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet at 10:30 a. m., Thursday, February 29, 1940, for consideration of House Joint Resolution 428 and House Joint Resolution 429, to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 28, 1940, at 10 a. m., there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

There will be hearings by the Committee on the Census in room 213 House Office Building, Wednesday, February 28, 1940, and Thursday, February 29, 1940, at 10: 30 a. m., on the reapportionment of Representatives in Congress.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following date on the matters named:

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

H. R. 8612, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1410. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for the reimbursement of certain personnel or former personnel of the United States Marine Corps for the value of personal effects destroyed as a result of a fire at Raritan Arsenal, Metuchen, N. J., on October 10, 1938; to the Committee on Claims.

1411. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill for the relief of the heirs of the late Lt. William Lee Clemmer, United States Coast Guard; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SNYDER: Committee on Appropriations. H. R. 8668. A bill making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes; without amendment (Rept. No. 1681). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Irrigation and Reclamation. S. 1759. An act granting the consent of Congress to the States of Montana, North Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River; without amendment (Rept. No. 1682). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee on Merchant Marine and Fisheries. H. R. 6751. A bill to repeal certain laws with respect to manifests and vessel permits; with amendment (Rept. No. 1683). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2740. An act to amend section 9a, National Defense Act, as amended, so as to provide specific authority for the employment of warrant officers of the Regular Army as agents of officers of the finance department for the disbursement of public funds; without amendment (Rept. No. 1684). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2769. An act to amend section 55, National Defense Act, as amended, to provide for enlistment of men up to 45 years of age in technical units of the Enlisted Reserve Corps; without amendment (Rept. No. 1685). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H. R. 8669. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLLES:

H. R. 8670 (by request). A bill to create and establish a Board of Funeral Directors and Embalmers for the District of Columbia and to prescribe its powers and duties; to the Committee on the District of Columbia.

By Mr. DICKSTEIN:

H. R. 8671. A bill to provide medals for the men who trained at the first Plattsburg training camp in 1915; to the Committee on Military Affairs.

By Mr. LEMKE:

H. R. 8672. A bill to amend section 5 of the act approved September 26, 1914 (U. S. C., 1934 ed., title 15, sec. 15), as amended by section 3 of the act approved May 21, 1938 (Public Law No. 447, of the 75th Cong.), is amended by adding to subdivision (a) another paragraph; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON of Missouri:

H. R. 8673. A bill to amend the National Labor Relations Act to exempt agricultural organizations; to the Committee on Labor.

By Mr. RAMSPECK:

H. R. 8674. A bill to amend subchapter A of chapter IV of the Internal Revenue Code, section 1426 (h), paragraph 3, and section 1607 (l), paragraph 3; to the Committee on Ways and Means.

By Mr. MAAS:

H. R. 8675. A bill to repeal section 1617 of the Revised Statutes; to the Committee on Naval Affairs.

H. R. 8690. A bill providing for the pay and allowances of retired officers of the Navy and Marine Corps on active duty; to the Committee on Naval Affairs.

By Mr. GRANT of Indiana:

H. J. Res. 474. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1940, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. WHITE of Ohio:

H. J. Res. 475. Joint resolution to create a commission to formulate a permanent national policy with respect to the payment of old-age pensions; to the Committee on Rules.

By Mr. HOFFMAN:

H. Res. 402. Resolution requesting certain information from the Secretary of War; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 8676. A bill for the relief of Harry Kahn; to the Committee on Claims.

By Mr. CARLSON:

H. R. 8677. A bill granting a pension to Alfred Wiley, Jr.; to the Committee on Invalid Pensions.

By Mr. CHAPMAN:

H. R. 8678. A bill granting a pension to Gilbert Walton; to the Committee on Invalid Pensions.

H. R. 8679. A bill for the relief of the estate of Frank H. Lusse, deceased, of Frankfort, Ky.; to the Committee on Claims.

By Mr. DISNEY:

H. R. 8680. A bill for the relief of Blanche Thompson; to the Committee on Claims.

By Mr. GREEN:

H. R. 8681. A bill granting an increase of pension to James P. Case; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia:

H. R. 8682. A bill granting a pension to Henry B. Lyons; to the Committee on Pensions.

By Mr. KRAMER:

H. R. 8683. A bill for the relief of Chilton Craddock; to the Committee on Naval Affairs.

By Mr. MALONEY:

H. R. 8684. A bill for the relief of Georgie W. Rathborne; to the Committee on Claims.

By Mr. RAYBURN:

H. R. 8685. A bill to extend the benefits of the Federal Employees' Compensation Act, approved September 7, 1916, as amended, to Merton Terence Cross; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 8686. A bill granting a pension to William B. Ludlow; to the Committee on Invalid Pensions.

H. R. 8687. A bill granting an increase of pension to Katharine H. Fuller; to the Committee on Invalid Pensions.

H. R. 8688. A bill for the relief of H. Glenn Cunningham, Jr., C. A. Laursen, and William J. Godschalk; to the Committee on Claims.

By Mr. MOUTON:

H. R. 8689. A bill for the relief of Desiderio Alvarez de la Fuente; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6686. By Mr. BALL: Petition of sundry citizens of Willimantic, Conn., favoring the passage of legislation for the relief of Polish war sufferers; to the Committee on Foreign Affairs.

6687. By Mr. BRADLEY of Michigan: Petition of Jasper D. Cole and 57 others, of Emmet County, Mich., recommending passage of Townsend bill; to the Committee on Ways and Means.

6688. By Mr. LEONARD W. HALL: Petition of officials of the town of Oyster Bay and city of Glen Cove; officers of the Polish National Home, of Glen Cove, N. Y.; veterans' organizations; and others, adopted at a public meeting in the city of Glen Cove, requesting that Congress take action by way of protest to the Governments of Germany and Russia against the treatment of Polish nationals and to lend its influence in making possible the provision of relief, food, and medical care by humanitarian organizations to the needy citizens of Poland; to the Committee on Foreign Affairs.

6689. By Mr. MARTIN J. KENNEDY: Petition of the Yorkville Chamber of Commerce of New York City, opposing the passage of the Neely bill (S. 280), known as the block-booking bill; to the Committee on Interstate and Foreign Commerce.

6690. By Mr. KEOGH: Petition of the National Society for the Prevention of Blindness, New York City, favoring the appropriation of $7,000,000 for the control of venereal diseases; to the Committee on Interstate and Foreign Commerce.

6691. Also, petition of Elmer E. Bennett, Jr., Post, No. 725, American Legion, William E. White, commander, Brooklyn, N. Y., favoring the passage of House bill 7593, widows and orphans pension bill; to the Committee on World War Veterans' Legislation.

6692. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Foreign Affairs.

6693. By Mr. KRAMER: Resolution of the Assembly and Senate of the State of California, relative to the continuance of Japanese-beetle suppression under Federal auspices; to the Committee on Agriculture.

6694. By Mr. MURRAY: Petition of I. P. Goult and Irvin Peterson, of Wautoma, Wis., and others; to the Committee on Ways and Means.

6695. By Mr. SEGER: Petition of 750 residents of Paterson, N. J., and vicinity, opposing the enactment of Senate bill 2395, the so-called wheat-certificate-allotment plan, because of possible taxes on necessities; to the Committee on Agriculture.

6696. By Mr. SCHIFFLER: Petition of Mrs. J. E. Harper, director, and officers and members of the Youth's Temperance Council of Chester, W. Va., urging the passage of Senate bill 517; to the Committee on Interstate and Foreign Commerce.

6697. By Mr. SUTPHIN: Petition of the New Jersey Highway Users Conference, representing highway users and those interested in highway transportation, opposing the enactment of Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

6698. By Mr. VAN ZANDT: Memorial of G. A. Reed, president, Washington Camp, No. 889, P. O. S. of A., Centre Hall, Pa., and others, protesting against foreign propaganda, and urging that every effort be made to keep America out of war; to the Committee on Foreign Affairs.

6699. By the SPEAKER: Petition of the State, County, and Municipal Workers of America, Congress of Industrial Organizations, Harrisburg, Pa., petitioning consideration of their resolution with reference to the Budget; to the Committee on Appropriations.

6700. Also, petition of the American Legion, Department of Idaho, Boise, petitioning consideration of their resolution with reference to the establishment of a domiciliary center; to the Committee on World War Veterans' Legislation.

6701. Also, petition of the Chamber of Commerce, Anniston, Ala., petitioning consideration of their resolution with reference to the Allatoona flood-control project; to the Committee on Flood Control.

6702. Also, petition of Yavapai Associates, United Civic Groups of Yavapai County, Prescott, Ariz., petitioning consideration of their resolution with reference to the selecting of a new Director of the United States Bureau of Mines; to the Committee on Mines and Mining.

6703. Also, petition of the Alameda County Industrial Union Council, Oakland, Calif., petitioning consideration of their resolution with reference to a large-scale low-rent housing and slum-clearance program; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 28, 1940

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed heavenly Father, we pray Thee to make manifest to us that which is entire truth, honor, and fidelity that these virtues may be swept into the treasury of our daily conduct. We come to Thee that we may have life that is not a mere existence written in a wounded past and a halting future but life rich, unfailing, ever deepening and eternal: Oh, this is life eternal that we may know Thee, the only true God, Jesus Christ, whom Thou hast sent. Our gratitude rises to Thee that the old world hopes and aspirations come winging through the radiance of Thy glory. Oh just to be in a living world to labor and walk its kindly, brotherly ways and be alive more and more! Enable us to heed the messages to

the churches of old: "Be thou faithful unto death and I will give thee a crown of life." Glory be to the Father and to the Son and to the Holy Ghost; as it was in the beginning, is now, and ever shall be, world without end. Amen.

The Journal of the proceedings of yesterday was read and approved.

APPOINTMENTS OF MEMBERS TO STANDING COMMITTEES

Mr. CULLEN. Mr. Speaker, I offer a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 403

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

Patents: M. MICHAEL EDELSTEIN, New York.
Civil Service: M. MICHAEL EDELSTEIN, New York.
Public Lands: M. MICHAEL EDELSTEIN, New York.
Revision of the Laws: M. MICHAEL EDELSTEIN, New York.
District of Columbia: JOHN L. MCMILLAN, South Carolina.
Invalid Pensions: ROBERT T. SECREST, Ohio.

The resolution was agreed to.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1935) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand there is unity of opinion as to this bill among the members of the committee at the present time?

Mr. McLAUGHLIN. That is correct, Mr. Speaker. It has the unanimous approval of the Judiciary Committee which considered it.

Mr. MARTIN of Massachusetts. I have no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended to read as follows:

"SEC. 75. (a) Every United States district court of bankruptcy shall appoint referees to be known as conciliation commissioners, who need not be lawyers, but must otherwise have the qualifications of referees. One or more such commissioners shall be appointed for each division or for the territory served by the city where terms of court are held.

"A conciliation commissioner shall have a term of office for 4 years and shall hold office until his successor is appointed and qualified but may be removed by the court for cause. He must be a resident of the division or the territory served by the city where terms of court are held. He must be familiar with agricultural conditions and must not have been or be engaged in the farm mortgage, banking, or farm-financing business. The court, if it deems it advisable, may appoint some suitable person as supervising conciliation commissioner in each judicial district who shall have such supervising conciliation functions as the court may by order specify, including the holding of hearings.

"(b) A farmer-debtor who is insolvent or unable to meet his debts as they mature may, at any time prior to March 4, 1944, file a voluntary petition in bankruptcy. The petition of the farmer-debtor shall be accompanied by his schedules in triplicate and shall be filed with the clerk of the court, but the conciliation commissioner may receive same and promptly transmit it to the clerk for filing. The filing of the petition with the clerk of court or the leaving of it with the conciliation commissioner for filing with the clerk shall be notice to all persons and officials and to all Federal and State courts. It shall automatically stay all judicial or official proceedings in all Federal and State courts and shall stay all levies, executions, actions, or proceedings under the direction of any official or person against the farmer-debtor or any of his property, including the sale of any of the farmer-debtor's property under the terms of any deed of trust.

"The provisions of this section shall apply to all judicial or official proceedings in any court or under the direction of any official, and shall apply to all creditors, public or private, including any Federal corporation or Federal agency, and to all of the farmer-debtor's property, wherever located: *Provided,* That the debts having priority of payment under title 11, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment, in the same order as set forth in said section 104, under the provisions of this section, in any distribution, assignment, composition, or settlement herein provided for: *Provided further,* That nothing in this section shall affect the allowance and exemptions of farmer-debtors as are provided for bankrupts under title 11, chapter 3, section 24, of the United States Code. All such allowances and exemptions shall be set aside for the use of the farmer-debtor in the manner provided for bankrupts.

"Such farmer-debtor may, at the time of filing his petition or at the time of the first or subsequent hearings, petition the court that all of his property, wherever located, whether pledged, encumbered, or unencumbered, be appraised, and that his unencumbered exemptions, and unencumbered interest or equity in his exemptions, as prescribed by State law, be set aside to him, and that he be allowed to retain possession, under the supervision and control of the court, of any part or parcel or all of the remainder of his property, including his encumbered exemptions, under the terms and conditions set forth in this section. Upon such a request being made, the conciliation commissioner, under the jurisdiction of the court, shall designate and appoint appraisers, as provided for in this act.

"Such appraisers shall appraise all of the property of the farmer-debtor, wherever located, at its then fair and reasonable market value. The appraisals shall be made in all other respects with rights of objections, exceptions, and appeals, in accordance with this act: *Provided,* That in proceedings under this section, either party may file objections, exceptions, and take appeals within 30 days from the date that the conciliation commissioner approves the appraisal.

"(c) After the value of the farmer-debtor's property shall have been fixed by the appraisal herein provided, the conciliation commissioner shall issue an order setting aside to such farmer-debtor his unencumbered exemptions, and his unencumbered interest or equity in his exemptions, as prescribed by the State law. He shall further order that the possession, under the supervision and control of the court, of any part or parcel or all of the remainder of the farmer-debtor's property shall remain in the farmer-debtor, according with the request in the petition, subject, however, to all existing mortgages, liens, pledges, or encumbrances. All such existing mortgages, liens, pledges, or encumbrances shall remain in full force and effect, and the property, up to the value judicially ascertained or determined under the provisions of this section, covered by such mortgages, liens, pledges, or encumbrances, shall be subject to the payment of the claims of the secured creditors as their interests may appear.

"(d) The filing of the petition with the clerk of court, or the leaving of it with the conciliation commissioner for filing with the clerk, shall immediately subject the farmer-debtor and all his property, including contracts for purchase, contracts for deed, or conditional sales contracts, the right or the equity of redemption or where a trust deed has been given as security, or any equity or any right in any such property, wherever located, to the exclusive and sole jurisdiction of the court.

"In all cases where, at the time of filing the petition, the period of redemption has not or had not expired, or where the right under a deed of trust has not or had not become absolute, or where the sale has not or had not been confirmed, or where deed had not been delivered, the period of redemption shall be extended or the confirmation of sale withheld for the period necessary for the purpose of carrying out the provisions of this section. The words 'period of redemption' wherever they occur in this section shall include any State moratorium, whether established by legislative enactment or executive proclamation, or where the period of redemption has been extended by a judicial decree.

"In proceedings under this section, except as otherwise provided herein, the jurisdiction and powers of the courts, the title, powers, and duties of its officers, the duties of the farmer-debtor, and the rights and liabilities of all creditors, and of all persons with respect to the property of the farmer-debtor and the jurisdiction of the appellate courts, shall be the same as if a decree of adjudication had been entered under other provisions of this act.

"(e) When the conditions set forth in this section have been complied with, the court shall enter an order continuing the stay of all judicial or official proceedings in any court, or under the direction of any official, against the farmer-debtor or any of his property of which he retains possession, for a period of 3 years. During such 3 years the farmer-debtor shall be permitted to retain possession of all or any part of his property, in the custody and under the supervision and control of the court, provided he pays a reasonable rental annually or semiannually as the court may direct for that part of the unexempt property of which he retains possession. The first payment of such rental shall be made within 1 year of the date of the order granting the petition for possession and staying proceedings for 3 years, the amount and kind of such rental to be the usual customary rental in the community where the property is located, based upon the rental value, net income, and earning capacity of the property. The provisions of this subsection are mandatory and not discretionary with the court.

"Such rental shall be paid into court, to be used, first, for the payment of taxes, insurance, and upkeep of the property, conciliation commissioner's fees, and the remainder to be distributed among the secured and unsecured creditors, and applied on their claims, as their interests may appear. The court, in its discretion, if it deems it necessary to protect the creditors from loss by the estate, or to conserve the security, may order sold any unexempt perishable property of the farmer-debtor, such as fruits, vegetables, and the products of poultry, dairy and livestock, or any unexempt personal property not reasonably necessary for the farming operations of

the farmer-debtor. The court may, in addition to the rental, require payments on the principal due and owing by the farmer-debtor to the secured or unsecured creditors in accordance with the provisions of this Act, and may require such payments to be made quarterly, semiannually, or annually, not inconsistent with the protection of the rights of the creditors and the farmer-debtor's ability to pay, with a view of his financial rehabilitation.

"(f) At the end of 3 years, or prior thereto, if he so desires, the farmer-debtor may pay into court the amount of the appraised value of the property of which he retains possession, including the amount of encumbrances on his exemptions, up to the amount of the appraised value, less any amount paid on principal: *Provided*, That upon request of any secured or unsecured creditor, or upon request of the farmer-debtor, the court shall cause a reappraisal of the farmer-debtor's property, or in its discretion set a date for hearing, and after such hearing, fix the value of the property, in accordance with the evidence submitted: *Provided, however*, That upon request in writing by any creditor the court shall proceed to ascertain the value of the property by trial the same as in condemnation proceedings.

"The farmer-debtor shall then have 90 days within which to pay the value so determined by the court together with 5 percent per annum interest into court, less any payments made on the principal, for distribution to all secured and unsecured creditors as their interests may appear. He may, at the same time, apply for his discharge as provided for in this act. Thereupon, the court shall by an order turn over full and complete possession and title of such property, free and clear of any and all encumbrances, to the farmer-debtor and grant his discharge.

"Any farmer who filed a petition under section 75 of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, as amended, and in whose case a bankruptcy court has, under subsection (s) thereof, granted a stay of proceedings may, if the period for which such stay was granted has expired or is about to expire, make application to such court for an extension of such stay. If the court finds that such farmer has substantially complied with the provisions of paragraph (2) of subsection (s) of section 75 of such act, as amended, during the period of such 3-year stay then the court may extend the period of such stay from year to year not to exceed 2 years additional stay.

"If, however, the farmer-debtor at any time fails to comply with the provisions of this section, or with any lawful orders of the court made pursuant to this section, or is unable to refinance himself within 3 years, the court may then order the appointment of a trustee, and order the property sold or otherwise disposed of as otherwise provided for in bankruptcy proceedings in this act. But, except as otherwise herein provided, the court shall not dismiss the proceeding without complete liquidation and discharge of the farmer-debtor.

"(g) Upon notice previously given to the farmer-debtor and to all secured and unsecured creditors by the conciliation commissioner, the farmer-debtor or any creditor, at the first or any subsequent meeting of the creditors, may offer terms of composition or extension or both. The proposal thus made shall be made the basis of negotiation and it shall be the duty of the conciliation commissioner to preside and to endeavor to bring about a composition or extension of time or both in a manner that will be just and equitable to all the creditors and to the farmer-debtor. The composition shall not be less nor more than the value of the property as ascertained or established under provisions of this section; but nothing herein shall prevent the reduction of the future rate of interest on all debts of the farmer-debtor, whether secured or unsecured. If a composition or extension of time, or both, has been approved by the court, then the court may dismiss the petition but not otherwise.

"When a composition or extension proposal has been accepted in writing by the farmer-debtor and by a majority in number of all the creditors whose claims have been allowed, including secured creditors whose claims are affected, which number shall represent a majority and amount of such claims, then the court shall confirm the proposal if satisfied that it includes an equitable and feasible method of liquidation for secured creditors and of financial rehabilitation for the farmer-debtor and is for the best interest of all the creditors. And the court shall then dismiss the petition but not otherwise.

"(h) The conciliation commissioner shall promptly call the first meeting of creditors. He shall give notice of the date and place of such meeting to the farmer-debtor and to all creditors, secured or unsecured, as provided for in this act. The commissioner shall enclose with the notice a summary of the inventory, a brief statement of the farmer's indebtedness as shown by the schedules, and a list of the names and addresses of the secured and unsecured creditors, with the amounts owing to each as shown by the schedules. At the first or subsequent meeting of the creditors the farmer-debtor may be examined, and the creditors may appoint a committee to submit to the conciliation commissioner a supplementary inventory of the farmer-debtor's estate. There shall be prepared by, or under the supervision of, the conciliation commissioner a final inventory of the farmer-debtor's estate. In the preparation of such inventory the commissioner shall give due consideration to the schedules filed by the farmer-debtor and to any supplementary inventory filed by the committee of the creditors.

"(i) The conciliation commissioner shall receive as compensation for his services a fee of $25 for each case submitted to him, and when docketed, to be paid out of the Treasury. He shall receive such additional fees for his services as may be allowed by the court, not to exceed $50 in any one case, to be paid out of the rental or the bankrupt's estate. The supervising conciliation commissioner shall receive as compensation for his services a per diem allowance to be fixed by the court in an amount not in excess of $8 per day, together with subsistence and traveling expenses, in accordance with the law applicable to officers of the Department of Justice. Such compensation and expenses shall be paid out of the Treasury.

"The conciliation commissioner may accept and avail himself of office space, equipment, and assistance furnished him by other Federal officials, or by any State, county, or public official. He shall be entitled to transmit in the mails, free of postage, under cover of a penalty envelope, all matters which relate exclusively to the business of the courts, including notices to creditors.

"(j) For the purposes of this section, section 4 (b), and section 74, the term 'farmer-debtor' includes not only an individual who is primarily bona fide personally engaged in producing products of the soil, but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer-debtor; and a farmer-debtor shall be deemed a resident of any county in which such operations occur. The word 'act' wherever it occurs in this section shall mean the General Bankruptcy Act as amended, and the word 'section' means section 75 of the act as herein amended.

"(k) The provisions of this section shall be held to apply also to partnerships, common, entirety, joint, community ownerships, or to farming corporations where at least 65 percent of the stock is owned by actual farmer-debtors, and any such parties may join in one petition. It shall also apply to all cases now pending in any Federal or State court; and all cases that have been dismissed by any conciliation commissioner, referee, or court shall be promptly reinstated without any additional filing fees or charges: *Provided*, That the farmer-debtor at the time of his application for reinstatement has not been completely divested of all his interest or equity in or title to or in any or all of his property. Any farmer-debtor who has filed under the General Bankruptcy Act may take advantage of this section upon written request to the court; and a previous discharge of the farmer-debtor under any other section of this act shall not be ground for denying him the benefits of this section. A farmer-debtor may, upon motion, transfer his petition from section 75 to proceedings under the general bankruptcy provisions of this act.

"(l) Upon filing of any petition by a farmer-debtor under this section there shall be paid a fee of $10, to be transmitted to the clerk of the court and covered into the Treasury. No additional fees or cost of administration or supervision of any kind shall be charged to, or exacted from, the farmer-debtor, but all such additional filing fees or cost of administration or supervision shall be charged against the bankrupt's estate

"(m) The Supreme Court is authorized to make such general orders as it finds necessary properly to govern the administration of the office of conciliation commissioner and proceedings under this section. Until such general orders are made the district courts shall follow the general orders previously made for procedure under this section. In regard to procedure the provisions of the General Bankruptcy Act shall apply as far as they are applicable to this section. If the court in its discretion deems it best, it may continue the present conciliation commissioner or referee in cases pending when this amendment becomes effective."

With the following committee amendment:

Strike out all after the enacting clause and insert:

That section 75 (c) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"(c) At any time prior to March 4, 1944, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section."

SEC. 2. Section 75 (r) of such act is amended to read as follows:

"(r) For the purposes of this section and section 4 (b) the term 'farmer' includes not only an individual who is primarily bona fide personally engaged in producing products of the soil, but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such operations occur."

Amend the title.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to extend until March 4, 1944, the time during which petitions may be filed by farmers under section 75 of the Bankruptcy Act."

GENERAL VON STEUBEN

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, 37 years ago today the Congress of the United States appropriated $50,000 for a statue in honor of a famous German soldier. This soldier was Baron Frederick Wilhelm Augustus Ferdinand von Steuben. General von Steuben was born in Prussia on November 15, 1730. He was the son of an Army officer and at an early age became an officer in the German Army. General von Steuben served with distinction during the Seven Years' War for German liberty.

On September 26, 1777, he sailed for America with several aides and an interpreter, and on December 1 landed at Portsmouth, N. H. General von Steuben offered his services to the cause of the American colonists at a time when they were badly needed. In doing this he sacrificed a secure career in his own country and devoted his entire skill and experience, which had been acquired over a long period of years under the greatest military masters of Europe, to the cause of American independence. He told Congress that he asked for neither pay nor rank, but would enter as a volunteer and perform any duty the commander in chief might assign him. The Congress then passed the following resolution:

Whereas Baron Steuben, a lieutenant general in foreign service, has in a most disinterested and heroic manner offered his services to these States as a volunteer:

Resolved, That the President present the thanks of Congress, in behalf of these United States, to Baron Steuben for the zeal he has shown for the cause of America and the disinterested tender he has been pleased to make of his military talents, and inform him that Congress cheerfully accepts of his services as a volunteer in the Army of these States, and wish him to repair to General Washington's quarters as soon as convenient.

General von Steuben was appointed inspector general of the Army with the rank of major general. His greatest success was in training the recruits in the elements of warfare. His heart was in this task. No part of the work was beneath him. He arose at dawn and labored all day. Probably the chief cause of his great success was due to the confidence he inspired in the officers and men. They knew that he was a thorough master of the art of warfare and they obeyed his orders with implicit confidence.

The Continental Army had no manual of instruction. The soldiers marched in Indian file. Nearly every officer instructed his men in his own method. General von Steuben immediately sensed the difficulty of training an army under those conditions. He wrote a book, which was used for years by the American Army, and was known as Steuben's Regulations, or the Blue Book. Six months after General von Steuben started training the American soldiers the precision of their maneuvers played a prominent part in the success of the Army on the battlefield. General Washington congratulated General von Steuben and said that the officers of the Army and the soldiers now felt that they were a match for the well-trained British troops. All of General von Steuben's success was not confined to the drill field. In the siege of Cornwallis at Yorktown General von Steuben commanded one of the three divisions that composed the Continental Army. It was General von Steuben's division that occupied the forward trenches when Cornwallis surrendered to Washington on September 19, 1781.

At the time of the Revolutionary War a large part of the population of the Colonies was formed by people of German birth or descent. It has been estimated that they composed over one-twelfth of the entire population. At the start of the war very little is heard of these Germans, not because of their want of zeal and enthusiasm but because of their modesty. They prefered to have the people of English origin discuss the violation of English liberties and to decide what steps should be taken. When the decision was made that the Colonies would resist the British by force there was no group of people more patriotic or determined than the Germans to see that justice was achieved.

I think that it is only fitting at this time, when Germany brings to many minds the thought of Hitlerism and nazi-ism, that we should consider the qualities of the German people. For several years these great people have been forced to suffer under the yoke of an ambitious dictator. The Germans no longer enjoy the freedom and liberty, which they so long cherished and which many of their leaders helped the American Colonies obtain. General von Steuben was only one of many Germans who offered his sword and services to this country. The pages of history are filled with the names and deeds of Germans who came here to help the colonists gain their freedom and liberty.

The great part the German people played in the successful prosecution of the Revolutionary War has never been fully appreciated in America. Neither these brave colonists nor their descendants have claimed the praise which is their just due. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BENDER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, yesterday more than 100,000 people in the State of Ohio went to the polls to vote in two special congressional elections. In the Twenty-second Congressional District of Ohio the Republican Party had the privilege of electing Ohio's first woman Representative to this House, Mrs. FRANCES P. BOLTON, the charming and talented widow of our late friend Chester C. Bolton.

In the Seventeenth District of Ohio a bitter contest took place. The Republican nominee was HARRY MCGREGOR, speaker of the Ohio House of Representatives. On the Democratic ticket was a nephew of the late Representative William Ashbrook, who bore the same name. Leading Democrats and Republicans went into this district to battle for their views. Gov. John W. Bricker spoke for the Republican Party. The New Deal was the basic issue of the campaign. Governor Bricker's work in providing assistance for the needy was attacked and defended.

Today the votes have been counted, and the Ohio congressional delegation has added two additional Republicans to the rolls. A Democratic district has gone Republican by a decisive margin. The people of Ohio have made their views clear. In both districts they have repudiated the New Deal policies. The Republican program has been vindicated. This November we are going to rewrite the old proverb. It will be ,"As Ohio goes, so goes the Nation." And there is no doubt where Ohio is going. We are going forward to normalcy—back to the Republican Party. [Applause.]

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief editorial appearing in the Shelbyville Republican on February 26.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by Harold E. Cockley, of Palmyra, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RECIPROCAL-TRADE AGREEMENTS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, I also ask unanimous consent to include in my remarks three short excerpts from the Oregonian.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, in the Oregon and Washington House delegations on the recent vote on the extension of the reciprocal trade agreements law only one member of the delegations voted for the extension.

The Pomona Grange, of Multnomah County, Oreg., which is in my district, and which is a county-wide organization, recently held a meeting, and there were 225 voting. They voted nearly unanimously against an extension of the reciprocal trade agreements law. There was also a poll taken in my district by the Oregonian with reference to this matter, and only 22 percent voted to extend the law.

An editorial in the Oregonian of recent date stated that "lumber has been 'sold down the river' and it will stay 'sold down the river' unless and until a change in policy is forced by political overthrow of those who are directing foreign trade relations."

Mr. Speaker, I ask leave to include in my remarks excerpts from the Portland Oregonian of date February 23, 1940, referring to the matters to which I have called attention.

The matter referred to follows:

[From the Portland Oregonian of February 23, 1940]

TRADE-PACT MERITS PUZZLE HALF PORTLAND'S VOTERS, FIGURES OF FRONT-DOOR BALLOT-BOX CANVASS REVEAL

(By Dan E. Clark II, director, Front-Door Ballot Box)

More than half the voters of Portland still have no opinion regarding reciprocal-trade agreements, although most political observers agree this question will be one of the major issues in the coming Presidential election.

Among the voters who have made up their minds on the subject there are more who would allow the program to lapse than those who favor extending the President's power to make the agreements.

These facts were indicated by a survey just completed by the Oregonian Front-Door Ballot Box, an opinion study based on a scientifically stratified sample of Portland voters.

ONE-FIFTH FAVOR EXTENSION

When asked, "In your opinion, should Congress extend this authority to the President or permit it to lapse next June?" voters would answer as follows, according to the survey:

	Percent
Extend	22
Allow to lapse	27
No opinion	51

Voters first were asked, "Have you heard of the act of Congress, passed over 4 years ago, which permits the President to make reciprocal-trade agreements with foreign countries?"

Twenty-nine percent of Portland's voters have not even heard of the act, according to the study.

The next question, designed to indicate whether or not the individual understood the reciprocal trade agreements program, asked, "Can you describe, briefly, what these trade agreements have generally provided for?"

FEW UNDERSTAND SITUATION

Only 11 percent of this city's voters can give even an approximate description, the survey shows. The remaining 89 percent do not even understand it to be a tariff program.

Many voters admitted they were "hazy about the whole thing."

"You scratch my back, I scratch yours," was the explanation given by one woman.

A lumberman said the only thing he knew about the agreements was "they want a certain amount of lumber to come in from Canada."

MEN SLIGHTLY BETTER INFORMED

"It has something to do with 'help the Finns,'" suggested a woman mill worker.

The study shows men to be somewhat better informed on the subject than women. The following percentages were indicated:

	Percent understand	Percent don't understand
Men	16	84
Women	7	93

A break-down into age groups showed voters under 30 years old to be the poorest informed on the subject of reciprocity agreements. Percentages follow:

	Percent understand	Percent don't understand
21–29	4	96
30–49	14	86
50 and over	11	89

Best informed among the various income groups are those receiving incomes above average. Of this group, 36 percent could describe the reciprocity program.

Another break-down on this question showed Republicans are five times as well informed on the subject as Democrats, and persons who voted for Landon in 1936 six times as well informed as those who voted for Roosevelt.

BOTH SEXES VOTE SIMILARLY

Asked whether the President's power to negotiate the agreements should be extended or allowed to lapse, men and women answered in approximately equal proportions. Percentages follow:

	Percent extend	Percent allow lapse	Percent no opinion
Men	30	36	34
Women	15	20	65

Of the various income brackets, those having incomes above the average are strongest in opposition to the agreements, the survey shows, 49 percent of this group saying they think the program should be allowed to lapse.

[From the Portland Oregonian of February 23, 1940]

POMONA RAPS TRADE PACTS—RENEWAL OPPOSED BY FARM GROUP

(By Paul Laartz, staff writer, the Oregonian)

GRESHAM, February 22.—Urging restoration of the treaty-making power "to the President and Congress as specified in the Constitution," Multonomah County Pomona Grange, Wednesday, declared itself on record by resolution in opposition to renewal of reciprocal-trade agreements.

The Pomona, meeting at Pleasant Valley Grange, near here, asserted in the resolution that the 21 present treaties have worked handicaps on farming, lumbering, and other Northwest industries, and urged that Oregon's congressional delegation oppose their renewal.

MILK LAW SUPPORTED

Rescinding its action of last November, the 225 grangers attending the Pomona sessions voted nearly unanimously in support of a resolution endorsing the State milk-control law.

Last November the Pomona voted opposition to the milk-control law, but after hearing discussion by dairymen Wednesday turned their approval to it.

Twenty candidates were initiated into the fifth degree in ceremonies Wednesday night. Speakers during the day's meeting included Oscar Hagg, of Hillsboro, Jersey leader, and Bonneville project representatives.

[From the Portland Oregonian of February 23, 1940]

NEIGHBORS FIRST

The fallacious trade and tariff theories of the State Department did not encourage hope of concession to the Northwest lumber interests with respect to the Canadian reciprocal-trade agreement. The lumber interests showed that the 15-percent depreciation of Canadian currency enabled Canadian producers still further to undersell the United States product in the United States market. It did no good.

Already having an advantage over the American producer by reason of lower wage scales, lower taxes, and other factors, the currency depreciation reduces still further the cost of Canadian lumber to the American buyer. American dollars now exchange for a greater number of Canadian dollars than when the trade agreement was written, and the cheaper Canadian dollars will buy as much Canadian lumber as the dearer Canadian dollars formerly bought. But so plain a situation gains no sympathy or relief. Lumber representatives have been turned down.

While the depreciation of Canadian currency lowered the American tariff in effect, it raised the Canadian tariff in effect. A given number of Canadian dollars now exchange for a smaller number of American dollars; therefore, American typewriters and automobiles cost the Canadian purchaser more than formerly.

The Canadian agreement was written with the purpose of encouraging sale of eastern manufactures to Canada, and with disregard for the well-being of the American lumber industry and certain branches of agriculture.

If lumber now be given more tariff protection, presumably Canada will sell less lumber in the United States and have less money

wherewith to buy eastern manufactures, which have in effect gone up in price so far as the Canadian buyer is concerned. The State Department values foreign sales more than domestic sales, in that it rejects the rational view that if the United States lumber producer and the United States farmer are secured the domestic market, they will buy just as much eastern manufactures as could be sold in Canada by turning over the United States market to Canada for Canadian lumber and Canadian farm products. And if lumber be given its justifiable tariff concession, concessions will be demanded for other domestic products.

Lumber has been "sold down the river," and it will stay "sold down the river" unless and until a change in policy is forced by political overthrow of those who are directing foreign trade relations.

EXTENSION OF REMARKS

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include two short newspaper articles and a letter from the Secretary of State.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some facts about the World War.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a copy of a speech by Hon. John Lord O'Brian, delivered at Buffalo, at the meeting of the Bar Association of New York State, on the Spirit of Remonstrance.

The SPEAKER. Is there objection?

There was no objection.

PICKETING

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, on the $12,000,000 Supreme Court Building, across its front, where everyone walking past may see, are these words: "Equal Justice Under Law."

Within 300 feet to the north and west, just across the street facing it, stands the Methodist Building, owned and operated by the Temperance Board of the Methodist Church, and in which a Mrs. Miller, after others failed, is successfully operating a cafeteria which serves two meals a day and at which some of the Members of the Senate and of the House take their meals.

Some of her employees belong to a union; some do not, but there is no labor dispute; there has been no controversy over wages, hours, or working conditions; nor has any employee made any demand upon her which has not been granted.

Nevertheless, within the shadow of the Supreme Court which carries this legend, "Equal Justice Under Law," day after day, morning and evening, before the entrance to the cafeteria march pickets carrying placards bearing the legend that she is unfair to organized labor, giving false information as to the wages paid.

Let me repeat: Within the shadow cast by the Supreme Court Building, as the sun comes up in the east, is this Methodist Building owned by a religious organization; the cafeteria operated by an American citizen who has violated no law and who, under the decision of the Supreme Court in *New Negro Alliance* v. *Grocery Co.* (303 U. S. 552) and the decision in *Fur Workers' Union* v. *H. Zirkin & Sons, Inc.* (105 Fed. (2d) 1), affirmed by the United States Supreme Court on December 11, 1939, construing the Norris-LaGuardia and the National Labor Relations Acts, must submit to this slander and unfair treatment. This administration extends the strong arm of the Federal Government to protect those pickets who are slandering this woman, who has neither violated the Wage-Hour Act, the National Labor Relations Act, nor committed any other wrong. And the pickets are there in an effort to force the employees to join an organization which they do not wish to join. The pickets are there to levy and collect tribute from employees. We here in Congress refuse by our inaction to give relief to her or to her employees, though knowing that her case and theirs is typical of hundreds of thousands of others.

If you want to amend the National Labor Relations Act, sign petition No. 23, which I have placed there for the purpose of getting action on the National Labor Relations Act at this session.

"Equal Justice Under Law." As Mrs. Miller walks out of her place of business each day; as her employees leave for their homes; as Representatives, Senators, and others who patronize her leave the doors and look across at the Supreme Court Building; as the foreigner within our gates reads those words, "Equal Justice Under Law"; then look across at the pickets, and remember the untruthfulness of the placards carried—how strange, how filled with hypocrisy, those words must seem to him, to her, and to us.

LEAVE OF ABSENCE

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent for an indefinite leave of absence for the gentleman from Ohio [Mr. SWEENEY] due to illness in his family.

The SPEAKER. Without objection, the leave of absence will be granted.

There was no objection.

CALL OF THE HOUSE

Mr. SECCOMBE. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Ohio makes the point of order that there is no quorum present. Evidently there is not.

Mr. WILLIAMS of Missouri. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

Andresen, A. H.	Durham	Kelly	Schulte
Brewster	Evans	Kleberg	Shafer, Mich.
Buckley, N. Y.	Ferguson	Kunkel	Shannon
Camp	Fitzpatrick	Larrabee	Sheridan
Cannon, Mo.	Gamble	Lemke	Short
Cochran	Gearhart	McGranery	Steagall
Cummings	Gehrmann	Magnuson	Sweeney
Darrow	Gillie	Mansfield	Taylor
DeRouen	Hart	Martin, Ill.	White, Ohio
Dirksen	Harter, N. Y.	Merritt	Wolcott
Ditter	Hartley	O'Brien	Woodruff, Mich.
Dondero	Jacobsen	Robsion, Ky.	
Douglas	Jarrett	Routzohn	
Drewry	Jenkins, Ohio	Sandager	

The SPEAKER. On this roll, 369 Members have answered to their names, a quorum.

Mr. WILLIAMS of Missouri. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief excerpt by Drew and Allen from the weekly Merry-Go-Round of February 11, 1940, on the opponents of DIES and the war record of the gentleman from California [Mr. IZAC].

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter which I have received.

The SPEAKER. Is there objection?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial entitled "A Biased Tribunal," by T. L. Clark, editor of the Norwich Sun, of Norwich, N. Y.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

INCREASING LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. WILLIAMS of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3069) to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of S. 3069, with Mr. PARSONS in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 5, after the word "loans", insert "to any government which was in default in the payment of its obligations or any part thereof to the Government of the United States on April 13, 1934."

Mr. LUCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LUCE. Mr. Chairman, yesterday afternoon the attendance was so small that many gentlemen may not have heard the argument. The debate was long and probably few have been able to read it in the RECORD. Therefore it may be of some service to gentlemen to sum up that argument and, as fairly as possible, lay before you the differences of opinion.

There developed no hostility to a loan to Finland. As far as I could see, the House was unanimous in wishing to help Finland. As to how we should do it, there developed a great diversity of opinion. At one extreme were those who thought we ought to make an outright gift to Finland. This, however, could not be done under the bill before you, concerning, as it does, only matters of trade. Such a proposal should be considered by the Committee on Foreign Affairs.

Next came those who think there should be a loan to Finland; that it should be made specifying Finland; that part of any additional funds to be lent by the Export-Import Bank should be designated as going to Finland. Against that is the consideration that we would be drawing a line between Finland and other countries who need funds just as much. We have already lent or committed ourselves for a loan to China of $25,000,000, and it has asked for more. Certainly it would be grossly unfair to specify that we would lend to Finland and not say that we would lend to China. Sympathy for China is just as well-founded as that for Finland, and its need for help has continued now through more than 2 years without our recognizing it by a loan specified in any law.

Next may come occasion for loans to Norway and Sweden, to Denmark, Holland, Belgium, countries adjacent to Germany, and then to Rumania, Bulgaria, Turkey, and the Balkan States, within easy reach of Russia, and all the other countries threatened by the gigantic catastrophe of world-wide war.

If we were to proceed as the bill proposes—and we have now reached the dividing line between opinions—we rely upon the assurance of Mr. Jesse Jones that he expects to lend to Finland $10,000,000 more at once, and then still another $10,000,000 if warranted by the situation. Some gentlemen will say that Mr. Jones ought not to be trusted to exercise that authority. He is, in my judgment, the most capable man in the Government. He has administered a nonpartisan measure, conceived by Republicans, put into further execution by Democrats, which has been the most successful of all our new administrative agencies, the Reconstruction Finance Corporation.

I recall having attended a conference at the White House in October of 1931, the most serious, the most solemn gathering it was ever my fortune to attend. There were present members of the legislative committees that would consider the proposals to be made; also the Secretary of the Treasury, the Vice President, all the men who were directly concerned, of both parties, to hear what the President had to say. Mr. Hoover told us that every bank in this country would close its doors inside of a fortnight if fear were not allayed by our promise to do four things, and we gave him that promise. Every Democrat and every Republican present joined in that promise. One of those things was the creation of what became the Reconstruction Finance Corporation, the most successful of all our administrative agencies, and most successful because wisely administered at the start by Republicans, and of late years by Jesse Jones. [Applause.]

It will be proposed here today that we ought to decide explicitly whether to lend money to Finland. Mr. Jones told us he had already lent to Finland $10,000,000. I am wrong in saying "lent to Finland." I am using a term that I criticize soundly for being used by the press and by Members of this House in speaking of this as a Finnish bill. It is not a Finnish bill. It is a bill for China. It is a bill for Norway, which already has made application; it is a bill for Sweden, which has made application for far more than can be granted. It is a bill for any country that desires to buy goods in the United States. It is the foreign-trade law; the existing law, which does not discriminate, and should not discriminate, against any country on the earth that can qualify.

Calling it, then, a trading measure, we are told that we ought to specify in this legislation one country and omit all other countries. Surely that is unwise. Surely it is dangerous. Surely it invites belief on the part of the countries who are not favored, that the Congress of the United States has taken sides in this tragic quarrel. Taking sides means violating neutrality. If you pass these amendments today, it will be the first step toward war. Every man here can recall what happened in 1915 and 1916 when we were professing neutrality, when we were saying we would never go to war, when we were denouncing war, when we were electing a President on his pledge to keep us out of war. Within 6 months of his election we were in war. Every reasonable man here knows that every step we take toward war brings it nearer, that we will take other steps, that having favored one country we will favor another country until we make the fatal mistake of embroiling ourselves in this contest that threatens to destroy the civilization of Europe.

Let us keep out of this war. Let us remember that every such step we take, whatever it may be, every step is a step toward brutally ending the lives of possibly a million or more of our boys, the destruction of our property, perhaps the destruction of our form of government, all brought about through a course of affairs that so closely matches what went on in 1915 and 1916 that we again find history repeating itself, human nature ever the same, men at last yielding to their emotions, to their sentiments, to their passions, and risking all they have on one cast of the die. This is why I believe we ought to be cautious today, why we ought to take the middle ground. We ought not to do that to which I have referred.

We ought not to go to the other extreme, we ought not to dispense entirely with our opportunity to serve.

And here I would answer my good friend the gentleman from New York [Mr. FISH] in his declaration that we ought to keep out of all this sort of thing, that it is an extension of powers beyond the scope of the Constitution and beyond the needs of the moment. Sir, I have already said that the Reconstruction Finance Corporation, a lending agency of the Government, has been the most effective of all the agencies devised for meeting the conditions of the depression from which we suffer. We have in that agency not only the prece-

dent, we have there in its success the justification, we have there the showing for the necessity of some degree of centralized action and control.

We cannot meet the situation piecemeal, we cannot face it by State action. I yield to no man in objection to concentrating in Washington the powers that can and should be exercised by the States, but, sir, this is a power of the Nation to be used for the welfare of the Nation, that could not be used by the individual States or by any subdivision thereof. In this Chamber we the representatives of the people of the United States must act for the Nation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the pending amendment?

Mr. WILLIAMS of Missouri. Not at this time, Mr. Chairman.

The CHAIRMAN. The gentleman from New Jersey has offered an amendment to the amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KEAN to the committee amendment: On page 2, line 5, after the word "government" insert "which is in default in the payment of its obligations or any part thereof to any citizens of the United States, or."

The CHAIRMAN. The gentleman from New Jersey [Mr. KEAN] is recognized for 5 minutes.

Mr. KEAN. Mr. Chairman, this amendment provides that the Export-Import Bank shall not lend any money to any country which is in default to any citizen of the United States.

This amendment will apply chiefly to the South American countries which are 77 percent in default today. Mr. Chairman, I believe in being a good neighbor, but being a good neighbor does not mean that you have to be a sucker. If you are a good neighbor, you must have the respect of the people of the countries with which you are neighborly, and the people of South America today just think that we are fools. I want to read into the proceedings on this bill the record of some of the South American countries showing how they have handled their obligations to the citizens of the United States:

Countries	Total	
	Outstanding	In default
Argentina	$233,000,000	$20,000,000
Bolivia	60,000,000	60,000,000
Brazil	356,000,000	356,000,000
Chile	182,000,000	182,000,000
Colombia	146,000,000	143,000,000
Costa Rica	8,000,000	8,000,000
Dominican Republic	15,000,000	
Ecuador	12,000,000	12,000,000
El Salvador	12,000,000	12,000,000
Guatemala	5,000,000	3,000,000
Haiti	8,000,000	8,000,000
Mexico	273,000,000	273,000,000
Panama	17,000,000	17,000,000
Peru	85,000,000	85,000,000
Uruguay	56,000,000	5,600,000

It will be said that this amendment is for the purpose of aiding the wicked Wall Street bankers; but you know as well as I that the bankers who bought these bonds sold them to the public. The bankers themselves do not hold any of the bonds now. None of the 26 big insurance companies which control most of the insurance in this country hold these bonds. None of the 100 biggest banks in the metropolitan areas hold these bonds. They have investment committees that study past records, and they knew that these South American bonds were not secure. I remember back about 15 years ago looking in the Encyclopedia Britannica when somebody asked me whether Colombia was a good investment, and under Finance, it stated in this encyclopedia that the chief record of Colombia in finance was one of defaults.

Where are these bonds held? They are scattered widely throughout the country, held by widows who, needing a little more income, were attracted by the 7-percent yield. They are held by small country banks; they are held by little-business men throughout the country who put their small surplus into these bonds.

As a rule, these countries have not defaulted because of inability to pay, but just because they do not want to. In the case of Colombia, for instance, their favorable balance of trade over the past 8 years has been four times the interest requirements on their external debt during that period.

Mr. Chairman, I hope this amendment will be adopted that the Congress may show that it has not forgotten these people in their troubles.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the proposed amendment, presuming it is the same one the gentleman offered in the committee, if anyone in Finland should owe anyone in the United States and is in default, no loan could be made to Finland. This is a very far-reaching amendment and should be defeated. I am using Finland as an illustration. It would apply in the same way to other countries.

FARM RELIEF

There is no reason why we should convert this bill into a debt-collecting law, and it is not a bill for the purpose of collecting debts. This bill should be known as a farm-relief measure. It will help the farmer because it will make it possible for credit to be extended to people in other countries who will purchase surplus farm commodities in this country. It will also aid the manufacturers who have surplus goods to sell and who cannot sell them because credit is not available. This bill is for the purpose of aiding in the export of surplus farm commodities and surplus manufactured goods.

During the last week or two our genial and able chairman of the committee, the gentleman from Alabama, the Honorable HENRY STEAGALL, has not been well. During his absence, the next in order of rank has been serving as acting chairman, the gentleman from Missouri, the Honorable CLYDE WILLIAMS, and I want to now commend the gentleman from Missouri [Mr. WILLIAMS] for the splendid and fair way that he has handled this bill, both in the committee and in the House.

KEEP IT A NEUTRAL BILL

I hope it remains a bill for the purpose of exporting surplus commodities, farm products, and manufactured goods. If we keep it this way it will be a neutral bill. If we change it, as the gentleman from Massachusetts [Mr. GIFFORD] suggested yesterday, by directing or authorizing the Export-Import Bank to make a loan of a certain amount of money, $20,000,000, to Finland, and take off any restriction whatsoever, and by law say that the loan shall be made for the purpose of permitting Finland to purchase arms, ammunition, and implements of war, we immediately take sides to the extent that we are furnishing one side of a war with arms, ammunition, and implements of war. We would be passing an unneutral bill. As to whether or not we should do that I shall not discuss here because I am not prepared to discuss it at this time and the Members of the House, I venture to say, are not in position to pass upon that great question.

We have not had any hearings on whether or not we should become involved in a war. That is a great big question. If you pass the Gifford amendment or authorize loans to be made to a country involved in war to enable that country specifically to purchase arms, ammunition, and implements of war in this country you are immediately becoming involved in that war. Possibly we will become involved, although I certainly hope we will not. Possibly it is right that we should, but I hope that will never be. If we do, let us do it deliberately and directly after full, clear, and deliberate consideration and after we have had testimony from all the people who should be heard and who can give us information that will enable us to pass upon that serious question.

KEEP WAR QUESTION OUT OF THIS BILL

Mr. Chairman, I hope the committee votes down the amendment offered by the gentleman from New Jersey [Mr. KEAN],

because it is not a reasonable amendment. It gets us into the debt-collecting business. If the gentleman's amendment should prevail many corporations and individuals would be able to collect foreign bonds, 100 cents on the dollar, with interest, when they paid only a few cents on the dollar for them. I am not willing to use an act of Congress for that purpose.

I hope we will keep this an export bill and keep all Finnish questions or war questions out of it. Let us have the courage at the proper time to approach the question directly and not incidentally.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall speak in favor of the pending amendment, because I intended to offer one very similar to that which the gentleman from New Jersey [Mr. KEAN] has offered. If I understood the gentleman from Texas correctly, he made application of this amendment to individual citizens of Finland, which does not hold true under the amendment offered, because it refers to governments, not to their nationals, and I think that should be clearly understood by those who are now on the floor.

Mr. Chairman, this is a bill having to do with the Export-Import Bank and not the Reconstruction Finance Corporation. I am opposed to the bill as it comes to the House in its present form. We should keep in mind that these loans are to be made to western European countries and to Latin American countries. If you want to get an idea of what is going on in Latin America, keep in mind that there are about 123,000,000 people in those countries to the south of us as against approximately 11,000,000 people in Canada.

FINANCING THE PRODIGAL

The Roosevelt administration has repeatedly favored the making of loans by governmental agencies to Latin American countries. The Export-Import Bank already has made a number of such loans. Credits for currency stabilization and other purposes by the Reconstruction Finance Corporation and the Exchange Stabilization Fund have been discussed in official circles time and again. The new Inter-American Bank is expected to fill the gap so that defaulting countries like Mexico can borrow.

The American public is not fully aware of the implications of such a policy of Government loans to Latin America. It has been lulled into a false sense of confidence that the lending of Government money is a desirable way, as in the cases of Finland and China, and also that it is a way to expand our export trade. The public has been misled into believing that it is better for the Government to make such loans than for private investors to buy bonds that are likely to go into default subsequently.

What the American public has not been told clearly is that the true alternative is not between Government loans and the sale of bonds to private investors, but rather between Government loans and the direct investment of capital by American enterprise in Latin American countries. If private capital, as in the case of Mexico, is unsafe, how can public funds be any better secured? The sale of Latin American Government bonds to private investors in this country is unlikely to assume important proportions for a long time to come. Can any justification be shown for public loans?

Whatever we think about domestic pump priming, we must recognize that indiscriminate international pump priming does much more harm than good. It has a misguiding effect upon the countries that are supposed to be benefited. This is true since it causes governments like Mexico and Bolivia to conclude mistakenly that they do not need to treat private American investments fairly and equitably. That is a disease no one should help spread. The spectacle of the United States Government, directly, or through its agencies as the Export-Import Bank, making loans to countries that have not been scrupulous about the way in which they have treated American rights and property encourages the adoption of confiscatory policies generally. And if these are adopted generally international anarchy will result and national law and order will be threatened.

Mexico is an example. That country has been encouraged to go her communistic way, seizing American property without payment. She has taken the railroads, oil properties, farm and ranch lands, and mines developed by American enterprise and capital, because she has been substantially financed by an indirect method of international pump priming emanating out of Washington through silver purchases. But Mexico no longer benefits from that rich flow of American capital into direct investments. Nor does Mexico longer enjoy the cooperation of American enterprise which has done so much to develop her resources. Nevertheless, she has been led to think that she can make up for the loss of such capital by inducing the United States to buy her silver production at a fictitious price set by our Treasury. Now, Mexico proposes to borrow money from United States Government agencies, and if this fails then to aid in creating an Inter-American Bank from which to borrow—and not pay.

But pump priming through silver purchases and paltry loans can never take the place of large-scale private investments. Direct investments by American citizens in Mexico alone have aggregated almost a billion dollars. It is entirely misleading to think of American direct investments in Latin America merely in terms of dollars and cents. Even more important are the technology, the initiative, the skill, and the managerial ability that a country imports, along with capital, when it receives foreign investments in its enterprises and resources.

When an American company invests money in producing, refining, or marketing facilities, for example, it makes available in connection with this investment, its skilled organization, its wealth of practical experience and knowledge in the industry, and the guidance of its management. It creates jobs, increases wages, raises the standard of living, and creates a great body of skilled workmen out of day laborers. How can Government loans which largely provide trade credits or for nonproductive Government construction possibly take the place of direct investments under such conditions?

The outstanding example of what private capital can accomplish is furnished by Canada. That country has received almost $7,000,000,000 of direct investments from abroad. As a result, her standard of living is one of the highest in the world. The great investments made by the United States in Canada, furthermore, have brought us a rich return in the shape of our huge trade with her.

In fact, no better illustration could be found of the theory that foreign trade follows foreign investments than in the trade relations of the United States with Canada. American direct investments in Canada today are estimated at about $1,700,000,000, and although Canada has a comparatively small population of 11,000,000 people, she comes second only to Great Britain in the purchase of manufactured American goods. Canada has not been exploited by these foreign investments. On the contrary, she has maintained her independence and at the same time has prospered as have none of those nations which discourage or hamstring foreign investments, which were made for the purpose of helping convert their natural resources to productive use.

One other interesting point is that our trade with Canada as well as our investments in Canada are both large. It also is interesting to note that by contrast Latin America, with 123,000,000 people, takes but little more of United States exports than does Canada with only 11,000,000 people. Commerce Department figures show that in 1938 we shipped 18.2 percent of our export products to Latin America and 15.1 percent to Canada in that same year. These figures are all the more revealing when compared on a per capita basis. They show, for example, that for every dollar's worth of goods sold by the United States to Latin Americans $10 worth are sold to Canadians, despite the fact that the total amount of American direct investments in Latin America taken as a whole are two times greater than are American investments in Canada.

It seems clear to us that the development of natural resources, the building of railways, and factories, and public utilities, and other kinds of productive enterprises will benefit greatly the countries in which the investments are made. This is inevitably true because such investments create new productive wealth; new productive wealth in turn creates and stimulates trade. Government loans whether direct or indirect will not do this.

I could go a step further on this. Mr. Jones, Chairman of the Reconstruction Finance Corporation, in testifying in connection with the Export-Import Bank capital, made the statement:

I do not think we would ever need more than $125,000,000.

That is in House hearings on H. R. 2011 and H. R. 4012. Why do they need additional capital? Because they have shifted the purpose of the Export-Import Bank and they are now making foreign-policy loans. What do I mean by foreign-policy loans? I mean loans such as made to China which indicated by making the loan to China that we hold Japan as the aggressor. Why did we make the loans to Brazil? To shake loose the Brazilian currency. Let me quote something in reference to Brazilian exchange. Mr. Eugene P. Thomas, president of the National Foreign Trade Council, stated:

With the favorable balance of trade of only about $15,000,000 in 1938, it became necessary for Brazil to delay for periods ranging from 2 months to 6 months the dollar remittances to American exporters and of earnings for a considerably longer period.

Thus we can see the loans were made to help Brazil directly. Are we to bail them out every time they have difficulty in obtaining foreign exchange? Just how far are we going with this Export-Import Bank in the way of making policy loans? Just 4 months ago, Congress decided that $100,000,000 was sufficient for its capital. This was done for many obvious reasons. In the first place, the need for the bank is diminishing. There is a huge excess of credit in existing channels and private banking firms have shown increased interest in the types of loans made by the bank. This is shown by the fact that an increasing number of loans authorized by the Export-Import Bank were not used, because the exporters were able to obtain private credit. In the second place, Congress had no desire to overextend the credit of the United States Government in foreign transactions. Bitter experience in the World War dictated this course. In the third place, $100,000,000 was considered to be the maximum amount which could profitably be used by the bank toward promoting recovery. We are shadow-boxing here. These loans are not being made primarily for the purpose of exporting agricultural surpluses. I do not fall for any such piffle. There is a bigger motive behind this. If you will read my remarks of yesterday afternoon and study the evidence I put into the RECORD, you will find more in connection with this so-called Latin American shift.

The nature of the loans now being negotiated would indicate that the President desires to alter the intent of Congress by forcing the Export-Import Bank to make foreign-policy loans. I again refer to our reason for making the Chinese loan. And how about the Brazilian loan, where we feared Nazi penetration? Is the bank now to be made a very important arm of our Government and is it to be used for the purpose of a back-door foreign-policy-making agency of government? Doubling the capital structure of the bank does not, in my judgment, increase the welfare of our people or materially add to recovery in the United States. We have no further right to tax our people to carry on such operations. We have before us the experience of our World War foreign-policy loans.

Mr. Chairman, I am in favor of this amendment and hope it will be supported. [Applause.]

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. KEAN] to the committee amendment.

The question was taken; and on a division (demanded by Mr. KEAN) there were—ayes 86, noes 135.

So the amendment to the committee amendment was rejected.

Mr. KEEFE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. KEEFE to the committee amendment: On page 2, line 5, after the word "Government", insert the words "or any agencies or nationals thereof."

Mr. KEEFE. Mr. Chairman, the proviso beginning in line 4 of page 2 of the pending bill is apparently an attempt to restrict the operation of the so-called Johnson Act. The Johnson Act in section 2 specifically exempts from its provisions an institution or organization such as the Export-Import Bank. If I understand this committee amendment correctly, it is for the purpose of restricting the activities of the Export-Import Bank so that under this present situation it cannot loan money to those governments that are in default on their loans, and thus constitutes an amendment to the Johnson Act to that extent.

I wish to direct your attention to the fact that in line 7 of this bill appears the first proviso, which states:

Provided further, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof * * * shall not exceed $20,000,000.

It is apparent that as to that provision there was an attempt to restrict the amount of the loans that could be made to any foreign country and the agencies and nationals thereof. I have wondered why this same language has not appeared in the second proviso, which is an attempt to limit the authority of the Export-Import Bank. The fact is that it is perfectly clear that without including the words I have provided in my amendment, namely, "the agencies and nationals thereof," the Export-Import Bank could make a loan to an agency of any country set up in this country just exactly as has been made to Finland and China through the medium of agencies already set up here. Such a loan would not be one to the Government of Finland or to the Government of China or to the Government of England or the Government of France. It would be a loan to an independent corporation established here by those governments. Therefore, it seems to me, the restriction that is attempted to be provided in this proviso is not effective.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield to me? I am a member of the committee.

Mr. KEEFE. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I am very pleased the gentleman has offered this amendment. As far as I can see from the evidence given in the hearings there is not one single loan that would be affected by the committee amendment without the addition of the amendment offered by the gentleman.

Mr. KEEFE. I thank the gentlewoman.

If you will look at page 13 of the hearings you will see that Jesse Jones describes the manner of making these loans. For instance, in connection with the $10,000,000 loan to Finland a Finnish corporation was established, and in the case of the loan to China the Universal Trading Corporation was set up. These are corporations formed in this country. The loan is not made to the Government of Finland or to the Government of China but to these trading companies, and the loan is guaranteed by the Government of Finland in one case and the Bank of China in the other case.

I should like to ask this committee whether, if this bill passes in its present form, there is anything to prevent England from forming a trading corporation in this country and the Export-Import Bank making a loan to that corporation; and would not the same thing be true in the case of France? I have offered this amendment for the purpose of using exactly the same language in the second proviso that is found in the first one, and to make it clear that the intent of the Congress is that the Government of the United States through the medium of the Export-Import Bank shall make no loans either direct to a government or to any agency established by a government that is in default to this country on its loans. I should like to ask the acting chairman of the committee if he would be kind enough to answer my question at this time.

Mr. WILLIAMS of Missouri. I beg the gentleman's pardon. I did not understand the question.

Mr. KEEFE. The question is, If this bill passes in its present form, cannot the Government of England establish an agency in this country just as Finland did and just as China did, and the Export-Import Bank thus indirectly make a loan to a government that is in default, a loan which the Johnson Act would prohibit, perhaps, directly?

Mr. WILLIAMS of Missouri. I may say to the gentleman there is only one loan on record that is anyway near a loan to a government, and that is the loan to Finland. In that case the Finnish Government guarantees the loan. The loan itself is not made to the Finnish Government.

Mr. KEEFE. I understand that.

Mr. WILLIAMS of Missouri. But in that case, I would say that the loan could not be made where the ultimate responsibility for the payment of it was on the Government, under the language of the act as it is.

Mr. KEEFE. The justification for the loan to China when the loan was guaranteed by the Bank of China was that the Chinese Government was the Bank of China.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes in order that we may have more discussion on this very important question.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MICHENER and Mr. SCHAFER of Wisconsin rose.

Mr. KEEFE. I will yield in just a moment.

In answer to the question of the gentleman, may I say that the justification of the loan to the Universal Trading Corporation was that that corporation obligation was guaranteed by the Bank of China.

The justification for the Bank of China guaranteeing the loan was that the stock in the Bank of China was largely owned by the Chinese Government. Therefore the justification of the loan itself was that the Chinese Government was behind it.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. MICHENER. Answering the question directly, which the gentleman asked of the acting chairman of the committee, it was stated before the Rules Committee the other day by the acting chairman of the committee, as I remember, that when the Export-Import Bank was set up in the first instance, the express purpose was to be able to loan to Russia at that time and thus get around the Johnson Act. It seems to me that is a square answer to the question.

Mr. WILLIAMS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the chairman of the committee.

Mr. WILLIAMS of Missouri. The gentleman from Michigan is certainly mistaken about what I said and about what the fact is. It is true that the Johnson Act does not cover the Export-Import Bank, but the Export-Import Bank was set up and in existence at the time the Johnson Act was passed.

Mr. KEEFE. Now, I would like a direct answer by the chairman of the committe to my question, which has not as yet been answered. Let me ask it again. Under the provisions of this law as it now stands, whether you have made a loan heretofore or not, is it not legally possible, if this bill passes in its present form, that the Governments of England and France can set up a trading corporation in this country and that the Export-Import Bank could then loan to that trading corporation, the stock of which may be owned by the Governments of England and France, and thus make indirectly a loan to those two governments that are in default on their previous loans, and accomplish indirectly what the Johnson Act specifically prohibits?

Mr. WILLIAMS of Missouri. I do not think so. I think the act, as amended, will cover the very situation the gentleman speaks of. The author of that amendment, perhaps, can answer better than I can, but that is not my interpretation of it. The Government itself cannot set up a corporation Government-owned and secure a loan. Of course, any kind of loan can be made to the nationals or, perhaps, some agency, but if it is a government agency, owned and operated by the government, I would say not.

Mr. KEEFE. Now, just a moment. The testimony very definitely shows on page 13, when Mr. Jones was testifying about this loan to Finland, that the Finnish Government itself guarantees that loan or guarantees the loan of this Finnish trading corporation, which is established as a local corporation in the United States, so that it is, in effect, so far as the guaranty of the loan is concerned, a loan to the Finnish Government.

Mr. WILLIAMS of Missouri. That is all right, but the Finnish Government is not in default.

Mr. KEEFE. But the same thing is true as to China, and I am asking you whether the same thing is not possible under this law.

Mr. WILLIAMS of Missouri. China is not in default either, but in my opinion the Chinese loan—and I think this is the opinion of the Administrator—is not a loan to the government.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Soviet Russia is in default almost $1,000,000,000, and without the gentleman's amendment the Amtorg Trading Corporation could obtain loans from our almost bankrupt Federal Treasury through the Export-Import Bank to purchase war supplies, munitions, and implements of war.

Mr. KEEFE. That is exactly the situation I have in mind in offering this amendment—to prohibit by indirection a thing which cannot be done directly.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kentucky.

Mr. MAY. Is not an answer to the gentleman's question the fact that this is a mere resolution that makes no attempt to repeal the Johnson Act, which applies only to debtor nations that owe us and refuse to pay us?

Mr. KEEFE. I do not know what the gentleman means when he says it is "a mere resolution" and does not mean anything.

Mr. MAY. It does not repeal the Johnson Act.

Mr. KEEFE. The fact is that this is an attempt on the part of the Congress, in the second proviso, to place a restriction upon the activities of the Export-Import Bank under the Johnson law.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. BARRY. I believe the gentleman's amendment would only increase or extend the committee amendment; and the question the gentleman asked of the gentleman from Missouri [Mr. WILLIAMS], I think, brings up the question of principal and agent, and if by subterfuge the Government establishes such an agency, all we have to do is to determine that fact. In my opinion, all the gentleman's amendment does is to extend the amendment to the nationals of a country. Does the gentleman want the provision to apply to every individual businessman?

Mr. KEEFE. Why do you use the limitation in the preceding proviso?

Mr. BARRY. I had nothing to do with that.

Mr. KEEFE. That is just the point. Somebody has something to do with one thing and somebody has something to do with another; and I am here as a Member of Congress compelled to vote on this matter, and I am seeking information that will be intelligent, and I have not been able to get it yet.

[Here the gavel fell.]

Mr. GORE. Mr. Chairman, I arise in opposition to the amendment. I am sure the gentleman's amendment goes a good deal further than he intends it to go. For instance, as it reads, the Export-Import Bank of Washington shall not make any loans to any government or nationals or agencies

thereof which was in default. There is a wide difference between a government and an agency of a government. For instance, would you consider the Federal Reserve bank an agency of the Federal Government? Would you consider the Bank of Brazil an agency of the Brazilian Government?

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. GORE. Not now. It has been said that a loan made to a government which was in default is as good as a loan made to an agency thereof. There is a wide difference. A government can default, and continue to be a nation and continue to be a people, but the Bank of Brazil, for instance, can default only by closing its doors. By the language of the proposed amendment you could not make a loan to a national, a person, a corporation, or an agency in any country which is in default. I do not believe the gentleman wants to go that far.

Let me point out the operation of the bank as it relates to South America. Of the $120,000,000 loaned by the bank, $65,000,000 have been to Latin American trade. Last year 62 percent of the commitments of the bank were to South America, and mind you, not a single default has been made in any loans, and not one is behind the schedule in payment. The war in Europe and the conflict in the Orient increases the importance of the South American trade. Bids which were originally awarded to European manufacturers have been canceled and American manufacturers are getting those bids, and they are looking to this bank for encouragement and assistance to make the loans in order to meet the requirements of long-term amortization. During the last 4 months of 1939 there was a 42-percent increase in our shipments to South America. I concur in the gentleman's hope that a loan will not be made to a government which is in default, and such a loan cannot be made under the terms of this bill, but I cannot go to the extent of shutting off the benefits of this bank to American manufacturers and exporters, farmers, and laborers.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. KEEFE. I think the gentleman has an entire misconception of the situation.

Mr. GORE. I might say that that is a matter of opinion.

Mr. KEEFE. Oh, no; I think the gentleman will concede the situation when he understand the facts. This amendment does not touch South America at all, because the fact is, as I understand it, that the South American governments are in default on a lot of bonds, but not in default on direct loans made by this Government to South America. Consequently this amendment does not touch South America and refers only to those governments of Europe who took from this country during the World War direct loans out of the Treasury of the United States. It does not refer to South American countries at all.

Mr. GORE. The gentleman is correct insofar as to present application to South America is concerned, but a goodly portion of the world would be excluded by the gentleman's amendment.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. BARRY. The only countries affected by this are Belgium, Czechoslovakia, Estonia, France, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, the Soviet Union, and Yugoslavia.

Mr. GORE. The gentleman is correct, and I thank him. The gentleman from Wisconsin does not contend that the operation of the act will be always just as it is now? He does not contend that the obligations of other governments will remain just as they are now?

Is it an indication that a British textile manufacturer would not meet his obligations on a purchase of American cotton because his Government is in default on a World War loan? Must the Export Bank be restricted and prevented from assisting exports of American products to this large portion of the world? Can it be said that no person or company in all these countries, or countries which may come within the purview of the amendment, is eligible for credit? Would the gentleman deprive the American farmer, manufacturer, laborer, and exporter to these vast markets of the benefits of the Export-Import Bank?

Mr. KEEFE rose.

Mr. GORE. I decline to yield further. The gentleman's purpose is no doubt good, but the effect of his amendment is contrary to the interests of our Nation, and I hope it will be defeated.

Mr. BARRY. Mr. Chairman, I move to strike out the last two words. The purpose of the committee amendment is merely to make the terms of the Johnson Act apply to the authorization under this bill. In other words, to the countries I just mentioned when I interrupted the gentleman from Tennessee [Mr. GORE]. Not one of them is in Latin America. It was discovered during the hearings by some Members that the Johnson Act specifically exempted corporations in which the Government had a controlling stock interest.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. BARRY. Yes.

Mr. GORE. Under the provisions of the amendment of the gentleman from Wisconsin, could an agency of Great Britain, no matter how sound its record of financial transactions might be, borrow any money from the Export-Import Bank for the purchase of American cotton or any other farm products?

Mr. BARRY. It could not under the terms of the amendment of the gentleman from Wisconsin.

Mr. SHANLEY. Does the gentleman mean that—under the provisions of the gentleman's amendment?

Mr. BARRY. Not under my amendment, but under the provisions of the amendment of the gentleman from Wisconsin [Mr. KEEFE], you cannot make a loan to any national of any of the countries or any of the countries affected by the Johnson Act.

Mr. SHANLEY. That is all right.

Mr. BARRY. I believe that in those countries, nationals, businessmen, who have no connection with the government whatever, might want to conduct an export-import trade with this country. Their business establishments may be sound, and it might be to the welfare of this country to exchange commodities with them as individuals. I do, however, accept that part of the gentleman's amendment which specifies any subdivision or agency of a government.

Mr. KEEFE. Will the gentleman yield at that point?

Mr. BARRY. I yield.

Mr. KEEFE. It is a fact, is it not, that in drafting this amendment to the pending resolution you had in mind placing a restriction upon the Johnson Act?

Mr. BARRY. Placing a restriction on the Export-Import Bank.

Mr. KEEFE. Under the Johnson Act?

Mr. BARRY. Yes; and the reason for that is because I think there is a tendency to make the Export-Import Bank an arm of our foreign policy on the part of some people. Let me tell you this: Jesse Jones testified that he never made such a loan and never would, but my fear is that Jesse Jones may not always be head of the Export-Import Bank.

Mr. KEEFE. That is exactly the situation. Now, will the gentleman answer this: If this resolution passes in its present form, England could set up a buying agency in this country, could she not?

Mr. BARRY. I do not believe that is true. I believe that such an act would be a subterfuge and it would be merely establishing an agency, and the principal is responsible for his agent.

Mr. KEEFE. Why do you call it a subterfuge when, under the Johnson Act, the Export-Import Bank is specifically exempted, and were it not for the adoption of this proviso, the Export-Import Bank could make loans to England now?

Mr. BARRY. That is right.

Mr. KEEFE. There would not be any subterfuge about it.

Mr. BARRY. My only complaint with the gentleman's amendment is that it is too embracing. It takes in individual

businessmen who have no connection with governments of countries affected by the Johnson Act.

Mr. KEEFE. Would the gentleman be satisfied with the amendment provided we struck out the word "nationals" and left it so that it included agencies?

Mr. BARRY. Yes; I would be perfectly satisfied with it. However, I am only speaking as an individual and not for the committee.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. KEAN. I believe the Neutrality Act covers this matter entirely. Section 7 of the Neutrality Act says:

That when a proclamation has been issued no money may be loaned to any such government, political subdivision, or person.

I think that covers it completely.

Mr. BARRY. The Neutrality Act does not apply to all countries affected by the Johnson Act.

Mr. SHANLEY. Will the gentleman look at the definition of "person" in the definitions, section 16 of the Neutrality Act?

The CHAIRMAN. The time of the gentleman from New York has expired.

Miss SUMNER of Illinois. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentlewoman from Illinois is recognized for 5 minutes. [Applause.]

Mr. KEEFE. Mr. Chairman, will the gentlewoman yield for a unanimous-consent request?

Miss SUMNER of Illinois. I yield.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that in the amendment under consideration the word "nationals" may be stricken from the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. CELLER. Mr. Chairman, reserving the right to object, may we have the amendment read as amended?

The CHAIRMAN. Without objection, the Clerk will report the amendment as amended by the request of the gentleman from Wisconsin.

Mr. KELLER. Mr. Chairman, we want it read as it is.

The CHAIRMAN. The Clerk will report the amendment as is.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. KEEFE: Page 2, line 5, after the word "government", insert "or any agencies or nationals thereof."

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to withdraw from the amendment the word "nationals." Is there objection?

Mr. KELLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The lady from Illinois is recognized for 5 minutes.

Miss SUMNER of Illinois. Mr. Chairman, the question is whether you want the Johnson Act, which has been passed by this Congress, to apply to the Export-Import Bank. That is the only question, because the gentleman from Wisconsin [Mr. KEEFE] has stated that his amendment is phrased in the exact phraseology of the Johnson Act.

As has been pointed out, there have been no loans made by the Export-Import Bank to foreign governments. All loans have been made to agencies of foreign governments. You will find from examination of the testimony that the Export-Import Bank can loan money to England or any other country in default to the United States, through its agencies in this country. It is deterred only by the word of Mr. Jesse Jones, the head of the lending department, and his policy.

Mr. Jesse Jones may not live forever. I dislike to see the able men of this Congress depending too much upon the discretion of one single man. As you know, I am an old maid. I do not have anything against any man. [Laughter and applause.] Mr. Jesse Jones is an able administrator, but my objection to this bill is that while we did have short consideration of the proposition to extend the capital of the Export-Import Bank in the spring, the whole situation has been changed since then by the war. This bill, which doubles the capital of that great bank, was only considered for 2 or 3 short days, and all of the talk was about Finland.

Now, with regard to this amendment; is it not just another reiteration of this Johnson policy that the able gentleman from Wisconsin wishes to defend, wishes to perpetuate and apply to all the departments and agencies of our Government?

Why is it that you are here today befriending Finland? Is it not because our country gave its men and money for the benefit of other nations when they were in need? Then, alas, we needed bill collectors. America needed that some reminder be given to other nations of the world that honor among nations should exist; that debts owed to the people of the United States should be paid. Again and again little Finland stepped up and rang the cash register in a way that was heard around the world. This is the only reason that you feel that you owe her anything, because she served the welfare of the United States. If Finland should cease to exist, we have nothing left but the Johnson Act to remind the people of the world that they cannot mistreat our people; that they should have enough honor to repay their obligations to America. For this reason I believe this is a very important amendment. I think we should remind the peoples of the world again and again that they should honor themselves by honoring their obligations to the people of America.

Mr. CRAWFORD. Mr. Chairman, will the gentlewoman from Illinois yield for a question?

Miss SUMNER of Illinois. I yield.

Mr. CRAWFORD. Can the gentlewoman inform the Committee how many Members appeared on this bill before the Committee on Banking and Currency?

Miss SUMNER of Illinois. We had Mr. Hackworth, representing the State Department, advising concerning neutrality. We had Mr. Jones. I recall no other witness except the one witness who appeared on the subject of commercial as opposed to military airplanes.

Mr. CRAWFORD. And he spoke only about 5 minutes.

Miss SUMNER of Illinois. Yes.

Mr. CRAWFORD. This is a duplication of the spend-lend bill, where nobody appeared except Government administrators and represententatives of Government bureaus. We are writing the policies of the Government of the United States with only bureau heads and administrators appearing.

Miss SUMNER of Illinois. If the gentleman will recall, there were only 20 pages of testimony in the hearings on the spend-lend bill, and I believe the hearings took only a part of one afternoon. The only witness was Mr. Jesse Jones, that able witness, if I am any judge of witnesses, who can twist Congressmen around his finger just like that [indicating]. [Applause and laughter.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the Johnson Act expressly excluded governmental agencies from its provisions, and I think there was a very definite reason for this exclusion. At the time the Johnson Act was passed the people of the United States were being flooded with spurious, worthless securities of foreign governments. They had no knowledge of the worthlessness of those securities. They were subject to the imposition and fraud of the salesmen who attempted to sell these securities to the unsuspecting people of the United States.

In the Johnson Act an exemption was made of agencies of the Government. As used in the Johnson Act the term "person" includes individual, partnership, corporation, or association other than a public corporation created pursuant to the special authorization of Congress, or a corporation in which the Government of the United States has or exercises a controlling interest through stock ownership or otherwise. The presumption was clear that the agencies of the United States would conform to the foreign policy of the United States. The presumption was clear that the agencies of the United States knew the character of the foreign securities that were being floated in this country and knew the character of the foreign securities it might purchase; and, therefore, the agencies of the United States were exempted from the provisions of this act. I believe you will discover

that if you will read the report of the committee that reported that bill.

In the report of the committee it is assigned as one of the reasons for the adoption of this provision that it was to stop the floating of the spurious, worthless securities to the people of the United States who had no knowledge of their worthlessness. Now, to carry out that very assumption, that the agencies of the United States will conform to the foreign policy of the United States, I may cite the testimony of Mr. Jones. Mr. Jones said in the administration of the affairs of the Export-Import Bank that he would conform to the Johnson Act; that he would conform to international law; that he would conform to the neutrality declaration of the President of the United States; and that he would carry out what he thought were the wishes of the Government of the United States. If we give to this agency that credit the original drafters of the Johnson Act gave them, there is no reason to have any amendment in the bill, and it is my impression that any amendment but ties the hands of these administrators of this great agency of the United States. I did, however, vote for the amendment of the gentleman from New York [Mr. BARRY], because I thought it would be harmless; but, as Mr. Jones said, he would conform to all of the requirements of international law and all of the policies adopted by the United States, it is entirely ineffectual.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KELLER. Would not any other official in Mr. Jones' place do exactly the same thing?

Mr. SPENCE. Certainly. The agencies of the United States are going to carry out the policy of the United States; and it is safe to assume that we do not need any limitations or restrictions such as this around the conduct of this great agency.

Mr. KELLER. As a matter of fact, if a loan is made to an authorized agent, is it not made to the principal?

Mr. SPENCE. Absolutely, and they take that into consideration in making loans.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CELLER. A number of loans are made to provinces and other political subdivisions of South American countries. Many such subdivisions or countries have already applied for loans to the Export-Import Bank. Would not the amendment have some effect, directly or indirectly, upon the application to these countries?

Mr. SPENCE. Absolutely.

Mr. CELLER. Loans which have already been authorized by the Export-Import Bank?

Mr. SPENCE. It would tie the hands and destroy the judgment of Jesse Jones and the board of directors of the Export-Import Bank. I believe this agency is in very safe hands, and we can rely on their judgments.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. GORE. If the amendment were adopted even with the word "nationals" stricken out, would there not be endless trouble in the interpretation of the word "agency"?

Mr. SPENCE. Of course, there would be, and it would tie the hands of one of the best administrators in the United States or anywhere else.

Mr. GORE. Is it not true that even though the Government owned a very small percent of the capital stock of a corporation within that country, it might be considered as an agency?

Mr. SPENCE. You cannot conceive of the ramifications of the doubts and the troubles that might arise from this amendment.

Mr. KEEFE. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. You have the very same language in the first proviso.

Mr. SPENCE. Well, I was not very much in favor of that proviso when it was put in the bill.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise to strike out the last four words.

Mr. Chairman, I was astonished at the attempt of the chairman of my committee to dodge the question asked by the gentleman from Michigan [Mr. MICHENER]. On page 27 of the hearings Jesse Jones stated that the present Export-Import Bank was organized to facilitate trade between this country and Russia at the time the Soviet Union was recognized. Let there be no mistake about that. Legislation has been enacted to get around the Johnson Act. Now, we are trying to remedy this, and include all nations in default to our Government. Perhaps they should be included.

Mr. WILLIAMS of Missouri. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Missouri.

Mr. WILLIAMS of Missouri. I certainly insist that the bank was organized first, and the Johnson Act was passed afterward.

Mr. GIFFORD. I read what Jesse Jones said.

Mr. WILLIAMS of Missouri. The bank was not organized to get around the Johnson Act.

Mr. GIFFORD. All right. We can each put our own interpretation on that.

Mr. WILLIAMS of Missouri. The act was passed undoubtedly to give the bank authority to carry on an export trade with Russia.

Mr. GIFFORD. Very well. I have read to you the authority for the first Export-Import Bank which was formed to facilitate trade with nations that could not otherwise make satisfactory exchanges. They made certain exchanges until they could later find money to settle the accounts.

Oh, times have changed. Read this bill. It simply says you cannot lend to nations which owe our Government money, but no matter how much such foreign governments may owe our nationals they are not excepted. You may have a pocketful of Government securities that were unloaded on you by these big houses in New York about which you complain so often, the so-called international bankers; yet you are loaded up with such securities, you are perfectly willing to let these countries borrow more. That is what the Keefe amendment is trying to remedy here. Some of you who have paper of that sort may sympathize with him. Mr. Jones said he would favor the Export-Import Bank lending Japan money, or to loan somebody here the money with which to buy scrap iron to send to Japan. That situation is not being remedied; it is a situation of cowardice. Questions of policy are creeping in, indeed. What is the plan here? To allow our people to sell their goods abroad and take whatever security they can get. Jesse Jones will lend the money. You sell the goods; they merely take your note, though they will also ask you what security you have. Is the Government endorsing the note? Is the Government actually the one that is to be ultimately responsible, as the gentleman from Missouri [Mr. WILLIAMS] tells you?

I think the poor fellow who gave the original note, after exhausting his ability to get the money from the Government or bank in a foreign country would find that the Export-Import Bank would, as a last resort, take it away from our own national who made the original application. That is, if he has anything. There is too much confusion about this. It is beyond my power, perhaps, to make it plain, but someone should.

Mr. MICHENER. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. MICHENER. There may be one exception to the position I stated awhile ago and which has been confirmed by the gentleman from Massachusetts. That would be if the whole procedure was modified by the Neutrality Act, and where the President has found that a state of war exists. It might then be impossible to lend to any person, corporation, or association, but it would not prevent lending directly to Russia, for instance, because the President has not found that Russia is at war.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the committee amendment.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 69, noes 98.

Mr. KEEFE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. KEEFE and Mr. WILLIAMS of Missouri to act as tellers.

The Committee again divided; and the tellers reported—ayes 95 noes 128.

So the amendment to the amendment was rejected.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word. I do not know what condition this bill will be in by the time it reaches a final vote, but I am extremely disturbed over its consequences.

Down in my old settlement once there lived an old Negro whose nose was as flat as if it had been run over by a steam roller. One day a white man said to him, "Uncle John, why do you suppose the Lord made your nose so flat?" Uncle John replied, "Captain, I don't know, less'n it was so I could keep it out'n other folks' business."

Mr. Chairman, I am afraid that we are not keeping our noses out of the other fellow's business. Every man in this House knows that I am anti-Communist, and I did not become that way because of the invasion of Finland. I became that way because of their insidious invasion of the United States and their traitorous attempts to overthrow my own Government.

Everybody who knows me, knows that I am in sympathy with bleeding Finland. I was in sympathy with bleeding Czechoslovakia. I was in sympathy with bleeding Poland, and with bleeding Manchukuo, and I am in sympathy with bleeding China. I was in sympathy with bleeding Ethiopia. But we cannot begin to send America's money, which ultimately means sending American men into every nook and corner of the world that is threatened with war or revolution. I am afraid that we are treading upon dangerous ground. Like the distinguished gentleman from Connecticut [Mr. SHANLEY], I have promised the people I represent, every time they have ever elected me, that there were two things I would oppose. One of them was entangling alliances with foreign powers, and the other was getting mixed up in some other country's war.

Those are the dangers I see here, and today when our farmers are begging for farm parity prices, when we have millions of people out of work, when home owners are having their homes foreclosed and lands are being sold under the hammer, it is a serious proposition when you ask a Member of Congress to vote to extend credit which probably means entrance into a foreign war, when we should devote our energy toward protecting our own people and protecting our own shores.

I will vote for every dollar that is necessary to forever keep enemies off American soil. I am in sympathy with those individuals who are contributing to the cause of these people, and I sincerely trust that Finland may win this war, but I am not willing to take a step that I fear will plunge my country into another holocaust of destruction, probably costing millions of men and billions of dollars and losing what few friends we have abroad, and then having us called Shylocks again when it is over.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. SOUTH. The gentleman knows that Finland did not regard us as a Shylock.

Mr. RANKIN. Finland did not; other nations we befriended did. Beside, if we get into war on behalf of Finland, it will probably spread, and we will have on our shoulders the burden of both the present European conflicts. Not only that, but if we were to get into war with a foreign power I seriously doubt if we would have a foreign friend come to our assistance. I seriously doubt if there is another country under the sun that would come to our assistance. America must look out for her own, and I am afraid that we are treading on dangerous ground by the passage of this bill. [Applause.]

Mr. HEALEY. Mr. Chairman, I rise in opposition to the pro forma amendment. I rise in support of this bill to make possible loans to Finland for certain necessary commodities. This bill was passed by the Senate and has been very carefully considered by the House Committee on Banking and Currency. I am sure that most of us will agree that the action of the Rules Committee in limiting debate was fully justified by the urgency of the situation. It is obvious that all possible haste must be exerted if this aid is to be effective in helping Finland's cause. The tide of battle does not wait upon unduly extended deliberations, nor does the ebb of life upon the arctic snows of Finland await the outcome of prolonged debate. This sister democracy is in her hour of desperate travail, and aid must come quickly if it is to come at all. Fighting alone against vastly overwhelming odds, this embattled little nation has long cried out for aid in the form of materials necessary to preserve life. Tomorrow may be too late, and if the world cannot spare to Finland the material assistance she needs today, I feel sure that this gallant little nation will wish to be spared tomorrow's ineffectual grief over her fate.

Some weeks ago the world was shocked and stunned by the spectacle of a vast and mighty nation marching in wanton and unprovoked aggression against its tiny neighbor. In the ensuing weeks the world was electrified by the miracle of self-sacrificing heroism that the people of Finland achieved. For the preservation of their faith in God, their culture, their ideals, and their national existence, the heroes of Finland have waged an epic struggle which will go down in history as one of the truly great struggles of mankind—a struggle of a free people against the forces of despotism, oppression, and atheism. Regardless of the eventual outcome, the world can never forget the great heroism and sacrifice of this heroic people.

I do not believe that there is any question as to where the sympathies of the American people lie in this one-sided struggle. The overwhelming preponderance of Americans hope and pray for the success of Finland in defending its existence against this lawless and unwarranted invasion. We in America, who cherish so dearly the priceless privileges of freedom and democracy, can well sympathize with the spirit that inspires this gallant defense of Finland. I feel sure that the people of America are anxious to extend to this little nation such aid as may be rendered without involvement.

Because of the lightning rapidity of events in Europe, the people of our Nation are somewhat confused and uncertain regarding the causes, aims, and objectives of the European war. In the light of the shifting pattern of military maneuver and power diplomacy, twisting and warping Europe into strange and unnatural designs, despite the welter of propaganda and counterpropaganda which has inundated our shores, I believe the determination of the American people to avoid participation in Europe's wars is greater than ever before. It is my belief that the peoples of the world are far from convinced that terrible and unrestricted warfare is yet inevitable and that they still hope against all hope that a program of lasting and enduring peace may be launched before the full hell and fury of unlimited carnage is unleashed upon the world.

Mr. Chairman, I believe that when the time comes to discuss peace—and I fervently pray that this time may come soon—the hope for a lasting adjustment of Europe's problems will rest in a sound recognition of the natural right of a people, united by common culture and development, to direct its own destinies. History will demonstrate that under a truly democratic system of government an autonomous people is best fitted to promote its own welfare and will do so along peaceful lines by the development of its own commerce, industry, science, and art. Such a people is best fitted to eliminate the seeds of distrust, intolerance, and jealousy which are the most prolific breeders of war. Given the right to control their own futures, peoples will not wish to resort to destructive wars, but will choose rather to promote their own internal development along the paths of peace, culture, and a broad sympathetic comity between nations.

The history and development of two grand little nations, Ireland and Finland, strikingly demonstrate the natural

tendency of an autonomous people to develop an ideology based upon peace and tolerance and upon economic and social justice. Gaining autonomy at virtually the same time, the histories of these two countries have run closely parallel. In the short space of some 20 years of independent government, each of these nations has emerged from an undeveloped, backward country to a modern, enterprising, and progressive land. A brief glance at the history of each of these nations under independent government, will eloquently demonstrate the stabilizing influence toward peace of such autonomous peoples.

In some two decades of national existence, Finland has increased the arable area of the country by one-third and has increased the harvest by two-thirds. In a recent report on Finland, it is stated that—

> Industry has expanded at a rate almost unparalleled anywhere in the world. The value of industrial output has multiplied three and a half times over. New opportunities for work and new wealth have been created on a corresponding scale. * * * Hundreds of thousands of families formerly subsisting on leased land or casual work on the land have been helped to become farmers of their own soil, or have found steady income and every opportunity for a healthy life in the service of the expanding industries or of the new enterprises in the cities and industrial centers. Poverty and distress as widespread social phenomena have vanished.

Equally impressive, though not widely enough known, is the amazing development of Ireland under 20 years of independent and truly democratic rule. Under the British act of 1920, part of Ireland was granted a measure of independence which, in the ensuing years, ripened into the entirely autonomous nation of Eire. Up to the time of its freedom, Ireland was little more than a vast and undeveloped pasturage, a pleasant rural resort, utterly dependent upon the shifting and uncertain economies of other nations for its economic existence and with no independent internal economy worthy of the name. Since then, in the short space of 20 years, Ireland has gone far toward developing a sound national economy based upon development of its own resources and a program of sound economic relationships with other nations.

Where once manufacture was limited to a few homespuns, decentralized factories have sprung up all over Ireland, producing a host of diversified products which once were wholly imported. Ireland's agriculture has likewise been placed upon a sounder and vastly more productive basis. In this and many other ways, Ireland has approached its goal of a balanced national economy.

During this period, Ireland has also developed a new program of social development. It is contemplated by the government that $100,000,000 shall be spent on housing—a part of which has already been spent in this way. Nearly half a million is being spent for milk for poor children and a widows and orphans pension scheme is subsidized by the government.

The state is buying over about 100,000 acres of idle grazing lands and dividing this among landless men. Great progress has been made in education, and rural hospitals have been erected throughout Ireland. The Government has even promoted and fostered the arts and culture of the Nation.

Ireland has been handicapped and embarrassed in its development by the partition under the British act of 1920, which withheld from the new state six of the most fruitful counties of all Ireland. These counties bear a natural affiliation to the Irish Nation and, if left to their own devices without the constant rousing of prejudice, jealousy, and other disuniting emotions by external forces, would naturally gravitate to the new state. These counties could play a vital part in the economy of Eire and would contribute substantially to the development of a sound and self-sufficient economy for that Nation.

I believe that England could make a great contribution toward eventual peace in Europe at this time by permitting these counties, without obstruction and interference of any kind, to seek their natural affiliation with the rest of Ireland. By so doing she could demonstrate forcibly to the entire world her good faith toward small nations. This would go far toward dissipating the distrust and suspicion between the nations of Europe that exists today and would serve as an impetus toward the settlement of Europe's problems by negotiation and nonmilitary means.

Mr. Chairman, I believe that even this brief glance at the histories of these two contemporary nations will serve to demonstrate the importance toward eventual world peace on a sound and enduring basis of recognition of the right of a people, united by common culture and heritage, to control its own future. Finland and Ireland illustrate strikingly the tendency of such a people to solve its own problems by democratic methods and upon Christian principles of social justice. Both of these nations have sought to guide their destinies along the paths of peace and good will. Each has contributed a generous measure to the security of its own people and to the world's culture and ideology of peace. They have maintained their national honor without blemish and have set an inspiring example to the world. They deserve the sympathy and support of the world in their efforts to preserve and develop the great spiritual values which they have achieved.

Mr. Chairman, if Finland is destroyed, civilization will have lost a great battle in defense of right, justice, freedom, and religion; and the world will have lost a force toward peace. Despite the brilliant successes won by Finland, it is now apparent that the cost of these victories has sorely weakened the Finnish forces. Against the invader's constant replacements of fresh new forces, armed with the most modern of mechanized weapons, Finland can only pit her exhausted, decimated, inadequately equipped, and poorly supplied little Army. The huge Soviet losses have made no appreciable dent in her illimitable resources of manpower but the Finnish casualties have represented a serious loss to this little nation. The heroic defense of Finland shows signs of crumbling before the relentless onslaughts of the atheistic invaders, and the help furnished by the bill now before us is sorely needed by Finland. I do not believe that this bill will in any sense insure the success of Finland. However, it does represent something tangible—the only substantial step toward aiding this valiant little nation that has been presented to Congress. I hope that this House will lose no time in passing this measure in order that this aid may be available to Finland while it can still be of value. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Page 2, line 9, after the word "articles", insert "except aircraft exclusively for commercial purposes."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. MILLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MILLER: Page 2, line 9, after the word "State", insert a colon, strike out the balance of the paragraph, and insert *"Provided further,* That the Export-Import Bank of Washington is authorized to loan to Finland on proper application not to exceed $20,000,000 without restriction on the type of merchandise to be purchased in the United States."

Mr. MILLER. Mr. Chairman, I ask unanimous consent that I may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The gentleman is recognized for 8 minutes.

Mr. MILLER. Mr. Chairman, I listened with a great deal of interest to the words of our colleague, the gentleman from Massachusetts [Mr. LUCE]. I think most of the Members of the House listened to that distinguished gentleman. If his argument is sound and a loan to Finland is but a step toward war, then I trust that this bill will be rejected in toto, because undoubtedly if authority is given to increase the capital of the Export-Import Bank loans will be made to China and

may be made to Finland, both of which are in the same category as to state of war.

We now come to the point where we must decide whether or not we want the Export-Import Bank to make a loan to Finland for purchases here in the United States of material that she can use to defend her territory and her liberty.

This amendment will not force Finland to buy munitions in the United States. It simply leaves to Finland the decision as to what she needs most with which to defend herself. I suggest it as a mild, reasonable amendment. It does not go as far as some Members of this House would like to go, but it certainly expresses the desire of Congress that the Export-Import Bank make a loan to Finland without restriction. The bank has that right now, without restriction.

Most of the Members of this House applauded the remarks of the gentleman from Texas [Mr. LANHAM] when he made such a soul-stirring address yesterday. I am hopeful that if this amendment is adopted the President of the United States will approve of the bill as amended, feeling that this is a safe step.

I cannot understand, in view of some of the arguments presented on the floor this morning, why it is unneutral for the Congress to indicate that we want the bank to make a loan, but it is absolutely neutral for Mr. Jones to make the loan of his own volition. Where does the question of neutrality enter this proposition? No one has challenged our right to make a loan to Finland. We have made them one loan since the outbreak of the unpleasantness now going on—and unpleasantness that we used to refer to as war. We have loaned China $25,000,000 for the purchase of trucks. Undoubtedly those trucks were used by their army. No one denies our right to sell munitions to Finland, provided we do not violate our neutrality law.

Mr. Hackworth, of the State Department, said:

> Now, if we assume that Finland is not at war—and I might say that both Finland and Soviet Russia stated to us that they are not at war—we are not confronted with the question of neutrality. If they are not at war, we can sell Finland anything that we like, and the question of neutrality does not arise.

That was the testimony of the representative of the State Department before the House Committee on Banking and Currency.

We were told during the special session that it was ridiculous to sell material that could be used to manufacture munitions to a belligerent and not to sell them implements of war. Do you recall the words of the gentleman from Texas [Mr. RAYBURN] during the neutrality debate when he asked, "Is it unneutral to sell a Chinaman a rifle with which to defend his home?" The question can be asked today applied to Finland. Finland is not a belligerent.

This amendment does not violate our neutrality. Finland must get its purchases home in ships other than ours. I have heard only one argument against this amendment that might have merit, and that is the element of possible delay. That can be forgotten in view of the action this Committee has taken this morning. We have adopted two amendments which make it necessary that this bill go to the other body. If the other body, in its wisdom, wants to assume responsibility for delay, the responsibility must lie on the other body; but we should write this bill as we want it written today while we have the opportunity.

I think it is fair to submit that if we cannot loan money to Finland that they can use to purchase munitions and implements of war, then we cannot make them a loan at all, because I think no Member will challenge the statement that money is as much contraband as cannon, cartridges, or any other implement of war. We are not instructing Mr. Jones to make this loan. We are indicating our desire, and I have confidence, as have you, that Mr. Jones will carry out the expressed desire of Congress. We were told yesterday from the Well of this House that our own War Department had said that only 25 percent of war expenses went into munitions and implements of war, but the distinguished gentleman from New York [Mr. CELLER] also put into the RECORD this fact, as coming from the Commerce Department, that while the previous statement as to 25 percent being war expense was true, 98 percent of the purchases made by Russia in this country have been for war materials. If we are going to permit the export of munitions and implements of war to Russia; if we are going to finance Russia's war by buying her gold at $35 an ounce when it costs her only $11, then I for one insist that we permit Finland to buy whatever she needs in this country out of whatever money she borrows from the Export-Import Bank. I would still prefer to embargo all implements of war, but Congress has decided otherwise.

I think we might at this time refer to the testimony of Mr. Jones. I questioned Mr. Jones in the committee. I said to him:

> I cannot see any reason for making any distinction between loaning money to Finland in this case, knowing that they are going to buy wheat or knowing that they are going to buy munitions. Would it not be in line with the vote of Congress in the special session to give Finland $20,000,000 and say to her, "We do not care whether you use that credit with some aircraft company or some munitions manufacturer?"

Mr. Jones answered:

> We have no objection if Congress wants to tell us to do it that way.

Further in the hearings Mr. Jones said:

> I think this bill should be passed if we want to continue to aid our export-import business. So far as the question of Finland is concerned, under this act you give enough discretion to us, you show us that the majority of the people in Congress would like us to lend the money to Finland.

I then said:

> Did you ask it to be more specific than that?

Mr. Jones replied:

> I asked it to be more specific, but did not get it.

All my amendment does is to give Mr. Jones the specific instructions that he stated to us he had asked for, an expression of our desire to notify the people of the country that we are considering Finland. For this reason I offer this amendment. [Applause.]

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. CELLER to the amendment offered by Mr. MILLER: Strike out the word *"Provided,"* and all thereafter.

Mr. CELLER. Mr. Chairman, the effect of my amendment will be merely to strike out of the Miller amendment any reference to Finland. I agree with the gentleman from Connecticut that there should be taken from the bill all mention of limitation of the use of the money or prohibition, and the Export-Import Bank should be untrammeled to make the loan regardless of the purposes to which Finland may put it. But assuredly and above all a loan should be made to courageous, debt-paying Finland. My amendment should not, cannot, be construed by any stretch of imagination as any bar to a Finnish loan.

I am of the firm conviction that Finland needs arms and ammunition and should have the right to purchase arms and ammunition without let or hindrance. She asks for bullets and what do we give her? We give her beans. She asks for powder, and what do we give her? We give her peas. She asks for cannon and we give her broomsticks. It is utterly ridiculous.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MILLER. I assume that the gentleman knows that if Mr. Jones has the power, he will not make a loan for munitions of war unless we so instruct him.

Mr. CELLER. I hope Mr. Jones will not so conclude. If either the Connecticut gentleman's amendment or my amendment prevails, Mr. Jones has ample authority to make a loan for the purpose of the purchase of munitions. When a loan was made to China there were no restrictions. There should be none. Just think for a moment. As the gentleman from Connecticut stated, and as I reiterated yesterday, 98 percent of the export material sent to Russia today is munitions of war. Furthermore, Russia purchases from us 300,000 barrels

of gasoline every month for use in Stalin's planes to bomb Finnish cities and destroy innocent women and children. On the other hand, showing our unneutrality in that fashion, we come here in psalm-singing hypocrisy when we say or vote that Finland shall not use any of the money we loan her to defend herself against those death-dealing Russian planes and tanks that are also propelled by American gasoline.

Take Japan and her war on China. I discovered from my investigation that of all the material we supply Japan 85 percent is used for military purposes. Included in that material are American-made planes equipped with American-made bombs used ruthlessly to slaughter defenseless Chinese women and children. We loaned money to China. She could buy with it antiaircraft guns or other planes to defend her people. There was no restriction. I simply ask for the same treatment of Finland.

Surely we could find a way to help poor Finland, particularly if we help Japan in the way indicated and if we help Russia in the way indicated. In other words, if we can, with eyes open, aid Russia and Japan to slaughter the innocent, we should readily find the way to help Finland defend herself against terrible odds, against a destroyer of democracy.

The President of Finland, Kyosti Kallio, full of "sisu"—the Finnish word for courage—last week said:

> We are deeply grateful for the help America has extended us with humanitarian materials, but such help must be altered if the Finnish population is not to be massacred. If our civilians—our old men, women, and children—are to be killed in their houses, as is happening every day in our cities, towns, and villages, they will have no need for food and clothing.

He said they needed airplanes and antiaircraft guns. Mr. Kallio made this solemn promise to our authorities:

> That the planes would not operate beyond the Finnish borders or against planes or troops engaged in genuine military operations; that they would be used only to defend the towns and cities—to defend innocent men, women, and children.

We must help the plucky Finns against the "red" Goliath, against the "red" Moloch, against Ogpu terrorism. Humanity demands it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Let the Chair make an announcement. The Chair will try to accommodate every Member who desires to speak on this bill. There are pending at the desk several genuine amendments. The Chair will endeavor to handle these amendments in such way as to accommodate all who have spoken to the Chair for time.

Mr. DINGELL. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. DINGELL. In support of the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, if it were germane, and if I thought it would help Finland, I would move to strike out everything after the enacting clause and I would offer the amendment to provide for an unrestricted loan to Finland. Here we are magnanimously providing authority for the Export-Import Bank to make a loan of $20,000,000 to the hardy, courageous Finns who, with their backs to the wall, are fighting the world's battle and our battle for freedom, democracy, and Christianity. We restrict the loan for powder puffs, silken scanty panties, and for cream puffs, when we know the Finns need shrapnel, buckshot, barbwire, and all the fiercest implements of hell because they are fighting to stop anti-Christ and the hosts of hell led by Beelzebub. Let every man stand up and be counted, let him vote as he talks, and let us dispense with hypocrisy and catch phrases. Either we are courageously for Finland, freedom, and Christianity or we are for the dictatorship of Stalin, persecution, murder, depravity, and everything that is base and cowardly.

We are Americans with the red blood of our forefathers coursing in our veins or we are yellow and not worthy of the heritage. Imagine General Washington, Lafayette, Kosciusko, Pulaski, Von Steuben, Barry, Perry, Grant, or Lee hesitating, shrinking, and slinking, giving way before the shadow of the starving, brainless Russian bear which is being led to destruction by a degenerate, scab paperhanger. Imagine their picturesque expressions of burning defiance, which might be provoked at this time and printed for posterity were any of these heroes alive and present today. The world on fire, ignited by two fiends, run amuck, millions of innocent people robbed, murdered, raped, and deported; men, women, and children shot down as though they were mad dogs; property destroyed, churches desecrated and bombed; fortunes confiscated, and a trail of broken hearts and suicides left on blood-drenched Polish and Finnish soil—and we are afraid we might offend Stalin and Hitler.

I would give my last dollar to drive them into hell for all time, and then I would raise Old Glory on high as the symbol of hope and succor to all the free and democratic people of the world, and as a warning to the international bandits and thugs, or I would haul her down lest someone might object to her fluttering in the free breeze, and I would change the bright red bars to yellow as I laid her away forever.

Why restrict the loan to Finland? Is it because of our fear of violating our neutrality? We could, today, loan money to Russia if it were not for the fact that, as a welcher, she is barred by the provisions of the Johnson Act, but otherwise she would be eligible for there is, technically speaking, no war between Russia and Finland, and I am as technical as I can be on this point since it pertains to Russia. I want her to have the full benefit of the technicality which exists. And as to Finland—God bless her and preserve her. She is no welcher; she is and always will be an inspiration to the world and to red-blooded Americanism. As a symbol of righteousness, courage, democracy, and Christianity, she, like Poland, has earned her place in history as freedom's and Christianity's glorious defender. If she goes down all that America stands for will shrink and shrivel, and I dare no longer brag about my Americanism for fear my children might suspect I voted favoring Stalin and Hitler.

So help me, if given the chance I shall vote for no restriction, and a hundred million dollars instead of twenty.

A $20,000,000 loan amounts to less than 15½ cents per capita.

A $60,000,000 loan amounts to little more than 46 cents per capita.

There are enough red-blooded, two-fisted Americans with the normal amount of guts in America today who are willing to risk their 15½ cents to help Finland, and at the same time to risk the displeasure of Stalin and Hitler.

Why hold back in opposition to the tide of public sentiment which, in America today, is at least 95 percent anti-Nazi, anti-Communist, and just as much in favor of an unrestricted loan to Finland. [Applause.]

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with a considerable degree of reluctance that I take the floor at this time, having spoken once on yesterday; but I am fearful over the adoption of all these amendments, some of which are of a highly controversial nature. I am afraid it may inevitably tie up this legislation in conference. We have no assurance that the other body will accept any of the amendments that have been adopted or which may be adopted, neither have we any assurance that the President of the United States will sign the legislation or give it his approval if we place therein an amendment which removes all restrictons. God knows I am in favor of sending Finland airplanes and all other war materials that she may need in order to defend her firesides and her independence, but we must not overlook the fact, Mr. Chairman, that time is of the essence.

Let me read to you a few quotations from Foreign Minister V. A. Tanner's statement, made a few days ago:

> We have applied for a loan of $60,000,000, and our request apparently has been dealt with in the usual peacetime way. The decision was delayed for months. Finally, $20,000,000 were proposed, but even now this amount is being delayed.
>
> It seems the gravity of our situation is not fully realized in the United States. It would be deplorable if our appeal for help were thrown into the orbit of American domestic politics.

Mr. CHIPERFIELD. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. What is the date of that article?

Mr. KNUTSON. It carries no date line. I clipped it out of a paper that came into the reading room this morning. I am informed it is about a week ago.

Let me appeal to the House to expedite this legislation as much as possible. If we take a day or 2 days in the consideration of the bill, perhaps that may not be fatal, but should it go to conference and there become a matter of controversy, it may be delayed for days, possibly weeks, and I need not tell you what the consequences may be. I know you all want to help Finland and I am appealing to you to vote down all amendments to insure its ultimate enactment speedily.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I am well aware of the gentleman's desire to help Finland. Does he believe the bill as it stands contains substantial aid for Finland?

Mr. KNUTSON. The measure carries all that we can hope to get at this time. There is no question but what Finland can use $20,000,000 in nonwar materials. She will have to look to some of the powers over in Europe for other assistance.

Mr. MURDOCK of Arizona. I agree with the gentleman that we should help Finland and that this bill as drawn is about all we can hope to get for them through legislation at this time.

Mr. KNUTSON. Mr. Chairman, I appeal to the Members to pass this legislation without the inclusion of any controversial amendments. Let us expedite its consideration. Let it not be said that the American Congress fiddled while Rome burned.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, I am very much in favor of the amendment offered by the gentleman from Connecticut. I had prepared a similar amendment, and if the amendment offered by the gentleman from Connecticut is adopted I shall not offer my amendment.

I hope that all Members who have protested their desire to give real assistance to Finland will vote for the Miller amendment. This amendment will allow Finland to purchase any kind of material, either military or nonmilitary, that she may wish to buy. It lifts the restriction as to the kind of purchases that may be made and I believe that we all know what this gallant defender of democracy needs in continuing her fight against the red hordes of Russia. Here is a real opportunity for Members of Congress to demonstrate their hatred of communism.

I have been, and still am, for an unrestricted loan to Finland. A loan whereby they may purchase anything they desire.

A study of the history of this bill, as I said yesterday, will reveal the genesis of the movement to make available to Finland real, tangible, unrestricted assistance. Early in this session, long before the plight of Finland was of widespread concern, I requested the Senator from Michigan, author of this bill, to introduce my bill in its original form. My bill, as you know, provided for an outright unrestricted loan of $60,000,000. True friends of Finland and those who are sincere in their efforts to render real aid to that country have rallied to the support of my proposal. It seems to me that the issue is quite clear here—either you want to help Finland or you do not want to. A vote for the Miller amendment or my bill would be an affirmation of your desire to recognize Finland's stand against an aggressor nation.

The question of our neutrality policy has again been raised in this debate. An unrestricted loan to Finland would in no way violate our neutrality as I have repeatedly pointed out. The State Department will inform you that technically neither Finland nor Russia are at war. Therefore, the legal aspects of the neutrality law do not arise. Since they are not at war we can sell Finland anything that we choose to—military or nonmilitary materials. The important thing is to place the money in the hands of the Finnish Government so that they may purchase any material or equipment which in their judgment will most effectively stop Russia.

I agree with the gentleman from Minnesota that any delay in connection with this matter, or the throwing of this bill into conference would be a very grave mistake, but I do not believe adoption of the Miller amendment will throw this bill into conference. I believe the Senate will agree to accept that amendment. That body is just as much in favor of helping Finland as we are, and if we adopt this amendment I feel certain that it will also agree to it without going into extended conference.

We may adopt this amendment without in any way affecting our neutrality.

Mr. SOUTH. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Texas.

Mr. SOUTH. What assurance does the gentleman have that this is not a matter involving policy which will have to be referred to the President and to other administration leaders? I heartily agree with the gentleman from Minnesota that if we want to help Finland we better go along with what has already been threshed out by the administration leaders in order to get something done.

Mr. HOOK. If the administration leaders have not decided on a policy with regard to this situation up to the present time, it is about time that they do something.

Mr. SOUTH. They have done so, and this bill represents what they have agreed to. The gentleman knows that.

Mr. HOOK. A review of the history of the bill under consideration will show that it started by the introduction by myself of a bill on January 3 providing for a $60,000,000 unrestricted loan.

I hope that a sufficient number of Members of this House will assist me in obtaining action on the bill. Our people from the humblest voter to the President of the United States have expressed their feeling on the Finnish-Russian situation. All that is lacking now is for the Members of this body to carry out the wishes of the overwhelming majority of the citizens of the United States. My bill providing for an unrestricted $60,000,000 loan was introduced only after weeks of most careful consideration, innumerable conferences, and intensive study of the Finnish economic situation and their needs in this conflict. I feel certain that the administration would carry out effectively and with haste any legislation along this line. It is up to us to definitely and positively state on the floor of the House that we want to provide an unrestricted loan for Finland.

I believe there would not be any opposition.

Mr. KEEFE. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact that under the rules this bill as presently amended, without further amendments, will have to go to conference? It must go to conference?

Mr. HOOK. It may go to conference but there is no reason why the conferees should not immediately report it back.

Mr. KEEFE. The committee has already amended the bill.

Mr. HOOK. As the gentleman from Wisconsin states, the committee has offered an amendment to the bill.

Mr. Chairman, I feel this amendment is a proper amendment and should be adopted by the House.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, I doubt if in the history of this Congress there ever has been a situation so unworthy of our integrity and self-respect, so steeped in hypocrisy and cowardice, as centers around this legislation. I am for the Miller amendment. I hope it will go through. I shall vote for it. I have a similar amendment of my own, and I am holding it in reserve as a second line of defense.

A year ago the administration sent up here a bill providing for $100,000,000 to be added to the resources of the Export-Import Bank. That bill was turned down by the House in a moment of unusual independence. Now, after

months of waiting, we have this identical bill brought in here asking for $100,000,000 for the Export-Import Bank, and this request is camouflaged by being hung on the wounds of Finland. In accord with a sordid hyprocisy the whole Nation has been led to believe that this is a Finnish-relief bill. It is nothing of the kind. It is a banking bill. It ought to be settled as such on banking principles by banking authorities. If we believe, as I am willing to believe, that it is a good thing to have exports from this country encouraged by our Government, then we should vote for this bill on its merits as a banking bill. But to tie up the great policy question of Finnish relief with this banking proposition puts us who have to vote on this measure in the same situation as the old Scotch woman who was praying for bread, and a college boy put a loaf down her chimney. She said, "Well, the Lord sent it, even if the devil brought it." We are in that condition here today. If we vote against this bill, the country will be told that we have voted against helping Finland. If we line up and vote for this bill, we will have been forced to vote for the most perfect and slick example of political flimflam and skullduggery that has occurred in 16 years of my life in this House. [Applause.]

The people of Finland are our spiritual brethren. They are fighting and dying for every ideal that our country stands for. They are in great danger and distress. We have the means to help them. They have asked us to help them. They are in the same position as one of our families or one of our communities would be if a deadly plague afflicted them. They know, we know, and the world knows, that we have an abundant supply of a precious serum that will head off this plague. They ask us for a small portion of that supply. We tell them in unctuous tones that we will not let them have the serum, but we have on hand a fine brand of embalming fluid which we will be glad to ship them and which they can use. We want these, our beloved brethren of Finland, when they are being slaughtered by the Russian monster to be "well fed, well clothed, and well housed," so that the slaughter will amount to something worth while when it is really finished; but as for any real attempt to keep the Finns from being slaughtered, we hide behind a barricade of sentimental twaddle, of cringing cowardice, and political flimflamism that is absolutely disgraceful and unworthy of the Representatives of a great Nation animated by a sound and normal moral passion. The American people know that we in our greatness and our liberty ought to stand by Finland and help them. They know that the danger which threatens Finland threatens also to destroy every free community in the world. We ought not to be afraid of Russia or of anybody else on the face of the earth. We ought to be afraid only of not doing what is right by our own kind of people when they need our aid.

Therefore, Mr. Chairman, I sincerely hope that the Miller amendment will be adopted. Do not forget that this amendment was proposed by a veteran of the World War who sits in our midst today a living illustration of what happens to men when they get into this horrible thing we call war. In accord with the moral sense of our whole Nation, he believes in sending real aid to Finland. That is what our people want to do. That is what I want. I am for the gentleman from Connecticut [Mr. MILLER] and for his amendment. I am going to vote for it, and I hope you will all do the same. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Chairman, I am for the Miller amendment and in hearty accord with the sentiments expressed by the gentleman from New Jersey, who just preceded me. Men can rise on this floor and try to divert our minds to thoughts of Export-Import Banks, to thoughts of stimulating exports and thoughts of lending money through the Reconstruction Finance Corporation, but the minds of the men and women in this Chamber today, as well as the minds of the men and women throughout this broad land of ours, refuse to be diverted. They are fixed upon one thing, whether or not we are really going to aid Finland. It is to this question and to this question alone that I address myself.

Here is a brief history of why Finland comes before us today asking for help: In 1933 Russia signed a nonaggression pact with Finland. The former recognized Finland's independence and the inviolability of her territory. Contrary to that pact of 1933, contrary to Russia's signed guaranty, the Russian Government demands territories and privileges from Finland which no independent nation and no free people could concede without losing both independence and freedom.

Russia demanded what? She demanded that the mutual boundary be moved westward farther into Finnish territory. She demanded that it be moved westward to the Karelian Isthmus, and that certain islands off the southerly coast of Finland, and Finland's most southerly tip of land, Cape Hango, be granted to Russia for a military and naval base.

Furthermore, Russia demanded Finland's entry into a nonaggression pact. Russia is now fighting Finland in violation of a nonaggression pact entered into by Russia with Finland in 1933, but as part of her inordinate demand today she asks another nonaggression pact with Finland which Finland will have to live up to but which Russia can, of course, disregard with all the brutality of the more powerful nation. She demands a nonaggression pact with Finland giving her the right to garrison Finland in the event of an emergency, and at any time convenient to Russia's aims, with the bare statement that she, Russia, is threatened with an attack from the west, she could move in and garrison parts of Finland.

These demands meant but one thing, that if Finland were to submit to them she would lose her independence and her freedom and degenerate into a Russian protectorate, where Communist dictatorship would soon be in force.

Now, Finland has done what to bring about this aggression? She did not threaten anyone; she did not demand anything of anybody, except the right to live in peace and to develop her natural economic and cultural institutions.

Finland has decided unanimously to oppose the demands of Russia, despite the fact that the extortioner is a nation of nearly 200,000,000, whereas Finland has a bare 4,000,000. The present Russian strategy largely is large-scaled air attacks. What does Finland need? She needs a large number of pursuit planes and antiaircraft guns. This is what she needs, not pious words of sympathy, not merely commercial things, not limitations upon loans. She needs steel, iron, and bullets to fight steel and iron and bullets. Finland is in the front-line defense. It is the defense of any self-respecting man's right to live a free life. She is fighting the fight of democracy.

I do not care what Communist Russia may think of our action. I think we are obligated to ourselves and our consciences to aid that gallant nation. She is fighting the fight of democracy; and if we let her down, it will be like dropping mercury on a cold day—it will chill democracy throughout the world. [Applause.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I wonder if we cannot agree on time for closing debate on this amendment. We have a number of other amendments, and I do not myself see any use of talking all the afternoon on one amendment. Of course, many of the amendments are similar.

The CHAIRMAN. The Chair will state that upon each amendment that has been considered the Chair has tried to recognize as many Members to speak as possible.

Mr. WILLIAMS of Missouri. There are other amendments to be offered, and I would like to have an agreement to limit debate. I suggest, Mr. Chairman, that all debate on this amendment close in 25 minutes.

Mr. ALLEN of Pennsylvania. Mr. Chairman, reserving the right to object, will the Chairman tell us how many Members wish to speak on the amendment?

The CHAIRMAN. There are six Members, including the members of the committee, who desire to speak on the amendment.

Mr. ALLEN of Pennsylvania. Mr. Chairman, reserving the right to object, will the gentleman from Missouri ask unanimous consent to limit debate to 30 minutes so each of us will be sure of having 5 minutes?

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Chairman, I am well aware of the fact that there are two issues involved in the legislation before us this afternoon; one pertains to the banking features of the bill and the other pertains to the loan to Finland. We can say that there are two factors involved, because the Members of this House and the people of our Nation have been led to believe that this is primarily a bill which will guarantee a loan to the Finnish Government.

I am not going to take issue with the chairman of the Banking and Currency Committee regarding the banking features of this bill. I shall confine my remarks to the amendment now before us. I wholeheartedly support the Miller amendment because it gives the Members of this House a clean-cut opportunity to vote on the question of a Finnish loan. This is the only opportunity those who feel that this Government should grant an unrestricted loan to Finland will have to express their views. This is our only opportunity to vote on that issue.

Now, regarding the question of a possible delay if this bill goes to conference, I dare say the Finnish people would be glad to wait a week if they could have $20,000,000 for unrestricted purchases rather than $20,000,000 immediately with restrictions for civil commodities only attached to it.

This morning the Foreign Affairs Committee was considering a bill for the relief of Polish refugees. While I cannot speak for the whole committee, I feel that there is a great deal of sympathy for donating money for relief purposes to the Polish refugees. Must we wait until the liberty-loving, peace-loving people of this world become refugees and are thrown on the bosom of the world for charity before we are willing to lend money? Is it not more sensible to loan money in advance so that these free nations will not be destroyed, rather than wait until they have been crushed and then give their people charity? I, for one, would rather give them the means by which they can defend themselves now. If we do not help Finland now, we will be called upon in the weeks to come to vote funds for the relief of Finnish refugees. By then free Finns will have been decimated and the scalp of another democracy will hang on a dictator's belt.

Mr. Chairman, on the Fourth of July and other national holidays in this country many of us, and many of our public leaders, appear on the public platform and talk about the great principles of freedom, liberty, democracy, and Christianity. Here is a chance this afternoon for us to pay a little more than lip service to these principles. Here is our opportunity to prove whether or not we so deeply believe in those principles that we are willing to risk a few dollars in their defense. Remember that some 160 years ago men like Lafayette, Rochambeau, Von Steuben, Kosciusko, and others came to this country to help liberate it from tyranny. They were willing to risk not only their fortunes but their lives, and we have exalted their memories ever since because of the principles for which they stood. Nobody is asking a single American to risk his life for Finland today. All the gentleman from Connecticut [Mr. MILLER] asks in his amendment is that we loan a few dollars so that these principles in which we so strongly believe and which we cherish so deeply may be preserved. If we support the Miller amendment, I believe that liberty and freedom, democracy and Christianity, will be just a little more secure throughout the world and in this country in the years to come. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. The Chair recognizes the gentleman from Massachusetts [Mr. GIFFORD] for 4 minutes.

Mr. GIFFORD. Mr. Chairman, I asked for time yesterday and I fully explained to the House that this debate would give an opportunity to Members on both sides to express themselves on the matter of helping Finland. The bill merely authorizes Mr. Jones to loan this money, if he thinks Finland can repay it. In the public mind this is a Finnish loan, however. We cannot help that, but that is a fact. So what possible harm is there in mentioning Finland specifically in the bill? In any event, I repeat, if you vote against this amendment, you will find it difficult, indeed, to square yourselves in the opinion of the American people. You certainly are in a position to vote for the amendment, Finland not having been declared a belligerent. That is what we are trying to bring about. We wish to be helpful to the Members on both sides of the House, and enable them to express themselves as at least desiring that Finland be assisted.

Mr. WILLIAMS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. WILLIAMS of Missouri. The gentleman, of course, realizes that there is authority to lend money to Finland now.

Mr. GIFFORD. Yes.

Mr. WILLIAMS of Missouri. And this does not add a thing to it.

Mr. GIFFORD. Oh, I think it is an expression of public opinion. If this is adopted I shall vote for the bill, but if the gentleman refuses to have the bill contain an expression in favor of Finland, then I shall feel perfectly free to vote against it.

Mr. WILLIAMS of Missouri. Although there is the authority in the bill now to make a loan to Finland, yet it is the gentleman's idea that Finland of all the nations should be singled out and all of the others discriminated against in this legislation?

Mr. GIFFORD. Yes; because in both branches of the Congress, and in the press all over the country, this is known as the Finnish bill, and as I told the gentleman, we cannot help you get the additional $100,000,000 for general loans in that way. I say to you on the other side, it is harmless and you ought to vote for it.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CELLER. I understand the gentleman's position is that he desires—as I do, and as the gentleman from Connecticut [Mr. MILLER] does—to strike out any prohibition against loans for military purposes.

Mr. GIFFORD. The Miller amendment does that.

Mr. CELLER. But he wants the nation Finland mentioned in the amendment.

Mr. GIFFORD. Yes; but Finland has not been declared a belligerent, and Mr. Jones could loan that money now for that.

Mr. CELLER. So that either with or without my amendment—and my amendment would strike out Finland—nevertheless the gentleman would be opposed to any military limitation in the bill.

Mr. GIFFORD. Yes; and I hope that we can accomplish such aid directly and not, as the gentleman's leader said, through barter with some other country. The thought I wish to express is this: This is a simple, easy way for us to clear ourselves of—whatever you want to call it—misunderstanding, if you wish. But there is no misunderstanding in the minds of the American people regarding the vote that you are about to cast.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The Chair recognizes the gentleman from California [Mr. GEYER] for 4 minutes.

Mr. GEYER of California. Mr. Chairman, I am opposed to the Miller amendment. I will not speak directly to that, because yesterday I was unable to get time. So, if I go a little bit from the Miller amendment, I hope you will bear with me.

Mr. Chairman, this body is considering increasing the capital of the Export-Import Bank to $200,000,000 in order that immediate loans may be made to Finland and China and later to any other such neutrals as those in charge of the bank may care to assist.

MY OPPOSITION NOT PROMPTED BY LACK OF SYMPATHY

I do not wish my opposition to this measure to be construed as a lack of sympathy for weaker nations that may be locked in deadly embrace with stronger ones. I have stood in the Well of this House and urged this Congress to assist China by

shutting off the supplies of scrap iron and oil that are making possible the invasion of that country. I have been sympathetic with all the smaller countries that have been at the mercy of invaders. No one, since I have been in the House, has lifted his voice oftener than I in behalf of those in distress.

MY CONCERN IS FOR MY OWN NATION'S WELFARE

I am driving out of my mind the sympathetic emotions that continue to rise there. I am cold-bloodedly analyzing this bill in terms of the effect of its passage on our own Nation's welfare. In other words, I am asking Members of this body and myself, "What will be the effect of the passage of this measure on the future welfare of our own beloved land?"

PASSAGE OF THIS ACT A STEP TOWARD WAR

What is the route to war? Does a Congress just suddenly decide to declare war? We all know when we think of our last venture that President Wilson and the Congress were reelected mainly on the assumption that all had done their part in keeping out of the conflict. How, then, did it happen a President asked for a declaration of war and a Congress obliged him? Did they all forget their pledges to the people to such an extent that they arbitrarily pushed us into the conflict? No; the entry into the war was made because the people demanded it of their elected representatives.

WHY PEOPLE CHANGED THEIR MINDS

In the early part of the war we had sympathies in no marked degree for either side. There was even a time when there was much talk of our entering on the side of the Central Powers.

THEN SOMETHING HAPPENED

Our international bankers made loans and investments to the Allies. Immediately that section of the press controlled by these interests began to find "incidents of brutality by the murderous Huns." Next the Government loaned money to the Allies—in reality to safeguard the investments made by private corporations. Now new "atrocities" were discovered and "actual" photographs—of waxed figures supplied by the French Ministry of Foreign Propaganda—of Belgian children with hands cut off and the like were shown by poster, on the screen, and described by the press.

The real fuel for the demand to kill came when "brave little Belgium" was overrun. There was now real material at hand to fan into a white heat the sympathies of the people. Soon the movies were playing patriotic songs and showing patriotic pictures; soon the daily papers were appearing decorated in red, white, and blue; soon the ministers of the gospel were putting Christ in the uniform; and soon the schools and colleges were furiously teaching a hate-breeding brand of education, deleting from their history and song books all reference to anything German in origin and taking from their curriculum all courses in the German language. Anyone who so much as dared to suggest that there might be something said on the side of the Germans took his life in his own hand. Sauerkraut became liberty cabbage and all names borrowed from the German language were immediately Englishized. I personally know of one farmer whose house and barns were burned because he had a distinctly German name and could not speak English. Under the lash of a frenzied public opinion, the President and many Members of the Congress felt themselves released from any promises previously made and war was declared. Thus we see, judging from the past, that our first step into war came when, under the lash of sympathy for a small nation, we loaned money to save a few investors.

SITUATION TODAY PARALLEL

We have a parallel situation today. There are American investments in nickel mines, paper mills, and other factories in Finland. We have the small and overrun nations in Finland and China. We are now asked to loan money, the next step, and next we will be asked to send our boys to protect the investments of private interests and Government. My colleagues, we must stop and think. We must not blindly follow the deadly path of a quarter of a century ago just because our sympathies draw us that way.

CONTRARY TO THE NEUTRALITY LAW

Last session we passed a bill that prohibited loans to belligerents. Can anyone for a moment say that China and Finland are not belligerents? Does the absence of a formal declaration of war make a country less of a belligerent when that country is killing and having its own sons blown to pieces? Ask the mothers of the Finnish boys and the families of dead Chinese soldiers whether or not their countries are at war.

LET US FACE THE FACTS

Let us face the facts. This bill is being backed strongest by those who hope to sell supplies—yes, even war supplies to the borrowing countries. They are so eager for profits that they are willing to risk our danger of involvement. This bill even makes the sale of planes legal.

WHERE ARE YOU BUDGET BALANCERS?

Where do you stand who are so strong for economy? You who have constantly shaved in the neighborhood of 10 percent from the all-too-meager requests made by the President's Budget? Are you going to throw this money away to governments that may not even exist at this time next year? Our experience as a lender of money to foreign nations has not been exactly a money-making venture.

MONEY NEEDED AT HOME

Is this Congress going to forget its own people? What about using this money to assist our own unemployed, our small-business man, our small farmer, our four and one-half million unemployed youth, our aged persons who need assistance, or our needy veterans? Do we have the moral right to send purchasing power away that is so badly needed at home? Better talk of protecting democracy at home before going abroad, or better talk of relieving suffering here in the United States before going into foreign countries. Let those who care to give, give through private agencies, but let us not make the Government a party in the perennial European quarrels. We must not officially take sides. Let us make our stand right here and place a blockade in this road that leads to war by breaking this link of the chain. I for one intend to do so and to do the same at every step in that direction. Then, if and when we come to the last step—that of declaring war—I shall vote against it, even though every soul in my district desires otherwise. After all, God has commanded, "Thou shalt not kill."

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, it was not my intention to take the floor again today, but there is one thing I think we are all quite sure of. One hundred and thirty million people have been led to believe that this bill is for the purpose of helping Finland, and unless this House gives some expression, takes some official action, the public may be misled as to the motive of Congress. At least the Miller amendment puts us on record as to just exactly the purpose we have in passing this particular bill.

I must say that our acts are very inconsistent with what we propose to do here today. I am only repeating, because the public ought to know, that while we propose to loan $20,000,000 to Finland, we are just pouring war materials into Russia to cut the throat of the Finlanders.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SOUTH. It is a fact, however, that if Finland has the money to buy war materials, she can buy them on the same basis that Russia is buying them. Is that not the fact?

Mr. REED of New York. Russia would not have any credit to buy anything if the administration were not paying her for the gold that they are sending in here, at a profit of $24 an ounce. The gentleman knows that.

Mr. SOUTH. But the gentleman does not contend we are favoring Russia over Finland insofar as the purchasing of war supplies is concerned?

Mr. REED of New York. I should say that we are, because Russia is the aggressor. We know that Russia, after President Roosevelt recognized her, has violated the treaties she made with this Government. We know that she has been carrying on her subversive propaganda. We know that she

does not deserve the slightest consideration by this Government at the present time; yet this country is sending Russia her essential war material. I want you to see the picture, because it is a ghastly one for our Nation, which professes to be so interested in the great fight that Finland is making for liberty, to arm Russia with bombing planes and bombing engines, to supply the gas and increase the exports of copper.

I have written to the Department of Commerce, and notice this: Whereas before the invasion of Finland we were shipping practically no copper to Russia, in the month of January 1940 our shipments of copper were $6,997,000; metal-working machines, $2,205,000; brass and bronze, $630,000; electrical machinery, $585,000; petroleum products, $187,000; other commodities, $448,000.

I cannot see any rhyme or reason why we should be so meticulous here as to what Finland should buy with this money when we without any hesitation, without the gesture of a moral embargo, permit munition makers to send all these war supplies into Russia, which, of course, makes it utterly impossible for Finland to win this war. It just cannot be done. I think it is about time that this Congress stood upon its own legs and asserted itself and protected the self-respect of this country.

Mr. KELLER. What would be the gentleman's solution?

Mr. REED of New York. If we can declare a moral embargo on certain munitions as we have, which moral embargo some of the industries are living up to, we can declare a moral embargo on copper. The copper people seem to have the inside track here. They seem to get all the consideration in trade agreements or what not. I say if there are any morals left in the industries of this country, the President can declare a moral embargo; and this he ought to do if we propose to help Finland by a loan to assist her in her fight for liberty. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. EDWIN A. HALL] for 4 minutes.

Mr. EDWIN A. HALL. Mr. Chairman, every Member of this House, including myself, is placed in a very unfair and unenviable position at this time, for if we vote against the pending measure the folks back home will ask: "Were you against democracy? Were you in favor of Soviet Russia?" On the other hand, if a Member votes for the bill he must be branded back home as a Representative who has absolutely no regard for either economy or good sense.

A loan to a foreign nation on a basis similar to that on which certain previous loans have been made by this country is anything but sure and sound. If we could lend the money provided in this bill to one little country called Finland, I would place my unalterable approval on the bill. But, Mr. Chairman, I can see no alternative than to oppose the bill unless the Miller amendment, or some like amendment providing unrestricted loans to Finland, is adopted.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. EDWIN A. HALL. I yield.

Mr. HOOK. Does not the gentleman believe that if the Celler amendment to the Miller amendment is adopted it will qualify the Miller amendment, because the matter will still be left within the discretion of the Administrator of the Bank?

Mr. EDWIN A. HALL. I cannot answer the gentleman with certainty, because I have not had an opportunity to study the Celler amendment. I do feel, however, that the Miller amendment or some similar amendment is necessary to warrant the passage of this measure.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. EDWIN A. HALL. I yield.

Mr. CELLER. My amendment would simply take out all mention of countries so as to leave unrestricted discretion in the Export-Import Bank as to what countries they would make loans. It was in no sense a proscription against Finland. It simply leaves full discretion in the Export-Import Bank, and they will undoubtedly make a loan to Finland for all purposes, military or nonmilitary.

Mr. EDWIN A. HALL. As the bill now stands I am very much opposed to it and fear I shall have to vote against it if at the time the vote is taken the bill in its then form permits the promiscuous throwing around of funds by the Export-Import Bank in places from which American capital might better be diverted for use at home. For instance, in my own district—and I am not doing any logrolling at this time—there are many farmers who are absolutely stricken, who do not know where their next meal is coming from. Their plight is brought about because a serious drought, at the end of last summer, ruined their hay crops, and they are unable to feed their stock. Many of them will be forced to fold up and quit. Why would it not be better to divert some of the money provided in this bill to be used for home relief?

I, for one, am very much disappointed that I shall have to vote against the bill; but I see no other way out, because the folks back home will accuse me of squandering funds in foreign lands.

It is high time that the Members of this body got down to the business of putting our own house in order instead of continually butting into the problems of the European continent. My sympathies are for Finland, which I will presently show by voting for the Fish amendment. But to support the bill which we are called upon to vote for is the most outrageous and imprudent step which we can possibly take at this time.

The administration demands on the one hand that we keep out of war, while on the other it is determined to keep promoting schemes which will drag us inevitably into it. I tell you that if such procedure continues, this House will have a war resolution jammed down its throat before we realize it. My warning to everyone is, keep out of war by having nothing to do with measures which deliberately advocate war. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. WILLIAMS] for 5 minutes.

Mr. WILLIAMS of Missouri. Mr. Chairman, we have fought the battle between Russia and Finland on the floor several times today, and there has been a good deal of tub thumping and breast beating. We have now reached the point where we are about to vote on an important amendment.

I am rather astonished that my friend—and he is my friend—the distinguished member of the Banking and Currency Committee should present an amendment here which would indicate if we make a loan to Finland that we hope and expect the money to be spent for the purchase of war materials, ammunition, and implements of war. As I remember, he was the loudest in protestation against that very thing when the Neutrality Act was before this Congress less than 6 months ago. What is true of him is true likewise of a great many others. The very ones who were then protesting the sale of munitions and war materials on the ground that a movement of that kind or that kind of activity on the part of this Government or any of our nationals would surely lead us into war are the same ones who are now clamoring for an amendment which does the very thing which they then opposed.

Why, I ask you, why take out of this bill the limitation which the bank itself wants in there? Why take out the limitation which Jesse Jones, the Administrator of the bank, wants in the act? Why take out of the bill a limitation which the President himself wants? The limitation which prohibits a loan for the purchase of war materials.

They talk about allowing Finland to use this $20,000,000 as the Finns please in the purchase of arms, munitions, and implements of war. I think I can say, beyond any question, that if you expect any of this money to be used for the purchase of war materials, implements of war, or munitions in this country, you will be sadly disappointed, because, in my honest judgment—and I say this upon the record of the hearings—none, not a dime of it, will be spent for that purpose. In addition to that I say for myself that not a dime of it ought to be spent for that purpose. A loan for such a purpose, if not a positive unneutral act, would be a long step in that direction and may lead us into war.

It may be that some of those who are advocating the expenditure of this money, if Finland gets it, for war materials have within their district munition factories and armament factories; and it may be that their interest in this bill is actuated by that fact. Mr. Chairman, they propose at the expense of the farmers of this country and at the expense of the nonmilitary manufacturers of this country to increase our export trade by the expenditure of this money for the purchase not of agricultural products, not of manufactured products outside of war materials, but for munitions of war, implements of war, and war materials. If they want to go to the country on that kind of an issue and say that we are furnishing this money in order to encourage the manufacture of war materials rather than to encourage the production and export of agricultural products in the interest of the farmers of this country and in the interest of those people who are engaged in civil pursuits, they can do so. As for me, I will not go along. Someone said that the mind of this country is on the question whether we are going to help Finland or not. The question in the minds of the people of this country is, as it has been for the last 6 months, Shall we keep out of this war? I receive communications every day from peace societies, from fathers and mothers, and young men all over the United States, hoping and praying that we will do everything possible to avoid war. If we pass this amendment and announce to the world that we are making a loan here for the purpose of purchasing and exporting war materials, it will be a long step toward leading us into war and arousing the feelings of the people of this country who are already uneasy and disturbed.

Mr. Chairman, by all means this amendment must be voted down. [Applause.]

[Here the gavel fell.]

The CHAIRMAN (Mr. PARSONS). All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. CELLER] to the amendment offered by the gentleman from Connecticut [Mr. MILLER].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Connecticut [Mr. MILLER].

Mr. BOLLES. Mr. Chairman, may we have the amendment read?

The CHAIRMAN. Without objection, the Clerk will again report the Miller amendment.

There was no objection.

The Clerk again read the Miller amendment.

The question was taken; and on a division (demanded by Mr. MILLER) there were—ayes 49, noes 106.

Mr. MILLER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, my amendment was in substance similar to the one offered by the gentleman from Connecticut [Mr. MILLER]. Since his amendment has met such an ignominious defeat at the hands of this House, I will keep my amendment in my pocket.

Mr. FISH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 1, line 5, after the word "thereof", strike out "$200,000,000" and insert "$120,000,000, of which $20,000,000 is to be lent to the Republic of Finland or the agencies and nationals thereof."

Mr. WILLIAMS of Missouri. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes on this amendment, because it is a major amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Chairman, the New Deal goes around, around, and around, and comes out where? With 10,000,000 unemployed, with a deficit of $25,000,000,000 over income, and with one-third of our people underfed, badly clothed, and badly housed, yet the Democratic majority seriously proposes by this bill, after what occurred yesterday in Ohio, in which State two Republican candidates to the House of Representatives were overwhelmingly elected, to vote $100,000,000 of the people's money to finance European nations. Magna est veritas et praevalebit—truth is mighty and will prevail.

What are the facts in regard to this bill? Let us strip the camouflage from it, clear away the smoke screen, and see what we are doing. It is not a bill primarily to help Finland. This is a bill providing $100,000,000 to make loans to Denmark, China, and other nations not for the purpose of trade or commerce but for relief or quasi-war purposes. This is identical with what occurred back in 1919 when we lost our shirts to foreign powers and did not get back one cent in return except from little honest Finland.

When you Democratic Members vote for this bill—and that is where the vote will come from—you are deliberately voting to turn the United States of America again into an international Santa Claus and make it the financial angel to finance European nations, when at the same time the Congress of the United States is deliberately cutting down on relief and on farm subsidies. By this bill we will be subsidizing foreign nations when at the same time we are cutting down on our own relief and subsidies, and even while American citizens are being evicted from their homes. It is now seriously proposed by the Democratic Party to make additional foreign loans of $100,000,000 to Denmark and Scandinavian countries, to China, to Bulgaria, to Rumania, and other foreign nations that might involve us in war; not to South American nations for the purposes of trade, but simply to extend relief to European nations and finance them with American money as a matter of policy, forgetting our own unemployed—and the political revolt spreading against the excessive expenditures by the Federal Government at Washington.

The loan to Finland is the bait or lure held out to persuade Congress to authorize $100,000,000 additional foreign loans. We are to stop home relief and provide for foreign relief. I wonder what the American people back home will think of the Democratic Party and the internationalists again embarking on a big-brother loan campaign as we did in 1919 under our post-war loan policy, all of which have been repudiated except by the Republic of Finland?

The proposal I am making is a very simple one. I have reduced the authorization from $100,000,000 to $20,000,000, and that $20,000,000 is to go to Finland. That is the single exception I am willing to make in furnishing loans to foreign nations and I believe the American people want it done. But the American people do not want us to authorize the expenditure or turn over to a subordinate agency of the Government without any control by the Congress the making of loans to foreign nations for relief or as a matter of international policy, particularly at this time when it may possibly involve us in a war.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. SOUTH. If the gentleman believes loans to the other Scandinavian countries will involve this country in war, how does he justify the proposition to make a loan to Finland? In other words, will a loan to Norway be more likely to involve us than a similar loan to Finland?

Mr. FISH. I spoke on that subject yesterday and gave my reasons for making one exception, the Finnish loan. It is because, first, I believe it would not involve us in war with Soviet Russia, and second, because I think Finland is fighting for democracy, Christianity, and civilization against the spread of communism. For those reasons I am willing to make that exception. But if because we make a loan to Finland it is going to follow that we must make loans to the rest of the world, then I would be even against the loan to Finland. If I believed that a loan to Finland would turn the United States into an international Santa Claus for the purpose of financing foreign nations, then I would be against a Finnish loan. That is why I am offering this amendment, so the Members can have a chance to vote for $20,000,000 for

Finland and at the same time reduce the amount in the bill $80,000,000. Moreover, there is $30,000,000 left in the Export-Import Bank with which Mr. Jesse Jones can make loans to other nations, but I hope he will make them to Latin American nations to promote our trade.

When we voted $100,000,000 originally it was primarily for loans for trade purposes, and commerce with South and Central America. Now, we are about to depart from that policy. Of course, if we tell the truth about these loans, they are to finance European nations at the present time for relief and maybe for war purposes.

If the Democratic Party wants to go before the country and say that it is willing to finance foreign nations to the extent of $100,000,000, that is their privilege. There is nothing we, on our side, would like more than to be able to expose the internationalism of the New Deal at the expense of destitute and unemployed American citizens, and the peace of our country. But when it comes to a Finnish loan, I believe both sides want to support such a loan, at least to the extent of $20,000,000. If I wanted to help elect additional Republican Members of Congress, I would say more power to you, put through the $100,000,000 and then go back to your farmers and your wage earners when you reduce their benefits and relief, and ask for their approval of your again making Uncle Sam the Santa Claus for foreign nations.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Does not the gentleman believe that since the last war, in which we fought for the principles of democracy, the people have tried to make it very plain that they do not want to finance another foreign war purely to defend the principles of democracy?

Mr. FISH. If you put the question of financing any more of these foreign nations to a vote, 99 percent, Republicans and Democrats, would vote against it. When it comes to the Finnish provision, however, everybody knows that Finland paid its bills. It is the only nation that did. All the nations repudiated the loans we made them after the Armistice, and even repudiated the interest on the loans we made them after the Armistice, except little, honest Finland, and I say thank God for little, honest Finland. She stands alone in a category by herself.

Miss SUMNER of Illinois. I want to thank the gentleman for putting it on the principle that he feels it is because Finland has done something for the United States. I believe the gentleman will agree with me that the only right a Congressman has to vote money is when it is done for the welfare of the United States and in payment of services rendered or to be rendered.

Mr. FISH. That is one reason, certainly. There are other reasons. Another reason is that we represent the people. Even the President of the United States, with whom I do not agree very often, said that he thinks 98 percent of the people are for this proposition. Therefore I am willing to go along; if it is the will of the people that we should do something for Finland now. Let us do it, openly and immediately, and let us do it ourselves and instruct the Export-Import Bank to make a specific loan of twenty millions to Finland. If we do not make it, the Communists, "reds", fellow travelers, and all subversive elements will rejoice; but the decent, loyal, democratic, peace-loving American people will hang their heads in shame.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. BARRY. The gentleman distinguishes Finland. Does not the gentleman know that little Norway, Sweden, and Denmark never even touched us for a loan?

Mr. FISH. I know that, but, as I have previously stated, I am willing to make the exception to the rule for Finland. I am against all foreign loans with that one exception. If you are going to loan to Finland and then say that because we loaned money to Finland we must loan to China, and then we have to loan to Denmark, Czechoslovakia, Rumania, and all the rest, where are you going to stop? Do you want us to finance the entire world in view of our sad experience after the World War?

Mr. BARRY. The gentleman seems to favor a country that borrowed money rather than the countries that never borrowed at all.

Mr. FISH. I favor the country that paid its bill, and that is Finland, and I favor no other country. I am against all foreign loans except for trade purposes with Latin America. If you want the responsibility, if you Democrats want to be the international Santa Claus, and take that issue to the country—that your party wants to finance these nations for relief and war purposes—that is your lookout. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Missouri [Mr. WILLIAMS] insist upon his point of order?

Mr. WILLIAMS of Missouri. I withdraw the point of order, Mr. Chairman, and I would now like to see if we can limit the debate on this amendment and all amendments thereto. I would suggest that debate close in 15 minutes.

Mr. TABER. Mr. Chairman, I think we ought to have at least 30 minutes of debate.

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. MASSINGALE. Mr. Chairman, reserving the right to object, I would like to ask the gentleman a question. I have not said a word on this bill and I would like to have 5 minutes and I believe that any man who wants to talk on it ought to have 5 minutes, and let us not screw them down so tight.

Mr. WILLIAMS of Missouri. I do not believe I have been too tight on anybody so far. We have been talking a long time on this bill.

Mr. MASSINGALE. I have not, but the Committee has.

Mr. WILLIAMS of Missouri. I have no disposition at all to try to limit the debate unreasonably, but we must come to some kind of limitation here and I have suggested 20 minutes.

Mr. MASSINGALE. I object, Mr. Chairman.

Mr. WILLIAMS of Missouri. Then I will ask that the debate be limited to 30 minutes.

Mr. MASSINGALE. I shall not object to 30 minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes. Is there objection?

Mr. SCHAEFER of Illinois. I object, Mr. Chairman.

Mr. FISH. I hope the gentleman will not object, because that is ample time.

Mr. WILLIAMS of Missouri. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. GORE. Mr. Chairman, there are two parts of the gentleman's amendment which must have attention in a very brief time. The gentleman from New York [Mr. FISH] first proposes to reduce the amount from $200,000,000 to $120,000,000, thereby precluding any increase in the lending authorization to any applicant other than the Government of Finland.

The gentleman asks, "What are you going to say to your farmers and to your workers?" I must ask the gentleman, What will he say? In one loan which this bank has made there has been made possible the exportation of locomotives by which over 7,000,000 man-hours of work were provided in American shops. The American farmer, manufacturer, and laborer are benefited by the operations of this bank. Exportation of agricultural and manufactured products is facilitated.

The gentleman would curtail this Export-Import Bank, which is a sound and safe operation, as an agency of the Government, and which has made a net earning of over $5,000,000 and has not had a single loss. What will his answer be to his farmers and workers?

Then, by this amendment the gentleman would make a direct mandate of a loan to Finland. In order to properly analyze that, it is necessary to examine just what has been

done by the Export-Import Bank with respect to Finland. One $10,000,000 loan has been made, and, Mr. Chairman, it was made quietly and without the fanfare that would be necessarily attendant upon the passage of this amendment. It was clothed with commercial activity and with economic justification, and the entire amount has not yet been used.

The Senate Committee on Banking and Currency, the great Senate Committee on Foreign Relations, and the Senate itself declined to accept similar provisions to this amendment. We can assume and we can presume that the President of the United States and our State Department and the Senate have a sympathy for Finland equal in fervor, intensity, and sincerity to that of the gentleman from New York. Yet from them there is forthcoming no recommendation for a direct loan to Finland. Instead of loans, which may or may not be made without a lot of fanfare; instead of a loan which, if they meet the requirements of the bank as to repayment, meeting commercial requirements, may or may not be made to any applicant or country according to the Administrator's judgment, he would substitute a direct mandate, which would be heralded to the world that this Government by congressional action has committed an overt act of partiality and has to that extent taken sides in this conflict which is now raging.

Ah, we can remember in the special session the gentleman raising his voice in warning. We can hear it now, echoing, as he yielded to the temptation to appeal to the fear in this country and to the scare of war. Can you not hear his cry of "War," with all his vehemence and eloquence? Where is that great isolationist now? He comes here now advocating a direct loan by the Government per se to one country, mandating a loan to that country, and his reason, given in the Rules Committee, for this exception to his policy and his advocacy in the special session on neutrality was that his reasons were obvious. In my opinion, Mr. Chairman, the reasons are entirely too obvious to serve his purpose. The hue and cry in this land of ours is to make safe the operations of this Government, and to make safe the people of this country from involvement in the war. Enactment of this amendment would constitute an overt act. I do not contend that it would necessarily lead to war, but it is a dangerous step which I am unwilling to take at this time. And beneficial though I consider the Export-Import Bank, urgent though I consider the need to increase its authority to make loans to aid exportation, nevertheless, if this amendment is adopted, in my humble judgment, passage of the bill would then be of doubtful advisability. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER] for 4 minutes.

Mr. TABER. Mr. Chairman, I think we ought to have in mind very clearly just what this bill is to do. On page 36 of the hearings we find the following:

Miss SUMNER. But we would have to authorize $100,000,000 before you could make a $10,000,000 loan to Finland?

Mr. JONES. Well, I do not know about that definitely.

Miss SUMNER. Did not I understand you to tell me yesterday that in order to make a $10,000,000 loan we would have to authorize $100,000,000?

Mr. JONES. I do not think the bill ought to be based on that assumption. I think if you do not want to pass this bill for general purposes, it should not be passed.

We have had this bill heralded from one end of the country to the other as a bill for a loan to Finland. Mr. Jones, on page 71 of the hearings, said:

Therefore let us forget about Finland.

I cannot see any sense in voting for a bill on false representation. I would not oppose a bill carrying a moderate loan to Finland to help them out, but what is the program with reference to this bill? On page 74 of the hearings it appears in the beginning of Mr. Jones' testimony on that page that there were commitments of $20,000,000 to Finland, $20,000,000 to China, $10,000,000 to Sweden, $10,000,000 to Denmark, $10,000,000 to Norway, leaving $10,000,000 perhaps to expand South American trade. Frankly I cannot see any sense in our going into the promiscuous business of loaning money to foreign countries, to let them come in here and buy arms and ammunition. If we are going to loan a lot of money to Finland, let us do it. At the same time let us issue a proclamation along the lines of the Neutrality Act which will prohibit some of these shipments to Russia. Russia today is taking out of here gasoline, munitions, copper, and all sorts of things which she is using to clean up Finland. We are working at cross purposes in financing foreign countries to carry on war and I want to see that limited just as far as it can be limited. I would like to see it cut. I am going to vote for this amendment because I want to see it cut to $20,000,000, and then it will specifically provide that that money shall go to Finland, and not be scattered all over the lot.

The CHAIRMAN. The time of the gentleman from New York has expired. The Chair recognizes the gentleman from Oklahoma [Mr. MASSINGALE] for 4 minutes.

Mr. MASSINGALE. Mr. Chairman, I expect that I shall make the kind of a talk here that will classify me as a warrior. I do not know, but I am fed up in this debate with what might be termed the livid, ashen complexion of some of the Members of this House when we come to talk about extending real relief to that country, Finland, than which no greater has ever existed in the history of this world, in my judgment. There is no use in singing any further the praises or heroics of Finland. That country is face to face now with a most serious proposition, and what is the Congress of the United States going to do about it? Are we going to sit here in our flatulence and say, "No; we are afraid to do anything"? We say it is risky to loan to the Finns, yet we loan to Russia to get the material with which to murder the Finns. If we do not violate our neutrality by making loans to Russia, why is it violating any rule of right to make loans to Finland? Frankly, I feel we are shirking a great responsibility to society, decency, and democracy to fail Finland and continue to ship implements of war to Russia. My sentiments are wholly for the Finns. If I had my way about it, I would use every ship we have in the United States Navy to go over there and rescue those people, and the United States Navy could do it, and we would be in no danger of involvement in this war; or if we were in danger of it, then I would say meet the danger and meet it like men did in the years gone by when this country was in distress. The question has been asked—and we are confronted with it—Where would we be today if in 1776 we had had the type of statesmanship that seems to control the Congress of the United States in 1940? We cannot afford, in my judgment, to just sit here and raise a whirlwind and not take an active step and give to Finland that which Christianity and decency and morality all say we should. I am willing to assume my part of the responsibility. [Applause.] We should not withhold a single penny of credit they may want to defend themselves against the greedy, godless, and murderous bunch of Russian Communists. We need not fear war from them. They have no respect for God or Christianity, but they have respect for the guns and fighting qualities of our seamen.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. The Chair recognizes the gentleman from Kentucky [Mr. CREAL] for 4 minutes.

Mr. CREAL. Mr. Chairman, I have heard it said that a man's body changes every 7 years, but I have never read how often he has the privilege of changing his mind. During the last regular session and the special session the peacetime party was on our left. The President was duly scolded, denounced, and harangued because he expressed an opinion, and he was condemned for giving an interview as to whom he thought was the aggressor. No gentleman was louder in that than the gentleman from New York [Mr. FISH], whose amendment is pending. He said that they should keep their mouth out of it. In other words, play the ostrich like we did not know anything was happening on the other side at all.

When I say that the left has become the war party, I am also reminded of the amendment offered by the gentleman from Connecticut when he opposed the neutrality amendments. His description of the horrors of the battlefield lingers with me yet. He said he wanted it to be said that you could

not find any shells on the battlefields of Europe labeled "Made in America." Now, this war veteran reaches clear over himself and wants the Government officially to give notice to all governments of the world that the American Congress has completely reversed itself from the position it occupied then, and to say that we are in favor of helping Finland with a direct Government loan.

Now the loan is limited by the amount we are voting in the Export-Import Bank, but a direct Government loan is presumed to be unlimited, if we start on the other program of making direct loans out of the Federal Treasury.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CREAL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. WILLIAMS of Missouri. I do not have the time. The time has been limited.

The CHAIRMAN. It is impossible to entertain that request, because the time has been fixed.

Mr. WILLIAMS of Missouri. The time has been fixed.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD], a member of the committee.

Mr. CRAWFORD. Mr. Chairman, in view of the fact that this bill has to do with an increase in the capital structure of the Export-Import Bank, presumably it was for the purpose of facilitating exports, and I wish to make comment on another phase of the same type of activity.

There is the proposed inter-American bank, and the purpose of it is to facilitate exports. If that goes into operation, then why should we increase this $100,000,000? By reason of the fact that I am opposed to the increase of $100,000,000, then I am in favor of reducing this increase to $20,000,000.

The proposed inter-American bank would have its legal foundation in a convention between the participating republics. A draft of the convention, as well as a draft of the proposed bylaws, has been submitted by the Inter-American Financial and Economic Advisory Committee.

The draft convention in its first article contained the following significant sentence:

> The United States of America also agrees to grant to the bank a charter substantially in accordance with the proposed charter, annexed hereto.

The draft of charter of the Inter-American Financial and Economic Advisory Committee on February 6, 1940, carries the following important note just below the title:

> Such charter to be granted by an act of Congress of the United States of America.

Now, from what I have just read two things are perfectly clear:

First. The bank cannot come into existence until the convention is ratified by the United States Government.

Second. The bank cannot come into existence until the Congress of the United States issues a charter.

But if the two points just mentioned are clear, it is also clear from the text of the proposed convention which I have just quoted that ratification of the convention by the United States Government involves the Congress of the United States in a specific commitment to issue the bank's charter.

If the executive branch of the United States Government signs the proposed convention and if the Senate ratifies it, those steps, therefore, will commit the Congress to charter this international bank.

But there seems to be another possibility. This is the possibility that the executive branch of the Government may alone ratify the convention and that the convention may go into effect without being submitted to the Senate at all. If that happens, it will amount to the executive branch of the United States Government obligating the Congress of the United States to the issuance of a charter for an international bank in which at the outset not less than $5,000,000 of the American people's money, and more likely $13,000,000 will be invested.

Is it conceivable that the proposed convention may be put into effect without specific and formal approval by the Senate? I think it is. Many international agreements have been entered into by the American Government without the specific endorsement and approval by the Senate. Treaties, the Constitution says, must be submitted to the Senate for ratification. But not all international agreements are called treaties. If it is not a "treaty," it does not go to the Senate for approval.

Thus, for example, the well-known London silver agreement of 1933, entered into at the time of, but outside of, the World Economic Conference. That notorious document, under which the United States undertook to do a great deal for the world's sellers of silver with virtually no corresponding contribution from the beneficiaries of the agreement, was never ratified by the Senate.

It was never even submitted to the Senate. Perhaps the administration thought that it was sufficient that the agreement had been signed by a Member of the Senate who went to London for the purpose. Who gave that Senator authority to thus commit the United States is, incidentally, a matter that has never been made clear to me.

But the important point I wish to make here today is this: The London silver agreement was ratified in the White House, and not in the Senate. It was ratified by an "Executive proclamation." It was conveniently classified in the State Department's records as an Executive agreement. Its official designation is "Executive Agreement Series No. 63."

All of this was done through clever prearrangement. The text of the United States inspired London silver agreement as worked out in a smoke-filled London hotel room contained the following important and unusual provision:

> A notice by any Government that the affirmative action necessary to carry out the purposes of this agreement has been taken will be accepted as an instrument of ratification.

And the agreement added:

> The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this agreement.

Under the provisions the President on December 21, 1933, issued a proclamation which for 4 years committed the people of the United States to the purchase of all newly mined domestic silver—not merely the quantity set down in the London document—at a return or price of about 64½ cents an ounce, which was equivalent to 50 percent more than the then market price. Subsequent Executive proclamations increased the subsidy to more than 77 cents an ounce.

The 1933 proclamation was regarded by the Government as constituting affirmative action under the terms of the London silver agreement and a copy of the proclamation was duly filed in the State Department archives as America's instrument of ratification.

The London silver agreement was officially known by the innocuous title "memorandum of heads of agreement," and so forth.

So it seems to me that the logical thing and the important thing and the right thing for us to do is to cut this $100,000,000 increase to $20,000,000 if possible or to eliminate the whole increase and defeat the bill if possible.

So I hope that this amendment will be supported and that not to exceed $20,000,000 will be added to the capital of this bank.

One day we propose and appropriate money with which to subsidize exports in order to increase our out-bound trade. Another day we enact reciprocal trade agreements authority for the purpose of increasing our out-bound trade. Then we let our emotions take control and we repeal previous acts that encourage exports of foodstuffs and take steps that induce foreign countries to materially reduce their purchases of agricultural products grown on American farms, and we thus make the farmer suffer. And here we are today kidding ourselves into believing that a little $100,000,000 will greatly aid our exports when we know full well the net effect of the program, if it is greatly expanded, will be to discourage investment of American funds in Latin American countries and prevent their development on a large scale that would, if permitted to occur, create a vast market for our exports greater by many times than the Export-Import Bank can ever hope

to develop even if we should expand its capital 10 times. When will we ever stop our foolishness?

The CHAIRMAN. The gentleman from Michigan [Mr. HOOK] is recognized.

Mr. HOOK. Mr. Chairman, as this House knows, I repeatedly urged an unrestricted loan to Finland, but I certainly must oppose this amendment, because I think it is a subterfuge in the guise of offering a loan to Finland because of the fact that I honestly believe it is for the very purpose of defeating the bill. It reduces the authorized increase for the bank down to $20,000,000 and provides for a loan of $20,000,000 to Finland. I do not believe that was the purpose of the amendment at all. I think the amendment was offered to kill the bill in its entirety.

I have in my hand certain cards, mimeographed postcards, that were sent to me when I introduced the original Finnish loan bill. The cards all protest granting a loan to Finland. I went to considerable trouble in having the names of the senders of these cards checked. These cards were sent to my office by known Communists. As I listened to some of the arguments on the question of this foreign loan I was amazed by the similarity of these arguments and the Communist protests I received. May I quote:

I wish to express opposition to your proposed $60,000,000 loan to Finland. It would be more proper for you to take action against the war budget. I am actuated by my desire to keep our Nation out of the war and consider your championing of foreign loans the first step toward our involvement.

That is what the Communists have to say against a loan to Finland. I ask you, Is not the same identical argument, are not the same identical words being used here today by Members of the House who would oppose this loan to Finland? Let me read from another one of these cards:

You propose a $60,000,000 loan to Finland. I am opposed to such foreign loans as a step toward involvement of our Nation in the present war.

That communistic inspired propaganda is a sample of the opposition to an unrestricted loan.

On the other hand, I have here a petition that came from good, honest, loyal American citizens who are interested in the actual loaning of money to Finland and to help Finland out, and also interested in favor of this Export-Import Bank bill.

Let me read you the letter which accompanied this petition.

PELKIE, MICH., *February 21, 1940.*

Hon. FRANK E. HOOK,
Member of United States House of Representatives,
Washington, D. C.

DEAR SIR: We, the undersigned, wish to express our heartfelt appreciation of your favorable attitude toward Finland, in the matter of extending her financial aid. We know you agree with us that the Finns are shedding their blood in a heroic battle to prevent Russia from invading their country, and enslaving their people in the throes of Stalinism. Stalinism is the present grave threat to civilization, and Russia, in this respect, is avowedly a common enemy of all democracies; of governments "of the people, for the people, by the people." If we deny Finland aid in her struggle for life, we are aiding Russia in crushing her, and strengthening her to conquer other little nations, and eventually the United States too; because her program is confessedly world-wide Sovietism.

The purpose of this petition from people who are your constituents, is to most ardently appeal for your utmost cooperation in trying to get a substantial loan for Finland, not for food and clothing only but for munitions too, because without such aid she is doomed to destruction. To make Finland a loan without restrictions as to the use of the money, would be no more a breach of neutrality than it is to sell Russia gasoline in enormous quantities, with which to bomb Finnish civilians, hospitals, and churches; but on the contrary, it would be rendering a great service for humanity.

For God's sake, let us all unite in stopping the Russian bear from thrusting her bloody claws deeper in the flesh of innocent women and children.

A loan to Finland will help to stop Russia. If we do not provide pebbles for David's sling to stop Goliath in his brutal effort to destroy an honorable, peace-loving, democratic, friendly nation, Finland, we should bow our heads in shame. Neutrality would be no cloak to cover our heartless attitude toward the suffering of our fellow men, especially when Finland's victory would be our victory, too, and that of many other nations who are dreading the fate of Finland in respect to Russia.

It must be readily conceded that Finland is continuing the World War "to make the world safe for democracy," and as an ally in the World War for that great cause, it is the duty of the United States to give Finland financial aid, especially when she is not asking for men but only for a comparatively small war loan. Isn't it a shame to deny Finland the munitions, when she is willing to do the fighting without our manpower? If dictators emerge from this struggle, then our Revolutionary War, our Civil War, and our World War have been fought in vain, as far as the present and future generations are concerned. Finland is asking for a loan to shield herself from the inhuman brutalities of Stalin and his destructive forces; not as the aggressor nation, as is well known.

War is terrible in any case; but "Give us liberty or give us death" is the attitude of the Finns, and if other democratic nations join her in the same spirit, "governments of the people, for the people, and by the people, shall not perish from the earth."

In the name of justice, in the name of Christianity, and everything it stands for, let us not procrastinate in this matter until it is too late to help Finland.

Our President, too, recently expressed the opinion that 98 percent of the American public are in sympathy with Finland in their war. We dare contend that very few, if any, truly fear that a war loan to Finland would drag us into the conflict to the extent of sending men overseas. In view of our condemnation of Russia for her invasion of Finland, it surely would neither be political suicide to help Finland in her tribulation.

We beseech you, dear Mr. HOOK, to enlist still greater energy in behalf of Finland in her efforts to obtain a direct war loan from the United States. Needless to say, not only the following petitioners but millions of others in America and in other countries who are living in dread of Russia will be deeply grateful for your efforts in this vital matter which concerns us all.

Respectfully submitted in behalf of

PELKIE FINLAND RELIEF COMMITTEE,
MATT OJA, *Chairman.*

I just want to show you this petition. For instance, there is an illustration of it. These are real American citizens. Any Member who argues against all foreign loans through the Export-Import Bank, or any legitimate loan, to eligible nations has definitely and positively used the same argument the Communists are using on the cards sent to my office and other offices of the Members of this House.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. MILLER] for 3 minutes.

Mr. MILLER. Mr. Chairman, I rise in support of this amendment, if I may safely do so without having my motives impugned. In the heat of debate it was charged by my chairman that I introduced my amendment because there are in my district munition manufacturers and aircraft manufacturers. I readily admit that both industries exist in my district, but I want the RECORD to show that during the special session I voted to continue the arms embargo that would have raised havoc with some of the largest industries in my district. I regret exceedingly that my friend from Missouri [Mr. WILLIAMS], acting chairman of my own committee and a man whose fairness I have admired, should have seen fit to question the sincerity of purpose that was mine when I offered the amendment just defeated.

No Member has yet stood in the Well of this House and told us how it could be neutral for Mr. Jones to make a loan through the Export-Import Bank to Finland, but be unneutral for this Congress to indicate its desire that Mr. Jones make such loan.

I would gladly vote today for a bill that would place a definite embargo on all arms, munitions, and implements of war to any country at any time and under any condition. I would stop all loans to any country until our own Budget is balanced and all our own people properly fed, housed, and clothed, while gainfully employed; but this Congress and this Government, in its wisdom, has declared that our policy shall be to ship such munitions. I yield to the will of the majority, not only the majority of this House, but the will of the majority party. I do urge, however, that if we are going to furnish arms, munitions, and implements of war to the Russian Government in the prosecution of its attack on Finland, we should render this aid to the victim of the aggressor—the grand little republic of Finland. [Applause.]

To the gentleman from Kentucky, who preceded me, I will say: I have not changed my position. I stand on what I said during the neutrality debate. I would still keep out of Europe's quarrels if this Congress had permitted us to keep out and not insisted on a program of buying gold, thus making it possible for Russia to maintain her war machine. I hope the gentleman will also remember these words, as long as he has remembered my words spoken last October. I say to him

that if we refuse to respond to the appeal of Finland now, but sit idly by and see Russia destroy liberty, freedom, and religion, we can hang our heads in shame as we inspect the ruins of Finland.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Connecticut has expired; all time has expired.

The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. FISH) there were—ayes 35, noes 82.

So the amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3069, pursuant to House Resolution 398, he reported the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendments.

The amendments were agreed to.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Miss SUMNER of Illinois. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman from Illinois opposed to the bill?

Miss SUMNER of Illinois. I am.

The SPEAKER. The gentlewoman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Miss SUMNER of Illinois moves to recommit the bill to the Committee on Banking and Currency with instructions to that committee to report the same back forthwith with the following amendment: On page 1, line 5, after the word "thereof", strike out "$200,000,000" and insert "$120,000,000."

Mr. WILLIAMS of Missouri. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 168, noes 51.

So the bill was passed.

By unanimous consent, a motion to reconsider the vote whereby the bill was passed was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation:

FEBRUARY 28, 1940.

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby hand you my resignation from the Committee on Flood Control of the House of Representatives.

Respectfully yours,

JOHN R. MURDOCK,
Member of Congress from Arizona.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. BUCK. Mr. Speaker, I offer a privileged resolution.

The Clerk read as follows:

House Resolution 405

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Labor: JOHN F. HUNTER, of Ohio.
Census: JOHN R. MURDOCK, of Arizona.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a few excerpts from a speech by Mr. Isaac Fisher.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. NORRELL]?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from the Schuylkill River Valley Restoration Association.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. MYERS]?

There was no objection.

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement in opposition to the St. Lawrence seaway and power project submitted by the Niagara Frontier Planning Board.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SCHWERT]?

There was no objection.

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two letters.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. D'ALESANDRO]?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement with regard to the Finnish loan.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOOK]?

There was no objection.

PAN AMERICAN AIRWAYS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, a few days ago there was introduced in the other legislative body a bill by Senator CLARK of Missouri which proposes to amend section 2 of the Neutrality Act of 1939 in such a manner as to forbid the landing in Bermuda of any aircraft transporting United States mail.

BERMUDA STOP IS CANCELED

In news stories yesterday, as an almost automatic response to the legislative intent of S. 3360, there was an announcement by Pan American Airways that the scheduled Bermuda stop on the east-bound trip to Europe would be omitted. These two actions were precipitated by the unneighborly interference on the part of British censors with the free dispatch of the United States mails.

The United States is a neutral nation. We have legislatively declared our policy of neutrality. We intend, however, that our policy shall be effectuated without the sacrifice of any of our rights and privileges as a neutral nation. It is hardly understandable, therefore, why aircraft of American registry should be subjected to search and seizure, which amounts to a flagrant violation of a neutral's rights.

INVASION OF PEACEFUL RIGHTS

We fully realize that Bermuda is a British possession and that Great Britain is at war. But no legitimate conduct of war can justify an invasion of the right to peaceful pursuit of commerce. The intervention of British censors in this case is clearly an illegal and unwarranted abrogation of the code of international law.

The decision of Pan American Airways apparently avoids the development of a situation which might have had serious consequences. As an advocate of the peaceful method for the settlement of all disputes, I am happy that such a simple expedient is corrective of that situation. Yet the implications of the wrong inflicted upon the sovereignty of the United States are not diminished one iota.

The storm of outraged indignation which followed the incident should serve as a warning that this Nation will not

tolerate any meddling interference with its right to free international intercourse. The channels of unfettered communication should not be polluted with the backwash of a foreign war to which we have assumed a position of strict neutrality.

WILL PROTECT OUR COUNTRY

We have pledged ourselves to the proposition that the Western Hemisphere shall remain inviolate, and we should take every legitimate means to let Great Britain, or any other belligerent nation, know that we intend to keep that pledge. [Applause.]

RECOGNITION OF CIVILIAN NURSES

Mr. SOMERS of New York. Mr. Speaker, on February 9, the bill (H. R. 8394) to provide for suitable recognition of the voluntary services of civilian nurses with the Army during the influenza epidemic was referred to the Committee on Coinage, Weights, and Measures. It has been the practice of the Congress to consider these measures through the Committee on Military Affairs, and I therefore ask unanimous consent that the bill may be rereferred to the Committee on Military Affairs.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SOMERS]?

There was no objection.

EXTENSION OF REMARKS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of pollution and to include therein certain quotations and editorials.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I made in Committee today and to include certain excerpts in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. How long will the House be in session today before the special orders are taken up?

The SPEAKER. The Chair, in the first place, does not think that is a parliamentary inquiry and, in the second place, could not answer it if it were.

Mr. RICH. Mr. Speaker, I want to serve on the Committee on Appropriations, of which I am a member. I do not care to stay here if we are going to have general debate; and if the House remains in session until after 5 o'clock, I do not want to make my speech this afternoon.

The SPEAKER. The nearest the Chair can come to guessing at a correct answer to the inquiry is to suggest that if the gentleman will remain in the Chamber for a few minutes he will find out what the House is going to do.

AMENDMENT OF BONNEVILLE PROJECT ACT

Mr. GAVAGAN. Mr. Speaker, I call up the conference report on the bill (H. R. 7270) to amend the Bonneville Project Act, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. GAVAGAN]?

Mr. CARTER. Mr. Speaker, reserving the right to object, I understand this is a conference report on the Bonneville project bill, and that it is the unanimous agreement of the conferees. There are no controversial features to it?

Mr. GAVAGAN. The gentleman is correct.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7270) to amend the Bonneville Project Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the matter contained in the Senate amendment, insert the following:

"That section 2 (a) of chapter 720 of the Acts of the Seventy-fifth Congress, first session (50 Stat. 731, 732), is hereby amended by inserting after the second sentence ending 'in the vicinity of the Bonneville project.', the following sentence: 'The Secretary of the Interior shall also appoint, without regard to the civil-service laws, an Assistant Administrator, chief engineer, and general counsel and shall fix the compensation of each at not exceeding $7,500 per annum. The Assistant Administrator shall perform the duties and exercise the powers of the Administrator, in the event of the absence or sickness of the Administrator until such absence or sickness shall cease, and, in the event of a vacancy in the office of Administrator until a successor is appointed.'

"SEC. 2. Section 2 (a) of said Act is hereby further amended by adding at the end of said section the following:

" 'The office of the Administrator of the Bonneville project is hereby constituted an office of the Department of the Interior and shall be under the jurisdiction and control of the Secretary of the Interior. All functions vested in the Administrator of the Bonneville project under this Act may be exercised by the Secretary of the Interior and, subject to his supervision and direction, by the Administrator and other personnel of the project.'

"SEC. 3. Section 4 (b) of the said chapter is hereby amended by striking out the words and figures 'January 1, 1941' wherever they occur therein and by substituting in lieu thereof the words and figures 'January 1, 1942'."

And the Senate agree to the same.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

JOSIAH W. BAILEY,
MORRIS SHEPPARD,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7270) an act to amend the Bonneville Project Act, submit the following written statement explaining the effect of the action agreed upon:

The Senate amendment struck out all of the House bill after the enacting clause, and in its amendment included a good part of the House bill. The effect of the amendment on the House bill is as follows with additions by the Senate in italics and the parts stricken out within black brackets:

"A bill to amend the Bonneville Project Act

"Be it enacted, etc., That section 2 (a) of chapter 720 of the acts of the Seventy-fifth Congress, first session (50 Stat. 731, 732), is hereby amended by inserting after the second sentence ending 'in the vicinity of the Bonneville project.', the following sentence: 'The Secretary of the Interior shall also appoint, without regard to the civil-service laws, an assistant administrator, [and a] chief engineer, *and general counsel* and shall fix the compensation of each at not exceeding [$7,500] *$8,000* per annum. The assistant administrator shall perform duties and exercise the powers of the administrator, in the event of the absence or sickness of the administrator, until such absence or sickness shall cease, and, in the event of a vacancy in the office of administrator until a successor is appointed.'

"SEC. 2. Section 2 (a) of [the] said [chapter] *act* is hereby further amended by adding at the end [thereof] *of said section* the following [sentences]: 'The office of the administrator of the Bonneville project is hereby constituted an office in the Department of the Interior and shall be under the jurisdiction and control of the Secretary of the Interior. All functions vested in the administrator of the Bonneville project under this act may be exercised by the Secretary of the Interior and, subject to his supervision and direction, by the administrator and other personnel of the project.'

"SEC. 3. Section 4 (b) of the said chapter is hereby amended by striking out the words and figures 'January 1, 1941' wherever they occur therein and by substituting in lieu thereof the words and figures 'January 1, 1942'.]

"Sec. 3. Section 10 of such act is amended by adding at the end thereof the following: No engineering inspector, surveyor, field draftsman, field engineer, or other field engineering employee appointed under the provisions of this section shall, except in the case of an extraordinary emergency, be required or permitted to work more than 40 hours in any workweek."

Passed the House of Representatives July 31, 1939.

As a result of the conference the House receded from its disagreement to the change by the Senate to the House bill in that the provision in the first section *and general counsel* is agreed to.

The Senate receded from its amount for compensation in section 1 which reverted to the House figure of $7,500. Also section 3 of the House bill is restored and section 3 of the Senate bill is stricken out.

The effect of the provisions of this bill on existing law are shown as follows with the new matter printed in italics and the language stricken out printed within black brackets:

"CHAPTER 720, PUBLIC, NO. 329, SEVENTY-FIFTH CONGRESS, FIRST SESSION (50 STAT. 731, 732) (SECTIONS AFFECTED)

"SEC. 2. (a) The electric energy generated in the operation of the said Bonneville project shall be disposed of by the said Administrator as hereinafter provided. The Administrator shall be appointed by the Secretary of the Interior; shall be responsible to said

Secretary of the Interior; shall receive a salary at the rate of $10,000 per year; and shall maintain his principal office at a place selected by him in the vicinity of the Bonneville project. *The Secretary of the Interior shall also appoint, without regard to the civil-service laws, an Assistant Administrator, chief engineer,* and general counsel, *and shall fix the compensation of each at not exceeding $7,500 per annum. The Assistant Administrator shall perform the duties and exercise the powers of the Administrator, in the event of the absence or sickness of the Administrator, until such absence or sickness shall cease, and, in the event of a vacancy in the office of Administrator until a successor is appointed.* The Administrator shall, as hereinafter provided, make all arrangements for the sale and disposition of electric energy generated at Bonneville project not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith. He shall act in consultation with an advisory board composed of a representative designated by the Secretary of War, a representative designated by the Secretary of the Interior, a representative designated by the Federal Power Commission, and a representative designated by the Secretary of Agriculture. The form of administration herein established for the Bonneville project is intended to be provisional pending the establishment of a permanent administration for Bonneville and other projects in the Columbia River Basin. The Secretary of War shall install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the Administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy. The Secretary of War shall schedule the operations of the several electrical generating units and appurtenant equipment of the Bonneville project in accordance with the requirements of the Administrator. The Secretary of War shall provide and maintain for the use of the Administrator at said Bonneville project adequate station space and equipment, including such switches, switchboards, instruments, and dispatching facilities as may be required by the Administrator for proper reception, handling, and dispatching of the electrc energy produced at the said project, together with transformers and other equipment required by the Administrator for the transmission of such energy from that place at suitable voltage to the markets which the Administrator desires to serve.

"The office of the Administrator of the Bonneville project is hereby constituted an office in the Department of the Interior and shall be under the jurisdiction and control of the Secretary of the Interior. All functions vested in the Administrator of the Bonneville project under this Act may be exercised by the Secretary of the Interior and, subject to his *supervision and direction, by the Administrator and other personnel of the project.*

"SEC. 4. * * *

"(b) To preserve and protect the preferential rights and priorities of public bodies and cooperatives as provided in section (a) and to effectuate the intent and purpose of this act that at all times up to [January 1, 1941] *January 1, 1942,* there shall be available for sale to public bodies and cooperatives not less than 50 percent of the electric energy produced at the Bonneville project, it shall be the duty of the Administrator in making contracts for the sale of such energy to so arrange such contracts as to make such 50 percent of such energy available to said public bodies and cooperatives until [January 1, 1941] *January 1, 1942: Provided,* That the electric energy so reserved for but not actually purchased by and delivered to such public bodies and cooperatives prior to [January 1, 1941] *January 1, 1942,* may be disposed of temporarily so long as such temporary disposition will not interfere with the purchase by and delivery to such public bodies and cooperatives at any time prior to [January 1, 1941] *January 1, 1942: Provided further,* That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after [January 1, 1941] *January 1, 1942;* and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other, the application of such public body or cooperative shall be granted."

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1941

Mr. SNYDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8668) making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes; and pending that motion, I should like to come to an agreement with the ranking minority member of the committee, the gentleman from New Jersey [Mr. POWERS], with regard to time for general debate. I suggest that general debate run throughout the day and that we then read the first paragraph of the bill, and read the bill for amendment tomorrow.

Mr. POWERS. Is the time to be equally divided?

Mr. SNYDER. Yes.

Mr. POWERS. I believe 1 hour will cover all the requests I have on this side. I just want to make it absolutely positive that we will not read the bill under the 5-minute rule today but will read only the first paragraph, and that debate under the 5-minute rule will be in order starting tomorrow.

Mr. SNYDER. That is very satisfactory.

Mr. POWERS. That is satisfactory to me, Mr. Speaker.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that general debate run throughout the day, the time to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and myself, and that at the conclusion of the general debate today the first paragraph of the bill be read.

Mr. PARSONS. Reserving the right to object, Mr. Speaker, I should like to ask the gentleman from Pennsylvania about what time he expects to get the bill to a vote tomorrow afternoon?

Mr. SNYDER. That will all depend on how many amendments will be offered and what occurs during the debate under the 5-minute rule. I may say that I do not expect the consideration of the bill tomorrow to take over an hour or an hour and a half.

Mr. PARSONS. Does the gentleman expect the House to meet at 11 o'clock tomorrow, as it has done heretofore this week?

Mr. MARTIN of Massachusetts. If the gentleman will yield, I will answer that question. I am not going to permit that tomorrow. We are going to come in at the regular hour tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield so that I may submit a unanimous-consent request?

Mr. SNYDER. I yield.

Mr. RICH. Mr. Speaker, I ask unanimous consent that in lieu of the time allotted me this afternoon I may be permitted to address the House for 15 minutes on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8668.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8668, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SNYDER. Mr. Chairman, looking at the bottom of the front page of our report, you will see that the Budget performed a major operation in arriving at the amounts submitted for appropriation for the objects embraced by this bill.

As opposed to current expenditures aggregating $305,125,384, the Budget submitted estimates footing up to $220,082,250. That is a cut of 28 percent. The great bulk of the money carried by this bill appears under three purposes or objects—rivers and harbors, flood control, and the Panama Canal. There we must look for any appreciable curtailment of Budget estimates.

Of the total Budget estimate of $220,082,250, but $5,632,193, or about 2½ percent, applies to other than the three major objects I have mentioned.

The bill we present to you proposes appropriations totaling $203,472,567. That is a reduction under the Budget of $16,609,683—a committee cut of about 7½ percent. It is a reduction under current appropriations of $101,652,817, or practically 33⅓ percent. We have left intact the total amounts

included in the Budget for river and harbor improvement work and for flood control, with the exception of a $700,000 dredging project under the former.

For river and harbor improvement work the current appropriation is $51,000,000. The Budget includes $25,000,000 for such purposes for 1941. That is a reduction of 51 percent. With the exception of two projects—a $750,000 dredging project in the Delaware River and a $700,000 dredging project at Wake Island—the whole of the $25,000,000 estimate is allocated to projects now under way. It would be out of line with good engineering practice and economic procedure to suspend such work or to provide for a lesser degree of progress.

We are recommending the estimate, with the exception of the Wake Island project, such island being a stop on the trans-Pacific aviation route, which embraces Honolulu, Midway, Wake, and Guam, in the order stated. The Midway development is going forward, but the House has turned down Guam and it has twice refused to go forward with the authorization of the naval aviation base at Wake. The dredging project, while a part of the base program, would be of value to commercial aviation. Wake Island is being used now by trans-Pacific commercial planes. True, difficulty is experienced in landing stores and supplies, but, owing to the tie-in of the project with the held-up naval program, we felt that we should not recommend its prosecution at this time.

For river and harbor maintenance functions the Budget proposes a reduction of $1,226,950 in the current-year allocation of $45,000,000. We are recommending a further reduction of $1,351,540. Practically all of it would seem to be justified by prior-year expenditures. The details of our reduction appear at the bottom of page 3 of our report.

For flood control, general, the Budget proposes a 47 percent reduction. The current appropriation is $133,000,000 and the estimate is $70,000,000. Of the $70,000,000, $64,584,200 is allocated to the prosecution of projects under way.

Mr. MOTT. Mr. Chairman, will the gentleman yield on this question of flood control?

Mr. SNYDER. For a brief question.

Mr. MOTT. The gentleman is familiar with the request of the engineers for $206,000,000 to prosecute this flood-control work in the next year?

Mr. SNYDER. I am very familiar with it, because about 40 of my colleagues have come before the committee and asked for $133,000,000.

Mr. MOTT. Will the gentleman tell us what progress the Army engineers can make in the direction of completing this national flood-control program, the expenses for which in the current year have been placed at a minimum of $206,000,000, when the amount carried in this bill is only $70,000,000 and only $58,000,000 of that can be used for expenditure?

Mr. SNYDER. I shall be pleased to comment upon that as soon as I have completed my general statement, if the gentleman will permit.

The difference between the $70,000,000 and the $64,584,200 is made up of $4,500,000 for examinations and surveys by the War Department and the Department of Agriculture, and the rest is for maintenance and certain contingent expenses.

The $64,000,000 plus, as I stated, is all on account of projects under way. The Engineer Corps is prepared to proceed with projects which would require a total appropriation of $206,624,000. On account of authorized projects there remains to be appropriated roundly $418,000,000. Because of the pressing need for economy, we have felt constrained not to add to the Budget estimate, and, in view of the large Budget reduction, we gave no serious thought to further curtailment. To prolong this work unduly would be unsound from any point of view. Property losses from floods in the past run into astronomical figures. Human lives by the thousands have been snuffed out by rushing floodwaters in every section of the country. Losses have not been local. They are reflected in the national economy, in the national wealth, and corrective measures should be prosecuted with as much dispatch as our finances will allow.

There was considerable sentiment in the committee that some part of the appropriation definitely should be available for undertaking new projects. If there were no departure from the engineers' allocation, that would not be practicable. Consequently we have attached to the appropriation—page 8, line 6, of the bill—a provision that in effect definitely reserves $6,458,200 for initiating work on projects now in readiness to be proceeded with.

For continuing flood-control survey work the bill provides $3,000,000 for the engineers and $2,000,000 for the Department of Agriculture. The latter amount represents a $500,000 increase in the estimate and will have to come from objects other than new work, as the earmarked amount I have mentioned is exclusively for new work.

Mr. MOTT. If the gentleman will yield, he has now concluded the item about which I inquired. The gentleman said that when he concluded with that he would answer my question.

We have available this year for flood control, if no larger appropriation is made than that recommended by the committee, an amount not exceeding one-half as much as we had last year for work on that program. How does the gentleman believe this national program for flood control will ever be completed if we are to have appropriations for that purpose no larger than this?

Mr. SNYDER. At a certain place in the hearings the gentleman will observe that I asked the Army Engineers to insert figures regarding the money appropriated for flood control each year for the last 15 years.

Mr. MOTT. The gentleman knows we have had no national flood-control program except since 1938.

Mr. SNYDER. For the same period I asked for river and harbor appropriations. If the gentleman will look at that table, he will observe that during the last 4 or 5 years or 3 or 4 years the Government has been very, very generous in its appropriations for flood-control work.

Mr. MOTT. That is because since 1938 the expenditures for flood control have been larger than prior to 1938.

Mr. SNYDER. Yes; very much larger.

Mr. MOTT. The reason for that is that in 1938 we passed a general flood-control authorization bill, and in that bill declared it to be the policy of the Congress to enter upon this national program for the control of floods, and we authorized and appropriated a certain amount of money to do so. We have less than half as much this year for that program as we had last year. If these reductions keep on, how does the gentleman believe we will ever complete that program?

Mr. SNYDER. We intend to pursue that program as soon as our finances will permit. I may say to the gentleman—but the gentleman understands—that the Budget has to be cut something like half a billion dollars in order to stay under the $45,000,000,000 debt limit. This committee felt it was its duty to do its part toward accomplishing that reduction, and I may say as to the flood-control estimate that it is confined to projects under way. No work will have to be suspended. That is, for example, work on a dam that has been started will not be stopped and left subject to the action of the elements; they would go on and complete it. Furthermore, I might say that history shows that floods of major importance occur only about once every 8 years, and that superfloods occur only about once every 24 years. Therefore, there may be 4 or 5 years yet before we can look for a flood such as we had in 1936–37, which may be some warrant for not trying to do the whole job as speedily as some would like to see.

Mr. MOTT. The gentleman believes we may have the program well under way by the time the next superflood appears, which he says will be 24 years from now?

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. In Massachusetts we had a superflood in 1936 and had a very large flood in 1938, which would have been very much worse if they had not done some work as a result of the 1936 flood. In 1938 they had freshets or high water almost every month of the year.

Mr. SNYDER. You have a lot of work started up there now, have you not?

Mrs. ROGERS of Massachusetts. Some work has been done on the reservoir at Franklin Falls, but more work is needed and has been recommended there and elsewhere. Is there anything in the bill for an additional reservoir in the Merrimack River?

Mr. SNYDER. I would say that if one is already started it will be carried on. If it has not been started, there is $6,000,000 to start work on projects that are to be selected by the Army engineers in the order of their priority of need.

Mrs. ROGERS of Massachusetts. But the location has not been specified in this bill.

Mr. SNYDER. No; no locations for any new work have been selected yet.

Mrs. ROGERS of Massachusetts. Is there also any money for local protection? The reservoirs will not begin to protect the towns in the Merrimack Valley if the dams are built for power.

Mr. SNYDER. I did not understand that.

Mrs. ROGERS of Massachusetts. If the dams are built for power they will need local flood protection along the Merrimack Valley in order to afford flood protection, and I assume they will be built for power.

Mr. SNYDER. It will be up to the Army engineers to determine where this $6,000,000 will be used for the commencement of projects of any kind.

Mrs. ROGERS of Massachusetts. And it may be used for local flood protection as well as for dams?

Mr. SNYDER. Oh, surely.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. HINSHAW. Last year, I believe, there was a letter sent to some Member of the House, perhaps to the gentleman now in the Well of the House, from the President, saying that if the bill was passed as it was offered to the House, that $50,000,000 additional would be subscribed from the Work Projects Administration fund for the prosecution of flood-control work.

Mr. SNYDER. Yes.

Mr. HINSHAW. Has the gentleman any intimation of such an allotment for this coming year?

Mr. SNYDER. I have not.

Mr. HINSHAW. Does the gentleman have any idea that such an allotment will be offered from the Work Projects Administration?

Mr. SNYDER. I have not. I have not taken it up with anybody and no one has spoken to me about it.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. BRADLEY of Pennsylvania. In regard to the break-down of the figures for the Corps of Engineers in connection with new work, there is a break-down of $750,000 for initiation of work in the Delaware River.

Mr. SNYDER. That is right.

Mr. BRADLEY of Pennsylvania. Is it the opinion of the Army engineers that that sum is sufficient for the ensuing fiscal year?

Mr. SNYDER. It is.

Mr. BRADLEY of Pennsylvania. That is all they will need?

Mr. SNYDER. That is all they will need for the ensuing fiscal year.

Mr. BRADLEY of Pennsylvania. I thank the gentleman.

Mr. SNYDER. The Panama Canal is the third and final major item in the bill. For the support and operation of the existing establishment the Budget allows $10,277,077. For the current year the appropriations amounted to $10,574,994. We have added $28,236 to the Budget reduction of $297,917, all of our reduction growing out of suggestions of Governor Ridley.

The current appropriation act carries $14,200,000 and contractual authority of $2,300,000 toward the provision of means of protecting the existing waterway, estimated to cost, in all, $39,570,000.

For going forward with that program the Budget includes $19,000,000 and further contractual authority of $4,500,000. This would leave for future appropriation $6,370,000. We are recommending the Budget estimate. I may say that that item of contractual authority is the only one in the bill. We eliminated the other request, a matter of $99,300,000, which I shall refer to in a moment. We recommend contractual authority in this instance because the equivalent in money will not be needed for expenditure during the ensuing fiscal year, and contractual authority would facilitate completion through the avoidance of delaying obligations until after June 30, 1941. This is considered to be in line with good engineering and business practice. Moreover, the project is generally recognized as of such importance and urgency that there should be no hindrance thrown in the way of its orderly and early consummation.

That brings me to the new Panama Canal proposal—the source of about 85 percent of the total amount we recommend be disallowed of the Budget estimates.

By the act approved last August 11, authority was granted for the construction of a bypass and new set of locks, to cost $277,000,000. In consequence of such authority the Budget proposes an initial appropriation of $15,000,000 and contractual authority of $99,300,000. Commencement is advocated at this time as an urgent defense measure, although completion of the work is not planned until 6 years hence, at the earliest. The need for additional locks for shipping, it is estimated, will not occur before 1960. The proposition is to launch upon this vast project even before a start has been made to prepare detailed plans and specifications for accomplishing the structural features, and we were told that it will take 2 years to complete such plans and specifications.

Our feeling is that the project is being pushed too rapidly. Its early commencement is advanced as an urgent defense need, but a project that cannot be completed for 6 years is difficult to get excited about. Bear in mind that we are going ahead as rapidly as possible with protective works around existing Canal facilities. That work probably should be proceeded with with dispatch. The proposed new bypass and locks, not needed for commercial shipping for another 20 years, would provide an auxiliary waterway closely paralleling the present one. The close proximity of the two robs the proposed auxiliary of much of its security value. It would be equally susceptible of damage, equally vulnerable.

Our judgment is that commencement should be deferred for the present, at least. In the meantime work could be going forward on the structural plans and specifications, estimated to cost $1,591,900. We are recommending $850,000 of that amount.

I have accounted for our action as to the major items in the bill. We have effected a number of reductions in the estimate for cemeterial expenses, all amounting to $77,407. These are explained in the report. We also refused a request of $300,000 for enlarging the capacity of existing buildings at the local soldiers' home to accommodate the estimated growth in membership. We are not impressed with the need for such expansion at this time.

In conclusion, Mr. Chairman, may I say that I realize that this bill is disappointing to many of our colleagues as to certain of its phases of which the Corps of Engineers has cognizance. No doubt a similar feeling has been engendered by certain curtailments in other appropriation measures which previously have been presented to the House. However regrettable as that may be, I am sure most of us are agreed that the end we seek justified the economies we are endeavoring to effect, and I trust that this measure, drafted with the same end in view, may have your support.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to my friend from Virginia.

Mr. BLAND. Was it not stated that the $15,000,000 was needed for work that would go on contemporaneously with the preparation of plans and would be necessary for the complete prosecution of the work in 6 years?

Mr. SYNDER. The $15,000,000 is a part of the program.

Mr. BLAND. Was not the statement made that the entire amount of $15,000,000 would be needed and the failure to

appropriate the $15,000,000 at this time simply means that the Committee assumes the responsibility, against the judgment of the President and everybody else that for national-defense purposes these locks should be provided at the earliest possible moment?

Mr. SNYDER. I would not say that the Committee is assuming responsibility; we are presenting a recommendation to the House.

Mr. BLAND. There is no escape from it.

Mr. SNYDER. I would not say that.

Mr. COLLINS. Governor Ridley said it would take at least 2 years to complete the plans, and it would seem to me to be foolish to begin any kind of construction work until the plans are completed.

Mr. BLAND. I submit to the gentleman that the evidence shows that the plans were to be contemporaneous with the necessary acquisition of land, construction of plant, and preparation necessary for excavation, to provide these locks so much needed.

Mr. COLLINS. On page 3 of the hearings Governor Ridley testified that for the locks it would take probably a couple of years to complete the plans.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to my friend from New York.

Mr. CULKIN. Mr. Chairman, I did not quite understand what the gentleman said about the amount available for the construction of the bypass on the Panama Canal. How much is to be available?

Mr. SNYDER. As was said by my colleague, the gentleman from Mississippi [Mr. COLLINS], Governor Ridley testified it would take about 2 years to complete the plans, and they asked for $1,500,000 to complete those plans and specifications in the next 2 years, and the committee gave them more than half, $850,000 for the next year, to work on those plans.

Mr. CULKIN. Our advices in the Merchant Marine Committee before the bill came out were that the plans, of course, were complete.

Mr. SNYDER. Oh, no; it would take about 2 years to complete them.

Mr. BLAND. That is the general plans, but not the detail plans.

Mr. CULKIN. And the committee made available $850,000?

Mr. SNYDER. For the plans.

Mr. CULKIN. Going back to the item for river and harbor maintenance: That amount is sixty-six-million-seven-hundred-thousand-and-odd dollars. Was that amount cut below the Budget estimate?

Mr. SNYDER. No; not for new work.

Mr. CULKIN. Was that the exact Budget estimate?

Mr. SNYDER. No.

Mr. TERRY. There was one item of $700,000 for dredging at Wake Island. That is in the Budget, and that is cut out.

Mr. CULKIN. That is one of the three items mentioned in the report?

Mr. TERRY. Seven hundred thousand dollars was carried in the Budget for Wake Island. The committee cut that out.

Mr. CULKIN. Mr. Chairman, I would like to make an observation. I think this river and harbor work and these waterways are performing a most important service to the Nation and that they are of great importance to the continuance of industry and agriculture. I hope the committee will bear that in mind when the country comes upon better circumstances, and that the committee will then make appropriations commensurate with the importance of the service performed.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. Yes.

Mr. BLAND. The gentleman wants to be entirely fair in his presentation of what Governor Ridley said. I read from the hearings:

> So we present a budget under which we could do this work in about 6 years. Of course, the locks did not have to be designed at the beginning, because the contracts for them would not be made until the excavation had been finished, so by putting on a larger designing force we figured we could finish the work in 2 years.

Was not Governor Ridley there referring to plans for the locks, and the $15,000,000 which was asked for in the Budget is to do the excavation and other work necessary to the construction of the locks, and the plans would then be available in 2 years?

Mr. SNYDER. Since my colleague the gentleman from Mississippi [Mr. COLLINS] is so well versed in these matters, I ask him to answer that question.

Mr. COLLINS. It is my understanding that it will take about 2 years to complete the plans for the locks and all other plans of a general nature on the Canal. I am certain that we ought not to appropriate any money for excavation and for other purposes down there until we find out more about where the money will be expended than we know now.

Mr. BLAND. The distinguished gentleman does not deny the statement of General Ridley?

Mr. COLLINS. General Ridley states:

> These plans we have made so far and the investigations relate principally to the foundation and general outline of the lay-out of the lock structures.

Now, he also couples that with the statement that for the locks it will take probably a couple of years to complete the plan. As I understand the testimony, the plans other than for the locks have not yet been considered to any large extent.

Mr. BLAND. If the gentleman had gone a little further, he would have found that this work could go ahead for the $15,000,000, while the plans for the locks are being designed.

Mr. COLLINS. I realize that they want to get the $15,000,000, but we just did not feel that they should have the $15,000,000 until plans had been made upon which we could justify estimates of appropriation.

Mr. BLAND. The gentleman realizes that this is for national defense?

Mr. COLLINS. No. I do not take it that it is for military defense, because it will take at least 6 years to construct these additional locks after their construction has been begun. It is the uncontroverted testimony that the existing Canal facilities are ample, under all shipping estimates, until 1960, which is 20 years hence.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I wish to address myself to an item on page 8 of the bill, and the report of the committee contained on page 4, having to do with the $70,000,000 appropriation for flood control throughout the United States.

We of New England naturally feel that there is a great emergency existing there to carry out the work that has been designated, in order to prevent, as far as man can, a repetition of the terrible floods we had in that area in 1938 and previously.

I, for one, want to commend the attitude of the Department, the Board of Engineers, and the committee in the assignments that have been made and the relative division of the $70,000,000.

I find on page 4 of the report reference to the projects in New England. The first two have to do with the conditions on the Merrimack River Basin, which is represented by my colleague the gentlewoman from Massachusetts [Mrs. ROGERS], which show appropriations for carrying on the work on Franklin Falls Reservoir and the Merrimack River Basin. The next three items have to do with flood control in the district I represent, Surry Mountain Reservoir, Connecticut River Basin; Birch Hill Reservoir, Connecticut River Basin; and Knightville Reservoir, Connecticut River Basin. All three of those are provided with definite sums that can be advantageously used during the year 1941. Therefore there is an element of satisfaction on the part of the people that I represent as to the attitude of the Department and of the committee.

I want to clear up, however, for the satisfaction of my constituents, one idea which I think has arisen because of a misinterpretation of a press item which was confusing to the people of Holyoke, in that they thought that a project

for the protection of the southern portion of the city could be included in this bill. I received this morning a telegram from the secretary of the Chamber of Commerce in Holyoke, as follows:

Failure to appropriate funds to carry on local flood-protective works in the south area of Holyoke will leave this important industrial section of this city in a desperate situation. Urge renewed effort to provide for the completion of the entire Holyoke project.

That was signed by Mr. Conrad Hemond, secretary of the Holyoke Chamber of Commerce. In that connection I would like to read my reply to that telegram, sent this afternoon:

Replying your telegram, have just conferred with Office of Chief of Engineers, which states pending appropriation bill has no connection with work on lower flooded area in Holyoke. This particular project has been surveyed by engineers under Colonel Bragdon, and special report from War Department will be sent to Congress in very near future requesting necessary authority to do this work. It is hoped this project may be included in authorization bill which Chairman WHITTINGTON hopes to report during present session. Additional appropriation then will be necessary, as funds contained in pending bill cannot be applied to work not heretofore authorized by Congress. Letter from Chief of Engineers explaining matter in detail will be forwarded to Mayor Toepfert in day or two. Am following matter up closely and will do everything possible to end that entire Holyoke flood-protection work may be completed earliest possible date.

ALLEN T. TREADWAY, M. C.

I bring this to the attention of the House in order that my constituents may have a definite idea that this particular protection in the lower part of the city of Holyoke cannot possibly be included in this bill, as requested by the chamber of commerce. That will follow in the natural course, after the engineers' report has been submitted and has been accepted by the Congress. As I said in the telegram, I hope that this project may be definitely agreed to in the bill that undoubtedly the gentleman from Mississippi [Mr. WHITTINGTON], chairman of the Flood Control Committee, will submit during the present session of Congress. It is well understood by this committee that the first step in any flood-control project is favorable action upon the engineers' survey.

In conclusion, I appreciate that I have taken up the time of the House in referring to a somewhat local matter, but one of great interest to my constituents, and therefore of importance to me as their Representative.

Let me again commend the committee for the manner in which they have allocated, under the direction of the engineers, the amount of the $70,000,000 for the definite work of flood control throughout the United States.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, my admiration for the clerks of the Appropriations Committee was increased in the consideration of this bill. Mr. John Pugh, the regular clerk assigned to this subcommittee for War Department appropriations, was sick and in the hospital shortly before we started hearings. Mr. George Harvey, clerk to other important subcommittees, sat in for him, however, arranged for witnesses, assembled our data, and the work of the committee went on in splendid shape. Mr. Pugh returned just before we marked up the bill and helped us at that point. This bill, therefore, has been prepared with the efficient help of two members of the clerical staff of the Committee on Appropriations; and here again, as in the consideration of all appropriation bills, we find that their services are indispensable and of the highest order. [Applause.]

LOCKS, LAND BASES, AND CANAL DEFENSE

I want to speak for a few minutes with respect to the lock situation at Panama and its bearing upon the subject of national defense, and to read to you a very short concurrent resolution I propose to place in the hopper this afternoon.

I am among those who seriously question the immediate value from a defensive standpoint of the proposed third set of locks. Because of this it has seemed to me appropriate at this time to focus attention upon a matter which has been suggested at various times by various people, and that is the acquisition of land bases that would really contribute to the defense of the Canal, really contribute to the defense of the Western Hemisphere, and do it more quickly, more economically, and more efficiently than building a third set of locks.

In our hearings we had testimony from representatives from the Canal Zone and from the War Department staff. I want to call your attention to the testimony of Governor Ridley on page 3.

The senior minority member of the committee the gentleman from New Jersey [Mr. POWERS] was asking Governor Ridley about the location of the proposed locks. Governor Ridley replied that the new locks would be about a quarter of a mile away from existing locks on the Pacific side, and on the Atlantic side would be half a mile away from existing locks. This suggested to some of us that if these proposed new locks were to be within half or quarter of a mile of existing locks, that they would be just as vulnerable to attack as the existing locks.

NEW LOCKS ALSO WOULD BE TARGETS

As a matter of fact, a plane flying high at 300 or 400 miles an hour, or even 150 or 200 miles an hour is lucky if any great number of its bombs strike that close to a target. Many of them would be just as likely to hit a quarter or half a mile away from the point aimed at as to hit the point itself. The exact spot a bomb strikes when dropped from a ship going 5 miles a minute is as much a matter of accident as of marksmanship. If the existing locks, therefore, are vulnerable to attack, so would be a new set of locks built within a quarter or half a mile of the existing ones.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. COLLINS. In that connection, it is a well-known fact that when the Germans sent their bombing forces into Poland they were far from being accurate. The reason they made so many hits was because they sent so many planes and dropped so many bombs that they could not help but make hits. So a bombing operation against the Panama Canal by an enemy nation, if such could occur, would just as likely strike one set of locks as another, or maybe both.

Mr. CASE of South Dakota. I think the gentleman is right. His observation with respect to the situation in Poland suggests another thing. Everyone who has fired on a rifle range knows that the greater the distance from the target the more time is required for accuracy. Rapid fire is used only on the short ranges. Slow fire at short range is deadly if permitted. The same thing is true in the air. A moving plane which is more or less unpursued is much more able to hit its target than a plane which is harassed or harried by pursuit planes. This leads me to the conclusion that the development of proper land bases offer much better defense than the building of another set of locks, which would simply offer another target.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. RANDOLPH. The gentleman, I am sure, would not want to leave the impression on the Committee that he feels that the advent or the innovation of bombing planes in modern warfare is not of paramount importance.

Mr. CASE of South Dakota. No. I am coming to that point. I believe that the efficiency of bombing planes calls for a proper basing of defending pursuit planes. We need bases for the operation of pursuit planes against attacking planes and for the operation of defense bombing planes against possible enemy ships at sea. Our object should be to keep the enemy from reaching the target rather than giving him another target.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. BLAND. Does the gentleman subscribe to the doctrine, then, that the Appropriations Committee can just dispense with any work on the part of a legislative committee and where a matter has been seriously considered by a legislative committee and has been duly enacted by the Congress that it is not binding on the Appropriations Committee?

Mr. CASE of South Dakota. I subscribe to the theory that if the Appropriations Committee were to make appropriations for every authorization passed by Congress at the recommendation of a legislative committee, that it would mean the

bankruptcy of the Nation immediately. As between the several appeals for funds, we have to strike a balance. As between two courses of action for the same objective, we must ask which will give the most for the money available.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. SNYDER. I want to make myself clear. Neither I nor any other member of the committee that I know of am opposed to the proper defense of the Panama Canal. We felt in view of the appropriations that were made year before last and last year for national defense, including items for the Panama Canal, that viewed from the standpoint of economics and business procedure this item could be withheld for the time being.

Mr. CASE of South Dakota. Yes. I would not want to leave the impression that the chairman or that all members of the subcommittee are permanently opposed to the installation of a third set of locks. But I am expressing my own opinion that from a defense consideration we are warranted in taking a further look at the picture.

RESPONSIBILITY OF THE APPROPRIATIONS COMMITTEE

I recognize that when a legislative committee passes an authorization it does behoove the Appropriations Committee to consider the authorization very carefully. At the same time the Appropriations Committee cannot escape the fundamental responsibility to measure the various authorizations that are made for appropriations and somehow arrive at some sort of balance or adjustment of the various appropriations to be made. It would be impossible to appropriate in full for every authorization that is made by legislative committees.

Mr. CULKIN. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. CULKIN. In connection with the statement the gentleman has just made, would he give due weight to the experts of the Army and Navy and their recommendations?

Mr. CASE of South Dakota. I would; and for this reason I want to call the gentleman's attention to some expert testimony to be found on page 8 of the hearings. Unless the gentleman wants to pursue his questioning further, I would like to address myself to that matter, because I have a definite proposition to get before the House.

Mr. CULKIN. I want to pursue a little different line of inquiry in regard to the question asked by the gentleman from Mississippi. The story is told that there were some 3,000 bombing planes used in the Polish expedition. Does the gentleman believe that 3,000 German planes could land in the Panama Canal Zone?

Mr. CASE of South Dakota. I hope not. I do not want to see 3,000 planes from any foreign country even get close to the Canal.

Mr. CULKIN. He does not see that possibility, does he?

Mr. CASE of South Dakota. No; not now.

Mr. CULKIN. That is, in this day and age.

Mr. CASE of South Dakota. The defense problem of the Panama Canal Zone is essentially a broader thing than just the defense of the Canal Zone itself.

OPEN CANAL INCREASES NAVY'S VALUE

A major argument advanced for the building of a third set of locks is to increase the efficiency of the Navy of the United States in the hope that we might avoid having to build a two-ocean Navy. We want to make our Navy effective and available in both oceans if the demand ever arises. We are seeking to increase the efficiency of the Navy in our consideration of the defense of the Canal Zone. It is not merely the defense of the works but protection of the Canal, so that the Navy may pass from one ocean to another, if necessary.

Mr. CULKIN. Will the gentleman tell the committee how much time his committee spent on that particular question? Our committee spent at least a week on it. How much time did the gentleman's committee spend on that question?

Mr. CASE of South Dakota. If the gentleman will consult the hearings he will find many, many pages devoted to the subject, which is an indication of the time spent on it.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CASE of South Dakota. Mr. Chairman, the testimony before the committee indicated that under normal procedure it would take at least 10 years to build a third set of locks. It was suggested that under a speed-up program at least 6 years would be required for their construction and $277,000,000 in money. From this standpoint and facing the various problems of defense and the finances that we have, certainly there is no one who will contend that works taking 6 years to complete offer an immediate answer to our defense problems.

BILL CARRIES $39,000,000 FOR PROTECTIVE WORKS

More than that, and referring to a thing which the chairman, the gentleman from Pennsylvania [Mr. SNYDER], mentioned a few minutes ago, this bill does carry some $39,000,000 in appropriations or contract authorizations for the building of protective works on existing locks. So the committee was not insensible to the need of protective measures for the locks that now exist, and we hope to make those as bombproof as we can.

Mr. Chairman, I will have to refuse to yield further, because I want to proceed to a specific proposition. On page 8 of our hearings you will find a statement prepared by Gen. George V. Strong, Assistant Chief of Staff and the Chief of War Plans, who appeared before us January 29.

This statement was prepared in response to my request and was based on questions which I and other members of the subcommittee asked him. While we did not feel that all of the discussion should be in the record, the statement which is in the record will be of interest to anyone who wants to give this matter serious consideration, and especially to those who have been talking about consulting experts. Bear in mind that General Strong is Assistant Chief of Staff in charge of the War Plans Division.

STATEMENT BY GENERAL STRONG

General Strong's statement reads as follows:

From an academic standpoint, the prevention of air raids on the Panama Canal from either carrier-based aviation or land-based aviation makes it highly desirable that our defensive aircraft cover generally a line whose radius is about 1,000 miles from the Canal Zone. In applying this measure to the defense of the Caribbean, we find that generally, the line of the Lesser Antilles offers the best positions for basing the activities of our defensive air operations. This was one of the factors influencing the United States to set up Puerto Rico as a separate department and provide therein air bases from which our defensive aircraft could operate and from which we could do the necessary scouting and patrolling in the event of an emergency. You will note that Puerto Rico is at the northern end of this arc.

Now follow closely as I quote further—

From a purely military standpoint, it would be of very great advantage in the defense of the Canal if we had another such base located either on the north coast of South America or on some of the southern islands of the Lesser Antilles. In this connection, however, in view of the international questions involved which are essentially those of governmental policy, the War Department can make no recommendation as to the acquisition of land now under foreign control but which, if it belonged to us, might be used for national-defense purposes.

Mr. TERRY. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Arkansas.

Mr. TERRY. I call the gentleman's attention to the fact that our Chief Executive has just gone down to Panama and we have a statement in the morning paper to the effect he is greatly impressed with the need of additional bases there for airplane defense, just as is being suggested by the gentleman.

Mr. CASE of South Dakota. Yes; I noted that this morning with special interest. Mr. Chairman, continuing, General Strong stated:

The question of the acquisition of such land is primarily a question of foreign relations. The War Department is limited to considering the use of our own territory and can make no recommendation in the premises unless and until so requested by the State Department.

During the special session of Congress this particular proposition came to my attention in various ways. I received a letter from an old friend in Iowa who made a suggestion which is the basis of the resolution I propose to put in the hopper this afternoon. The suggestion is that the United

States seek by peaceful means to acquire suitable bases east and west of the Canal Zone by application, if possible, of credits to some of the defaulted foreign debts, and also, if necessary, by use of some of the stock of gold held by the Treasury.

IDEA OF ACQUIRING BASES IS NOT NEW

At the time, with feelings tense on neutrality legislation, I thought that such a proposition might be misunderstood and decided, for my part, not to press it then. The question of appropriations for a third set of locks, however, brings the matter squarely before us, and so I determined to present the proposal in definite form at this time. The basic idea is not particularly new. The gentleman from California [Mr. HAVENNER] introduced a resolution on the 26th of October proposing to authorize negotiations for the acquisition of certain territory in the Western Hemisphere and proposing therein the application of defaulted debts to such acquisition.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 6 additional minutes.

Mr. CASE of South Dakota. Somewhat similar proposals have been discussed in many magazines, and I lay no claim to originality in presenting a concrete proposal to join the locks and the land base question with the gold and debt problems. The value of outpost land bases was set forth last September in an article by Mr. Charles Weil in the Marine Corps Gazette in which he quoted Admiral Leahy, Admiral Mahan, and Major Eliot, supporting the thesis that the effectiveness of our Navy and the effectiveness of our defensive air forces depend in large part in having outpost bases.

February 7, the Washington Star reviewed an article in the semiofficial United States Naval Institute proceedings by Lt. Comdr. Isaiah Olchs, of the Navy. His proposition was that the United States should accept "foreign naval establishments in the Caribbean as a part payment on the European World War debts."

I make this clear because I am not trying to take any credit for proposing a new idea, but am rather relating it to a specific situation that we confront in this question of whether we shall engage upon a 6-year program of building a third set of locks at a cost of $277,000,000 or whether we shall seek to develop some defensive land bases at a fraction of the cost and in a fraction of the time.

Concretely, I propose today for the consideration of the House a concurrent resolution to read as follows:

PROPOSED CONCURRENT RESOLUTION

Resolved by the House of Representatives (the Senate concurring), That the President of the United States and the Secretary of State are hereby advised that the Congress favors the peaceful acquisition of land bases which in the opinion of the Secretary of War and the Secretary of the Navy will facilitate the defense of the Western Hemisphere in general and of the Panama Canal in particular against possible military activity by any non-American powers; and the Secretary of State is hereby requested, in consultation with the Secretary of War and the Secretary of the Navy, to investigate and report at the earliest practicable date on the possibility of such acquisition to be paid in part by the payment of gold to be withdrawn from the stabilization fund administered by the Secretary of the Treasury and in part by credits on debts in default where such bases can be acquired from nations in default on debts to the United States.

I shall put the bill in the hopper this afternoon and hope that the committee to which it may be referred will give it early consideration. I also suggest that if any Member of the House wants an interesting evening he acquire a globe or a map of the world and refresh his memory on the various islands east and west of the Panama Canal, as I did last night. You will then visualize the concrete problem seen in the statement of the Assistant Chief of Staff, and I believe you will agree that if the United States had a proper land base in the southern line of the Lesser Antilles and also a base on the west of Panama we would achieve a far more effective defense for the Canal than we would by the building of another target, which is what an additional set of locks would be.

WILL SAVE GENERAL STAFF SOME HEADACHES

I am convinced from the study I have been able to give to this subject that if we did this we would save a lot of headaches for the War Department when it comes to plannings the defense of the Canal.

In reading the proposed concurrent resolution you will note that the proposal to use some of the gold in the stabilization fund and to grant credits on defaulted debts brings in an attack on two other problems of the day.

Foreign debtor nations owe us around $12,000,000,000. If we can get those loans on a current basis and convert the payments into something we need, the proposition would be attractive on that account alone. Addition of the gold feature is suggested to increase the attractiveness of the proposal.

Every Member of the Congress is besieged daily with articles and pamphlets on the gold problem today; or we read headlines about the "Gold crisis that we are facing," or "How our purchases of gold aid Japan or Russia," or "America's golden headache," or "Knotty problem of gold hoard," or "What to do with buried gold."

All of these suggest that if we can approach the problem of a redistribution of gold by doing something that will help to solve a major-defense problem, collect foreign debts, and at the same time save appropriations for propositions of questionable defense value, we will be making a real contribution toward solving problems confronting the country. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, we do not seem to have a very large audience here this afternoon; but I am wondering how many of the Members have during their lifetime visited the beautiful State of Minnesota. I wish those that have would put up their hands. I see that we have had some visitors up there from the South and the East.

I mentioned this because you who have been there and who are familiar with the beauties that we have in the way of both resources and the more ephemeral beauties such as rolling prairies, blue lakes, and beautiful trees and woodlands are familiar with the fact that we have a wonderful country there with as fertile soil as is to be found anywhere, and great natural resources, but still we have a tremendous relief burden. I have been struck with that fact, and it has resulted in my concentrating my efforts and study on that problem with the idea that when you have everything to do with and still seem to be impotent to contend with the forces with which we have to contend in this particular era under which we are suffering, there must be something wrong back of all this, creating this unfavorable condition.

There is something wrong, and I want to discuss with you for a few minutes this afternoon the picture as I see it up there in our beautiful section of the United States.

We have in Minneapolis approximately 62,000 people unemployed and on relief out of a total population of some 468,000. It seems almost impossible for the human mind to believe that sort of a situation in a land as fertile and as productive as ours in Minnesota. We even have in the farming or rural section of Minnesota 30 percent of the total unemployment of the State, farmers and country people who are unable to make a living from that most fertile soil. Now, why is this? Why, under the name of all that is fair and good, do we have a condition such as that?

When you consider the fact that it costs $5.65 a ton for freight to haul a ton of coal up there under the present set-up, and when you consider the fact that it costs approximately 16 cents a bushel to the farmer, who produces wheat, to ship a bushel of wheat 400 miles to Duluth or to Minneapolis and compare those figures with what the Australian or the Argentine farmer pays in freight for much greater distances, then you may get some idea of why we are in the situation that we are in now.

I want to call the attention of the Members to this fact. You can ship from Argentina, a distance of 7,200 miles, from Buenos Aires to Liverpool, for 13½ cents a bushel, or about $5 per ton, as against about 16 cents a bushel for 400 miles, which is used as a basic figure, for our farmers up there in the Northwest to ship simply to the water. No wonder we cannot sell our surplus crops or have nothing left after pay-

ing the freight rate on what we do sell. At 1 cent per ton-mile, the usual railroad freight rate, it would cost the Argentine farmer $72 per ton, or nearly $2 per bushel, to ship his grain to Europe. The result would be no business, like we have suffered in country areas since about 1922.

From Australia to Liverpool, a distance of approximately 15,000 miles, it costs the farmers of Australia approximately the same, 16 cents a bushel, to ship that 15,000 miles, as compared with the 400 miles I have mentioned.

Now, you can get some idea of why we are in the depression that we are in up there. When Minnesota and the Northwestern States could be self-supporting, could be just blooming with prosperity, we are in the slough of despond because of the action of Congress, or, rather, the inaction of Congress, and when I say that I am putting the blame right where it should be put. For years we have been trying to get justice in this matter.

We have been trying to promote an upper-river barge line from St. Louis to Minneapolis; $147,191,000, according to the Army engineers' report, has already been spent to promote this idea of a barge line from St. Louis to Minneapolis. We still lack and need $22,809,000 to complete that project. In other words, we have built a house and have no roof on it, and now we want to put that roof on. So the Army engineers requested of the Budget Bureau, for 1941, $3,845,000 to be spent in the city of Minneapolis in order to start to complete the work that is necessary there in order to give us a harbor at the head of the waterway so that we can ship out and in the produce which we consume and sell. Think of it. Spending $147,000,000 to get to the greatest and second largest city in the midcontinent valley west of the Mississippi with a barge line, and then stop at the city's edge without hooking up with its rail terminals, industry, and markets and wholesale district, where the river highway could be made use of.

But the Budget Bureau turned the Army engineers down; in other words, they instructed the Army engineers to bring in a request for only $25,000,000 instead of $160,000,000, which the engineers report could be used profitably.

I want to read just a few excerpts from the committee hearing to put the blame right where it belongs for this situation. General Schley, Chief of Engineers, was in the committee hearing when the gentleman from Arkansas [Mr. TERRY] said:

When you submit an estimate to the Budget you usually submit the sort of a figure they give you.

General SCHLEY. Yes, sir; we were told by the Budget before we submitted a list that it should total $30,000,000. Then they reduced it to $25,000,000.

Mr. TERRY. I had the impression somehow that you had submitted to the Department an amount of $206,000,000.

General SCHLEY. Perhaps, if you include flood control. This is only for navigation. The flood-control estimate is larger.

Mr. TERRY. Then you submitted to the Budget or to the Department the figure of $30,000,000?

General SCHLEY. At their direction.

Mr. TERRY. Then they cut it down after you submitted that figure to $25,000,000.

General SCHLEY. Yes, sir.

Mr. COLLINS. That sounds a little like duress to me.

Of course, it was duress; duress applied at the primary spot; and I want to call the attention of the members here this afternoon to the fact that the Budget Bureau is doing your job for you. They have taken your constitutional rights and prerogatives away from you. They have become the appropriating body of Government. No wonder Hitler called the members of the German Reichstag parliamentary gas bags. No wonder representative government is fast being done away with in the world today. If we do not wake up here and start functioning in accordance with the Constitution, the people will do away with Congress; and if I am not mistaken, the people of this Nation in the final analysis are going to get sick and disgusted paying your salaries to let the Budget Bureau and other commissions do your job for you.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. POWERS. The Budget Bureau is not doing the job for the Appropriations Committee. I think the appropriation bills that have been reported to the House show that we are doing our own job.

Mr. ALEXANDER. All right. General Schley in his request for appropriations asked for 75 different items for rivers and harbors, totaling $73,226,800, and the Budget allowed only 18 of those 75 items without cuts, and your committee took it as dictated and brought the bill to us item for item as dictated except as to one, the appropriation for Wake Island.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. ALEXANDER. In other words, when the committee got the request from the Army engineers they got the decimated request for $25,000,000 instead of the $73,226,800 and every one of those projects in that total is a needful item, an item which will promote the welfare and the interest of this Nation, of the unemployed, the farmers, the laboring men, and the citizenry in general.

Mr. POWERS. Does not the gentleman know that that is the old Army and Navy game—go to the Budget with four times as much as you need, and have it cut down and still get plenty?

Mr. ALEXANDER. No; I do not. I have here before me in this report an entire list made up of a greater number of about 100 projects which have been asked for by different localities, and which the Army engineers have rejected, and they have put in only these seventy-five which, as they say, are the ones where delay would be dangerous and detrimental. In other words, where we have spent $147,000,000 to promote a 9-foot channel from St. Louis to Minneapolis, and need $22,000,000 more to complete the job, you waste the $147,000,000, make it useless, practically throw the money into the river for the need of this additional appropriation this year, stopping short of the goal. Why not go on and complete this magnificient job up there which would give us justice and equity with the rest of the Nation and the world?

Do you know how population figures look up there in the Northwest since the Panama Canal was completed in 1907, and since the Interstate Commerce Commission took hold of this Nation and its freight structure? I shall read to you a few of the figures which I put into the committee hearings when testifying in connection with this bill, showing just how this situation has affected us up there. In the period from 1880 to 1890 our population increased 67.8 percent, but since then we have been going down rapidly and during the recent period from 1920 to 1930, up to the last census, our general average increase in population for the State was only 7.4 percent, but then during the following 7 years as reported by census figures, Minnesota, the flowering, fertile spot of the Nation increased only one-half as much as the entire Nation's general average, and South Dakota, the State of the gentleman who last addressed the Committee, went down from 698,849 to 692,000, according to the census figures, and Nebraska went down 14,000—all that area up there drying up, going to the dogs simply because we waste our time here and let some other organization do the job that we are sent here to do, which is to look after the welfare of our Nation in general, and our States.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. POWERS. I yield the gentleman 2 minutes more.

Mr. ALEXANDER. Now let us get down to cases. We ship into Minneapolis approximately 1,000,000 tons of coal a year. Of the barge-line facilities, the dock we have there now, because of the fact it lies in a deep, rocky chasm, so that there is no chance to build additional facilities and that is therefore where the barge line now ends. In this rocky chasm there could be handled last year only 96,000 tons as a maximum out of a million moved in for Minneapolis, and we were able to ship up there and lay down on that dock only 96,000 tons, a mere drop in the bucket. This is to say nothing of the 16,000,000 total coal tonnage used in our Northwest area.

It is estimated that if we could utilize the barge line by getting up above the falls of St. Anthony, where we need to spend this $3,845,000 which we request and which the Army engineers recommend, we could save $2,000,000 a year in the

economy of the citizens of Minneapolis alone on that one item of coal, to say nothing as to the savings to the entire Northwest area, on this and all of the other items which can be shipped in and out of there, such as dairy products and fertilizer from the Tennessee Valley. We would use a lot more of it if you would give us decent transportation facilities and freight rates up there and a chance to use the barge line—cement, sand and gravel, petroleum from Oklahoma and Texas and other States, sugar, salt, farm and other machinery, iron and steel products, lumber, all kinds of grain, of course, cereal products, and scrap iron.

The amount of tonnage that we could ship into that district is unlimited, if we could get justice up there—if we could get this barge line into the city so that we could use it along the shore line that we have available in the upper harbor, where we have 6 miles of level land lying along the two banks of the Mississippi River.

In conclusion, I want to say that I am not blaming anybody in particular for this thing. I think we have just gone to sleep on the job here and do not realize the great need of that beautiful district up there for the aid which I have pointed out to its trade and industry and all branches of commerce, having to do with the cost of living, the farmers' prices, and our unemployment scourge with all of its dangers and liabilities. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I hold in my hand a copy of the Washington Daily News for this afternoon which carries the screaming headline, "Hundreds homeless in California floods."

It so happens that that particular flood occurred in the northern part of my great State, but it might just as easily have been in the southern part, in which I live.

We have a grand and glorious State, full of sunshine, orange blossoms, beautiful girls, and the blue Pacific Ocean on its western border, but we do occasionally get rain.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mrs. ROGERS of Massachusetts. And why not speak of the splendid men from California?

Mr. HINSHAW. I thank you very much. The gentlewoman is most kind?

Mr. HOFFMAN. Will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. HOFFMAN. Are any of these girls on the Labor Board as review attorneys?

Mr. HINSHAW. I understand there is one in northern California who is on the Board.

Mr. HOFFMAN. Has she any other qualifications?

Mr. HINSHAW. Not that I know of. [Laughter.]

In my own particular section, the southern section, the average rainfall per year is something in the neighborhood of 18 inches. At least 17 inches of that occurs, as a rule, in the three winter months. The rest of the year you can go to sleep outdoors all night and not worry about a drop of rain on your head, but in the wintertime I have seen it rain as much as 12 inches in 24 hours. As I say, we are in the land of sunshine and all that; but when it rains, brother, it really rains. [Laughter.]

We are very grateful to the Congress of the United States, the Corps of Engineers, and other agencies of the Federal Government for the splendid work they have done to date in helping us to control the floodwaters that come down behind us from the mountains that lie above our principal cities. In the past and to date a considerable amount of money has been expended on flood-control work. I know, however, in the proposed detail for expenditure in the fiscal year 1941 in Los Angeles County it provides $600,000 for reimbursement to local interests; $1,274,000 for the completion of the Hansen Dam, which is a retarding basin; $3,335,000 for the Sepulveda Dam; $6,258,700 for the Los Angeles River channel. In addition to that, there are $150,000 for the detail plans and surveys. The actual work proposed to be done in Los Angeles County in the fiscal year 1941 amounts to $11,467,000. The amount then required to complete this work after the fiscal year 1941 is $12,990,800. Of this amount, $1,110,000 remains to be expended on the Sepulveda Dam after 1941.

In the hearing, on page 146, under table 12, which states the amount that can be profitably expended during the fiscal year 1941 for flood control generally, as reported in the Annual Report of the Chief of Engineers for the Fiscal Year 1939, it shows that the amount that could profitably be expended in the Los Angeles County drainage area in the fiscal year 1941 amounts to $21,454,100. If the two amounts that I have previously given, the proposed amount for the fiscal year 1941 and the amount required to complete after 1941, are added together, I believe you will find that the figures approximately add up to the total that could be done profitably in 1941 if the money were made available. In other words, the total amount of work that we are contemplating there could be completed in the fiscal year 1941.

In our section of the country, and because of our experiences, we very much appreciate the flood hazards that are likely to descend upon the rest of the United States. We are therefore most sympathetic toward flood-control works wherever they occur. We would like very much to have the work in our section of the country completed in the next fiscal year, as it could easily be done. However, there are certain of these works which actually should be completed, not only for the safety of our residents but for the safety of the work that has already been completed.

I am speaking particularly of the $1,110,000 remaining to be expended after 1941 on the Sepulveda Dam. If this amount could be expended in the fiscal year 1941, and complete the work on that dam, not only would it safeguard the lives and property of people living below the dam, but millions and millions of dollars' worth of work heretofore done on the Los Angeles River channel could also be safeguarded from destruction in the event of flood.

I hope that when the bill is read for amendment the total amount in the bill, $70,000,000 for flood control for the fiscal year 1941, will be increased. If such an amendment is made I shall support it wholeheartedly.

As you will remember, last year when this appropriation bill was before the House the President of the United States wrote a letter saying that if the bill were passed as it had been sent to the House he would set aside an additional $50,000,000 from the W. P. A. funds to be used on flood-control work. It was most undesirable that that fund should be appropriated from the W. P. A. because when W. P. A. money is used on flood-control work there is necessarily a paragraph included in such contracts requiring that all except the most skilled labor shall be taken from relief rolls.

I note on page 133 of the hearings that the gentleman from South Dakota [Mr. CASE] inquired of General Schley concerning this matter. I read from the hearings:

Mr. CASE. During the past year did you have some relief funds available?

General SCHLEY. No, sir.

Mr. CASE. You did have some experience within the past 2 or 3 years in using some relief money?

General SCHLEY. Yes; we had.

Mr. CASE. What was your experience with that? Is that a satisfactory way of working on these projects?

General SCHLEY. It is not a satisfactory way of doing the class of work we have to do. There is a very small part of our work that is suitable for relief labor. The principal reason is that the plant has been developed so that the work on these projects would be unreasonably expensive if done by hand labor. For that reason we have a much greater cost for plant and materials than can be used under the regulations governing the use of relief money; and also there are not on relief the high-type skilled men needed to operate those machines.

Mr. CASE. You feel, on the basis of your experience, that if you were to have any given amount of money that would be better expended through the regular operations of the Army engineers than to have that amount earmarked in a relief bill?

General SCHLEY. Very much better. We have much of our work under contract, and it is difficult to get the contractor to work under those rules.

A few minutes ago I asked the chairman of the Appropriations Subcommittee in charge of this bill whether or not it was proposed that relief funds would be applied to flood-control works, and he answered that to the best of his knowledge he had no such intimation.

Mr. Chairman, I hope an additional amount will be appropriated for flood control, but I would oppose that money coming from relief funds for the reasons stated. I want to make sure that there is no such transfer, and I will join with others, as I did last year, in increasing the direct appropriation for flood control in order to obviate that possibility. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. LEWIS].

Mr. LEWIS of Colorado. Mr. Chairman, I have asked for this time in order to speak of a flood-control project far from the city of Denver, which I have the honor to represent. It is, however, a project of great importance to the State of Colorado and also to the State of Kansas. Furthermore, it is the project in which my deceased colleague took the greatest interest. When completed, it will be an imposing tangible monument to him and to the intelligent persistence with which continuously throughout 6½ years he urged and worked for its approval and construction. Work on it has already commenced and, I trust, will be carried on as rapidly as practicable to prompt completion. I refer to the Caddoa Dam and Reservoir project on the Arkansas River in southeastern Colorado.

Doubtless you all know of the interest in this project by the Honorable John A. Martin, Representative of the Third District of Colorado, whose sudden and untimely death on December 23, 1939, has saddened all of us. Throughout his term of service, from 1933 to 1939, he made as his principal objectives securing a favorable report by the Engineer Corps of the Army, approval and authorization by the Congress, and the beginning of actual construction of Caddoa Dam and Reservoir. Work on this project has been commenced and is now well under way. If John Martin were still living, it would be entirely unnecessary for anyone else to speak on this subject, because he would be here emphasizing to you with his characteristic vigor how much the carrying on and completion of this project means to southeastern Colorado and also to southwestern Kansas.

The able Representative of the Seventh Congressional District of Kansas, the Honorable CLIFFORD R. HOPE, I understand appeared before the subcommittee of the Appropriations Committee also stressing the importance of continuing and completing this project, not only to the citizens of John Martin's district in Colorado but also to Mr. HOPE's district in southwestern Kansas. Indeed, Caddoa Dam is not only of vital importance to two great congressional districts; it is also of State-wide moment to both Kansas and Colorado—the two most populous Commonwealths between the Missouri River and the Pacific coast. For 50 years continuously the sovereign States of Colorado and Kansas and their respective citizens have been litigating in many courts over their respective rights to the water of the Arkansas River. The completion of Caddoa Dam will compose these controversies.

The total Budget estimate for flood-control projects for the fiscal year July 1, 1940, to June 30, 1941, is $70,000,000. For the present fiscal year, ending June 30, 1940, the appropriations for flood control aggregate $133,000,000. The proposed reduction of $63,000,000 would mean that the Engineer Corps of the Army would be unable to undertake construction on any projects which have already been authorized by the Congress but on which work has not yet begun. If the Congress appropriates for the next fiscal year no more than the $70,000,000 estimated by the Budget, construction could be prosecuted only on those projects on which work has already been commenced, and such construction would necessarily be on a considerably reduced scale.

If you adopt no more than the Budget estimate, I am not informed as to what portion of this $70,000,000 would be devoted to work on Caddoa Dam. However, I am confident that by reason of the high priority accorded to Caddoa Dam a proper proportion will be devoted by the Engineer Corps of the Army to this project. Probably $2,000,000 would be so devoted to construction on this project, as set forth on page 5 of the report of the Committee on Appropriations on the pending bill.

However, I do wish to emphasize that any further reduction in appropriations below $70,000,000 for the fiscal year July 1, 1940–June 30, 1941, would be disastrous to the entire flood-control program. Any further reduction below $70,000,000 would render it impracticable for the Army engineers to carry on their work with efficiency. Furthermore, work on some of the projects now under construction would necessarily be suspended.

I am sure all of you share my regret that the gentleman from Colorado, JOHN A. MARTIN, is not here to emphasize to you the value of Caddoa Dam. But I trust that this statement of mine will suffice to remind you of its importance to almost half a million people and to the sovereign States of Kansas and Colorado.

The following statement, dated January 1, 1940, was prepared by Capt. James H. Stratton, Corps of Engineers, United States Army, the district engineer under whose direct charge work on the Caddoa Dam and Reservoir project is being executed:

INFORMATION CONCERNING THE CADDOA DAM AND RESERVOIR PROJECT

1. Location: Caddoa Dam will be located on the Arkansas River in Bent County, Colo., about 1.4 miles downstream from the village of Caddoa and about 58 miles upstream from the Colorado-Kansas State line. The dam site may be reached by automobile from Lamar or Las Animas, Colo., via United States Highway No. 50 to Hasty, Colo., thence south by a county highway 4 miles to the dam site.

2. Authorization and purpose: The construction of the Caddoa Reservoir project by the Corps of Engineers, United States Army, was authorized by Congress in the Flood Control Act of June 22, 1936, to provide for flood control and water conservation in Colorado and Kansas. Under the provisions of the Flood Control Act of 1938, operation and maintenance of the completed project will also be under the supervision of the Corps of Engineers.

3. Benefits: The Caddoa Reservoir will control all floods of record within bankful capacity downstream from the dam. In addition it will conserve the flow of the river for its regulated and beneficial use on irrigated areas, which at the present time depend on the erratic flow of the stream for their water supply. The upper portion of the reservoir will be used for flood control, permitting the reduction of all floods of record to about 10,000 cubic feet per second, or less, at the site. The lower portion of the reservoir will be allocated to conservation storage and will regulate all the run-off of the Arkansas River except during years of unusually large floods.

4. Watershed: a. General: The watershed of the Arkansas River above the Caddoa Dam site is about 206 miles in length, with an average width of about 92 miles, and includes approximately 18,910 square miles of drainage area, of which 5,800 square miles is rugged, mountainous country. The principal tributaries to the Arkansas River above the dam site are:

Watershed area

Fountain River	square miles	940
Chico Creek	do	800
Huerfano River	do	1,850
Apishapa River	do	1,140
Horse Creek	do	1,450
Purgatoire River	do	3,390

Elevations range from over 12,000 feet in the headwaters to about 3,800 feet in the vicinity of the dam site, and slopes vary from a maximum of about 110 feet per mile in the upper reaches to about 7.2 feet per mile in the reach including the reservoir basin. These slopes result in flood flows characterized by rapid rise, high peak discharge, and short duration.

b. Precipitation: The mean annual precipitation on the watershed above the dam site varies between approximately 12 inches at Caddoa to 25 or more inches in the mountainous upper reaches, with an average of approximately 16 inches. Much of the precipitation in the mountainous region occurs as snow. The greatest recorded storm was that of June 2 to 6, 1921, which centered over the basin between Canyon City and Pueblo, Colo.

c. Stream flow: The flood caused by the storm of June 1921 resulted in an estimated peak discharge of 170,000 cubic feet per second at Caddoa and a total estimated run-off of 555,400 acre-feet. Legendary and historical accounts of floods on the Arkansas go back to the year 1844, in which one of the greatest floods of history occurred in the lower reaches. Available data indicate that in this year a great flood also occurred in the upper reaches, but information is insufficient to support a reasonable estimate of the peak flow. The mean annual discharge of the Arkansas River at Caddoa over a 23-year period between 1914 to 1937 is estimated at 315,000 acre-feet, with a maximum of 1,073,000 acre-feet in 1921 and a minimum of 89,000 acre-feet in 1934.

5. Description of dam: The dam will be a concrete and earth fill structure with a spillway located in the concrete section of the dam. The dam in the flood plain, including the spillway section, will have a length of about 4,000 feet and its crest will be at elevation 3880, or about 120 feet above the elevation of the present valley floor. The spillway section, with crest at elevation 3840, will be mass concrete founded on rock at the approximate elevation 3730. Control gates for flood control and low-water regulation will be provided

in the spillway section. Low dikes on top of both abutments connecting to high ground will increase the over-all length of the structure to a total of about 3 miles.

6. Reservoir: The reservoir at maximum pool, elevation 3,870, will be approximately 14.2 miles in length with an average width of about 1.9 miles. At this level it will cover an area of 27½ square miles. The conservation pool, elevation 3,851, will be approximately 11.8 miles long and will have an average width of 1.5 miles. The area inundated will consist of the river valley and rolling grazing lands to the north and sand hills to the south. Consideration of both adequate flood-control storage and protection without endangering the Veterans' Administration Hospital at Fort Lyon led to the adoption of a maximum pool elevation of 3,870, with total reservoir capacity of 655,000 acre-feet. A capacity of 385,000 acre-feet below elevation 3,851 will be allocated to conservation storage and 270,000 acre-feet from elevation 3,851 to elevation 3,870 will be reserved for flood control.

7. Relocations: a. Railroad: The main line of the Atchison, Topeka & Santa Fe Railway between Las Animas and Lamar, Colo., lies within the reservoir area and about 20 miles of line will be relocated. This relocation will involve about 3,920,000 cubic yards of grading, the construction of steel bridges over Rule, Caddoa, and Mud Creeks, and other appurtenant works. In portions of the area to be traversed by the relocated line there are shifting sand dunes of considerable magnitude. Stabilization of these dunes is being undertaken by the Corps of Engineers in consultation with the Soil Conservation Service.

b. Highway and utilities: 3.1 miles of county road in the vicinity of the village of Caddoa will be relocated. Several telephone and telegraph lines which are located within the reservoir area will also be relocated.

c. Municipal: The village of Caddoa, having a population of approximately 100, is located in the reservoir area, about 1.4 miles above the dam, and will have to be abandoned. Fort Lyon, a United States reservation and Veterans' Administration facility, representing an approximate investment of $3,000,000, is located near the head of the reservoir. As a considerable part of this property would be subject to inundation if the maximum flood pool is reached unless protective works are provided, an earth levee approximately 2.3 miles long will be constructed around the reservation.

8. Construction program: From the War Department Civil Appropriation Acts of 1938 and 1939, $3,883,100 has been allotted to the Caddoa Reservoir project, which will provide for completion of investigations, design, acquisition of land, and the relocation of the railroad. Bids for construction of the roadbed and masonry for the relocation of the railroad were opened at Las Animas, Colo., on November 13, 1939, the Western Contracting Corporation, Sioux City, Iowa, being the low bidder in the amount of $1,058,668.40. A contract for the work was awarded on November 15, 1939, and work has commenced. It is contemplated that a contract for furnishing and erecting the steel for the bridges in connection with this relocation will be advertised in January 1940. The railway company will perform the work of laying and ballasting track and constructing the signal system. Design of the dam itself will be completed during the winter of 1939–40, and it is expected that a construction contract for the entire dam structure will be advertised in the late spring of 1940, subject to the availability of funds. Completion of construction of the project is scheduled for the summer of 1943.

Mr. SNYDER. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. CARTWRIGHT] such time as he may desire.

Mr. CARTWRIGHT. Mr. Chairman, I have asked for this time because I am interested in the bill but feel that certain changes should be made before final action is taken upon it.

I am very much interested in the construction of the Wister Reservoir on the Poteau River in Le Flore County, Okla. This is one of the projects in the Flood Control Act approved June 28, 1938, which authorized $21,000,000 for reservoirs in the Arkansas River Basin. I feel that it should have been given priority in the recommendations of the engineers, but the excuse was given that the investigations had not been completed, and other reservoirs in a more advanced state of completion were selected. An allotment of funds totaling $92,500 have been made to finish these field investigations and studies, and I am now informed that the detailed report on the development of this project is scheduled to be received in the Office of the Chief of Engineers about March 1, 1940.

In 1938 I had the honor to introduce President Roosevelt at Wister, and he spent about 5 minutes describing the benefits that would be derived from the construction of the Wister Dam. Last year a delegation of citizens from Le Flore County came to Washington and we had a hearing before War Department officials. We were led to believe that the Wister project would be recommended for construction this year.

Now the engineers say it will need additional authority; therefore, I have introduced a bill [H. R. 8421] to amend the authorization for the Arkansas River Basin to provide authority for an additional appropriation in such amount as may be necessary to construct the Wister Reservoir. This bill is now before the Flood Control Committee and I understand hearings will be held soon.

This dam is greatly needed. Thousands of dollars worth of damage is incurred each year through floodwaters of the Poteau River. I, together with citizens of this territory, have been advocating this project for many years; the engineers have approved it and we feel we have waited long enough for funds for its construction. I believe that flood control is an essential part of our national defense and I am in favor of increasing the appropriation in this bill in a sufficient amount so that this and other meritorious projects may not be delayed any longer.

Mr. CASE of South Dakota. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I want to thank the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. SNYDER], also the majority and minority members of the committee and the head of the minority members, the gentleman from New Jersey [Mr. POWERS], for the interest they have taken in flood-control work. I know I have bothered them a great deal in the past in my interest in flood-control work on the Merrimack River, and I want them to know that I deeply appreciate all they have done in this bill. I wish they might have seen their way clear to have gone further, but I am very grateful for what they have already done. I hope that if a survey which is now being made of the Merrimack River and which contains further recommendations for flood control comes into the Congress in time for approval by the Senate that the House will agree to the inclusion in this bill of sufficient money to carry it out. The Merrimack River is an extremely important river. It runs through a closely populated valley. There are more industries in that valley than in any valley in the world. I want to tell the House again how important it is to protect life and property along that river and to bespeak your help.

Mr. SNYDER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. ELLIS].

Mr. ELLIS. Mr. Chairman, in answer to the statement made by the gentleman from New Jersey to the effect it is the old Army game to come in here and ask for a lot more than they expect to get, may I say that surely no one would accuse the Army engineers of not being most conservative in all of their estimates and in all of their statements.

Mr. POWERS. Will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from New Jersey.

Mr. POWERS. I referred to the Army and the Navy. I still refer to the Army and Navy and not particularly to the Army engineers.

Mr. ELLIS. I thank the gentleman. In answer to the gentlemen who criticize the committee for letting the Budget do all of its thinking for it, may I say I am glad that in this instance the committee did not reduce that figure below the amount recommended. The committee did save, I believe, $111,000,000 in the Navy bill. I am one of those who is disappointed because they did not use some of that which they had saved in this instance. I was one of those who went before the committee and asked for an additional $50,000,000.

Last year the Army engineers said they could profitably expend for the fiscal year 1940, $195,000,000. We gave them finally $133,000,000, or 68 percent of what they said they could profitably expend.

Mr. POWERS. Will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from New Jersey.

Mr. POWERS. Is that not exactly like a man owning a $4,000 house and saying that he could profitably expend $500 for repairs if he had the money?

Mr. ELLIS. Yes, indeed; but I should like to call the gentleman's attention to the fact that we have projects authorized by authorization bills in 1936, 1937, and 1938 in the total sum of $1,148,000,000, and that we have expenditures or

appropriations authorized not in that amount but in the amount of $698,000,000 only, and all the time the Army engineers are basing their estimates not on the total amount of projects authorized but on the total appropriations authorized; therefore, they are ultraconservative.

Mr. POWERS. Will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from New Jersey.

Mr. POWERS. May I again remind the gentleman that if the Appropriations Committee took into consideration every authorization that has been passed we would be appropriating about $20,000,000,000 a year, and the country would be in bankruptcy quickly.

Mr. ELLIS. In answer to what the gentleman states, last year we gave them 68 percent of what the engineers said they could profitably expend. This year they said they could profitably expend $206,600,000. There was received from the Budget an item of $70,000,000, and you approved that this year. That is 33 percent of what the Army engineers said they could profitably expend as compared with the 68 percent we gave them last year.

Mr. POWERS. The amount of money that the gentleman states the Budget recommended was the amount recommended by the President of the United States.

Mr. ELLIS. That is true, but the gentleman knows that we often change those amounts. The gentleman knows that we sometimes raise them and we sometimes lower them.

Mr. POWERS. That is the reason for the $45,000,000,000 debt we have today.

Mr. ELLIS. Yes, but if you are going to go by the President's figure we have saved $111,000,000 in one bill.

Mr. POWERS. We cannot save if we are going to reappropriate the money for something else. We are trying to save money.

Mr. ELLIS. Then, I will not use the word "save." We have come down from the figure which the President suggested to the Budget—$111,000,000 in one bill alone. Now, I want to get this percentage over to you. If we should add $50,000,000 to the $70,000,000 which is here, that would be only 58 percent of what the Army engineers say the could profitably expend as compared with 68 percent which we gave them last year. We would still be 10 percent, as compared with last year, under what they say they could profitably expend.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I have taken a lot of the gentleman's time and while I have only a few minutes left, I yield the gentleman 2 minutes.

Mr. ELLIS. Mr. Chairman, 71 projects in this Nation will not be begun if this figure stands as it is, and that number does not include 91 projects in which there was manifested no local interest, according to the Army engineers. They did not include those in this figure.

Mr. Chairman, we have for a long time measured land in this country the wrong way. We have been measuring it in acres when we should be measuring it in inches deep. Flood control and soil conservation are all tied into one great program in this country. We have already lost 282,000,000 acres, so the Soil Conservation Service tells use, in land that has been utterly destroyed in this country by erosion, which is equal to eight States the size of my State of Arkansas. Every year there is poured into the ocean around these United States enough soil, so the Soil Conservation Service tells us, to fill a sufficient number of freight cars to wind around this old earth 18 times at the equator.

I certainly hope that before this bill goes to the President amendments will be offered to increase the appropriation by $50,000,000, and I hope the gentlemen of the committee will not oppose those amendments.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, this is just to call attention to editorials in the local papers published here in Washington concerning the precedents that were cited by Attorney General Jackson as to why he should not tell the Smith committee whether Mr. Madden and his friends on the Labor Board had violated the statute. The thought that came to me was that undoubtedly under those precedents Mr. Jackson is right. He had no duty to advise us. He is the adviser of the President.

Then I wondered, Mr. Jackson having taken the oath of office—I suppose he took it; it has been customary prior to this administration—to enforce the laws, if, having had these facts presented to him—and it is not a case where Jones says it is so and White says it is not so, it is the testimony sent over by the Smith committee that Mr. Madden himself gave as to what he and his subordinates did in the way of lobbying and how they spent Government money—the facts being admitted and Mr. Jackson not even having, as Murphy did when he was Attorney General, to look up the law to find out how much power the President had or did not have—Mr. Jackson having the statute right there before him and having the facts before him, whether, if he could not advise Congress, he could not take time off from whatever he might be doing to decide whether or not Madden and his associates had violated the law and some action be taken. We must assume that Jackson, being an efficient and conscientious Attorney General, would prosecute if an offense had been committed. Then we must draw the conclusion, inevitably that if he does not do anything, being so anxious to perform his duty, and having the statutes and facts all before him—all sent over by the Smith committee, that in his opinion no offense was committed. So, after all, by his conduct, no matter what he said, he has advised us, has he not? And that is why I am speaking, to call it to his attention that despite the fact that he said he could not advise us, despite the fact of all those precedents, he has practically told us that no offense was committed.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Perhaps the Attorney General has other matters to consider which are of far greater importance to the people of the country than this little matter to which the gentleman is calling attention, and those cases should be taken care of first.

Mr. HOFFMAN. Perhaps the gentleman is right. I suppose from his viewpoint, this question of the spending of Federal money by Federal officials to influence legislation in violation of a statute may not be of much importance. If that is the gentleman's view, it is all right with me. I am not attempting to advise the Attorney General. I am just calling attention to the fact that, despite his statement that he could not advise us, he has by the fact that he has not taken action, as he would if an offense had been committed, he being one charged with the duty of prosecuting offenders, has, in fact, told us that no offense was committed, which must be good news to Mr. Madden.

Mr. EBERHARTER. I may say for the record that those are not my views.

Mr. HOFFMAN. That is fine. I wish the gentleman would speak to Mr. Jackson.

The editorial and the news item to which I referred are as follows:

[From the Washington (D. C.) Evening Star of February 26, 1940]

JACKSON DECLINES TO TELL SMITH IF NATIONAL LABOR RELATIONS BOARD BROKE LOBBYING LAW

Attorney General Jackson declined today to tell House investigators whether the National Labor Relations Board had violated a law which forbids the use of Federal appropriations for lobbying.

He wrote Chairman SMITH, of the committee investigating the Board, that the Justice Department makes legal rulings only at the request of the President or the head of an executive department.

The committee recently received evidence tending to show Chairman J. Warren Madden, of the Board, and some of his assistants actively sought to rally witnesses in opposition to Wagner Act amendments. Representative SMITH then asked Mr. Jackson for a ruling on the possibility that the Board was violating the law by following that procedure.

Mr. Jackson's letter said, in part:

"Almost from the beginning of the Government, my predecessors have, with great unanimity, taken the position that the statutes prescribing the duties of the Attorney General do not

authorize him to render opinions to the Congress or to its committees or Members.

"These statutes have not been substantially changed since 1789. As early as 1818, Attorney General Wirt, and as late as October 4, 1939, Attorney General Murphy each ruled that under the statutes Attorneys General are not authorized to give official opinions on questions of law except upon call of the President or the head of an executive department to enable him to decide a question pending in his own department for action.

"It has been pointed out that the effort to advise both the executive and the legislative branches of the Government would be inappropriate under our doctrine of separation of the powers of the two branches, and that, like other efforts to serve two masters, such a practice would likely introduce conflict of duties. Congress has never seen fit to change the statutes so construed, and I take it that in spite of frequent requests for opinions Congress, in its deliberate judgment, has acquiesced in the meaning so uniformly ascribed to these statutes for well over a century."

SPEAKING OF PRECEDENTS

Attorney General Jackson refuses to advise a committee of Congress whether he thinks Labor Board officials violated the law when they drummed up labor-union pressure against proposed economies in the Board's appropriations.

Mr. Jackson cites a long line of precedents to prove that the Attorney General is the chief counsel for the executive department only. In other words, if the legislative department wants legal advice it will have to go elsewhere.

So be it. We wouldn't care to argue precedents with so eminent a practitioner.

Anyway we are more interested in another line of precedents and in what the Attorney General is going to do about observing it. We refer to the long-established custom of public prosecutors taking questions of alleged violations of the law before grand juries and courts.

The evidence has been handed to Mr. Jackson on a silver platter—evidence that Labor Board officials, by long-distance telephone and telegraph, at Government expense, organized a campaign of protest to Congress against proposed cuts in Labor Board appropriations. And the chapter and verse of the law have been cited—that forgotten law, honored more in breach than observance, a law stating clearly that no funds voted by Congress shall ever be used directly or indirectly to "influence a Member of Congress to favor or oppose any legislation or appropriation."

If Labor Board officers were the only offenders this apparent violation might be shrugged aside. But the fact is that for years the whole Federal bureaucracy has been feeding its increasing appetite by just such high-pressure lobbying as referred to here.

So, we ask, is Mr. Jackson going to enforce the law or isn't he?

Mr. SNYDER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this appropriation for flood-control work means everything in the world to the section of the country from which I come. We have a little section of the country about 50 miles wide and 30 miles deep in which 3,000,000 people live, a section where we have not only a great city and large industries but also a lot of little farms and little homes, a great number of which are exposed constantly to danger from what we call flash floods. A flash flood is one that can come in a matter of 3 or 4 hours if the rains are heavy in the mountains which lie immediately back of this very heavily populated area.

The only protection we can have against such floods and the only means we can have for controlling those life-giving waters so that they may be a means of help to humanity instead of a means of destruction is this flood-control program and water-conservation measures. I appeal to you to consider this thought, that if the figure contained in the bill of $70,000,000 is adhered to, if it is not increased, it may mean that little work will be done—I hope this is not true, but I fear it is—on the San Gabriel River, a stream which crosses all the transcontinental railroads going into Los Angeles city, a stream whose flooding in 1938 cut off the city of Los Angeles and that whole area from all the rest of the Nation for a period of about 30 hours, and a stream whose waters have destroyed many a home and farm and caused very great damage to the people of our section.

In addition, we have a situation there where, unless this program is vigorously pushed, even the money heretofore expended may be lost, for our floodwaters are not just waters, they are waters which contain gigantic amounts of debris and boulders, so that our dams fill up and the flood works already constructed in the channels are destroyed unless the program can be pushed forward as rapidly as possible to completion.

I come before the House not as one who is merely begging for Federal assistance but for the reason that the county of Los Angeles has spent $70,000,000 itself on its own flood-control program and will continue to spend every penny it can for the protection of its people. I hope, however, that it is clear from the speeches that have been made here this afternoon how very important and how very vital this matter is to us. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, as you know, the Congress in the Flood Control Acts of 1936 and 1938 authorized projects totaling $700,000,000. These projects were to be completed over a period of 5 years. Last year the Army engineers received $133,000,000 for flood control. The Budget recommended for next year only $70,000,000, making it impossible to start many worth-while projects and making it necessary to reduce appropriations for meritorious projects now under construction.

I am convinced that flood control is a most essential part of national defense and feel that $50,000,000 of the funds proposed for national defense should be transferred to the appropriation for flood control. This represents the price of one large battleship, which would require about 5 years to build.

At three places in the world major wars are being conducted and new machinery of destruction is being devised constantly. For this reason we should not spend an unreasonable amount for military equipment which might be made obsolete in the course of a few months. One flood such as we experienced in the Ohio Valley in 1937 could paralyze industry and transportation for 2 or 3 months. If this happens during the crisis of a great war, no one could predict what disastrous consequences might follow.

Economy is essential, and it is for this reason that I suggest a transfer of funds rather than an increase in the Budget. By this action on the part of the Congress flood control would be promoted, national defense would be more secure, and the same degree of economy would be achieved. I am vitally interested in the flood-control problem of the Nation, in the protection of human life and property from flood, and especially am I interested in securing reasonable funds to carry out the program of the Federal Government in acquiring assets of the Muskingum conservancy district, thereby permitting the full use of the 14 reservoirs that have been constructed for flood control in the Muskingum Valley.

It is my hope that sufficient money can be made available in the next 3 years to wholly carry out the terms of the last Flood Control Act, as they apply to the Muskingum Valley. For this reason I am urging the largest possible amount for flood control that can be reasonably appropriated within the total Budget recommendations.

The economy and common sense of flood control can be illustrated by a consideration of flood losses in the Ohio Valley alone.

In 1913, 425 people drowned and $180,000,000 worth of property was destroyed.

In 1933, 10 people were drowned and $100,000,000 worth of property was lost.

In the flood of 1936, 187 people drowned and $250,000,000 worth of property was lost.

In 1937, 500 people drowned and the property loss was estimated at $500,000,000.

In fact, in the past 65 years more than 50 floods have occurred in the various parts of the Ohio Valley resulting in a loss of more than 1,000 lives, with a conservative property loss well in excess of $1,000,000,000. Since 1933, more property has been lost in the Ohio Valley alone than would be required to complete every flood-control project thus far authorized by Congress for the entire Nation. This is one program where we can move forth and be certain of saving far more than we expend for flood control. Nothing is more economical than to increase the flood-control appropriation by reducing other items in the Budget which are far less necessary.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield.

Mr. RANKIN. Have not those low dams that were built in the Ohio River by the Hoover administration a few years ago contributed largely to that condition?

Mr. SECREST. In my opinion, dams for river improvement to raise the water level for navigation retard a certain amount of water and, of course, when you have a big flood those dams are low.

Mr. RANKIN. If they had been high dams, such as the dams on the Tennessee River, this trouble could be averted, and they would have produced enough power to pay for themselves in a few years.

Mr. SECREST. We are building those large reservoirs now. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I rise today to propose a plank for the next Democratic national platform. To show how impartial and cosmopolitan I try to be, I propose the same plank for the Republican national platform——

Mr. RANKIN. Just let them try it first. [Laughter.]

Mr. LUDLOW. Wait until you hear the plank. I will say to my beloved friend from Mississippi that the plank I propose is a universal plank, good for all parties, and if there be those who are looking for platform material for the minor parties I recommend it to them, too. [Laughter.]

The plank which I propose for the Democratic national platform, the Republican national platform, and all other national political platforms, in 1940, is as follows:

Resolved, That we favor a Nation-wide referendum before declaration of war, except in case of invasion or internal rebellion.

The plank I suggest would fit well into the platform of all political parties because it is American, and not partisan. Since its purpose is the extension of the frontiers of democracy in a world where totalitarianism is rampant and aggressive it would be particularly appropriate to give it a place in the 1940 platform of the Democratic Party of America—the party that was founded by Thomas Jefferson and dedicated to the defense and perpetuation of human rights. The plank I propose would round out and complete Jefferson's cherished Bill of Rights and make it more definitely applicable to twentieth-century conditions.

APPEAL TO YOUTH

My appeal today is to the youth of our land, the makers of the America of tomorrow. I wish I had the ability to deliver a speech that would be a ringing challenge to our young people, a speech that would stir them to a sense of their responsibilities as they have never been stirred before; a speech that would arouse to intense activity their patriotic consciousness, their alertness, and their constructive genius. I say this because I frankly believe that we elders have made a mess of it in charting the future destiny of America and that it is time for our young people to take over and establish a new order of economic stability and peace on the foundations of democracy. As I approach the shades of evening I can think of no task in the limitless field of service that would be more soul satisfying to me than to be one of the leaders in starting what might appropriately be named a youth movement for democracy in America.

Such a movement is long overdue, and now is the ideal time to launch it and start it on its way. We are beginning a new epoch in history—the epoch of the 1940's. On the threshold of this epoch we should let the dead past bury its dead and turn our faces to the future. Is it not an inspiring thought that we should pause at the beginning of this new epoch, take stock of our precarious position in a world of strife and the depths of human suffering in our own land and do some real planning, to the end that by the time this decade is ended America may be on a solid and permanent foundation of peace with all nations and economic sufficiency at home? And who could most appropriately assume that gigantic task of master building—the statesmen who have run their course and who have not been able to bring America out of its muddled condition, or the young men and women who are now coming into the heritage of the fathers and on whom the full responsibility of government will soon rest? It seems to me there is but one answer to this question.

TWO ORGANIZATIONS THAT MIGHT PROPERLY LEAD

I plead with such organizations as the Junior Chamber of Commerce of America and the Young Democrats of America that now is the time to assert themselves and to assume the task of cooperation in the building of a better economic future for our country, a future in which hunger and nakedness will disappear from our midst and our peace with all nations will be established on a basis of permanent stability. If I could, I would like to say something today that would thrill these two great organizations with a realization of the opportunity for service in nation building that now lies before them. I refer to these large groups by name because I know the philosophy that inspires and actuates both of them. It is a true American philosophy. Both are opposed to participation in foreign quarrels that are none of our business. If America were attacked by some foreign foe, they would rise to the last man to the defense of our homes and firesides, but the internationalist meddlers could never get them to agree that all of Europe is worth the blood of one American boy. These groups both believe in keeping out of foreign entanglements and in making America a worth-while place for future generations, where our children and our children's children can live free from worry, in the full enjoyment of their God-given right to life, liberty, and the pursuit of happiness.

The Junior Chamber of Commerce is composed of members of both political parties, between the ages of 21 and 35, and the Young Democrats of America is a democratic organization, but both believe that the paramount duty is to keep out of the miasmas of hates, boundary disputes, blood feuds, and the like that are sinking so many foreign nations to the depths of perdition. There are many other organizations of young people, church and secular, practically all of the members of which are of military age, all willing and anxious to do their duty as God gives them the light to see their duty but who abhor the thought of involvement in foreign wars, and to them also I present my plea for support of a youth movement for democracy in America.

PLANK PROPOSED BY YOUNG DEMOCRATS

Now let us consider a little further the plank I propose for the 1940 national political platform:

Resolved, That we favor a Nation-wide referendum before declaration of war, except in case of invasion or internal rebellion.

Do you recognize that plank as something you have heard before? Does it have a strangely familiar ring? It is not my language but it is an exact copy of a resolution adopted by the Young Democrats of America, that splendid organization of 5,000,000 young men and women who are among the coming citizens of our country, at their national convention held in the city of Indianapolis in August 1937. When James Roosevelt, the chairman of the convention, put the question there was not a single negative vote and the resolution was adopted unanimously, with cheers and stirring emotion. It shows the vision of our young people—the future defenders of the Nation—on this subject. While I did not draft the plank I am proposing, it being the voice of the Young Democrats of America, 5,000,000 strong, yet I do endorse it a thousand percent.

It embodies exactly the idea contained in my proposed war-referendum amendment to the Constitution, which would give the people a right to vote on participation in wars overseas. I will quote the text of the resolution, which I have been urging before Congress for many years, and I am sure all will agree that the two proposals are identical in meaning and substance. My resolution—House Joint Resolution 89—is as follows:

SECTION 1. Except in case of invasion by armed forces, actual or immediately threatened by an approaching military expedition, or attack upon the United States or its Territorial possessions, or by any non-American nation against any country in the Western Hemisphere, the people shall have the sole power by a national referendum to declare war or to engage in warfare overseas. Congress, when it deems a national crisis to exist in conformance with this article, shall by concurrent resolution refer the question to the people.

SEC. 2. Congress shall by law provide for the enforcement of this section.

SEC. 3. The article shall become operative when ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution.

Platform planks necessarily must be brief and concise and confined to a statement of principle. The resolution I have proposed—House Joint Resolution 89—would be exactly the proper vehicle to write into the Constitution the immortal principle of democracy adopted by the Young Democrats of America at their national convention of 1937 and generally approved since that time by the youth of our country.

It would be a fine thing for the future of America if our young people would get back of this principle with the fervor of crusaders and would create such a sentiment and such a movement that there would be no doubt of its adoption in the platforms of the major political parties. Here is an opportunity for youth to be of real service in charting the way to a better future of America. It is their opportunity to make certain that totalitarianism and absolutism, which are murdering liberty in so many foreign countries and reducing human beings to the level of slaves, shall never make their hateful appearance in America.

ENLARGEMENT OF DEMOCRACY NEEDED

What the youth of America should be most interested in and what they can bring about if they set themselves resolutely to the task, is an enlargement of democracy in America. That is the gateway to the more abundant life, to the equality of opportunity, and the freedom of action that are the hope and dream of youth. That is the approach to peace and to the happiness that can be founded only upon economic justice and stability. Democracy is the antidote for war. We will get rid of war as we build up our democracy. Wars are not made by the people but by rulers. Woodrow Wilson strikingly placed the responsibility for wars when he said that he had heard of governments making war on governments but never within the entire range of his study and observation had he known of peoples making war on peoples, and the same sentiment was expressed by Franklin D. Roosevelt when he said that "War by governments" must give way to "peace by peoples."

If the amendment which I propose is written into the Constitution, giving the people a right to vote on participation in foreign wars, the most far-reaching possible step will be taken to keep America out of war and to save our young men from the slaughter pens of foreign carnage. If the constitutional amendment approved by the Young Democrats of America and translated into legislative terms by my resolution is adopted, democracy—the rule of the people—will really begin to function in America.

A DEMOCRACY IN NAME ONLY

Until this vital principle is written into the Constitution, America will be a democracy partially and in name only. We call ourselves a democracy, but our democracy stops at the water's edge. In its foreign relations our Government is not a democracy at all but a pure autocracy. A little group in Washington, infinitesimal compared with the entire population, decides whether the blood of our sons shall redden the soil of foreign battlefields, and the people have no decision in the matter. The American citizen can vote for constable or dog catcher, or he may express himself at the polls on the establishment of a pesthouse or the location of a sewer, but he is denied by the Constitution as it stands today any right to vote on the question that most intimately affects his home and his loved ones, the tragic question of war or peace. To me it seems awfully unjust that our young men, the flower of our manhood, the Nation's cannon fodder, have no opportunity to express themselves at the polls on proposals to herd them and send them away to fight and die on fields of foreign carnage in the settlement of age-old boundary disputes and feuds the origin of which no man knows and the end of which no man can foresee. This is as cruel a denial of justice as the imagination can conceive.

The adoption of the constitutional amendment championed by the Young Democrats and embodied in my resolution would broaden our democracy by making the people, instead of a little group, the arbiters to decide when our young men shall be sent overseas to be rammed through with bayonets or strangled with poison gas in some foreign conflict. The time will come when the people of America will demand that right and get it, and then our boasted democracy will become a real democracy. Surely if Representative John Smith's constituents have sense enough, information enough, and intelligence enough to vote for him for Congress, they have sense enough, information enough, and intelligence enough to vote on whether or not they want their sons sent abroad to die in foreign wars. To refuse them such a vote is a cruel denial of what rightfully belongs to them in a democracy.

HOW YOUNG PEOPLE CAN HELP

The young people of America can correct this condition if they will take up the cudgels fearlessly and unitedly and will demand that our democracy shall be broadened so that it will apply in the settlement of the great and tragic issues as well as in the minor and inconsequential things of life.

Sooner or later this issue must be met and our young people would do well to think about meeting it now. Just as Lincoln said that this Nation cannot exist half slave and half free, neither can it exist forever as an Anglo-American democracy, as the internationalists would have it, with emphasis on the "Anglo." Sooner or later the oncoming generations will see the light and then there will be ushered in a new conception of America for Americans, undiluted by foreign "isms" and unfettered by foreign entanglements. But this deliverance will not be effected until the people have a broader conception of and a greater yearning for democracy. They must be made to realize how little our people have to do with the conduct of foreign affairs. They must be made to appreciate how highly centralized the war power is now, when 267 Members of Congress, a bare majority in both branches, could vote a declaration of war, and any President, through the enormous power he wields, could force them into doing it at any time he pleases to involve the country in war. They must be made to see how very little the women of America now have to say in regard to a declaration of war, although they bear the cannon fodder that makes war possible.

As Congress is now constituted, only 6 of the 531 Members are women, so you see how pathetically impotent is the opportunity to give expression to whatever may be woman's viewpoint on any particular war proposal. And why should women not have a vote on participation in foreign wars? They go down into the valley of the shadow of death to bring our boys into the world. Why should they not have something to say as to whether their flesh and blood shall be hurled into the hell of a foreign conflict? [Applause.]

A PERFECT MECHANISM TO INSURE PEACE

Finally, before our people will capture the war power and hold it for themselves to exercise there must be a dissipation of the fogs of deceit and misrepresentation that have been purposely created to cloud the issue. The opponents of the proposed referendum have harped on the claim that instead of keeping America out of war it would more probably get us into war, as the people are more likely to be swept off of their feet in a wave of emotionalism than the Congress is. Those who raise this hoary objection either do not know anything about the mechanism that is set up in my resolution or they intentionally misrepresent it. The resolution says that "Congress, when it deems a national crisis to exist in conformance with this article, shall by concurrent resolution refer the question to the people."

In other words, there cannot possibly be any referendum until the question is referred to the people by a concurrent congressional resolution. Congress must act first and must decide that the time has come to give consideration to a declaration of war, and must so express itself in a resolution, before the people can vote on the question. To put it in another way, Congress must be swept off its feet before the people can be swept off their feet. The final decisive vote will be by the people, and that is where it ought to be, because that is where sovereignty abides. Thus the mechanism of my resolution establishes a double check on war. Now the only check is in Congress, which is singularly overlorded and in-

fluenced by the individual who happens at any given time to be President. Under the referendum plan another check is added in a vote by the people themselves, which may approve or disapprove the opinion expressed by Congress. This proposed double check on war would be the greatest peace assurance our country could possibly have. I believe that under the operation of this mechanism America would keep out of all foreign wars—and, indeed, out of all wars—unless occasion might arise to wage a righteous war of defense, which is highly improbable.

This very desirable and beneficent result would be accomplished without the least impairment of our national defense. In case America or any other country in the Western Hemisphere is invaded or attacked, the referendum would not apply. Unless this amendment is written into the Constitution there is every reason to fear that the intensifying of the war in Europe will sooner or later drag us into that conflict.

UNION OF YOUTH FORCES URGED

There are problems of the most acute nature at home which demand the attention of our young people. Youth will be serving well if it dismisses Europe from its worries and concentrates its devotion and constructive genius on making America a better place in which to live. While preparedness is necessary in a world of strife, the youths of America will lay the groundwork for the fulfillment of our magnificent national destiny envisioned by the founding fathers if they will mold our thinking, and as far as possible the thinking of the world, away from the mass murder called war in the direction of love and kindness and the Christian virtues. There is the task of the rehabilitation of millions upon millions of underfed and underprivileged Americans who are the tragic victims of the depression, the backwash of the last war. That task must not be neglected. The problem of unemployment, with its attendant misery and suffering, is crying to heaven for solution. It can be solved if our young people will solemnly resolve that America is not going to be dragged into any foreign entanglements and that our national energies shall be given henceforth, forevermore, to building a better America for Americans.

I hope that our young folks—the makers of the America of tomorrow—will unite their combined forces with the movement which has started at the grass roots of America and which proposes to give the people control of our Government in international as well as domestic affairs through the enactment of a referendum on foreign wars. If they will do this, there will be no need to fear that secret treaties and underhand diplomacy will ever drag us into wars in the future.

The youth of America have it within their power to create a new order that will guarantee the peace and economic security of our country in the long years to come. I hope they will get busy on every front; that they will hold meetings and discuss the question and that they will lose no opportunity to call attention to the fact that five Gallup polls have shown a large majority of the people to be for my referendum proposal and to impress upon the political leaders that if they want an issue that will win the general acclaim and support of our people, they will stand foursquare for a plank declaring for a constitutional referendum on participation in foreign wars.

The most striking cartoon I have seen in many a year appeared in the newspapers only a day or so ago. It was a vivid reminder of the immortal truth of Woodrow Wilson's assertion that war is made by governments and not by peoples. In that cartoon European rulers were assembled around a table playing the game of war. Each ruler had a sizable stack of chips in front of him. Churchill said:

I bet you a million boys.

It came Daladier's turn, and he remarked:

I stay.

On the other side of the table was Hitler. He surveyed his hand with a satisfied look and said:

Dot's fine; und I raise you annudder million poys.

If the boys of America have in them the mettle I think they have, they will not be content to be mere pawns in the game of war. They love their country and would willingly die in its defense, if need be, but they are not going to be herded and sent into slaughter pens in far-away Europe or Asia without having something to say about it. It is this feeling, so obviously based in justice and so consistent with the principles of true democracy, that is bringing the youths of America in great numbers to the support of my proposal to give the people, including those who have to fight and die, a right to vote on participation in overseas warfare.

Youths of America! I beseech you to prepare, before it is too late, to protect and defend your priceless heritage of freedom. If we are dragged into another world war there will be no freedom left to defend. [Applause.]

Mr. SNYDER. Mr. Chairman, I want to ask the ranking minority Member, the gentleman from New Jersey [Mr. POWERS], and the rest of the committee to sympathize with me in view of an oversight of mine.

Mr. POWERS. I am always sympathetic toward any request of the gentleman.

Mr. SNYDER. In my presentation of this bill, the gentleman from Virginia [Mr. BLAND] got up and interrogated me several times. For some reason or other I did not put his name down here on the list as having 10 minutes coming to him, and I am going to ask unanimous consent that he be allowed to have 8 additional minutes to the 2 minutes I have remaining, because of my oversight.

Mr. POWERS. Reserving the right to object, the gentleman is asking that the gentleman from Virginia receive 8 additional minutes and the gentleman from Pennsylvania is allotting him 2 minutes at the moment, which makes 10 minutes in all.

Mr. SNYDER. Yes.

Mr. BLAND. If the gentleman will permit, I will tell him that I do not expect to use the 10 minutes. I did ask for the 10 minutes and I did not get it; and, in view of the lateness of the hour, I do not think it would be fair to keep the gentlemen here any longer than 2 minutes.

Mr. POWERS. I do not object, Mr. Chairman.

Mr. HOFFMAN. I do not object, either. That is one of the reasons I have been sitting here all this time.

The CHAIRMAN. It was the House that fixed the time for debate and the Committee cannot change that. However, if it is agreeable to the gentleman from Pennsylvania and the gentleman from New Jersey, as well as the gentleman from Virginia, the Clerk can read the first paragraph, and in that manner the gentleman from Virginia can be recognized for 5 minutes.

Mr. POWERS. Under the rules of the House, can the gentleman be recognized after the first paragraph has been read?

The CHAIRMAN. The gentleman can move to strike out the last word and be recognized for 5 minutes.

Mr. POWERS. Did not the House agree that when the first paragraph was read the Committee would rise?

The CHAIRMAN. A motion to strike out the last word is entirely within the discretion of the Committee itself.

Mr. POWERS. At this late hour, Mr. Chairman, we could go on all night with striking out as many words as there are in the first paragraph.

The CHAIRMAN. Until a motion to rise was made.

Mr. POWERS. I shall not object to that; but if anyone else attempts to strike out the last word, or anything like that, I must object. It is perfectly all right with me for the gentleman from Virginia to proceed.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes, namely:

Mr. BLAND. Mr. Chairman, I move to strike out the last word.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. POWERS. I understand that it is the purpose of the gentleman from Virginia merely to make a statement?

Mr. BLAND. That is correct. I shall make the major portion of my address tomorrow. The matter to which I shall address myself does not concern me personally any more than it concerns every citizen of the United States. It is the omission of any provision for the Panama Canal under which the work of providing additional facilities may proceed. It concerns every citizen of the Nation just as much as it does me, and while I realize that the problems before the Committee on Appropriations and their efforts to economize are important, yet at the same time I feel that they have made a very great mistake in this particular instance, and that they do not comprehend its importance because of the pressure that is on them in studying other questions that are before them.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. POWERS. Mr. Chairman, of course, I disagree with the gentleman from Virginia. I am not going to reply to the gentleman this afternoon, but when he makes the major portion of his speech tomorrow or offers an amendment I shall reply.

Mr. BLAND. I think the gentleman is quite apt to reply. I think, Mr. Chairman, if the Committee had read House Document No. 210, Seventy-sixth Congress, the report made on this proposal, and outlining the reasons for it, the Committee would have taken an entirely different view. I call attention now to the testimony of Commander Lowe, of the Navy, before the Legislative Committee when we held hearings on the authorization bill. He said:

Since March 13, the date of the Navy Department letter to this committee, there has been an opportunity to study the plans developed by the Governor of the Panama Canal. Those plans were presented to the committee yesterday. It is believed that those plans are the best that can be produced, all things considered. The additional facilities, including protection, can be provided under those plans at something less than one-third of the cost of the Nicaragua canal. That is a very considerable item. But what is even more important, from the viewpoint of the Navy, it can be done in about 6 years as against 12 to 15 years for the Nicaraguan route. It is very important that an additional safe passage be provided as early as possible; it is equally important that the larger locks be provided, and quickly.

The beams of our older battleships that have been modernized approach very closely the width of the present canal locks. They make a very tight fit. Our ships now building will make an even tighter fit. The question of wider locks is now a pressing consideration, and the trend of construction in both naval and merchant ships is toward larger and larger vessels. At the end of 6 years, unless this trend is halted or reversed, the present locks will be too small to take the ships that are being completed at that time, unless, of course, we accept ships that are inferior in size and protection to foreign ships which they be called upon to engage in battle. This statement is based upon the needs of national defense and no other consideration.

A great deal has been said today about the danger of air raids. The greatest danger, Mr. Chairman, much more to be apprehended than air raids, is the danger of sabotage. It is that a vessel of a foreign power, an enemy of the United States—wars are not declared now—going through the present locks of the Panama Canal, and being blown up while in those locks. Considerable damage would be made to those locks in that way, much more than could be done by any airplane raid. It is for that reason that it is desired to have locks that are not contiguous to the present locks, that are some distance removed, so far removed that sabotage will not affect the additional locks, and which will provide defenses both against sabotage and against air raids. Also, may I say, that this will provide additional locks that may be used entirely by the Navy. No other ships would be permitted through them in time of war or even if an emergency were remotely possible.

I ask unanimous consent to extend my remarks, and later, when we get into the House, I shall ask unanimous consent to incorporate in these remarks excerpts which I had hoped to be able to present in a 10-minute speech.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. BLAND. When the bill which authorized the additional locks at Panama became law last year, the President of the United States deemed the work of such importance that an estimate was sent at once to the Senate for the sum of $15,000,000 to be included in the last deficiency bill, but the bill had passed the Senate, and the item was not included. As a result, 1 year of the 6 needed for construction of the locks was lost.

The estimate has again been presented; and if not included now, another year will be lost.

In the colloquy earlier today between certain members of the committee and me it was stated by members of the committee that as 2 years would be needed for certain plans the money was not needed now. If attention is given the testimony of General Ridley, Governor of the Canal, on page 3, it will appear that Governor Ridley, when asked if the engineering plans and specifications were in such shape that he could proceed immediately, said that the plans previously made as the basis for the report to Congress and the investigations related to the foundations and the general outline of the layout of the lock structures, but that the detailed plans have not been started; and it will be necessary, in order to go ahead on the detailed plans, to have the money we are asking for, and that for the locks it would take a couple of years.

Asked as to testimony said to have been given 2 or 3 years ago to the effect that it would take at least 10 years to complete the plans and specifications and the preliminary engineering investigation for additional locks, Governor Ridley said:

I think the statement was a little different from that. It said that it would be carried on over that period. It depends on the rate at which you do the work, and as the lock, from a commercial standpoint, is not needed soon, this work was going to be carried on by a relatively smaller force over a longer period of time.

But after the war situation became more involved, and after conditions in Europe developed, it then became necessary to proceed more rapidly. This third-lock project became a national-defense feature more than a commercial feature, and it was necessary to speed it up.

So we presented a project under which we could do this work in about 6 years. Of course, the locks do not have to be designed at the beginning, because the contracts for them would not be made until the excavation had been finished. So by putting on a larger designing force we figure we can finish that work in 2 years.

In other words, what is stopped by the failure to make the appropriation is the work necessary to make locks usable when installed. It is just the same as if a bridge is to be built and road work done in connection therewith which is essential to that bridge and to work on that bridge.

When the location for the bridge and the general plan for the structure have been fixed, it is not necessary to delay the construction of the road, because detailed plans are not ready for the bridge, which is the last thing to be built. Appropriations for battleships are not delayed until final plans have been prepared.

Recourse to the sketches of the proposed additional locks and bypass channels attached to, and a part of, the letter from the Secretary of War, transmitting a report of the Governor of the Panama Canal of his investigation of the means of increasing the capacity of the Panama Canal for the future needs of interoceanic shipping, made pursuant to Public Resolution No. 85, Seventy-fourth Congress, will show the plans and how essential it is that preparatory work shall be done now. The letter referred to is House Document No. 210, Seventy-sixth Congress, first session.

Before the work of installing locks can be undertaken there must be construction of camps for workers, railroad construction, electrical construction work, dredging of approaches, land surveys, replacements of aids to navigation, replacement of some Army facilities incident to the work, removal of dirt on the upland, and other items necessary for work on the locks. This is the work covered by the estimates and authorizations which have been rejected. If the detailed plans of the locks were available now, the preparatory work would have to be done and the work could not be advanced; but so long as this preparatory work shall not be done, the facilities needed for national defense must be delayed.

The Committee on Merchant Marine and Fisheries went very fully into the needs of national defense when it considered the bill which was subsequently enacted into law, and on which the estimate is based.

The Committee on Merchant Marine and Fisheries heard proponents for, first, the Nicaragua Canal; second, a canal through Panama about 150 miles west of the Panama Canal, known generally as the Chiriqui route; and, third, the Tehuantepec canal through Mexico. After full consideration, the committee on April 26, 1939, reported to the House the bill which subsequently became law. In its report the committee said:

So far as the commercial needs of the canal are concerned, the conclusion was reached that the capacity of the existing locks may be reached by 1961, and additional locks will be needed by that date.

DEFENSE

The Canal must be kept open for transit of the fleet from ocean to ocean, and the locks must be given the maximum possible physical protection from vital damage. An additional system of locks, constructed in locations removed from the present locks, reduces considerably the danger of vital damage, and closing, if need be, the new locks and the bypass channels to all traffic except the Navy would give the highest practicable degree of assurance that no attack on the locks could close the Canal for more than a short period of time.

Careful study and survey was made of the different available locations, and the bypasses proposed will be approximately one-half mile from the Gatun locks, about one-third of a mile from the Pedro Miguel locks, and about one-quarter of a mile from the present Miraflores locks.

All locks will be specially designed to resist air attacks and sabotage. The lock chambers will be of such dimensions as will provide for such future growth in size of vessels as can reasonably be foreseen. The estimates submitted provide for chambers with usable dimensions 1,200 feet long, 135 feet wide, and with 45 feet navigable depth. Approach channels will have minimum width of 300 feet and depth of 40 feet at low water. The exact dimensions will be fixed when detailed plans are drawn, and provision will be made at Gatun and at Miraflores for a highway underpass or bascule bridge. No increase is needed in the existing supply of water for the operation of the proposed locks.

COST

The total estimated cost will be approximately $277,000,000. The increase over the estimate in the 1931 report arises by reason of separate locations, increased prices, larger dimensions, approach channels, and special protective features.

A large amount of preliminary work, including the relocation of railroads and other structures, the provision of rail and highway access to the work, and the extension of housing, water, light, power, sewers, and sanitation to the areas that will have to be occupied by the construction workers can be undertaken whenever funds are made available. Excavation of approach channels should begin at once. It is recommended that $15,000,000 be made available at once.

The item of $15,000,000, which has been approved by the President, Commander in Chief of the Army and Navy, by the Budget submitted to Congress and rejected by the Committee on Appropriations, is the item described above in the report of the Committee on Merchant Marine and Fisheries.

The hearings before the Committee on Merchant Marine and Fisheries contained a statement by Brigadier General Strong, Assistant Chief of Staff, War Plans Division, as follows:

The greatest danger of destruction of any of these canals is sabotage. The next danger is from an air raid. Now, as far as destruction either by sabotage or air raid of one set of locks is concerned, that can adequately be met by another set of locks a short distance away, not necessarily 4 miles, probably 300 yards or 400 yards away would be adequate, because that would be entirely out of range of any destructive effect of a vessel blown up in the locks, or a mine or air bomb. Hence, putting a third set of locks in the canal probably, from a national-defense standpoint, would serve the purpose exactly as well as a new canal some distance away and probably would be very materially cheaper, not only for the initial construction but certainly as far as maintenance of the defense installations is concerned.

Speaking of the additional facilities proposed, General Ridley, Governor of the Canal, when asked how soon the work of construction could commence, if deemed necessary or desirable, said:

We could start construction during the coming year on the excavation only, except we would do a considerable amount of preparatory work, preparing for the work of the contractor, if it is done by contract. For example, the relocation of the railroad at the Atlantic end and construction of drawbridges across the present locks at Miraflores to facilitate construction of the west side of the Canal.

Again:

I can assure you that the locks in this project will be protected in every conceivable way. And I might say here, also, that those locks, if built now, could be kept entirely for the use of our Navy for a considerable period of years, until the traffic increases to the point where we have to use that third set of locks while we are overhauling the old locks.

Speaking of the need for these locks, General Schley, now Chief of Engineers and former Governor of the Canal, said:

The first point I make is that greater protection is needed for the Panama Canal in two respects: First, greater protection for what we now have in the way of installations; and, second, a third set of chambers. And the reason that a third set of chambers is also necessary is, first, that they can be designed in their fundamental features so as to be better capable of protection; and, second, they will be of larger size and therefore can transit larger ships of war; and, third, by their separation from the other two chambers they will have to be separately attacked in order to be destroyed, as well as the others; whereas the other two are so close together that it is possible to conceive a single attack throwing both of them out of commission.

The importance of the Panama Canal in the problem of national defense cannot be exaggerated. Those of us now alive who remember how we waited in 1898 for the arrival of the *Oregon* in the Caribbean en route from the Pacific are determined that, if possible, the dangers we experienced then shall not be repeated.

Maj. George Fielding Eliot, in his splendid work, The Ramparts We Watch, pointed out that while the United States is not dependent on external communications for its food, nor for any save a few—though some of these are quite important—of the industrial raw materials, saying:

Yet if it were deprived of the use of the sea, if not only its foreign trade but its coastal and intercoastal maritime traffic were interrupted, great hardships would be imposed on its people, and the result, while not as immediately drastic as would be a similar calamity to the British Isles, would assuredly in the end be disastrous.

The United States has no world-girdling colonial empire, yet it does possess outlying possessions, the safekeeping of one of which—the Panama Canal Zone—is absolutely vital to its military security, and of certain others scarcely less than that.

The Panama Canal has been referred to as our lifeline. With it intact we can, in a short time, throw our full naval strength in either ocean. Without it, or without its security assured, we may as well realize, at once, that a two-ocean navy will be demanded by the American people, who will not permit speculation with their defenses.

We cannot afford to take any chances in these perilous days. It is true that 6 years must elapse before we have the security we desire, but every year's delay postpones that security. If we had gotten the appropriation last August when it was requested, we would have been nearer completion by 1 year. If we are to postpone it now for 1 or 2 years, who can say that these defenses may not be needed at an earlier date? All of us desire the security of our country. Of that I am assured. For my part, I will take no chances. I hope the appropriation may be made as approved by the Bureau of the Budget.

I shall offer an amendment to restore the item to the bill. I hope it will prevail. At least I shall have done my duty as I see it.

Mr. SNYDER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. TERRY having resumed the chair as Speaker pro tempore, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8668, and had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. POWERS. Mr. Speaker, I ask unanimous consent that the gentlewoman from Massachusetts [Mrs. ROGERS] may be allowed to revise and extend her remarks and include certain excerpts.

The SPEAKER pro tempore (Mr. TERRY). Without objection, it is so ordered.

There was no objection.

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an editorial upon the Barkley and Mundt bills, which appeared in the Akron Beacon.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks made in the Committee this afternoon and to include therein excerpts and quotations from other documents and publications.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee this afternoon and also to include therein a statement by the Army engineers concerning Caddoa Dam.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article of mine in the current issue of State Government.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SESSION OF SUBCOMMITTEE OF COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on tomorrow the special subcommittee of the Committee on the District of Columbia may be permitted to sit during the session of the House.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I previously made in Committee this afternoon.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include one or two editorials.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial from a newspaper regarding water pollution.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill under consideration this afternoon and to include brief excerpts from Government documents and editorials.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SPECIAL ORDER

The SPEAKER pro tempore. Under special order of the House the gentleman from Mississippi [Mr. RANKIN] is recognized for 15 minutes.

Mr. RANKIN. Mr. Speaker, the hour is late and I have some things I want to demonstrate to the House. I ask unanimous consent that on tomorrow, after the disposition of matters on the Speaker's table and the completion of the legislative program, I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. RANKIN. I hope you will all be here tomorrow. I have a new meter that I want to show you that is a revolution in an electrical applicance.

Mr. POWERS. Is it a parking meter?

Mr. RANKIN. It is one that parks in your house and keeps down expenses. One that you can read yourself without the help of an engineer.

Mr. POWERS. I would like to have something like that in my house. [Laughter.]

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by Hon. John M. Carmody.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, for 5 days, on account of official business.

To Mr. SCRUGHAM, for 10 days, on account of official business.

To Mr. SMITH of Illinois, indefinitely, on account of important business.

ORDER OF BUSINESS

Mr. POWERS. Mr. Speaker, is it my understanding that the House will meet at noon tomorrow and the first order of business, after the reading of the Journal, will be the War Department nonmilitary appropriation bill?

The SPEAKER pro tempore. That is the program as far as the Chair is advised.

ADJOURNMENT

Mr. SNYDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Thursday, February 29, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet at 10:30 a. m., Thursday, February 29, 1940, for consideration of House Joint Resolution 428 and House Joint Resolution 429, to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Monday, March 4, 1940, at 10 a. m., there will be continued before Subcommittee No. I of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

On Monday, March 4, 1940, at 10 a. m., Subcommittee No. IV of the Committee on the Judiciary will hold a hearing on the bill (H. R. 7737) to amend the Judicial Code by adding a new section thereto, designated as section 266a, to provide for intervention by States and direct appeals to the Supreme Court of the United States in certain cases involving the constitutional validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes.

The hearing will be held in room 346, House Office Building.

COMMITTEE OF THE CENSUS

There will be hearings by the Committee on the Census in room 213, House Office Building, Thursday, February 29, 1940, at 10:30 a. m., on the reapportionment of Representatives in Congress.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following date on the matters named.

Thursday, March 7, 1940:

H. R. 6321, to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

This bill was previously referred to the Committee on Ways and Means, but under date of February 26 it was rereferred to this committee.

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

H. R. 8612, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1412. A letter from the director, national legislative committee of the American Legion, transmitting a copy of the external audit of the financial accounts for the calendar year ended December 31, 1939; to the Committee on World War Veterans' Legislation.

1413. A letter from the director, national legislative committee of the American Legion, transmitting a copy of the external audit of the financial accounts of the American Legion for the calendar year ended December 31, 1939; to the Committee on World War Veterans' Legislation.

1414. A letter from the Acting Secretary of War, transmitting a draft of a bill to amend the National Defense Act, as amended, to provide for enlistments in the Army of the United States; to the Committee on Military Affairs.

1415. A letter from the Acting Postmaster General, transmitting a draft of a proposed amendment to section 226 of an act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909 (35 Stat. L. 1134) (18 U. S. C., 1934 ed., sec. 356); to the Committee on the Post Office and Post Roads.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 7806. A bill to authorize the striking of an appropriate medal in commemoration of the three hundredth anniversary of the establishment of Greenwich, Conn., as a town; without amendment (Rept. No. 1686). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 8691. A bill to establish a fish hatchery; to the Committee on Merchant Marine and Fisheries.

By Mr. RANDOLPH:

H. R. 8692. A bill to amend the act to regulate the practice of podiatry in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KEFAUVER:

H. R. 8693. A bill to provide for the Office of Public Defender for the District of Columbia; to the Committee on the District of Columbia.

By Mr. RANDOLPH:

H. R. 8694. A bill to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928; to the Committee on the District of Columbia.

By Mr. TOLAN:

H. R. 8695. A bill to provide for grants to the States for assistance in the rehabilitation of disabled persons incapacitated for normal employment; to the Committee on Education.

H. R. 8696. A bill to provide for grants to the States for assistance to needy disabled adults; to the Committee on Ways and Means.

By Mr. TENEROWICZ:

H. R. 8697. A bill to provide for employment, for cooperation by the Federal Government with the several States in relieving the hardships and suffering caused by unemployment, and for other purposes; to the Committee on Labor.

By Mr. DEMPSEY:

H. R. 8698. A bill to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939; to the Committee on the Judiciary.

By Mr. GARRETT:

H. R. 8699. A bill granting to clerks in third-class post offices the status of postal employees and the benefits of annual and sick leave; to the Committee on the Post Office and Post Roads.

By Mr. SUMNERS of Texas:

H. R. 8700. A bill to change the time of the appointment of Presidential electors and the election of Senators and Representatives in Congress; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. MARTIN of Iowa:

H. R. 8701. A bill to provide pension benefits for certain Spanish-American War veterans; to the Committee on Pensions.

By Mr. CELLER:

H. R. 8702. A bill to amend the Judicial Code with respect to the continuation of grand juries to finish investigations; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. Con. Res. 49. Concurrent resolution to acquire land bases strategic for the defense of the Panama Canal and the Western Hemisphere through payment in part by gold and in part by credits on defaulted debts; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 404. Resolution to make H. R. 1, a bill providing for an excise tax on retail stores, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 1, concerning a plan for old-age security wholly supported by Federal funds; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 8703. A bill for the relief of Mrs. Frank Runk; to the Committee on Claims.

By Mr. BOEHNE:

H. R. 8704. A bill granting an increase of pension to Quessie Burns; to the Committee on Invalid Pensions.

By Mr. COSTELLO:

H. R. 8705. A bill for the relief of Howard Mondt; to the Committee on Military Affairs.

By Mr. GARRETT:

H. R. 8706. A bill for the relief of Wayne C. Wright; to the Committee on Claims.

By Mr. HORTON:

H. R. 8707. A bill for the relief of William T. J. Ryan; to the Committee on Claims.

By Mr. KENNEDY of Maryland:

H. R. 8708 (by request). A bill for the relief of Harold C. Preble, naval architect; to the Committee on Claims.

H. R. 8709. A bill for the relief of Charles N. Barber, former United States property and disbursing officer, Vermont National Guard, and for other purposes; to the Committee on Claims.

By Mr. LANDIS:

H. R. 8710. A bill granting a pension to David H. Lambert; to the Committee on Pensions.

By Mr. ROBINSON of Utah:

H. R. 8711. A bill for the relief of J. H. Wootton; to the Committee on Claims.

By Mr. WARD:

H. R. 8712. A bill for the relief of Mrs. George E. Richardson; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6704. By Mr. ANDERSON of California: Senate joint resolution relative to memorializing Congress to enact a plan for old-age security wholly supported by Federal funds; to the Committee on Ways and Means.

6705. By Mr. CASE of South Dakota: Petition of Lena E. Moffet and 14 other petitioners of Oelrichs, S. Dak., requesting and urging that an embargo of all war materials be imposed upon Japan; to the Committee on Foreign Affairs.

6706. By Mr. JENSEN: Petition of Wallace W. Deupree, proprietor of the Woodbine Theater, of Woodbine, Iowa, and 74 of his patrons, endorsing support and passage of the Neely bill (S. 280), now in House Committee on Interstate and Foreign Commerce; to the Committee on Interstate and Foreign Commerce.

6707. By Mr. JOHNS: Petition of Norma Schroeder and 46 other members of the Ladies' Auxiliary, Veterans of Foreign Wars, of Two Rivers, Wis., urging the passage of House bill 7925; to the Committee on World War Veterans' Legislation.

6708. By Mr. KEOGH: Petition of the Green Mountain Club, Inc., New York Section, Inc., concerning the Barkley bill (S. 685); to the Committee on Rivers and Harbors.

6709. Also, petition of Edward S. Godfrey, Jr., commissioner of health, New York City, concerning the Barkley bill (S. 685); to the Committee on Rivers and Harbors.

6710. Also, petition of the New York Association of Biology Teachers, New York City, concerning Senate bill 685; to the Committee on Rivers and Harbors.

6711. By Mr. LEAVY: Resolution adopted by the Lumber and Sawmill Workers, Local Union No. 100, I. W. A., at Spokane, Wash., on February 20, wholeheartedly endorsing the recommendation of the Unemployment Compensation Board that a 1-week waiting period be established with a $24 weekly benefit in lieu of the present regulations; pointing out that the present waiting period is altogether too long and the weekly benefit so small that workers are not afforded an oportunity to collect the full amount of their claims; to the Committee on Ways and Means.

6712. By Mr. SMITH of West Virginia: Resolution of the West Virginia Chamber of Commerce, protesting against the enactment of the so-called Mead bill; to the Committee on Banking and Currency.

6713. By the SPEAKER: Petition of the United Packinghouse Workers of America, Birmingham, Ala., petitioning consideration of their resolution with reference to America's unemployed; to the Committee on Labor.

SENATE

THURSDAY, FEBRUARY 29, 1940

The Chaplain, Rev. Zebarney T. Phillips, D. D., offered the following prayer:

Almighty God, source of all love and wisdom, touch our hearts that we may be filled with the spirit that makes for unity of feeling amidst all diversities of thought. Grant to each one of us at this morning hour a sense of thankfulness for the loveliness of earth, for joy encountered by the way, and knowledge gleaned from hard experience, for Thou has taught us that praise is comely and by it our hearts are enlarged.

Let Thy fiery, cloudy pillar lead the nations of the world out of this wilderness of unrighteous fear and hate into the realm of peace, where love and wisdom shall inspire and govern the lives of men.

O God of peace, strengthen and console us; O God of hope, sustain and uphold us; O God, who art the everlasting fountain whence the living waters flow, rise Thou in the spiritual rock, flow through our deeds and make them pure. In our Saviour's name, we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 26, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1935. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6505) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7270) to amend the Bonneville Project Act.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7265. An act to amend the District of Columbia Unemployment Compensation Act; and

H. R. 8641. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 6505. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 7270. An act to amend the Bonneville Project Act.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Schwartz
Andrews	Donahey	Lee	Schwellenbach
Ashurst	Downey	Lodge	Sheppard
Austin	Ellender	Lundeen	Smith
Bailey	Frazier	McCarran	Stewart
Bankhead	George	McKellar	Taft
Barbour	Gerry	McNary	Thomas, Idaho
Barkley	Gibson	Maloney	Thomas, Okla.
Bilbo	Gillette	Mead	Thomas, Utah
Bridges	Glass	Miller	Tobey
Brown	Green	Minton	Townsend
Bulow	Gurney	Murray	Truman
Byrd	Hale	Norris	Vandenberg
Byrnes	Harrison	Nye	Van Nuys
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Chandler	Herring	Pepper	White
Chavez	Hill	Radcliffe	Wiley
Clark, Idaho	Hughes	Reed	
Clark, Mo.	Johnson, Calif.	Reynolds	
Danaher	Johnson, Colo.	Russell	

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from New Jersey [Mr. SMATHERS] are absent from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LUCAS], the Senator from West Virginia [Mr. NEELY], and the Senator from Illinois [Mr. SLATTERY] are detained on important public business.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. HOLT], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are unavoidably detained.

The Senator from Nevada [Mr. PITTMAN] is absent on official business.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

PAYMENT TO INDIANS OF QUINAIELT RESERVATION, WASH.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 643) authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington, which was, on page 2, line 1, to strike out "$35,000" and insert "$28,400.10."

Mr. SCHWELLENBACH. I move that the Senate concur in the House amendment.

The motion was agreed to.

LENDING AUTHORITY OF EXPORT-IMPORT BANK

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3069) to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes, which were, on page 2, line 4, after "loans", to insert "to any government which was in default in the payment of its obligations or any part thereof to the Government of the United States on April 13, 1934, or", and on page 2, line 6, after "articles", to insert "except aircraft exclusively for commercial purposes."

Mr. BROWN. I move that the Senate concur in the House amendments.

The motion was agreed to.

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the adjournment or recess of the Senate following today's session the Vice President may be authorized to sign the bill increasing the capital stock of the Export-Import Bank, the amendments of the House to which have just been concurred in.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

FARM BANKRUPTCIES

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1935) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which were to strike out all after the enacting clause and insert:

That section 75 (c) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"(c) At any time prior to March 4, 1944, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section."

SEC. 2. Section 75 (r) of such act is amended to read as follows:

"(r) For the purposes of this section and section 4 (b) the term 'farmer' includes not only an individual who is primarily bona fide personally engaged in producing products of the soil, but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such operations occur."

And to amend the title so as to read: "An act to extend until March 4, 1944, the time during which petitions may be filed by farmers under section 75 of the Bankruptcy Act."

Mr. McCARRAN. I move that the Senate concur in the House amendments.

The motion was agreed to.

HEIRS OF LT. WILLIAM LEE CLEMMER

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation for the relief of the heirs of Lt. William Lee Clemmer, Coast Guard, which, with the accompanying paper, was referred to the Committee on Claims.

AMENDMENT OF THE ACT OF MARCH 4, 1909—MISUSE OF OFFICIAL INFORMATION

The VICE PRESIDENT laid before the Senate a letter from the Acting Postmaster General, transmitting a draft of proposed legislation to amend section 226 of the act of March 4,

1909, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

PROCEEDINGS OF THE AMERICAN INSTRUCTORS OF THE DEAF

The VICE PRESIDENT laid before the Senate a letter from the president of the Columbia Institution for the Deaf, transmitting, pursuant to law, the proceedings of the thirty-first meeting of the American Instructors of the Deaf, held at Berkeley, Calif., which, with the accompanying papers, was referred to the Committee on Printing.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the memorial of the Young Women's Christian Temperance Association, of Westfield, N. J., signed by Mrs. N. E. Loomis, president, remonstrating against the enactment of antialien legislation, especially such legislation as would adversely affect the civil rights of aliens, which was referred to the Committee on Immigration.

He also laid before the Senate the petition of the Sunflower Woman's Club, of Mitchell, Nebr., praying for the adoption of the so-called equal-rights amendment to the Constitution, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a petition signed by the pastor, superintendent of the Sunday school, and the chairman and secretary of the board of religious education of the Church of God, Neodesha, Kans., praying for the enactment of the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table.

He also presented a resolution adopted by the Friends Meeting of Washington, D. C., favoring the enactment of the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table.

Mr. WILEY presented a resolution adopted by the executive council of the Wisconsin Conservation Congress at Madison, Wis., favoring continuance of the Civilian Conservation Corps camps and necessary appropriations to insure such continuance, which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by Local No. 99, Fur and Leather Workers' Union, of Milwaukee, Wis., favoring expansion of present public-health services and opposing changes in the Wage and Hour and National Labor Relations Acts, which were referred to the Committee on Education and Labor.

He also presented a petition of 119 citizens of Wisconsin, praying for the enactment of the so-called Patman anti-chain-store bill, which was referred to the Committee on Finance.

He also presented a petition of 289 citizens of Fort Atkinson, Wis., praying that an embargo be placed on the shipment of war materials to Japan, which was referred to the Committee on Foreign Relations.

Mr. RADCLIFFE (for Mr. TYDINGS) presented the petition of the Tolson Pigeon Club, of Baltimore, Md., praying for the enactment of House bill 7813, to safeguard homing pigeons, which was referred to the Committee on Agriculture and Forestry.

He also (for Mr. TYDINGS) presented a resolution of the Seafarers' International Union of North America, of the State of Maryland, favoring the enactment of legislation to remedy injustices to seamen left destitute in strange ports, which was referred to the Committee on Commerce.

He also (for Mr. TYDINGS) presented a petition of sundry citizens of the State of Maryland, praying that the District of Columbia take over and operate the Northeast Market in the city of Washington, which was referred to the Committee on the District of Columbia.

He also (for Mr. TYDINGS) presented a petition of sundry citizens of the State of Maryland, praying that an embargo be placed on the shipment of war materials to Japan, which was referred to the Committee on Foreign Relations.

He also (for Mr. TYDINGS) presented a resolution of the Ladies' Auxiliary Loyal Democratic Club, eighth ward, of Baltimore, Md., favoring repeal of section 9–A of the so-called Hatch Act relating to pernicious political activities, which was referred to the Committee on Privileges and Elections.

He also (for Mr. TYDINGS) presented a petition of sundry citizens of the State of Maryland, praying for the enactment of the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table.

Mr. BILBO. Mr. President, I offer for the RECORD House Concurrent Resolution 23, passed unanimously by the Mississippi Legislature, memorializing Congress and the President to establish a military post or camp or fort in the State of Mississippi. This is of especial interest, because, while Mississippi has been a sovereign State of the Union for 123 years, it is the only State east of the Mississippi River which has never had recognition in the establishment of a military post or fort.

On behalf of my colleague the senior Senator from Mississippi [Mr. HARRISON] and myself, I present the resolution; and also House Concurrent Resolution 5 of the Mississippi Legislature, memorializing the Congress to appropriate funds for the purchase of the home site of Gen. Samuel Dale, who is buried in Mississippi. Because this resolution sets out the high lights of his service to his country, I ask consent that the resolution be published in the RECORD as a part of my remarks.

The VICE PRESIDENT. The resolutions will be received, appropriately referred, and printed in the RECORD.

To the Committee on Military Affairs:

House Concurrent Resolution 23

Concurrent resolution memorializing the President and the Congress of the United States to establish a Regular Army or military post, fort, or camp in the State of Mississippi

Whereas the State of Mississippi is the only State east of the Mississippi River that does not have a Regular Army, Navy, or military post, fort, or camp within the boundaries of the said State; and

Whereas the United States Government owns thousands and thousands of acres of land in the State of Mississippi where an Army or military post, fort, or camp could be located; and

Whereas at the present time there is great need for national defense in the United States, and millions of dollars are being spent by the United States Government for the purpose of national defense: Now, therefore, be it

Resolved by the House of Representatives of the State of Mississippi (the senate concurring therein), That we do petition the President and the Congress of the United States to establish and place a Regular Army or military post, fort, or camp in the State of Mississippi; be it further

Resolved, That the clerk of the house of representatives be instructed to forward a copy of this resolution to the President of the United States and to each of our Senators and Representatives in the Congress of the United States.

To the Committee on Public Lands and Surveys:

House Concurrent Resolution 5

Concurrent resolution memorializing Congress to appropriate $250,000 for General Samuel Dale National Shrine

Whereas Gen. Samuel Dale was the first member of the Mississippi Legislature from Lauderdale County, Miss., serving with distinguished statesmen and outstanding members; and

Whereas Gen. Samuel Dale is buried in an obscure country graveyard at Daleville, Miss., buried there May 24, 1841; and

Whereas Gen. Samuel Dale fought at New Orleans January 8, 1815, in General Thomas Hinds' Mississippi Dragoons under Gen. Andrew Jackson, and otherwise rendered signal service during Indian troubles in Georgia from 1793 to 1803, during which time he served a part of the time in the Regular United States Army; and

Whereas Gen. Samuel Dale was an outstanding leader against the Lower Creek Indians in Alabama, 1813–14, taking part in many battles along the Alabama River, and later in Seminole Indian troubles in Florida in 1818; and

Whereas Gen. Samuel Dale furnished Gen. Andrew Jackson's army, defending Mobile and New Orleans, 20 barrels of flour, 1,000 bushels of corn, and 5,000 pounds of pork from his own corncrib and smokehouse, with other necessary provisions for which he was never paid by the National Government; and

Whereas, Gen. Samuel Dale, with two other heroes, Jerry Austell and James Smith, rowed by the Negro, Caesar, attacked and slew 12 Indians in the canoe fight, who were on their way down the Alabama River to murder and plunder the white settlers; and

Whereas, Gen. Samuel Dale rode his Indian pony, Paddy, from Milledgeville, Ga., in less than 7½ days with important military despatches for Gen. Andrew Jackson, arriving in time to take part in the battle January 8, 1815, thereby performing the most noted ride for time and distance covered on a single horse in the annals of history; and

Whereas, Gen. Samuel Dale, born in Rockbridge County, Va., October 15, 1772, devoted his entire life to the service of his coun-

try in Virginia, Georgia, Mississippi, Alabama, Florida, and Louisiana in one capacity or another, for which he is unhonored and unpaid: Therefore be it

Resolved by the house of representatives (the senate concurring therein), That the Mississippi Legislature memorialize the Congress of the United States to pass United States Senate bill No. 1756, introduced by United States Senator THEODORE G. BILBO, appropriating $250,000 with which to purchase two sections of land owned by Gen. Samuel Dale in Lauderdale County, Miss., and on which General Dale is buried, as a national shrine in honor of Gen. Samuel Dale. Said bill is now pending in United States Senate Committee on Lands.

CAPT. JOSEPH A. GAINARD

Mr. LODGE. Mr. President, I present for appropriate reference a resolution adopted by the city government of Chelsea, Mass., in recognition of the splendid conduct of Capt. Joseph A. Gainard, who was born in that city and who was master of the steamship *The City of Flint*. I ask also that the resolution be printed in the RECORD.

The VICE PRESIDENT. The resolution will be received, referred to the Committee on Foreign Relations, and, without objection, printed in the RECORD.

The resolution is as follows:

Resolved, That the Board of Aldermen of the City of Chelsea desire to record themselves on behalf of the city of Chelsea as being proud to represent the native city of Capt. Joseph A. Gainard, who so nobly and intelligently handled an international and diplomatic event, which was fraught with possibilities of involving the United States Government with belligerent nations. He rose to the occasion, using only his native intelligence in addition to the culmination of a life of studious application to educational and maritime problems. His conduct, both in the navigation of his ship *The City of Flint* and his demeanor in dealing with the boarding crew of Germany, stamps him as an outstanding figure which should be recognized by the Federal Government.

The city government congratulates Captain Gainard and, through him, his good family, and records these expressions in the records of this meeting.

Resolved, That a copy of this resolution be sent to the President and Vice President of the United States, the Senators from Massachusetts, Congressman Flaherty, Captain Gainard, and Congresswoman Rogers.

FEDERAL MILK REGULATIONS IN BOSTON

Mr. WALSH. Mr. President, I have recently received a petition signed by about 15,000 constituents, whose names were secured by the Greater Boston Milk Distributors Committee. I understand most of the signatures are those of housewives and were secured by milk drivers for various independent milk dealers in the city of Boston. I am presenting a letter which accompanied the petition and ask that it be printed in the RECORD, and I particularly call attention to one sentence therein, which reads:

It is an audible protest of consumers against a system which raises prices and at the same time tends to eliminate the small milk dealer from competition in the market.

This letter sets forth the milk situation in Boston, and I request that the petition and letter be referred to the Senate Committee on Agriculture and Forestry for the purpose of considering whether any legislation on the subject is desirable, or if, in their opinion, it is considered an administrative matter, that the committee refer the matter to the Secretary of Agriculture.

The letter and petition presented by Mr. WALSH were referred to the Committee on Agriculture and Forestry; and the letter, with an accompanying table, was ordered to be printed in the RECORD, as follows:

SHRIGLEY, EASTMAN & HULL,
Boston, Mass., February 20, 1940.

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SENATOR WALSH: On behalf of the Greater Boston Milk Distributors' Committee, I am forwarding to you, under separate cover, a petition. When you open it, it will seem as though I had not given much attention to putting it in an orderly shape, and I apologize for its condition. A scrutiny of it will disclose that it is on so many different kinds of paper, signed on both front and back of the sheets, that it would be very difficult to bind it into any orderly form, as I would have liked to do before sending it to you.

This petition is signed, largely, by housewives, whose signatures were secured by milk drivers for various independent milk dealers in the city of Boston. It is an audible protest of consumers against a system which raises prices and at the same time tends to eliminate the small milk dealer from competition in the market. I believe it might well be said that it is a sort of protest for liberty and as such I commend it for your consideration.

I believe that some 12,000 or 15,000 people have signed the enclosed petitions; I have not counted them. The importance, however, is that this represents a very growing attitude of questioning the regulatory practices of the Government and, therefore, I think it is important for men engaged on behalf of and in the service of the public and the public weal.

The situation in Boston is a serious one in that the Secretary of Agriculture, to maintain a parity price to farmers as provided in the law, has found it necessary to increase the price paid the farmers, effective as of February 1. The order runs until May 1, but I am quite sure that very strenuous objection will be made to a reduction at that time. This arises out of the fact that an artificial price for milk creates a condition under which farmers continually increase production of milk, so that, while the use of milk for food decreases as the price goes up, the surplus which would exist in normal times and under normal conditions constantly increases, and this is all paid for at a parity price through the pool administered by the Federal Market Administrator, the increasing class II milk in the pool requiring constant revision of the base price to be paid to the producer.

This is borne out by the fact that in November of 1937, 45,992,557 pounds of milk were used for human consumption, as food, in the Greater Boston market area. In that same month and year, 14,626,892 pounds of surplus, or class II milk were used on the market. In November of 1938, 47,228,972 pounds of class I milk were used in the market, and 14,798,406 pounds of class II milk, while in November of 1939 the milk used for food had dropped to 43,568,899 pounds, but the surplus, or class II milk, amounted to 21,974,092 pounds. I have used the month of November because it is the month of lowest production.

I enclose to you herewith an analysis covering the period of August 1937 to November 1939, and particularly call your attention to the months of May, June, and July of 1938 and 1939, which are the months of highest production.

As a result of this situation farmers are continually abandoning other forms of agriculture. They are centering on dairying and, some of them, on poultry production. In the face of this situation some of the larger operators are, I am informed, purchasing cream and other milk products from as far west as Adrian, Mich., and probably down into Tennessee, which, when sold on the market, affects the price which would be paid for class II milk. All of this burden comes back to two parties—

1. The consumer, who is now required to pay 14 cents per quart for milk instead of 13 cents.

2. The independent and smaller producer, who is unable, because of lack of equipment, to compete successfully in the sale and handling of the products of class II milk, such as butter, ice cream, cheese, casein, plastics, etc.—with a secondary result which will be disastrous, that as the price goes up the sale of class I milk will decrease; the use of powdered and condensed milk, much of which is produced in semitropic regions like California, where the cows are on open range, at a very low production cost, will supplant the native whole milk which should be used, not only to its present extent but which could be profitably and well used in probably twice its present extent.

The Government, through the Surplus Commodities Corporation, is handling large amounts of milk at a lower price, which milk is being disposed of through welfare agencies at from nothing to 5 or 7 cents per quart. As this occurs, people who would otherwise buy milk from dealers abandon the regular business channels, and the plant and equipment designed to do the normal business lies idle. There is no substantial dealer but who has been finding it necessary to lay off well-paid men and put away perfectly good equipment on account of the effect produced by this particular situation.

You will remember the distress of farmers in the Middle West in 1930–32. Iowa farm lands in 1918 were selling at $400 an acre, and that applied to the whole Middle West region. It all rested on an artificial price supported by Government finance and purchase. When the support was withdrawn the market value of their products after living was not enough to pay the interest on their mortgages, and I doubt if the loss and suffering which was immediately entailed by this situation has been yet ameliorated.

You will pardon this extended letter; the only justification is that I know that you, as our senior Senator, will be deeply concerned about things which a statesman, viewing in the larger perspective, may well know, have, under the guise of apparent prosperity, the latent and obvious seeds of ultimate disaster.

I remain,

Respectfully and sincerely,

JOEL W. EASTMAN.

Market administrator—Greater Boston marketing area—Total milk received from producers and classification of use as reported by 92 handlers [1]

	Total milk received from producers	Net class I	Class II
1937—August	79,975,026	49,152,565	30,822,461
September	77,367,285	43,717,332	33,649,953
October	74,795,937	45,715,596	29,080,341
November	60,619,467	45,992,575	14,626,892
December	64,720,778	44,705,606	20,015,172

[1] Representing approximately 95 percent of milk in entire market. For some of later periods of 1939 estimates were made on very small percentages of entire milk for month.

Market administrator—Greater Boston marketing area—Total milk received from producers and classification of use as reported by 92 handlers—Continued

	Total milk received from producers	Net class I	Class II
1938—January	67,364,746	44,167,803	23,196,943
February	63,847,936	40,195,115	23,652,821
March	79,682,536	45,261,903	34,420,633
April	87,801,522	43,833,074	43,968,448
May	107,423,452	44,488,934	62,934,518
June	106,994,071	44,137,092	62,856,979
July	90,459,696	46,335,548	44,124,148
August	80,600,522	49,640,697	30,959,825
September	77,142,256	42,672,662	34,469,594
October	75,522,849	47,352,331	28,170,518
November	62,027,378	47,228,972	14,798,406
December	64,945,053	46,644,079	18,300,974
1939—January	67,675,446	44,200,322	23,475,124
February	64,880,855	38,973,068	25,907,787
March	83,110,607	43,558,170	39,552,437
April	91,279,938	40,765,877	50,514,061
May	105,645,283	43,022,911	62,622,372
June	119,414,237	42,386,560	77,027,677
July	101,016,041	45,689,857	55,326,184
August	83,669,629	47,584,297	36,085,332
September	78,653,077	42,669,967	35,983,110
October	75,417,066	44,799,815	30,617,251
November	65,542,991	43,568,899	21,974,092

REPORTS OF COMMITTEES

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 3023) for the relief of Clarence E. Enders and Gertrude Ray Enders, reported it with amendments and submitted a report (No. 1240) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 838. A bill for the relief of Ray E. Nies (Rept. No. 1241); and

H. R. 2055. A bill for the relief of the K. E. Parker Co. (Rept. No. 1242).

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (S. 3339) for the relief of John C. Crossman, reported it without amendment and submitted a report (No. 1243) thereon.

Mr. HUGHES, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2799. A bill for the relief of James George Mayfield (Rept. No. 1244);

S. 3298. A bill for the relief of Richard L. Calder (Rept. No. 1245); and

H. R. 5089. A bill conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith (Rept. No. 1247).

Mr. HUGHES also, from the Committee on Claims, to which was referred the bill (S. 3073) for the relief of Verle S. Ward, reported it with amendments and submitted a report (No. 1246) thereon.

Mr. MALONEY, from the Committee on Commerce, to which was referred the bill (S. 3324) relating to the existing flood-protection project at East Hartford, Conn., reported it without amendment and submitted a report (No. 1248) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3009. A bill authorizing the President to present the Navy Cross to Capt. Frank N. Roberts, United States Army (Rept. No. 1249);

S. 3010. A bill authorizing the Secretary of the Navy to issue the Navy Expeditionary Medal to certain Army and civilian personnel (Rept. No. 1250);

S. 3013. A bill to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1925 (43 Stat. 1190; 34 U. S. C. 893), so as to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts (Rept. No. 1251);

S. 3014. A bill to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), so as to provide uniformity in the pay of all civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska (Rept. No. 1252); and

S. 3098. A bill authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe (Rept. No. 1253).

Mr. SCHWARTZ, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment, and submitted reports thereon:

S. 1308. A bill for the relief of J. M. Swinney (Rept. No. 1254); and

H. R. 2356. A bill for the relief of the International Grain Co., Inc. (Rept. No. 1255).

He also, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 2204. A bill conferring jurisdiction upon the Court of Claims or any district court of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Robert Lee Wright (Rept. No. 1256); and

S. 3059. A bill for the relief of Velvie W. Smith (Rept. No. 1257).

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the bill (S. 3042) to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended, reported it without amendment and submitted a report (No. 1258) thereon.

Mr. VAN NUYS, from the Committee on Expenditures in the Executive Departments, to which was referred the bill (S. 3383) to authorize certain future adjustments in the accounts of the Treasurer of the United States when erroneous payments have been made by him in good faith and without negligence, and for other purposes, reported it without amendment and submitted a report (No. 1259) thereon.

Mr. BILBO, from the Committee on Commerce, to which was referred the bill (S. 3209) granting the consent of Congress to the Mississippi Highway Commission to construct, maintain, and operate a free highway bridge across Pearl River in the State of Mississippi, reported it with amendments and submitted a report (No. 1260) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on February 26, 1940, that committee presented to the President of the United States the following enrolled bills:

S. 1850. An act to aid the States and Territories in making provisions for the retirement of employees of the land-grant colleges;

S. 2867. An act to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the Pennsylvania Railroad Co., for right-of-way purposes, a small strip of land at Veterans' Administration facility, Coatesville, Pa.;

S. 2868. An act to facilitate the procurement of aircraft for the national defense; and

S. 2876. An act to amend the Annual and Sick Leave Acts of March 14, 1936.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

S. 3455. A bill for the relief of Bridget Healey, Maurice Fitzgerald, Theresa Fitzgerald, and Mrs. P. J. Sullivan; to the Committee on Claims.

S. 3456. A bill to provide for the reimbursement of certain personnel or former personnel of the United States Marine Corps for the value of personal effects destroyed as a result of a fire at Raritan Arsenal, Metuchen, N. J., on October 10, 1938; to the Committee on Naval Affairs.

By Mr. CHAVEZ:

S. 3457. A bill for the relief of Desiderio Alvarez de la Fuente; to the Committee on Immigration.

S. 3458. A bill for the relief of Juan F. Lopez; to the Committee on Indian Affairs.

S. 3459. A bill granting a pension to Nyles M. Morris; to the Committee on Pensions.

By Mr. MURRAY:

S. 3460. A bill for the relief of Mathilda Olson; to the Committee on Claims.

(Mr. MURRAY also introduced Senate bill 3461, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. HERRING:

S. 3462. A bill for the relief of Horace C. Goddard; to the Committee on Claims.

S. 3463. A bill for the relief of William Metten; to the Committee on Military Affairs.

By Mr. McNARY:

S. 3464. A bill to amend the Perishable Agricultural Commodities Act, 1930, as amended; to the Committee on Agriculture and Forestry.

(Mr. GEORGE introduced Senate bill 3465, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. REYNOLDS:

S. 3466. A bill for the relief of James R. Fortune; to the Committee on Claims.

By Mr. SCHWELLENBACH:

S. 3467. A bill for the relief of the Morgan Decorating Co.; to the Committee on Claims.

By Mr. MALONEY:

S. 3468. A bill granting a pension to Nellie A. D. Nichols; to the Committee on Pensions.

By Mr. BARBOUR:

S. 3469. A bill to provide for transmitting in the United States mails free of postage certain materials for use by or for certain blind persons; to the Committee on Post Offices and Post Roads.

By Mr. SHEPPARD:

S. 3470. A bill to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war or other emergency declared by Congress, and for other purposes; to the Committee on Military Affairs.

S. 3471. A bill to amend section 907 (c) of the Revenue Act of 1936, relating to monthly price margins in connection with the income tax; to the Committee on Finance.

By Mr. BRIDGES:

S. 3472. A bill for the relief of Peter Masterson; to the Committee on Civil Service.

S. 3473. A bill for the relief of Fred A. Malpiedi; to the Committee on Military Affairs.

S. 3474. A bill to correct the naval record of Walter Scott Hersom; to the Committee on Naval Affairs.

S. 3475. A bill granting a pension to Angelina Chartier; to the Committee on Pensions.

By Mr. MEAD:

S. 3476. A bill to adjust the salaries of rural letter carriers; to the Committee on Post Offices and Post Roads.

S. J. Res. 216. Joint resolution for the relief of the distressed and starving men, women, and children of Poland; to the Committee on Foreign Relations.

INDUSTRIAL HYGIENE

Mr. MURRAY. Mr. President, I introduce a bill for appropriate reference, and in connection with the bill I should like to state that its purpose is to provide for the control and prevention of industrial diseases which appear to be greatly on the increase. I have prepared a brief statement in regard to the measure, which I should like to have printed in the RECORD in connection with my remarks.

The VICE PRESIDENT. The bill of the Senator from Montana will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3461) to provide for the general welfare by enabling the several States to make more adequate provisions for the control and prevention of industrial conditions hazardous to the health of employees was read twice by its title and referred to the Committee on Education and Labor.

The statement presented by Mr. MURRAY is as follows:

The purpose of this bill is to aid the States in the control of occupational diseases, i. e., disabling conditions from exposures encountered in employment, by effecting better control of these hazards through maintaining special industrial-hygiene units in State labor departments, these industrial-hygiene divisions to function (1) by designing and applying engineering control measures to existing exposures, (2) by aiding in the preparation of suitable rules and regulations for prevention and by directly aiding the enforcement agency charged with the application of the rules and regulations, (3) by aiding the State adjudicating agency in the disposition of workmen's compensation claims.

Occupational diseases occur in all 48 States. Although the extent of damage to workers' health as a result of job hazards varies according to the nature and concentration of industry this is definitely a Nation-wide problem.

No industrial employment is free from conditions capable of causing sickness, disability, and premature death. The industrial worker's life expectancy is 8 to 10 years less than the population at large.

Most seriously exposed are the estimated 5,000,000 workers menaced by specific, reoccurring, recognized occupational diseases, i. e., lead poisoning, dermatitis, silicosis asbestosis, poisoning from benzol, carbon disulfide, mercury, radium, carbon monoxide, and about 20 more.

Increasing use of new chemicals, new solvents, new processes are not only bringing new diseases but are producing an alarming increase in the known health disabilities.

Numerous surveys showing the extent of the hazard have been made. Half of the States recognize from 1 to 31 predominant occupational diseases in Workmen's Compensation Act schedules. Medical techniques have been developed to appraise and sometimes alleviate the damage, but preventive programs are wholly inadequate in some States and nonexistent in others. This is due primarily to insufficient funds available to the responsible enforcement agency, i. e., the State labor departments.

While health departments in the several States have jurisdiction over the public health—contagious diseases, water supply, sewage disposal—this is a general authority not specifically related to industry.

In virtually every State in the Union there has been set up by law a labor department or industrial commission charged with the duty of regulating working conditions and authorized to enter places of employment in the enforcement of labor laws, rules, and regulations. These agencies have specific authority and responsibility with respect to prevention of industrial accident and disease.

In three States—New York, Massachusetts, and Illinois—industrial-hygiene units, which deal exclusively with the science of protecting the workers' health, have been integrated with State labor departments and operate solely on State funds.

Under the Social Security Act of 1935 the Surgeon General of the United States Public Health Service has allotted Federal funds to 25 States and 3 city health departments for research in the field of industrial hygiene and sanitation. None of these industrial-hygiene units in the health departments renders service to labor departments in any one of the following ways: (1) Actual enforcement of detailed rules or laws; (2) adjudication of workmen's compensation claims; (3) directly aiding in the formulation of administrative codes, rules, and regulations.

If industrial-hygiene work is to serve a practical purpose other than the mere development of scientific information, it must be carried out by an agency integrated with the Department of Labor, which has full responsibility for and jurisdiction over protecting the health of workers.

CERTIFICATES OF ELECTORAL VOTES

Mr. GEORGE. Mr. President, I introduce a bill which I ask may be referred to the Committee on the Judiciary. In connection with the bill I ask unanimous consent to insert in the RECORD a brief explanation of the measure.

There being no objection, the bill (S. 3465) relating to certificates of electoral votes was read twice by its title, and referred to the Committee on the Judiciary; and the statement in the form of memorandum presented by Mr. GEORGE was ordered to be printed in the RECORD, as follows:

MEMORANDUM

In the original act of March 1, 1792 (1 Stat. 239), providing for the meeting of the electors for President and Vice President, for the counting of the electoral votes, etc., the electors were required to make and sign three certificates of all the votes given by them, seal up the certificates, and certify on each that a list of the votes of their State for President and Vice President were contained therein. This requirement with respect to having the electors certify that the votes of their States are contained in the certificates made by them is still in effect and is now contained in section 139 of the Revised Statutes which reads as follows:

"SEC. 139. The electors shall seal up the certificates so made by them, and certify upon each that the lists of all the votes of such State given for President, and of all the votes given for Vice President, are contained therein."

This requirement has been construed to mean that the electors must all certify to the fact that their certificates contain the correct list of their votes, and that this must be done on the outside of the packages in which the certificates themselves have been sealed. Since the act of May 29, 1928 (45 Stat. 946), six certificates instead of three have been required, and each of them must be so certified.

It is understood that some difficulties have arisen as a result of the failure of some of the electors to place their signatures upon the outside of such packages, and that it is sometimes difficult to get all the signatures of the electors in the short time intervening between the time a copy of the certificate is forwarded to the Vice President and the time fixed by law for counting the electoral votes.

Simplification of the process of certifying to the certificates would therefore seem to be justified, and the proposed bill seeks to accomplish that purpose.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 7265. An act to amend the District of Columbia Unemployment Compensation Act; to the Committee on the District of Columbia.

H. R. 8641. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes; to the Committee on Appropriations.

AMENDMENTS TO RIVER AND HARBOR AUTHORIZATION BILL

Mr. BARBOUR, Mr. HERRING, and Mr. RADCLIFFE (for Mr. TYDINGS) severally submitted amendments intended to be proposed by them to House bill 6264, the river and harbor authorization bill, which were severally referred to the Committee on Commerce and ordered to be printed.

RECIPROCAL-TRADE AGREEMENTS—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which was referred to the Committee on Finance and ordered to be printed.

FIRST DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. MURRAY submitted an amendment proposing to increase the appropriation for the control of incipient and emergency outbreaks of insect pests and plant diseases, from $2,000,000 to $3,500,000, intended to be proposed by him to House bill 8641, the first deficiency appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed.

TRANSFER OF AMERICAN VESSELS TO BELGIAN REGISTRY—AMENDMENT

Mr. BRIDGES submitted an amendment intended to be proposed by him to the resolution (S. Res. 239) (submitted by Mr. CLARK of Missouri on the 26th instant), calling on the Maritime Commission for certain information concerning the transfer of vessels owned by the United States Lines to Belgian registry, which was referred to the Committee on Commerce and ordered to be printed.

THE CHURCH AND SOCIAL ORDER (S. DOC. NO. 149)

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that there be printed as a document a statement on the church and the social order issued by the archbishops and bishops of the administrative board of the National Catholic Welfare Conference at Washington, D. C., on February 7, 1940.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ARTICLES ON LIFE AND WORKS OF THE LATE SENATOR BORAH BY WILLIAM K. HUTCHINSON (S. DOC. NO. 150)

Mr. VAN NUYS. Mr. President, recently Mr. William K. Hutchinson, who is chief of the Washington bureau of the International News Service, has written interesting recitals which appeared in the daily newspapers of his long friendship with and of the accomplishments of the late Senator Borah. I ask that these articles be printed as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

SENATORIAL ADDRESSES ON THE PRESENT SITUATION OF OUR FOREIGN RELATIONS

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a radio discussion by Senators PITTMAN, GILLETTE, SCHWELLENBACH, and WILEY on The Present Situation of Our Foreign Relations, which appears in the Appendix.]

ADDRESS BY SENATOR KING ON PROPOSED LOAN TO FINLAND

[Mr. BROWN asked and obtained leave to have printed in the RECORD a radio address delivered by Senator KING on February 26, 1940, on the subject of the proposed loan to Finland, which appears in the Appendix.]

ADDRESS BY SENATOR WALSH ON THE DEMOCRATIC PARTY—ITS MISSION, PAST AND PRESENT

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a radio address delivered by Senator WALSH on February 19, 1940, on The Democratic Party—Its Mission, Past and Present, which appears in the Appendix.]

ADDRESS BY SENATOR WALSH ON NATURALIZATION AND CITIZENSHIP

[Mr. WALSH asked and obtained leave to have printed in the RECORD a radio address delivered by him on November 16, 1939, on the subject of naturalization and citizenship, which appears in the Appendix.]

LETTER FROM SENATOR O'MAHONEY TO C. B. ROBBINS ON LIFE INSURANCE, ETC.

[Mr. MALONEY asked and obtained leave to have printed in the RECORD a letter on the subject of life insurance, addressed by Senator O'MAHONEY to Col. C. B. Robbins, manager and general counsel of the American Life Convention, and a bulletin issued by the American Life Convention in the same connection, which appear in the Appendix.]

ADDRESS BY SENATOR BROWN ON POLICY OF THE UNITED STATES IN THE FINNISH-RUSSIAN WAR

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a radio address delivered on February 26, 1940, by Senator BROWN, on the policy of the United States in the Finnish-Russian War, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR BRIDGES

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an address delivered by him at the annual New Mexico Lincoln Day banquet held at Albuquerque, N. Mex., February 14, 1940, which appears in the Appendix.]

COMPARATIVE PER CAPITA COST OF GOVERNMENT BY 10-YEAR INTERVALS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a comparative statement showing the per capita cost of government by 10-year intervals from 1790 to 1940, which appears in the Appendix.]

REPORT OF SOCIAL WELFARE AND FACT-FINDING COMMITTEE, BEXAR COUNTY, TEX.

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD the report of the Social Welfare and Fact-Finding Committee of expenditures made in Bexar County, Tex., by the Federal, State, and local governments for relief purposes, which appears in the Appendix.]

ARTICLE FROM TIME MAGAZINE ON THE LATE SENATOR BORAH

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article published in Time magazine, of January 29, 1940, on the late Senator Borah, which appears in the Appendix.]

THE LATE JOSEPH H. CHITWOOD

[Mr. BYRD asked and obtained leave to have printed in the RECORD an appraisement of the life and career of Joseph H. Chitwood, formerly United States district attorney for the western district of Virginia, delivered on the occasion of his funeral by Hon. James P. Woods, of Roanoke, Va., which appears in the Appendix.]

ADDRESS BY HON. JOHN G. WINANT AT SECOND REGIONAL CONFERENCE OF AMERICAN STATES, ETC.

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address delivered by Hon. John G.

Winant at the Second Regional Conference of American States, in Habana, Cuba, December 1, 1939, which appears in the Appendix.]

ADDRESS BY TOM W. CHEEK ON DOMESTIC ALLOTMENT CERTIFICATE PLAN FOR COTTON

[Mr. LEE asked and obtained leave to have printed in the RECORD a radio address by Tom W. Cheek, president of the Oklahoma Farmers' Union, delivered on February 24, 1940, on the subject of the domestic allotment certificate plan for cotton, which appears in the Appendix.]

ARTICLE BY HUGH S. JOHNSON ON FOREIGN COMMERCE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Hugh S. Johnson, published in the Washington Daily News, entitled "Foreign Commerce," which appears in the Appendix.]

ARTICLE BY C. P. IVES ON TARIFF MAKING BEFORE THE HULL TRADE PROGRAM

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD an article by C. P. Ives, published in the Baltimore Sun of February 22, 1940, entitled "Before the Hull Trade Program," which appears in the Appendix.]

LETTER FROM EDWARD P. FARLEY ON TRANSPORTATION BILL

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD a letter from Edward P. Farley, published in the Washington Evening Star of February 28, 1940, on the pending transportation bill, which appears in the Appendix.]

THE "ALTMARK" INCIDENT

[Mr. WILEY asked and obtained leave to have printed in the RECORD the official statement of the Norwegian Government on the *Altmark* incident, which appears in the Appendix.]

ARTICLE BY DR. JOSEPH F. THORNING ON FALSE STANDARDS

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD an article published in Light and written by Dr. Joseph F. Thorning entitled "False Standards," which appears in the Appendix.]

PHILIPPINE ISLANDS

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an editorial from the New York Times of February 28, 1940, entitled "The Philippine Enigma," which appears in the Appendix.]

ORDER DISPENSING WITH CALL OF CALENDAR

The VICE PRESIDENT. The routine morning business is concluded. The calendar, under rule VIII, is in order.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the calling of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE RECORD OF THE PAST 7 YEARS—NOTICE OF SPEECH BY SENATOR BARKLEY

Mr. BARKLEY. Mr. President, on Monday next, which will be the seventh anniversary of the inauguration of President Roosevelt and Vice President Garner, I shall seek recognition, immediately upon the conclusion of the morning hour, to address the Senate in a review of the past 7 years. At the conclusion of my address I hope we may proceed, according to an understanding I have with the senior Senator from New Mexico [Mr. HATCH], to consider the bill which has been recently reported from the Committee on Privileges and Elections, and which is known as Hatch bill 2. Following that, if no appropriation bill is ready, we will undertake to consider the so-called cotton cooperative bill, in which the Senator from Alabama [Mr. BANKHEAD] and other Senators are interested.

EXTENSION OF ANTIPERNICIOUS POLITICAL ACTIVITIES ACT

Mr. HATCH. Mr. President, I had risen to make the same announcement which the majority floor leader has just made concerning Senate bill 3046, Order of Business 1279, which is a bill to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939.

Several Senators have manifested an interest in this particular bill and have expressed a desire to be present when it is taken up for consideration. My purpose was merely to notify those Senators that we will endeavor to have the bill taken up on Monday after the address of the Senator from Kentucky, and dispose of it as quickly as possible. In this connection I desire to thank the distinguished majority floor leader for his cooperation in our endeavor to have the bill brought before the Senate for consideration.

COMMENTS BY LUDWELL DENNY ON SPEECH OF JOHN HAMILTON

Mr. MINTON. Mr. President, a few days ago Chairman Hamilton, of the Republican National Committee, delivered a speech at Gary, Ind., to the assembled Republican cohorts, at $10 per plate, and struggled to prove that the Republican Party was the great friend of labor. The next day came the pay-off when he announced the appointment of Ernest Weir, the well-known labor hater, to raise the campaign fund for the Republicans this year.

Labor is too smart not to know that Mr. Weir will expect his quid pro quo, and that labor will be the quid. Labor is well advised; but I direct its attention to a Scriptural reference apropos the Gary speech, that labor may not overlook the sword.

The Scripture runs something like this:

> And Joab took Amasa by the beard with the right hand to kiss him.
>
> But Amasa took no heed to the sword that was in Joab's hand.

I am sure labor will not be diverted, by the flirtations of Hamilton at Gary, from the snickersnee in the form of the person of Ernest Weir.

That alert and well-informed writer on matters pertaining to labor, Ludwell Denny, who writes for the Scripps-Howard syndicate, exposed in an article which appeared in the Washington News of February 27, 1940, the fraud and sham in Mr. Hamilton's speech. I ask unanimous consent that the article may appear in the RECORD as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of February 28, 1940]

FUTILE EFFORT

(By Ludwell Denny)

The effort of Chairman John Hamilton, of the Republican National Committee, to capture the labor vote and to lure back into the party the Republican prodigal, John L. Lewis, is not expected to succeed.

In his speech last night at Gary, Ind., Chairman Hamilton tried to prove that "the Republican Party, throughout its entire history, has been the real friend of labor." To capitalize on the Lewis-Roosevelt split, he said:

"Any attempt to find a short cut to satisfaction and security for labor through a deal with political leadership will prove delusive. Even John L. Lewis is convinced of that now. For weeks now Lewis has been raging at the betrayal of labor by its false New Deal friends."

To prove that the Republican Party is the "real" friend of labor, he cited a legislative record and the (Glenn Frank) Republican program committee report of last week. For the legislative record he used the abolition of Negro slavery and various State laws passed between 1900 and 1916.

As for Federal labor legislation, he claimed Republican credit for the 1932 anti-injunction law. He did not mention that the New Dealers NORRIS and LaGuardia were authors of that bill, which was finally passed by a bipartistn vote after the Republicans had held it up for 5 years.

Child labor has been "virtually eliminated" by the Republican Party, according to Chairman Hamilton. And his party also has "established minimum-wage scales." He cited pre-World War State laws and the unratified child-labor amendment to the Constitution.

But he forgot the Republican vote on the wage-hour law, the Federal measure fixing minimum wages and restricting child labor. The Republican Party did everything it could to prevent passage of that law. In the House the Republicans voted 83 to 6 for recommital, and in the Senate they voted 13 to 2 against its passage.

He also took Republican credit for old-age pension laws—again citing predepression State laws and again neglecting to mention the congressional record. Republicans in the House last year voted less than 2 to 1 against the Townsend plan, while the Democrats voted more than 4 to 1 against it. On the Social Security Act amendment increasing Federal contributions, the Senate Republicans voted 18 to 3 against.

Nor did Chairman Hamilton mention the Republican record on the relief bills—a major issue in the eyes of labor. To kill the

relief bill in the last (75th) Congress, Senate Republicans voted 14 to 1 for recommital, and House Republicans voted 79 to 5 for recommittal. In 1936 Senate Republicans voted 13 to 4, and House Republicans 85 to 6, to turn the relief problem back to the States.

The Glenn Frank report on labor issues was repeatedly quoted by Mr. Hamilton to prove that his party is "the real friend of labor." But John L. Lewis does not agree. Mr. Lewis' chief spokesman on legislation, C. I. O. General Counsel Lee Pressman, spoke rather bitterly on this subject just yesterday, as follows:

"This (Glenn Frank) report falsifies the basic facts underlying the problems which have been encountered in connection with the administration of the Wagner Labor Act. * * * This type of attack shows the complete absence of fairness and the real motives of the committee. * * * The goal of this committee, through its report, is to deprive the workers of the protection of the right to organize and bargain collectively, which they now enjoy."

In mentioning the Lewis attack on President Roosevelt, Chairman Hamilton failed to recall that the C. I. O. is divided on this, and that most of the C. I. O. unions which have resolved on this subject have been very pro-Roosevelt. But the C. I. O. is not divided on Ernest T. Weir, the big-steel man just named by the Republicans as chairman of their national finance committee. Mr. Weir is one of labor's pet hates.

Much more than the Hamilton speech and the Glenn Frank report will be required for the Republican Party to get its share of the labor vote in this campaign.

FEDERAL BUREAU OF INVESTIGATION

Mr. ASHURST. Mr. President, in the Department of Justice and under the direction of the Attorney General is what is called the F. B. I., or the Federal Bureau of Investigation. This Bureau is now and has been in charge of Mr. J. Edgar Hoover as its Director since May 1924.

Human beings are romantic by nature, and in the heart of every person there lurks an ideal. Likewise, in the heart of every person there is a yearning for the dramatic or for something to dramatize or to romanticize. One of the reasons why gangsters in the United States were able for so long to perpetrate their raids was that some persons, indeed some good persons, romanticized the gangster. One of the greatest public services that has been rendered by the Department of Justice through its Federal Bureau of Investigation was to evaporate the romance which in some minds seemed to cluster around gangsters. A large number of worthy persons during the past decade have been engaged in attempting to make the world safe for democracy or to make democracy safe for the world, if you prefer, and during the same period of time Mr. J. Edgar Hoover, as Chief of the Federal Bureau of Investigation, has been engaged in making the United States unsafe for kidnapers.

The Federal Bureau of Investigation is charged with the duty of investigating violations of the laws of the United States, and collecting evidence in cases in which the United States is or may be a party in interest. The organization has a personnel of over 1,600 employees throughout the United States. Under the supervision of the Attorney General, the Director of the Bureau directs the work of the special agents who are employed for the purpose of detecting crime and collecting evidence.

The Attorney General has under his immediate supervision the Identification Division of the Federal Bureau of Investigation, which has on file over 5,700,000 sets of fingerprint records of persons who have been arrested in the United States and foreign countries, representing the largest and most nearly complete collection of fingerprint records of current value in existence. In addition, he has under his supervision the Technical Laboratory of the Federal Bureau of Investigation, wherein scientific detection aids are utilized in connection with the solving of crimes under the Bureau's jurisdiction. The experts of this laboratory also assist State and local law-enforcement officials throughout the country in the use of scientific crime-detection aids, such as handwriting and typewriting analysis; the examination of the blood, hair, cloth, soils, and bullets; the use of ultraviolet light in the examination of substances; and the decoding of cryptographic messages.

There is no such thing as the "clueless crime." In every crime, no matter what degree of cunning may be employed or how many times the perpetrator may "double on his track," there invariably remains that which, in the nomenclature of detection and investigation, is called the "dropped stitch." The "dropped stitch" is that inescapable, unavoidable impression, sign, or track made by any and all human activities. To find the "dropped stitch" and then ascertain who dropped it is, of course, the duty and task of all who are engaged in the work of detection and investigation.

The Department of Justice has proved that there is no such thing as a "perfect crime." The Federal Bureau of Investigation in the Department of Justice is equipped, among other apparatus and paraphernalia, with microscopes for examination of bullets and other articles of evidence; an ultraviolet—black light—device for revealing secret writing and identifying stains; chemicals for developing latent fingerprints and analyzing various substances.

The activities of the Federal Bureau of Investigation embrace and comprehend physics; that is to say, that branch of science which deals with biology, chemistry, geology, mechanics, ballistics, electricity, heat, light, and sound. The G-men must be cool, courageous, resourceful, unpurchaseable. They must be trained in psychology—the science of human emotions—and must know what a particular person would be likely to do in given circumstances. The G-man must have a camera eye and a phonographic brain.

Today the laboratory of the Department of Justice in its Federal Bureau of Investigation is housed in rooms especially constructed and equipped to meet the needs of the research experts engaged in the varied phases of criminological study.

So-called perfect crimes are almost daily solved by the test tube, by the microscope, and other intricate instruments of science in the technical laboratories of the Federal Bureau of Investigation in the Department of Justice.

If the so-called gangsters—that is, the unsocial persons—become convinced that detection and punishment follow their unlawful forays, such forays will, if not entirely subside, at least vastly diminish in volume. The unsocial, the malicious, those who try to reap where they have not sown, those who have no regard for human life and who have no regard for the property of others, have found to their dismay that the policy of the Department of Justice was to prosecute with vigor, determination, and success. They—the unsocial—have discovered that behind the criminally disposed persons there follows silently but relentlessly the shadow of retributive justice. One of the master strokes of the F. B. I. was to divest crime of its supposed romance by showing that crime does not pay and that, so far from being romantic or glamorous, crime is instead sordid, low, ignoble, and debased, and that professional criminals are neither brave nor chivalrous nor generous but are cowardly, cruel, and unfair.

There is no honor among thieves; they always sell out one another. In many instances the capture and conviction of the gangster or professional criminal were brought about by clues or evidence furnished to the officers by other gangsters. These professional criminals or so-called gangsters or public enemies desire ease, luxury, money, and excitement. Civilization has been geared up to a point where only men of industriousness, honesty, superior mind, and courage can ever hope to win these prizes legitimately.

The gangster or public enemy possesses none of these attributes and he therefore vainly and illegitimately endeavors to win these prizes.

FEDERAL SURPLUS COMMODITIES CORPORATION

Mr. BILBO. Mr. President, a few days ago the mail brought to my desk a communication from the Association, Southern Commissioners of Agriculture. Those who compose that organization are the officials charged by the statutes of their respective States with caring for agricultural activities in their States.

As the Governor of Mississippi I gained personal knowledge of the type of work done by the commissioners of agriculture. I know they are in daily contact with all classes and types of agricultural producers and processors. Their association has always been keenly alert to matters pertaining not alone to the production but to the processing, marketing, and distribution of agricultural products native to their States.

While we in Congress may be cognizant of local facts, we are compelled to legislate on a broad, national scale when legislating in behalf of agriculture. We, however, must at the same time be concerned with hundreds of other problems having to do with national affairs.

The State commissioners of agriculture, on the other hand, are veritably standing in the furrows of the plow. Thus they are able not alone to vision but to assess the results of the legislation which we may contemplate enacting, or the results which might flow from the legislation already enacted. They are thus peculiarly in position to express to us the wish and the desire of practically every individual farmer or farming area of the States which they serve.

Whenever they address the Members of this body we are well assured that it is on some matter of vital importance to American agriculture.

Since I was elected to this body I have noted that as an organization they have not alone consistently given constructive criticism but also active support to every piece of agricultural legislation passed by Congress. I was therefore interested at once in the subject matter of the communication recently received.

On this occasion they wrote with reference to the reduction made by the House in the appropriation budgeted by the President in the 1941 Budget for the Federal Surplus Commodities Corporation.

That appropriation, as recommended in the Budget by the President, was stricken from the supply bill on a point of order made and sustained in the House.

Mr. President, the farmers of the State of Mississippi, our cotton planters, those engaged in the livestock, dairy, and citrus-fruit industries, our truck gardeners, and I myself are all vitally interested in exhibiting and disclosing the false economy practiced by the House in striking that appropriation from the Agricultural supply bill.

I had intended to address the Senate at length on the wisdom of restoring that appropriation and now serve notice that I may address this body when that subject matter comes before the Senate.

I desire now, however, to take but a few minutes to indicate to my colleagues the activities of the Federal Surplus Commodities Corporation and to point out that they are indeed of vital importance not alone to the farmers and planters of the State of Mississippi and the agricultural Southland but that they are equally important to our national agriculture as a whole, as well as our national welfare in general.

Americans everywhere are in agreement that the administration program for the economical, equitable, and humanitarian disposal of existent surplus food is factually, fundamentally, economically, agriculturally, and socially sound.

To make available the surplus of the products to our needy is a humanitarian program, and to supply the patent needs of our people on relief should continue to transcend every other governmental activity and constitute in these times the very front line of our national defense.

No conscientious, clear-thinking Senator will fail to react to the pleas that the appropriation recommended for the Federal Surplus Commodities Corporation be restored once he has read the economic arguments set forth by the southern commissioners in their plea for the restoration of that appropriation.

Mr. President, I am glad that the chairman of the subcommittee which has this matter under consideration, the Senator from Georgia [Mr. RUSSELL], has come into the Chamber, because the communication from the Association, Southern Commissioners of Agriculture, is addressed to the Senate Committee on Appropriations.

No piece of legislation enacted by the Congress in the last decade so fully comprehends the problems of agricultural production, distribution, and consumption of our surplus crops of food and surplus raiment as does the activity set up by section 32 of the Agricultural Adjustment Act of 1935.

Let me digress for a moment to read a short excerpt from the communication sent by the southern commissioners. In this they declare that:

"Since Congress established that agency (the Federal Surplus Commodities Corporation), no one any longer reads in the daily press of surplus beans, lettuce, spinach, cabbage, carrots, potatoes, or turnips being dumped into irrigation ditches in the Rio Grande Valley, the bayous of Louisiana and Mississippi, or the drainage canals in the State of Florida, while millions of the unemployed were either stark with hunger, or subsisting on a diet far below the level of abject poverty.

"Thanks to the congressionally established Surplus Commodities disposal program, surplus oranges, grapefruit, apples, and pears no longer rot in our orchards, through lack of economic distribution."

"Our farmers—"

Write the Southern Agricultural Commissioners—

"have now stopped feeding milk and even eggs to their hogs, while undernourished and underfed children starved in our schools or suffered the pangs of hunger in the sweltering slums of the great metropolitan areas."

Mr. President, apropos that argument, an article by Stuart Chase was published in a recent issue of the Cosmopolitan, which dealt with the program and activities of the Federal Surplus Commodities Corporation.

In order graphically to pictorialize and exhibit the activities of that corporation, Mr. Chase asked his readers to imagine a solid freight train 1,600 miles long, stretching practically from the Nation's Capital in Washington to the city of Denver, Colo.

He further asked his readers to imagine that train after it had been loaded down by our farmers with 5,000,000,000 pounds of indispensable surplus commodities of our farms—surplus supplies of pork products, lard, butter, eggs, cheese, milk, cereals such as wheat, corn, and oats, fresh vegetables and fruits, and to picture 15,000,000 underfed American men and women lined up against that train with baskets, waiting to carry off their portion of its supplies to supplement the diets of their underprivileged children as well as themselves.

That, said Stuart Chase, constitutes a picture of but a fraction of the work being done by the Federal Surplus Commodities Corporation.

Think of the help it has given to the producers. Think of the work it has furnished railroad employees; the increased business to the storekeeper, and labor to the shop clerk; think with me of the God-given help that it has afforded to the hungry.

Mr. President, for some time the Congress has been discussing the aid and succor which might be afforded to the hopeless peoples in the war-stricken areas of distant lands.

While that question was being debated and discussed I was thinking of the people of my own State of Mississippi who are deprived even now of the benefits which would accrue to them by virtue of the "orange and blue stamp plan" placed into effect in other areas throughout the United States.

I called upon Mr. Milo Perkins to make request that his agency look to the possibilities of extending the activities of his agency to my State. While Mr. Perkins was explaining why they had been unable to do so, he showed me communications from more than 400 cities and towns in the country making similar requests.

I will say that since that time one of these stamp plans has been established in Mississippi.

Almost simultaneously with my visit to Mr. Perkins the House struck from the supply bill the funds budgeted and necessary to carry out that program, even in the towns in which it is now operating.

Mr. President, as a first measure of our national defense Congress should do everything within its power to continue to remove the overburdening surplus of foods and fiber from our agricultural producers.

While I, for one, am not disposed to oppose any plan for assisting the needy in other lands, I would a thousand times rather see the export subsidy on surplus crops abandoned, if that be necessary, in order to continue the distribution of the surplus of perishable foods among the undernourished and the underprivileged citizens in our own country. In doing that we would at the same time restore economic health and well-being to our land. That restoration should constitute the primary program and be the first concern of every Member of this body.

It is unnecessary for me to elaborate upon the valuable services rendered to the producers of cotton, tobacco, and

wheat by reason of the export programs put into effect by the Federal Surplus Commodities Corporation.

The benefits of the surplus removal and distribution program accrue, however, to all types of agriculture. These include the producers as well as processors, transporters, and marketers of field and row crops, as well as the livestock, dairy, orchard, garden vegetables, fruit, and poultry producers.

The program directly benefits a class of farmers and producers who derive no specific Federal assistance under the Agricultural Adjustment Act, or any parity payments other than those directly traceable to the Corporation's activities. These activities provide a sort of "agricultural adjustment act" for the producers of all other crops than the so-called basic crops.

Mr. President, thousands of millions of pounds of buttermilk, lard, garden vegetables, fresh and sweet potatoes, apples, apricots, cherries, figs, grapes, pears, and raisins have been acquired in thousands of purchases made in hundreds of pricing markets on scores of occasions.

These products are acquired when the presence of surplus marketings of specific crops in specific pricing markets threatens the normal market-price structure for the particular commodity in every market of the United States.

The disposal of the surplus food accumulated and distributed through the orange- and blue-stamp plan has not alone insured a more abundant supply of wholesome meats, vegetables, fruits, poultry, eggs, milk, and cheese to those on relief, but at the same time has increased the purchasing power of all American farmers for city-made industrial products.

It is practically impossible to evaluate or exhibit statistically the true value to our national welfare comprehended in this program. However, it is to be remembered that the Federal Surplus Commodities Corporation established by Congress is ever on guard to enter the market when a small investment of the funds entrusted to its disposal would save an existent price structure threatened by the seasonal or daily receipt of an overabundant supply at pricing markets. Even the smallest purchase can often give strength to the buying market throughout the entire area affected.

As I have previously stated, I shall discuss this matter further when the bill comes before the Senate.

Mme. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a communication from the Association of Southern Commissioners of Agriculture, including a short table contained therein, showing the amount and kinds of food purchased and disposed of to date. I ask Members of the Senate to read at their leisure the report submitted by the commissioners of agriculture of the Southern States.

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Is there objection?

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

ASSOCIATION, THE SOUTHERN COMMISSIONERS OF AGRICULTURE,
Washington, D. C., February 12, 1940.

The Honorable RICHARD B. RUSSELL,
Chairman, the Senate Committee on Agriculture, United States Senate Appropriations Committee.

Mr. CHAIRMAN: The Association, Southern Commissioners of Agriculture, are addressing you and through you the United States Senate Committee on Appropriations.

They are in this instance doing so with reference to the agricultural appropriations bill now before your committee and specifically with reference to the amount of moneys to be made available to the Federal Surplus Commodities Corporation, not alone for carrying on but for making possible the expansion of its corporate activities.

The Association, Southern Commissioners of Agriculture, is a nonprofit association, having no associate or other types of memberships. It was organized with a view to furthering the interests of the agricultural producers, processors, and allied industries in States represented within the association.

As the commissioners of agriculture of the Southern States we are speaking in behalf of that agricultural area comprehending all of the great Southland the occupation of whose people is predominantly agricultural. While the main cash crops historically produced have been cotton, tobacco, peanuts, and rice, our geographical location, climatological and soil conditions, the vast expanse of our woodland pastures, and good water, coupled with a safe, sound, diversified farming program followed for the last decade, makes the South today one of the most diversified agricultural areas in the United States.

It is because of these factors read in the light of our historical background that we take this opportunity of advising the United States Senate Committee on Appropriations that after incursive researches the Association, Southern Commissioners of Agriculture, are agreed that there is no activity now being carried on by the Federal Government which has been or promises to be of greater benefit to our southern or to American agriculture in general, as do the programs currently being projected by the Federal Surplus Commodities Corporation.

These research studies have factually disclosed that the economic benefits of the work being carried on by the Federal Surplus Commodities Corporation accrue to all types of agriculture, including the producers of field and row crops, livestock, orchard, garden vegetables, fruit, and poultry producers.

These action programs are of even greater significance. The Federal Surplus Commodities Corporation activities directly benefit a class of farmers and producers who derive no specific Federal assistance under the Agricultural Adjustment Act other than those directly traceable to the Corporation's activities. This makes these activities a sort of an Agricultural Adjustment Act for that class of producers.

The original policy adopted by the Corporation was primarily designed to widen markets, and, secondly, to remove surplus.

This comprised two distinct programs. These were:

I. The export program.

II. The program to increase domestic distribution and consumption of surplus crops.

Both were projected to assist the farmer in the orderly marketing of agricultural commodities, which surplus otherwise would have seriously debased domestic prices.

The Association, Southern Commissioners of Agriculture, would advance their findings which indicate that economically, agriculturally, and socially sound the Federal Surplus Commodities Corporation exemplifies the most fundamental type of all current governmental activities. Complementing the Agricultural Adjustment Act of 1938, it has not alone developed a system for the orderly marketing of agricultural crops but it has in addition thereto done a vast amount of work which has actually resulted in the increased consumption of overburdening agricultural surpluses.

It is the firm conviction of the southern agricultural commissioners that there is no single item requested in the Budget submitted by the President which can be more readily justified, from either the agricultural or sociological standpoint, than the appropriation budgeted for the Federal Surplus Commodities Corporation.

The amount asked for the continuation of this work is negligible when compared with the incalculable benefits which would flow out of this appropriation, not alone to our great farm population but in behalf of the underprivileged citizens of the country as a whole, hitherto existent on a diet even below that of the level of poverty.

Moreover, it is strictly in line with the declared purpose of the Congress, expressed on more than one occasion, to bestow equal benefits upon producers and consumers alike.

In passing the Agricultural Adjustment Act of 1938 Congress declared:

"The purpose of this act is to assist in the marketing of agricultural commodities for domestic consumption and export and to assist consumers to obtain an adequate and steady supply of such commodities at fair prices."

The southern agricultural commissioners would point out to the Senate Committee on Appropriations that conditions identical with those which caused the Congress of the United States to declare its purpose at that time are present in our country today. They submit the fact that the Congress intended and declared in that act to set up the medium whereby the Government might aid the farmers in disposing of their surplus commodities to those in need in order that the commodities might be distributed orderly among consumers.

It is unnecessary to indicate to your committee the assistance rendered the producers of cotton, tobacco, and wheat by virtue of the export programs put into effect by the Federal Surplus Commodities Corporation.

The marked decline in cotton exports as of July 1, 1939, were met by the Federal Surplus Commodities Corporation export of approximately 2,500,000 bales. This was an amount of cotton equivalent to approximately 66 percent of the total cotton exports for the preceding year.

As it was with cotton, so it was with wheat. It became increasingly apparent that American producers would not be able to continue the normal sales of wheat and wheat flour in our export trade without some form of Government assistance. This was in a large measure attributable to the fact that other leading wheat-producing nations of the world were already subsidizing their exports of that commodity. The sale of our surplus exportable wheat crop was in jeopardy. The subsequent exports of nearly 100,000,000 bushels of wheat out of our country is directly due to the assistance rendered by the Federal Surplus Commodities Corporation.

The southern agricultural commissioners now take opportunity of pointing out to the Senate Committee on Appropriations the enormous advantage and help which the tobacco farmers of this country received from the funds made available to use by the Commodity Credit Corporation. They plead in behalf of the tobacco growers that the limited permanent appropriation made available be supplemented this fiscal year in accordance with the recommendations made by the President in his Budget.

First among those to suffer from the results of the European conflict was the American tobacco grower. In the very midst of the

marketing of last year's crop foreign buyers withdrew from our domestic markets. Sales were stopped. Warehouses were closed. The business of marketing tobacco was paralyzed.

The flue-cured-tobacco farmers then faced immediate financial disaster. But there stood that congressionally established function of the Government, the Federal Surplus Commodities Corporation. Stepping into the breach, they summoned the British tobacco buyers back into our domestic markets. They made arrangements under which the buyers continued to purchase their usual requirements and thus prevented the complete collapse of tobacco prices in the United States.

Under these agreements the Commodity Credit Corporation provided $38,000,000 and took title to the tobacco. They are holding it under option, which was by the agreements extended to the British buyers, and which they may exercise at any time between now and July 1, 1941.

May we now submit the observation that if such an activity is now to be handicapped on account of a lack of funds that distress and bankruptcy might soon envelop those who live in the tobacco country.

The Southern Agricultural Commissioners would address the attention of the members of the Agricultural Committee on Appropriations to the fact that the activities of the Federal Surplus Commodities Corporation have in no way been confined to activity on such basic crops as wheat and cotton.

The American livestock producer, potato farmer, rice grower, cotton and wheat planters, to say nothing of the fruit and vegetable growers, have been the recipients of its beneficence.

It is a well-established economic fact that the consumption of dairy and poultry products, as well as of fruits and vegetables, increase and decrease in ratio with consumer income; that when income is low the low-income group will go short on the consumption of these commodities, even though diet and health may suffer.

A greater opportunity for conserving the health of the American under-privileged family adult, as well as child, was never more present than it is today. This condition is being both economically and successfully met by the Federal Surplus Commodities Corporation, which has made possible the purchase and disposition of foodstuff to the low-income group of our people.

Through the orange- and blue-stamp plan not alone have they insured a more abundant supply of wholesome meats, vegetables, and fruits, of poultry and eggs, of milk, and of cheese, but have at the same time increased the purchasing power of the American farmer for city-made industrial products.

It is practically impossible to evaluate or exhibit statistically the true value to our national welfare comprehended in this program. It is to be remembered, however, that the Federal Surplus Commodities Corporation as established by Congress is ever on guard to enter the market when a small investment of the funds entrusted to their disposal would save an existent price structure threatened by a seasonal or daily receipt of an overabundant supply at pricing markets. Even the smallest purchase can often give strength to the buying market throughout the entire area affected.

Not alone has their purchases directly enhanced the farm income, but they have been and still are of incalculable benefit to the producers of those commodities by way of maintaining or achieving at least in part "a parity of price" between the goods which the farmers buy and the goods which farmers sell.

Millions of pounds of apples, apricots, cherries, figs, grapes, pears, and raisins have been acquired in thousands of purchases made in hundreds of pricing markets on scores of occasions. The acquisition of these products were made when the presence of a surplus crop in that pricing market threatened the normal market price structure for that particular commodity in every market of the United States.

With the coming of the Federal Surplus Commodities Corporation the sun no longer rises on the day when we would read in the newspapers of agricultural crops, of garden vegetables, such as spinach, cabbage, tomatoes, peppers, potatoes, etc., being dumped into irrigation ditches while underprivileged children in the sweltering slums of our metropolitan areas were languishing for want of food and nourishment.

Agreeable to the marketing programs conducted by the Department of Agriculture in connection with the Federal Surplus Commodities Corporation program, the production of American garden truck has been brought more into line with the economic food and diet requirements of our people.

It is only if and when an abnormal production of crops might flow into the terminal markets and depress that day's price that this Federal agency steps in, acquires a reasonable supply of those commodities, and puts a floor as it were, under the price by the orderly marketing of the normal requirements of our people.

Not the least among the beneficiaries of the Federal Surplus Commodities Corporation has been the dairy industry of the United States. Ninety-five million pounds of butter, 22,000,000 pounds of cheese, 1,000,000 pounds of condensed milk, 64,000,000 quarts of fluid milk have been removed in hundreds of individual purchases from scores of pricing markets on innumerable days when surplus receipts would have threatened the price structure of the products of the dairy industry.

Our southern poultry producer likewise has benefited tremendously by the work in having his egg market relieved of an overburdening supply of eggs, through the purchase of more than 269,000,000 cases in eastern, southern, central, and Pacific markets, by the activity of this Corporation.

The potato grower; the California raisin, prune, and fig industry; American producers of tomatoes, both canned and fresh; the potato growers of both Irish and sweetpotatoes, have been directly benefited. These have benefited not alone through the acquisition of potatoes for use on the table of the undernourished and underprivileged Americans, but through the acquisition of potato flour and starch to the extent of more than 2,500,000 pounds in the calendar year of 1938 alone.

Nothing could be more expressive and indicative of the economic as well as popular endorsement and support of the Federal Surplus Commodities Corporation food-stamp plan than the fact that requests have been made by more than 400 cities in the United States, asking that this type of Federal aid be made available to their underprivileged and undernourished people.

This food-stamp program consists of the direct distribution of the overburdening surplus of farm crops to needy families. With 20,000,000 of our citizens now dependent upon Federal and State relief, the need for the continuation of such a program becomes more evident.

The inception of this program sprang from the representatives of organized agriculture. Realizing their own helplessness of moving their surplus products economically into consuming markets they grouped with the American grocers, processors, transportation representatives as well as the representatives of distribution and finance.

In order to get the disposition of surplus foods in our domestic market quickly under way, organized agriculture sought the assistance of both wholesalers and retailers everywhere. The response was tremendous. Demonstration programs were set up. The results are too well known to be elaborated upon.

Federal surveys of typical American families on relief had disclosed the fact that the average family spent but $1 per week, or 15 cents per day, per person, for food. That meant that some 20,000,000 of our citizens were, and except where the "food stamp" program is operating today, are living on the meager sum of 5 cents per meal.

The amount proposed in the Budget for the operation of this particular program of the Federal Surplus Commodities Corporation was predicated on the possibility of expanding the amount spent per person for food, from $1 per week to $1.50 per week, or the sum of 7½ cents per meal.

The leaders of commerce and transportation agree that while the added food consumption is of great help for farmers by consuming their surplus production, that it is also a program of great import to the businessmen and workers of our cities. The primary import, however, is to the needy families themselves. While advanced primarily as an agricultural measure this activity involving the subsidizing of the consumption of foods has actually been made necessary, by the unemployment of our people. Its activities will be curtailed as the level of employment increases.

There was an article published in a recent issue of the Cosmopolitan magazine dealing with action programs of the Federal Surplus Commodities Corporation, written by Mr. Stuart Chase.

In order to graphically pictorialize and exhibit the activities of that Corporation, Mr. Chase asked his readers to imagine a solid freight train 1,600 miles long, stretching practically from the Nation's Capital in Washington to the city of Denver, Colo.

He asked his readers to imagine that train loaded down with 5,000,000,000 pounds of rich, indispensable surplus hogs, lard, butter, eggs, cheese, milk, fresh vegetables and fruits. To picture 15,000,000 underfed American men, women, and children lined up against that train with baskets, waiting to carry off their portion of its foods to supplement their own diet and larders.

That, wrote Stuart Chase, is but a fraction of the work done by the Federal Surplus Commodities Corporation. Think of its help to the producers! To the railroad workers! To the storekeeper and the shop clerk! To the hungry!

Today with warehouses bursting with cotton, our granaries overflowing with wheat and corn, with our pork and our lard selling at the lowest price in almost a decade, with millions of our people underclothed as well as underfed, it would seem to any ordinary mind that the primary job of our generation is to get a plentiful supply of the foods which we have on hand, foods indispensable to human life, into the hands of those who would readily buy them if only they could find gainful employment to make possible their purchase.

The President and the Congress of the United States have already, in part, solved this problem. The complete solution, however, will take even more time. There will be newer and even further difficulties to overcome.

In the meantime, however, the southern agricultural commissioners congratulating Congress upon its work along those lines would inform the Senate Committee on Appropriations that so far as food and clothing are concerned, the citizenship of our Nation is united in their wish and determination to see that our underfed and our underclothed are given every possible effort to consume our surplus products of fats, foods, and fiber.

Estimates have been made and there exists in the United States a potential market, annually, for an extra 300,000,000 pounds of butter, about 352,000,000 dozen eggs, over 25,000,000 bushels of wheat, 6,000,000 bushels of corn in the form of meal, 140,000,000 pounds of rice, 87,000,000 pounds of prunes, and about 227,000,000 pounds of dry beans which could be put into the channels of trade by way of the "stamp plan."

For fresh fruits and garden vegetables there is also a tremendous potential market. Given opportunity, our low-income groups would buy trainloads of citrus, tomatoes, cabbage, peaches, and other fruits and vegetables.

From a purely agricultural standpoint, these figures have even far greater significance. The Federal Surplus Commodities Corporation now makes possible a much more uniform and broader market for farmers producing commodities for which there is an elastic demand. These include such foods as dairy products, poultry, fruits, and vegetables. The early figures obtained where stamps

have been used indicate sharp increases in the consumption of rice and beans and give a more hopeful outlook for these crops than was anticipated.

It is planned that the commodities included on the surplus list will change from time to time. In addition to the usual seasonal factors, disturbed world conditions may affect the variety of commodities. On the other hand, there are adequate, and in many instances, surplus supplies of a great many nutritive foods which can be expected to remain on the list. Commodities, such as citrus fruits and pork products were added during the latter half of the year 1939.

The wider distribution planned for the fiscal year 1940 would do more than provide a new market for surpluses; ultimately it would bring about a better price level for the entire crop harvested, especially in the case of those commodities which might be selling much below parity in the coming year.

As this is being written the hog lard and cottonseed oil question is very acute. With our greatest customer, Germany, out of the market for as much as 325,000,000 pounds annually, and with a tremendous production of lard now coming into market—special treatment will have to be accorded that commodity. Hog-lard prices are already so depressed as to find some of that precious food being fed to the soap kettles.

Lard already on the surplus list is scheduled for expanded purchase and if more pork products were acquired later in the year, the outlet for corn would be increased. Were it but possible for the stamp plan to operate on a national basis and with livestock products included on the surplus list, a highly significant market would be opened for our farmers in the Corn Belt.

Following is a representative table. It discloses the percentage of distributions of what were declared to be surplus commodities under the Federal Surplus Commodities Corporation stamp plan.

But five cities of the United States are set forth in this table. Based upon these tables it appears that about one-quarter of all stamps are being used for butter, another one-quarter for eggs—two products produced throughout the entire country.

About 10 percent of the added purchasing power is being used for wheat products and approximately 31 percent being divided among the fresh fruits and vegetables, according to the consumer's selection and the commodities which have been on the list thus far.

Corn meal, rice, dry beans, and dried prunes are each receiving over 2 percent of the stamp expenditure as a result of the new buying by our needy families.

Percentage distribution of commodities secured with blue stamps in 5 cities, May 16–Aug. 26, 1939

Commodity	May 16–July 15			July 16–Aug. 26					
	Rochester	Dayton	Seattle [1]	Rochester	Dayton	Seattle	Birmingham	Shawnee [2]	Estimated national average
	1	2	3	4	5	6	7	8	9
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Butter	33.1	25.6	33.5	30.0	19.3	33.2	15.0	11.9	23.4
Eggs	30.7	26.6	33.7	27.3	25.3	29.4	19.7	12.4	24.7
White flour	8.1	9.7	13.7	7.7	6.3	8.2	20.7	25.1	10.1
Graham flour	.07	.1	.7	.07	----------	.4	.16	.26	.06
Total flour	8.17	9.8	14.4	7.77	6.3	8.6	20.86	25.36	10.16
Corn meal	.5	2.1	1.0	.4	2.0	1.0	6.8	5.9	2.2
Rice	----------	----------	----------	1.4	2.6	2.2	3.6	4.4	2.4
Dry beans	2.4	4.0	4.7	1.4	4.3	2.2	6.2	10.3	3.8
Dried prunes	2.0	2.7	3.4	1.1	2.1	2.2	2.7	6.2	2.2
Oranges	19.4	22.1	4.3	----------	----------	----------	----------	----------	----------
Grapefruit	3.7	7.1	5.0	----------	----------	----------	----------	----------	----------
Peaches	----------	----------	----------	9.3	12.0	8.6	8.0	11.6	10.3
Pears	----------	----------	----------	1.0	2.5	1.0	2.6	.8	1.7
Total fresh fruits	23.1	29.2	9.3	10.3	14.5	9.6	10.6	12.4	12.0
Cabbage	----------	----------	----------	3.7	3.5	1.0	2.8	4.2	3.3
Peas	----------	----------	----------	2.3	4.5	1.5	3.7	.8	3.0
Tomatoes	----------	----------	----------	10.9	10.8	7.0	5.9	3.6	9.3
Onions	----------	----------	----------	3.4	4.8	2.1	2.1	2.5	3.6
Total fresh vegetables	----------	----------	----------	20.3	23.6	11.6	14.5	11.1	19.2
Total fresh fruits and vegetables	23.1	29.2	9.3	30.6	38.1	21.2	25.1	23.5	31.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Seattle data during this period inadequate.
[2] First half-month of program only.

NOTE.—City distribution weighted by the number in May 1939, receiving public assistance in States surrounding these cities.
Authority: Federal Surplus Commodities Corporation, Sept. 15, 1939.

The Senate Committee on Appropriations might as a statistical curiosity speculate as to the increased market for agricultural commodities which would be ours if only the program was Nation-wide. Think of the potential market if every eligible family throughout the Nation were permitted to increase their purchases and diets on the same basis as in the cities mentioned above.

The Federal Surplus Commodities Corporation is operating a project that has a program that offers a real hope to our Nation and one that should be extended. Certainly it should not be curtailed. It is the one medium devised to date whereby the hungry people of this Nation can actually consume some of the surplus food produced by our farmers.

As heretofore stated, more than 400 American communities have made requests upon the Federal Government to enable them to avail their areas of the splendid services of the Federal Surplus Commodity Corporation. Thus does it become patent that it is not alone enough that these benefits should be maintained in the particular cities which enjoy them today, but rather we should insure the fact that every American should know and enjoy to the fullest measure an improved diet resulting from the distribution of the commodities of the farmers, ever burdened by the surplus of his products.

With the appropriations curtailed as they have been by an excess of $72,000,000 below Budget estimates, it will be absolutely impossible to expand the beneficent influence and activities of the Federal Surplus Commodities Corporation.

The Southern Agricultural Commissioners take this opportunity of informing the Senate Committee on Appropriations that they do not believe it to be the sense of the American people that the drastic reduction made in this supply bill by the House should apply to an activity furnishing bread and meat and clothes to hungry American citizens.

This is one program which has done away with the fact that we hitherto existed as a nation possessed of warehouses bursting with food, while our own peoples were going hungry.

Following is a list of purchases of the Federal Surplus Commodities Corporation in surplus-removal operations, by commodities, from the latest reports available, to wit, June 1938.

This report is exclusive of the purchases made by the Federal Relief Corporation program conducted up to 1935.

Apples:		
Dried	pounds	16,192,000
Fresh	bushels	8,495,244
Apricots, dried	pounds	23,590,000
Beans:		
Dried	do	80,099,377
Fresh, green	do	1,333,033
Beets, fresh	do	1,243,153
Butter	do	95,921,427
Cabbage, fresh	do	88,077,499
Carrots, fresh	do	2,680,440
Cattle and calves		3,663
Cauliflower	crates	78,670
Celery	do	264,713
Cheese	pounds	22,634,581
Cherries, canned	No. 10 cans	30,000
Comforter covering	yards	63,393,203
Cotton:		
Raw	pounds	108,423,802
Ticking	yards	23,969,805

Cottonseed oil	pounds	9,780,000
Eggs	cases	901,937
Figs, dried	pounds	809,800
Fish	do	16,025,135
Grapefruit	boxes	2,558,695
Grapefruit juice	cases	1,266,935
Grapes	pounds	19,019,202
Hogs	number	1,573
Milk:		
Condensed	pounds	790,004
Dry skim	do	64,145,132
Evaporated	cases	1,674,075
Fluid	quarts	12,497,568
Oat cereal	pounds	9,835,648
Oats, rolled	do	21,154,166
Onions	do	50,750,365
Oranges	boxes	2,227,210
Peaches:		
Dried	pounds	5,474,000
Fresh	bushels	7,935
Pears, fresh	boxes	585,879
Peas:		
Canned	cases	864,192
Dried	pounds	30,592,645
Fresh, green	do	2,553,614
Potato flour	do	1,761,720
Potato starch	do	800,000
Potatoes:		
Sweet	bushels	594,274
White	do	9,213,535
Prunes, dried	pounds	205,273,925
Raisins	do	30,000,000
Rice, milled	do	127,554,483
Sirup:		
Cane	gallons	1,621,470
Sorghum	do	148,085
Tomatoes:		
Canned	cases	50,000
Fresh	pounds	15,203,098
Turnips, fresh	do	1,570,665
Walnuts, Persian (English)	do	1,014,000
Wheat cereal	do	39,907,560
Wheat (for milk wheat)	bushels	500,000
Wheat flour	barrels	2,429,640
Wheat (for flour)	bushels	10,115,393
Whole-wheat flour	barrels	268,975

Authority: Agricultural Statistics for 1939, U. S. Department of Agriculture.

The second World War has had marked effect upon our domestic agricultural situation. Some farm prices which were at abnormally low levels during the late summer have advanced but are still too low to bring about a situation where the returns to our farmers are in line with the fair exchange values with the industrial and city goods which farmers buy.

As long as this condition exists and as long as there are millions of our citizens with inadequate diets, the Southern Agricultural Commissioners would urge that ample funds be made available to the Federal Surplus Commodities Corporation in order that they may extend their food-stamp plan to sections of the country where it has not as yet been placed in operation.

Our farmers realize full well that they have in the past and could in the future prosper greater by selling their products to men with good jobs than they can to men by a mere 7½ cents worth of food per meal through the activities of the Federal Surplus Commodities Corporation.

A man with a good job and good wages provides a greater and a more profitable market for the farmer than does an unemployed man. Times of great agricultural surpluses are usually accompanied by increased unemployment. During our recent economic crisis the Federal Surplus Commodities Corporation, created by Congress, was there to do the minimum job in terms of minimum cost for insuring diets below which the public health would have been endangered. The broader markets which their purchases made possible to our farmers in times of stress have helped to stabilize not alone the agricultural economy but the sociological and economic welfare of the entire Nation.

The Association, Southern Commissioners of Agriculture therefore ask the Appropriations Committee of the Senate to believe with them that this is not the time for the retrenchment contemplated by the economy effected. In times of less unemployment the appropriations could and should be restricted to the fewer families who might still be in need of such assistance.

Therefore the Association, Southern Commissioners of Agriculture, urge the Senate Committee on Appropriations to restore the sum of $72,678,812 to the funds available for use by the Federal Surplus Commodities Corporation in acquiring and disposing of surplus agricultural products in accordance with section 32 of the Agricultural Adjustment Act.

Every American citizen inherently feels the heavy responsibilities reposed upon us because of the second World War. Our Government is at this very moment being urged to afford aid and assistance to certain of the belligerents. Without attempting to assess the merits or the wisdom of such proposal, the Association, Southern Commissioners of Agriculture, recognize the present world emergency as a challenge to every group in the United States of America.

Already we have responded as private citizens to the call for help and succor for the needy and distressed noncombatant population as well as the women and children of foreign lands. The income, however, of many of our people below even the poverty level border closely upon what some are wanting to describe as the revolutionary level.

It is becoming more potent daily that it is up to us in America to prove to our own people as well as to the world that we as a nation are capable of making economic democracy work for the good of all without resort to the methods of the totalitarian powers.

It is difficult for many people to ponder upon the fact that Congress is concerned with the possibilities of doing something for other nations of the world, while at the same time we contemplate "economy" in so elemental a matter as would enable our own people to increase their budgets for food from 5 cents a meal to 7½ cents a meal by making use of a food supply already in existence.

Of a certainty there are other items in the Budget for 1941 not a tithe as essential to human life as is the appropriation proposed by the President for the use of the Federal Surplus Commodities Corporation.

One of the most constructive pieces of legislation ever passed by Congress, this goes right to the heart of the agricultural and social problem. From an agricultural standpoint the Federal Surplus Commodities Corporation appropriation is one of the most important items carried in this year's Budget, because under its provisions the producer and the consumer—in this case the overburdened farmer and the undernourished on relief—derive equal benefits from the provision of the stamp plan.

The front line of American defense will find little defense in providing food for the fighting forces of Finland. The main lines of our defense lie on the American farms and will be made most effective by providing an ample diet for the underprivileged on relief.

Following is a statement exhibiting the amounts of money available for use by the Federal Surplus Commodities Corporation fiscal year 1940, contrasted with the funds available in the fiscal year 1941.

The Federal Surplus Commodities Corporation has heretofore derived its funds from two sources:

1. By way of section 32, which makes available 30 percent of the annual customs receipts.

2. By way of direct congressional appropriations.

Amount available for use by Federal Surplus Commodities Corporation in the fiscal year 1940:	
1. By way of customs receipts	$92,678,812
2. By way of congressional appropriation	113,000,000
Total available for use in 1940	205,678,812
Budget estimate for year 1941:	
1. By way of customs receipts	100,000,000
2. By way of appropriations	72,678,812
Total amount requested for 1941	172,678,812
Available for use in 1941 as per House bill:	
1. By way of customs receipts	100,000,000
2. By way of appropriations	None
Total for 1941	100,000,000
Restore to the supply bill the sum of	72,678,812

It is because of the above that the Association, Southern Commissioners of Agriculture, endorse the following amendment offered by the Honorable STEPHEN PACE, Third District, Georgia.

This amendment offered in the House was ruled out on a point of order. Request is here made that it be restored to the agricultural supply bill for 1941.

Amendment offered by Mr. PACE: On page 77, at the end of line 19, add a new paragraph as follows:

"To enable the Secretary of Agriculture to market agricultural commodities for domestic consumption and for export as authorized by the Agricultural Adjustment Act of 1938 and the declared policy of the Congress as set forth in said act; to enable the Secretary of Agriculture to purchase and distribute surplus agricultural commodities for relief purposes as provided in section 204 of said act; to enable the Secretary of Agriculture to make other payments authorized by section 391 of said act, that is, payments in assisting consumers to obtain an adequate and steady supply of such commodities; and to enable the Secretary of Agriculture to administer and carry out the purposes of said act and the declared policy of the Congress in the enactment thereof, $72,678,812: *Provided*, That not in excess of 25 percent of the funds herein made available may be devoted to any one agricultural commodity."

Respectfully submitted.

THE ASSOCIATION SOUTHERN COMMISSIONERS OF AGRICULTURE,
C. C. HANSON, *Secretary*.

MARITIME TRAINING SCHOOL—ST. PETERSBURG, FLA.

Mr. PEPPER. Mme. President, I ask unanimous consent for the present consideration of Calendar No. 1276, Senate Joint Resolution 198, to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg,

Fla., for the purpose of constructing a maritime training school as an adjunct to the Coast Guard station at that point.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none.

Mr. PEPPER. I ask unanimous consent that House Joint Resolution 424, which is identical with Senate Joint Resolution 198, be substituted and presently considered instead of the Senate joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 424) to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla.

Mr. PEPPER. Mme. President, I offer an amendment on page 2, line 1, after the word "lot", to strike out "4" and insert in lieu thereof "6." The figure "4" is merely an error in the description of the lot.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed, as follows:

Resolved, etc., That the United States Maritime Commission is hereby authorized, with funds in the construction fund of the Commission, to acquire on behalf of the United States by purchase, condemnation, or otherwise, and pay all costs incident to the examination, transfer, and perfecting of title to that certain tract of land aggregating ten and five one-hundredths acres, more or less, situated and being in the county of Pinellas, State of Florida, together with the structures thereon, described as follows:

Beginning at the southeast corner of lot 6, block 22, Bayboro Addition, as recorded in plat book 3, pages 51 and 52, records of Pinellas County, Fla.; thence run south along the west line of Asbury Street South to a point two hundred and seventy-seven and forty-one one-hundredths feet south; thence southeast on an angle of forty-five degrees to the left a distance of nine hundred and sixty-nine and sixteen one-hundredths feet; thence east on an angle of forty-four degrees fifty-seven minutes to the left a distance of three hundred and ninety-five and four-tenths feet; thence northwest on an angle of one hundred and twenty-four degrees forty-two minutes thirty-four seconds to the left a distance of nine hundred and seventy and thirty-eight one-hundredths feet to the farthest southwest corner of the wharf of the port of St. Petersburg, Fla.; thence west on an angle of fifty-five degrees sixteen minutes twenty-six seconds to the left a distance of three hundred and forty-three and eighty-five one-hundredths feet to the west line of First Street South; thence north on said west line of First Street South and on an angle of eighty-nine degrees fifty-six minutes to the right a distance of one hundred and sixty-four and three-tenths feet to the southeast corner of lot 4, block 23, said Bayboro Addition; thence west on an angle of eighty-nine degrees forty-six minutes forty-two seconds to the left and on the south line of said lot 4, block 23, and continue west to the west line of Asbury Street South a distance of one hundred and eighty-five feet to the point of beginning, all of said tract lying and being in the city of St. Petersburg, county of Pinellas, State of Florida.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 198 is indefinitely postponed.

FOREIGN TRADE PROGRAM

Mr. REYNOLDS. Mme. President, at this time I wish briefly to mention a subject which is of interest to the Members of this body, particularly those who come from our great agricultural sections, and more particularly those States which are engaged in the production of cotton and tobacco. I see Representatives of those States present in the Chamber. Those to whom I particularly refer are the Senators from Georgia, the Senators from Kentucky, the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Virginia [Mr. BYRD].

The States of Virginia, North Carolina, South Carolina, Georgia, and Kentucky are particularly interested in the agricultural situation as it affects the production and marketing of cotton and tobacco, because those States produce more cotton and tobacco than any other four States in the Union, when we consider the two products combined.

I have clipped from the columns of the Washington Times-Herald an article entitled "Allies Trade Bias Admitted by Wallace; Defends Hull's Program Before Senate Group." The article reads:

Henry F. Grady, Assistant Secretary of State, and Henry A. Wallace, Secretary of Agriculture, conceded in response to questions by members of the Senate Finance Committee yesterday that British and French discriminations against American agricultural products are confronting the administration's reciprocal trade agreements program with serious difficulties.

The administration officials testified in support of the bill to extend for 3 years the President's authority to modify tariff duties by negotiating and proclaiming trade treaties with other countries.

There is a subhead entitled "Quizzed by Vandenberg." The able Senator from Michigan [Mr. VANDENBERG] is now in the Chamber, listening very attentively to what I have to say.

Mr. VANDENBERG. As usual.

Mr. REYNOLDS. Continuing with the article:

Senator ARTHUR H. VANDENBERG (R.), of Michigan, and Senator ROBERT M. LA FOLLETTE (P.), of Wisconsin, took the lead in questioning Wallace and Grady about the impact of British and French discriminations against American wheat, tobacco, apples, and other agricultural products on the so-called reciprocal-trade program.

The emphasis on the word "discriminations" is mine, and not that of the article.

Of course, the junior Senator from Virginia [Mr. BYRD] is interested in that statement, because his constituents are engaged in the production of apples as well as Virginia tobacco.

The British and French, taking refuge under the administration's cash-and-carry neutrality law, contend that their financial resources are required for the purchase of American munitions and that agricultural products must be obtained elsewhere.

In other words, the British have conserved their cash and their gold for a number of years, in view of the fact that they felt that the war now raging must eventually break out; and all the money they have they are spending in buying implements of death and munitions of war in the United States. As a result, all their cash is going to the arsenals of America, to the very great disadvantage and detriment of the farmers of Kentucky, Virginia, North Carolina, South Carolina, and Georgia.

Pursuing the clipping from the Times-Herald, another subhead is "Push Policy of Survival"—

When Senator LA FOLLETTE explained that American agriculture is affected by trade devices and practices other than tariffs and demanded to know whether "we have to sit back and take it," Wallace replied:

"Obviously you are referring to Great Britain and France. Their resources are somewhat limited and they are going to pursue a policy that will enable them to survive."

Senator LA FOLLETTE asked whether the Department of Agriculture had considered the desire of the warring nations for arms as a weapon to force them to purchase American agricultural products. He asked specifically whether the Department had considered the possibility of imposing an excise tax on munitions as an aid to the farmer. Wallace said this proposal had been suggested in an offhand manner, but that nothing had been done about it.

CITES "ADEQUATE POWER"

"Aren't we in a position to do something about the situation if we have the guts to do it?" LA FOLLETTE persisted.

"I think the Government has within the executive branch adequate power and adequate methods to meet the impact of the totalitarian economic policies of the nations at war, but I wouldn't care to state them for the record," Wallace replied.

(Later Grady also hinted that some kind of action looking toward the protection of the American farmer's markets was under consideration, but he, too, said he would not like to discuss it publicly.)

I cannot understand why the Secretary of Agriculture and the Assistant Secretary of State refuse to discuss the question publicly before a committee of Congress and give publicity to their reactions, or what they have to keep secret from the American people. At this time, when agriculture is suffering, and as a result labor is suffering, I think that our Cabinet members and other representatives of the Government should be perfectly frank in telling the American people about those things which they think ought to be kept secret. Surely nothing should be kept secret about matters pertaining to the farmers in Kentucky, Georgia, South Carolina, Virginia, North Carolina, and other States who are engaged in the production of apples, cotton, and tobacco. I think Mr. Henry Wallace, Secretary of Agriculture, should tell us what it is that is so secret about these matters, in which the American people are so vitally interested.

By the way, while I have the opportunity, I wish to state that the situation now confronting us as the result of Great

Britain not buying tobacco, cotton, and apples in this country—and particularly tobacco and cotton—is not temporary. I think it is permanent, and of vital interest to American farmers who are producing cotton and tobacco. I think it is a matter which should have the attention and study of the Members of the Congress. I shall give my reasons. I should like to have further information, which I am seeking, in regard to the things which I shall bring to the attention of the Members of this body.

Great Britain said she had to stop buying tobacco from Virginia, South Carolina, North Carolina, and Georgia because she had to favor her allies. She had to favor the Turks, who killed hundreds of thousands of her men during the last World War. Turkey is an ally of hers now, and Great Britain said that she had to favor her friends. Consequently she could not continue to favor the Commonwealths which I mentioned a moment ago. She said not only was she going to favor her Turkish friends and allies, but she intimated that she was going to stick by and favor her Turkish friends and allies in the future, explaining that she was going to the expense and trouble of familiarizing her people with Turkish blends, which means that she was going to spend money and time in teaching the millions under her domination to smoke Turkish-blended cigarettes.

She further stated that she was going to encourage the production of tobacco not only in Turkey and all Asia Minor, but in portions of Africa and portions of Australia that can produce tobacco, all of which means that Great Britain is preparing herself to become self-sufficient in regard to tobacco and that we are not only losing a market which heretofore has been made great by the purchase by the British of our tobacco but that she is getting ready to be able from her colonies and protectorates to provide herself with tobacco that formerly she bought in the United States. So, as a result of this war, Great Britain is going to profit greatly, not only now but in the future, at the expense of producers of tobacco in Virginia, South Carolina, North Carolina, Georgia, and other States of the Union.

In addition to that, in reference to Great Britain becoming self-sufficient, she is not buying the cotton from us that she should. As a matter of fact, there is almost as much of an embargo upon cotton today as there is upon tobacco. We executed some sort of barter or trade agreement with her many months ago whereby she was to provide us with tin and rubber from the Malay States out of the Port of Singapore, and we were to give her in exchange, I think it was, 500,000 bales of cotton. I inquire of the Senator from Georgia if that is correct?

Mr. RUSSELL. The quantity was 600,000 bales.

Mr. REYNOLDS. Yes, 600,000 bales of cotton. On inquiry upon the floor of the Chamber the other day, I learned from the junior Senator from South Carolina [Mr. BYRNES] that to date Great Britain has ordered about 350,000 bales, but there is no evidence before this body that any of it has been shipped over there, and if it has actually been shipped there, and delivered physically, I should like to know it. I should like to know it for the benefit of numbers of my constituents who have written me inquiring what they might expect as the price for cotton this year and next year, and what they might expect of Great Britain. Great Britain is not taking any cotton now and has stated that she proposes to encourage more than ever before the production of the long-staple cotton in Egypt; she has stated that she proposes to encourage more than ever the production of cotton in India and in many sections of Africa where the production of cotton has increased phenomenally during the past several years.

Naturally we are interested, because cotton today is bringing only about 8 cents a pound; we have millions of bales of it in storage in Federal warehouses upon which we are paying rental to the warehouses. We should be more interested than ever in the future of our cotton farmers in Georgia, North Carolina, South Carolina, Virginia, and other States, because Great Britain, our friend across the sea, is getting ready to make herself self-sufficient from the standpoint of the production of cotton by way of encouraging a greater production of cotton in Egypt and various sections of Africa and in India.

I see the able junior Senator from Alabama [Mr. HILL] listening very attentively. I am grateful for his attention, because I know how thoroughly interested he is in behalf of the farmers in Alabama.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Washington?

Mr. REYNOLDS. I yield.

Mr. SCHWELLENBACH. I am very much interested in what the Senator is saying, and I do not wish to divert him from his discussion, but it brings to my mind the fact that in the Far East the Japanese have openly announced their intention, if they succeed in their campaign in China, of converting great acreages in China to the raising of cotton and to make use of the very cheap labor in China for that purpose. They have laid all the ground work for such a program.

Mr. REYNOLDS. That is true.

Mr. SCHWELLENBACH. And we may look forward to the day, if the Japanese win the war, when the present great market for our cotton in Japan will be completely destroyed. Yet from day to day and week to week we are furnishing to Japan about 75 percent of the necessary war materials which she is using for the purpose of conquering China, although we know that her conquest of China, if attained, will be a very definite and direct blow to the cotton producers of the United States.

Mr. REYNOLDS. I thank the Senator very much, because his statement provides me with an opportunity of discussing the cotton situation in the Far East. I wanted to bring this matter to the attention of the Members of this body today because recently I have had so many letters from cotton farmers of North Carolina stating that at 8 cents a pound they cannot pay for fertilizer and their taxes, that they are actually losing money on the crop, and they want to know what I am going to do about it. All I can do about it is to bring the matter to the attention of the Members of this body, for I am not a member of the Committee on Agriculture and Forestry.

We cannot blame Great Britain. I admire the British for endeavoring to become self-sufficient from the standpoint of being able in the future to provide themselves, out of their own territories and from the territories protected by them, with cotton and tobacco, but those two being our billion-dollar crops in this country, we are vitally interested in that situation. If they continue to encourage the production of cotton and the production of tobacco elsewhere, if they really intend to become self-sufficient in the case of these two commodities, then the cotton growers and tobacco farmers in this country had just as well make up their minds to go into some other line of agricultural production if they are to survive. As a matter of fact, to a large extent, the same situation will confront the States in the great West which are engaged in the production of wheat and in the production of wool.

We know that Great Britain—and rightly she should because she has to conserve her gold to comply with the cash-and-carry features of our neutrality law—is going to buy all the wheat she can from Canada and from Australia; and she is getting now all the wool she can, not from this country, as she formerly did, but from the great sheep-raising countries of Australia, Tasmania, and New Zealand. We must look to the future.

It strikes me that the producer of cotton is the man who will be harder hit than any of our other agriculturists, because he will have to contend not only with the action of Great Britain and European countries so far as the purchase of American cotton is concerned but he will have to face the oriental situation, as so forcefully presented a moment ago by the able Senator from the State of Washington [Mr. SCHWELLENBACH]. What is it? Japan today, of course, is buying more cotton from us than is any other nation on earth. She is buying millions of dollars' worth of cotton and taking it from our shores to Tokyo, and Kobe, and a half dozen of the

other largest cities in Japan, which are engaged primarily in the production of textiles. She is employing cheap labor in the manufacture of textiles and sending the textiles back to this country to compete with our textile plants.

We in the cotton-producing sections of the South are largely dependent upon Japan; Japan has been our best customer for cotton; but I warn the cotton producers of the United States that they cannot, in the very near future, look longer to Japan buying our cotton. Why? Because portions of the territory in China which have already been conquered by Japan since the Japanese began their conquest several years ago—and that was 4 years after the conquest of Manchuria—are the very sections where atmospheric conditions are such as to produce a useful grade of cotton. The Japanese made conquest first of that line of territory extending from Shanghai along the shore all the way to the island of Hong Kong, upon which the city of Victoria sits. That is a cotton-producing region.

In addition to that, as we all know, cotton is produced in portions of Manchuria. Japan likewise is making ready, if possible, to become self-sufficient from the standpoint of the production of cotton; and if and when she succeeds in doing that the probabilities are that it will materially affect the market of our cotton producers in the South.

Furthermore, for some time Japan has not only been making purchases of cotton from Brazil, but she has been encouraging the production of cotton in Brazil. In connection with Japan's encouragement of the production of cotton in Brazil, I may remark in passing that prior to the time Mussolini went into Ethiopia the Japanese were engaged in the production of cotton, and the production of the poppy, from which opium is extracted, in Ethiopia, financed by Japanese financiers; but the Japanese now are not only buying cotton from Brazil but they are encouraging the production of cotton in that country.

I can give one example. On a big plantation down there there are concentrated in one plantation camp more than 3,000 Japanese engaged in the production of cotton. So when we who are interested in the cotton producers of the South realize that Great Britain is getting ready to become self-sufficient insofar as tobacco and cotton are concerned, and when we take into consideration the fact that Japan, which has been a great market for the cotton producers of the South, is entering into the picture, it is obvious that the cotton producers of the South have something of a problem confronting them in the future.

What Secretary Wallace had in mind relating to agriculture that he could not reveal, I do not know. It may be something that he should not reveal; but the public now are so greatly interested in anything that will bring about the reemployment of our people that they are beginning to feel that there should not be so much secrecy about this or that, and that all matters pertaining to the welfare and prosperity of the American people should be brought out.

Mr. President, the question of agriculture is related to the question of unemployment. I occasionally read Capt. Joe Patterson's newspaper, the New York Daily News, which has the largest circulation of any newspaper in the world. The other night I clipped from the February 27, 1940, issue of that newspaper an article headed—

TEN THOUSAND STORM NEWARK FIELD FOR 1,500 JOBS

More than 10,000 men and women swarmed around the $2,500,000 city hangar at Newark Airport yesterday morning in quest of jobs with the Brewster Aeronautical Co. The company had announced it would hire 1,500 workers after leasing the new hangar. The first job seekers arrived at 1:45 a. m.

More than 100 police, including 4 radio cars and a motorcycle squad, were required to handle the crowd, and traffic moved at a crawling pace, owing to several thousand private cars being parked on routes 1 and 25, which converge at the airport.

RUN OUT OF BLANKS

There were no arrests or disorder, but police were kept busy directing the job applicants to extinguish bonfires they built on the field to keep warm in the chilly wind.

Five members of the Brewster personnel department were flabbergasted when they saw the crowd waiting for them upon their arrival at 8 a. m. They immediately started handing out application blanks, but ran out of them in an hour, adding to the confusion.

In giving out the blanks, they explained that very few workers would be hired at first, but that the force would be increased as fast as the company could broaden its facilities.

A few people were to be engaged by that aeronautical company for the purpose of operating the airport at Newark. It is appalling to me to find that more than 10,000 men and women assembled with the break of day, when dawn was just approaching, in search of a few jobs that were offered at that airport.

With the agricultural situation taking the turn that it is taking in this country, when we of North Carolina cannot sell our cotton or our tobacco, and the same thing applies to other States engaged in the production of those commodities, and when millions are out of employment, the situation is becoming very acute and very serious. Therefore I think we ought to pay much more attention to our domestic matters, to what is taking place in this country today, and forget about what is taking place over yonder until we can provide employment for the unfortunates of our country, after which we can perhaps go over there and clean house with them.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. REYNOLDS. I shall be delighted to yield to the Senator.

Mr. LUNDEEN. The able Senator made a statement concerning the unemployed of New York City, I believe.

Mr. REYNOLDS. No; this incident was in Newark, N. J.

Mr. LUNDEEN. That would be a good time to loan some more money to foreign nations, would it not, so our European-minded people would say?

Mr. REYNOLDS. By the way, in that connection I happened to notice in this morning's newspaper that Representative FISH, of New York, or somebody else, had suggested that we make an outright donation of $20,000,000 without any strings tied to it. I am not in favor of that. We have too many hungry people in this country, too many people who are living in squalor, who have not a roof over their heads; too many people who are naked and cold. If we had $20,000,000 to give away, I want to give that $20,000,000 to the American people.

Mr. LUNDEEN. I wish to say to the Senator that I agree with his able statement. It seems to me we are going pretty far when we are embarking upon further loans to European nations in the face of calamities and tragic unemployment told here today. Why not turn to our domestic affairs and forget this world-saving business, in which for more than 20 years we have been so unsuccessfully engaged?

Mr. REYNOLDS. I thank the Senator. So far as I am concerned, I want to save the people of the United States before; by my vote in this body, I attempt to save the people of the world. I think, if the Senator will pardon me, that the time has arrived when we should give a little bit of thought to the people here at home.

Mr. LUNDEEN. O Mr. President, that would never do. We must save the British Empire, and the French, and various other countries in Europe, Asia, and Africa. We must save them first. It would never do to think of America first. That would never do. We must turn our attention to Europe; we must extend loans to European nations; we must finance them; we must arm them; and we must forget America. That is the doctrine preached from the housetops, from a thousand lecture platforms, by the swarming lecturers and propagandists who are infesting America today. I am in favor of more appropriations—appropriations to pay the cost of deporting all these aliens and paid agents whose traitorous doctrines threaten the very foundations of our Government.

Mr. REYNOLDS. That is true. Of course, we want to see England and France and all the other nations of the world saved and spared; but, so far as I am concerned, I will say to the Senator that I do not want to save England or France or

any other country in the world at the expense of the blood of the sons of American mothers. That is my position.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CHANDLER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported adversely the nomination of Ford E. Samuel to be postmaster at Alameda, Calif., in place of F. E. Samuel. (Incumbent's commission expired March 19, 1939.)

He also, from the same committee, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of Carroll Miller to be an Interstate Commerce Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That concludes the calendar.

NOTIFICATION TO THE PRESIDENT OF CONFIRMATION OF PHILIP B. FLEMING

Mr. BARKLEY. Mr. President, on the 19th of this month the Senate confirmed the appointment of Col. Philip B. Fleming as Administrator of the Wage and Hour Division of the Department of Labor, and it is very important that the President be notified so that the appointment may be consummated. I ask unanimous consent that the President be notified today of the confirmation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified immediately of the confirmation of Colonel Fleming.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENT

The Senate resumed legislative session.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized to make reports during the adjournment of the Senate between today and Monday.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 1 o'clock and 24 minutes p. m.) the Senate adjourned to Monday, March 4, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 29, 1940

COAST GUARD OF THE UNITED STATES

Associate Lighthouse Engineer William Charles Helbig to be a lieutenant in the Coast Guard of the United States, to rank as such from December 1, 1939.

Commander Michael J. Ryan to be a captain in the Coast Guard of the United States, to rank as such from January 1, 1940.

TO BE CHIEF BOATSWAINS, TO RANK FROM JANUARY 23, 1940

Boatswain Ray W. Dierlam.
Boatswain Marius Peterson.
Boatswain Svend A. E. H. Petersen.
Boatswain Lynton R. Daniels.
Boatswain Ernest V. Wyatt.
Boatswain Harold J. Babbitt.
Boatswain Christie T. Christiansen.
Boatswain John A. Heikel.
Boatswain Karl A. E. Lindquist.

TO BE CHIEF BOATSWAINS (L), TO RANK FROM JANUARY 23, 1940

Boatswain (L) Harry F. Burnham.
Boatswain (L) Alfred E. Kristofferson.
Boatswain (L) Paul H. Forner.
Boatswain (L) Walter T. Farrell.
Boatswain (L) John M. Odin.
Boatswain (L) Melvin M. Hymer.
Boatswain (L) William E. Holmes.
Boatswain (L) George A. Joseph.
Boatswain (L) Elisha G. Tillett.
Boatswain (L) Charles Wright, Jr.
Boatswain (L) Paul W. Tifft.
Boatswain (L) Alston J. Wilson.
Boatswain (L) Perry H. Simpson.
Boatswain (L) Ralph C. Rich.
Boatswain (L) Thomas G. Deegan.
Boatswain (L) Curtis C. Hayman.
Boatswain (L) William E. Ireland.
Boatswain (L) Jonas T. Hagglove.

TO BE CHIEF GUNNER, TO RANK FROM JANUARY 23, 1940

Gunner Herbert I. Vernet.

TO BE CHIEF MACHINISTS, TO RANK FROM JANUARY 23, 1940

Machinist John W. Hollister.
Machinist Arthur L. Finigan.
Machinist James L. Wattengel.
Machinist William D. Pinkston.
Machinist Frederick G. Hall.
Machinist Nathaniel L. Edwards.
Machinist Henry Y. Clements.
Machinist Richard M. Valentine.
Machinist Robert E. Hearne.
Machinist Ernest A. Bigelow.

TO BE A CHIEF ELECTRICIAN, TO RANK FROM JANUARY 23, 1940

Electrician Clifford F. Wurfel.

TO BE A CHIEF CARPENTER, TO RANK FROM JANUARY 23, 1940

Carpenter Theodore Tobiason.

TO BE A CHIEF PAY CLERK, TO RANK FROM JANUARY 23, 1940

Pay Clerk Archibald J. Maclean.

TO BE A CHIEF MACHINIST, TO RANK FROM FEBRUARY 1, 1940

Machinist Dykeman N. Bent.

APPOINTMENTS IN THE MEDICAL ADMINISTRATIVE CORPS, REGULAR ARMY

TO BE SECOND LIEUTENANTS, WITH RANK FROM DATE OF APPOINTMENT

Paul Cable Larnce
Elliott Powell Rigsby
Emerson Beery Taylor
Thomas Floris Criswell, Jr.
Woodrow Charles Herbert

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO THE QUARTERMASTER CORPS

Capt. Hugh McCalla Wilson, Jr., Infantry, with rank from October 1, 1933.

TO AIR CORPS

First Lt. Howell Marion Estes, Jr., Cavalry, with rank from June 12, 1939, effective March 23, 1940.

First Lt. Peter McGoldrick, Infantry, with rank from June 12, 1939, effective March 23, 1940.

First Lt. Edward Walter Moore, Coast Artillery Corps, with rank from June 12, 1937, effective March 23, 1940.

First Lt. Jergen Bernhart Olson, Cavalry, with rank from August 1, 1935, effective March 23, 1940.

First Lt. Richard Henry Smith, Infantry, with rank from August 1, 1935, effective March 23, 1940.

First Lt. Jack Wellington Turner, Cavalry, with rank from June 13, 1936, effective March 23, 1940.

Second Lt. John Harris Griffith, Infantry, with rank from July 1, 1938, effective March 23, 1940.

Second Lt. John Cozart Pitchford, Field Artillery, with rank from June 14, 1938, effective March 23, 1940.

PROMOTIONS IN THE REGULAR ARMY

To be major

Capt. Lewis Tenney Ross, Corps of Engineers, from February 8, 1940.

MEDICAL CORPS

To be major

Capt. Stuart Absalom Cameron, Medical Corps, from March 1, 1940.

To be captain

First Lt. Andres Gilberto Oliver, Medical Corps, from March 18, 1940.

DENTAL CORPS

To be captain

First Lt. Glynn Bryan Widner, Dental Corps, from March 17, 1940.

VETERINARY CORPS

To be captain

First Lt. Karl Harry Willers, Veterinary Corps, from March 9, 1940.

CHAPLAIN

To be chaplain with the rank of major

Chaplain Joseph Richard Koch (captain), United States Army, from March 27, 1940.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS IN THE REGULAR ARMY

TO BE COLONELS WITH RANK FROM MARCH 1, 1940

Lt. Col. Ralph Royce, Air Corps.
Lt. Col. William Ord Ryan, Air Corps.
Lt. Col. Clinton Wilbur Howard, Air Corps.
Lt. Col. Joseph Taggart McNarney, Air Corps.
Lt. Col. Edwin Bowman Lyon, Air Corps.
Lt. Col. Hume Peabody, Air Corps.
Lt. Col. Earl Larue Naiden, Air Corps.
Lt. Col. Michael Frank Davis, Air Corps.
Lt. Col. Hubert Reilly Harmon, Air Corps.
Lt. Col. Henry Jervis Friese Miller, Air Corps.
Lt. Col. Thomas James Hanley, Jr., Air Corps.
Lt. Col. Leo Andrew Walton, Air Corps.
Lt. Col. Ralph Pittman Cousins, Air Corps.
Lt. Col. Adlai Howard Gilkeson, Air Corps.
Lt. Col. George Edward Stratemeyer, Air Corps.
Lt. Col. Robert LeGrow Walsh, Air Corps.
Lt. Col. Junius Henry Houghton, Air Corps.
Lt. Col. Howard J. Houghland, Air Corps.
Lt. Col. Charles Belding Oldfield, Air Corps.
Lt. Col. William Hampton Crom, Air Corps.
Lt. Col. Gerald Evans Brower, Air Corps.
Lt. Col. Robert Chapin Candee, Air Corps.
Lt. Col. Oliver Patton Echols, Air Corps.
Lt. Col. Vincent Bargmant Dixon, Air Corps.
Lt. Col. Laurence Fielding Stone, Air Corps.
Lt. Col. Willis Henry Hale, Air Corps.
Lt. Col. William Charles Ocker, Air Corps.
Lt. Col. William Frederick Volandt, Air Corps.
Lt. Col. William E. Kepner, Air Corps.
Lt. Col. Charles Thomas Phillips, Air Corps.

TO BE LIEUTENANT COLONELS WITH RANK FROM MARCH 1, 1940

Maj. Lowell Herbert Smith, Air Corps.
Maj. Edwin Jacob House, Air Corps.
Maj. Ray Aloysious Dunn, Air Corps.
Maj. Frederick Foster Christine, Air Corps.
Maj. Earl Spiker Schofield, Air Corps.
Maj. Arthur Emel Simonin, Air Corps.
Maj. Frank O'Driscoll Hunter, Air Corps.
Maj. David Sidney Seaton, Air Corps.
Maj. Harold Huston George, Air Corps.
Maj. Walter Jay Reed, Air Corps.
Maj. St. Clair Streett, Air Corps.
Maj. John Isham Moore, Air Corps.
Maj. Oliver Stevenson Ferson, Air Corps.
Maj. Robert Gale Breene, Air Corps.
Maj. James Franklin Powell, Air Corps.
Maj. Neal Creighton, Air Corps.
Maj. Alonzo Maning Drake, Air Corps.
Maj. Victor Herbert Strahm, Air Corps.
Maj. Ira Robert Koenig, Air Corps.
Maj. Philip Schneeberger, Air Corps.
Maj. Karl Shaffner Axtater, Air Corps.
Maj. William Joseph Flood, Air Corps.
Maj. Charles Merrill Savage, Air Corps.
Maj. George Churchill Kenney, Air Corps.
Maj. George Merrill Palmer, Air Corps.
Maj. John Parr Temple, Air Corps.
Maj. Byron Turner Burt, Jr., Air Corps.
Maj. Earle Gene Harper, Air Corps.
Maj. Lotha August Smith, Air Corps.
Maj. William Valery Andrews, Air Corps.
Maj. Arthur Wellington Brock, Jr., Air Corps.
Maj. Merrick Gay Estabrook, Jr., Air Corps.
Maj. Carl Franklin Greene, Air Corps.
Maj. Perry Wainer, Air Corps.
Maj. William Seymour Gravely, Air Corps.
Maj. Harlan Ware Holden, Air Corps.
Maj. Joseph Leonard Stromme, Air Corps.
Maj. Rudolph William Propst, Air Corps.
Maj. Frank Denis Hackett, Air Corps.
Maj. Aaron Edward Jones, Air Corps.
Maj. Robin Alexander Day, Air Corps.
Maj. John Y. York, Jr., Air Corps.
Maj. Walter Hey Reid, Air Corps.

TO BE LIEUTENANT COLONELS

Maj. John Bellinger Patrick, Air Corps.
Maj. Earl Hamlin De Ford, Air Corps.
Maj. Ralph Bamford Walker, Air Corps.
Maj. Clarence Beaver Lober, Air Corps.
Maj. John Kenneth Cannon, Air Corps.
Maj. Arthur John Melanson, Air Corps.
Maj. Theodore Joseph Koenig, Air Corps.
Maj. Grandison Gardner, Air Corps.
Maj. Alvan Cleveland Kincaid, Air Corps.
Maj. Omer Osmer Niergarth, Air Corps.
Maj. Aubrey Hornsby, Air Corps.
Maj. Charles Peter Prime, Air Corps.
Maj. Auby Casey Strickland, Air Corps.
Maj. John Martin Clark, Air Corps.
Maj. Rowland Charles William Blessley, Air Corps.
Maj. Arthur Thomas, Air Corps.
Maj. Ulysses Grant Jones, Air Corps.
Maj. John Paul Richter, Air Corps.
Maj. Michael Everett McHugo, Air Corps.
Maj. James Lionel Grisham, Air Corps.
Maj. Earl Seeley Hoag, Air Corps.
Maj. Vincent James Meloy, Air Corps.

Maj. Charles Egbert Branshaw, Air Corps.
Maj. Edward Whiting Raley, Air Corps.
Maj. James Troy Hutchison, Air Corps.
Maj. Edwin Randolph Page, Air Corps.
Maj. Harvey Hodges Holland, Air Corps.
Maj. Russell Lowell Maughan, Air Corps.
Maj. Oliver Perry Gothlin, Jr., Air Corps.
Maj. Eugene Benjamin Bayley, Air Corps.

TO BE MAJORS WITH RANK FROM MARCH 1, 1940

Capt. Ray Henry Clark, Air Corps.
Capt. Homer Wilbur Ferguson, Air Corps.
Capt. Robert William Calvert Wimsatt, Air Corps.
Capt. Donald Fowler Fritch, Air Corps.
Capt. John Sharpe Griffith, Air Corps.
Capt. Edmund Clayton Lynch, Air Corps.

TO BE MAJORS

Capt. Alfred August Kessler, Jr., Air Corps.
Capt. Mervin Eugene Gross, Air Corps.
Capt. Benjamin Wiley Chidlaw, Air Corps.
Capt. Orval Ray Cook, Air Corps.
Capt. James Wrathall Spry, Air Corps.
Capt. Robert Wilkins Douglass, Jr., Air Corps.
Capt. Oscar Louis Beal, Air Corps.
Capt. Hilbert Milton Wittkop, Air Corps.
Capt. Townsend Griffiss, Air Corps.
Capt. Leo Henry Dawson, Air Corps.
Capt. Milton John Smith, Air Corps.
Capt. James Frederick Phillips, Air Corps.
Capt. Raymond Edward Culbertson, Air Corps.
Capt. Ralph Adel Snavely, Air Corps.
Capt. Robert Boyd Williams, Air Corps.
Capt. John Wesley Warren, Air Corps.
Capt. Patrick Weston Timberlake, Air Corps.
Capt. Clyde Kenneth Rich, Air Corps.
Capt. Laurence Carbee Craigie, Air Corps.
Capt. Charles White Lawrence, Air Corps.
Capt. Wallace Evan Whitson, Air Corps.
Capt. Russel J. Minty, Air Corps.
Capt. James Francis Joseph Early, Air Corps.
Capt. Alden Rudyard Crawford, Air Corps.
Capt. Thomas Merritt Lowe, Air Corps.
Capt. David Myron Schlatter, Air Corps.
Capt. Charles Trovilla Myers, Air Corps.
Capt. Leslie Page Holcomb, Air Corps.
Capt. Wilfrid Henry Hardy, Air Corps.
Capt. Joseph Smith, Air Corps.
Capt. Joseph Harold Hicks, Air Corps.
Capt. Robert Chaffee Oliver, Air Corps.
Capt. John Maurice Weikert, Air Corps.
Capt. John George Salsman, Air Corps.
Capt. James Michael Fitzmaurice, Air Corps.
Capt. Hoyt Sanford Vandenberg, Air Corps.
Capt. Stewart Warren Towle, Jr., Air Corps.
Capt. Walter Cornelius White, Air Corps.
Capt. Glen Clifford Jamison, Air Corps.
Capt. Carl Brown McDaniel, Air Corps.
Capt. Herbert Kenneth Baisley, Air Corps.
Capt. John Kraybill Nissley, Air Corps.
Capt. Archibald Yarborough Smith, Air Corps.
Capt. Charles Goodwin Pearcy, Air Corps.
Capt. Earle Everard Partridge, Air Corps.
Capt. David Jerome Ellinger, Air Corps.
Capt. Cecil Ernest Henry, Air Corps.
Capt. Uzal Girard Ent, Air Corps.
Capt. Joe L. Loutzenheiser, Air Corps.
Capt. Richard Emmel Nugent, Air Corps.
Capt. John Phillips Kirkendall, Air Corps.
Capt. Robert Roy Selway, Jr., Air Corps.
Capt. John Gilbert Moore, Air Corps.
Capt. Luther Stevens Smith, Air Corps.
Capt. Robert Wells Harper, Air Corps.
Capt. Howard McMath Turner, Air Corps.
Capt. Leonard Henry Rodieck, Air Corps.
Capt. George Hinkle Steel, Air Corps.
Capt. Edward Higgins White, Air Corps.
Capt. William Olmstead Eareckson, Air Corps.
Capt. Richard Weigand Gibson, Air Corps.
Capt. John Reynolds Hawkins, Air Corps.
Capt. Ralph Emanuel Fisher, Air Corps.
Capt. James Somers Stowell, Air Corps.
Capt. Arthur LeRoy Bump, Air Corps.
Capt. Demas Thurlow Craw, Air Corps.
Capt. Cornelius Walter Cousland, Air Corps.
Capt. Carl Joseph Crane, Air Corps.
Capt. Howard Eugene Engler, Air Corps.
Capt. William Donald Old, Air Corps.
Capt. Elmer Theodore Rundquist, Air Corps.
Capt. Harold George Peterson, Air Corps.
Capt. George Francis Schulgen, Air Corps.

NOTE.—Officers whose dates of rank are not specified will rank from date of acceptance of officers nominated with rank from March 1, 1940.

PROMOTIONS AND APPOINTMENTS IN THE NAVY

The following-named commanders to be captains in the Navy, to rank from the date stated opposite their names:

Thomas S. McCloy, September 23, 1939.
Robert P. Hinrichs, September 23, 1939.
Pat Buchanan, September 23, 1939.
Wallace B. Phillips, September 23, 1939.
Harry D. McHenry, September 23, 1939.
Robert B. Simons, November 1, 1939.
Robert M. Hinckley, November 1, 1939.
Rivers J. Carstarphen, December 8, 1939.
Benjamin Perlman, December 8, 1939.
Alfred E. Montgomery, December 8, 1939.
James C. Clark, December 8, 1939.
Guy C. Hitchcock, December 8, 1939.
Anton B. Anderson, December 8, 1939.
Clarence Gulbranson, December 29, 1939.
Carroll M. Hall, December 29, 1939.
Campbell D. Edgar, December 29, 1939.
Paul S. Theiss, January 1, 1940.
Charles S. Alden, January 1, 1940.
James C. Jones, Jr., February 1, 1940.

The following-named lieutenant commanders to be commanders in the Navy, to rank from the date stated opposite their names:

Thomas J. Bay, September 1, 1939.
John D. Murphy, September 1, 1939.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the 1st day of July 1939:

John T. Warren	Hallock G. Davis
Florentin P. Wencker	Harold H. Tiemroth

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the 1st day of August 1939:

Anthony L. Rorschach	Harman B. Bell, Jr.
Chester E. Smith	Kenneth V. Dawson
De Vere L. Day	Harold C. Pound
Clarence C. Haugen	Roger B. Nickerson
Rodmon D. Smith	Willard K. Goodney
Claude A. Dillavou	Joseph W. Ludewig
Wilfred B. Goulett	Merle Van Metre

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the 1st day of September 1939:

Thomas G. Reamy	Frederick N. Kivette
Knowlton Williams	Jesse C. Sowell
Charles A. Bond	Ira E. Hobbs
Clement R. Criddle	Edward L. Schleif
Charles E. Tolman	Harold O. Larson

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Thomas Burrowes, November 1, 1939.
Donald C. Varian, November 1, 1939.
Harry H. Henderson, November 1, 1939.
Rex S. Caldwell, January 1, 1940.
Russell S. Smith, January 1, 1940.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Robert E. Hudson, July 1, 1939.
Frank C. Acker, September 1, 1939.
Selden C. Small, September 1, 1939.
Joel C. Ford, Jr., September 1, 1939.
William R. Franklin, September 1, 1939.
Joseph C. Wylie, Jr., September 8, 1939.
Francis D. Foley, October 1, 1939.
John Munholland, November 1, 1939.
Louis J. Kirn, November 1, 1939.
Max Silverstein, February 1, 1940.
Robert E. Vandling, February 1, 1940.

Ensign Paul B. Ryan to be a lieutenant (junior grade) in the Navy, to rank from the 4th day of June 1939.

The following to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade), to rank from the 16th day of February 1940:

Richard C. Shaw	Harry B. McInnis
Theodore A. Lesney	Robert A. Colby
Tylas R. Schroeder	William J. Charm
Howard B. McKinney	Lewis L. Cross
William R. Stanmeyer	George R. Reynolds

Charles J. Lightfoot to be an assistant paymaster in the Navy, with the rank of ensign, to rank from the 18th day of January 1940.

Chaplain Roy L. Lewis to be a chaplain in the Navy, with the rank of captain, to rank from the 1st day of August 1939.

The following-named boatswains to be chief boatswains in the Navy, to rank with but after ensign, from the date stated opposite their names:

James H. Trimble, November 2, 1939.
G. Kingman, December 2, 1939.

The following-named gunners to be chief gunners in the Navy, to rank with but after ensign, from the date stated opposite their names:

John O. Cavanaugh, October 25, 1939.
Harry B. Krupa, October 25, 1939.
Ralph L. Keeting, November 2, 1939.

Electrician Merle W. Colony to be a chief electrician in the Navy, to rank with but after ensign, from the 2d day of January 1940.

The following-named radioelectricians to be chief radioelectricians in the Navy, to rank with but after ensign from the date stated opposite their names:

Charles A. Mattson, October 25, 1939.
Frank H. Clarke, January 2, 1940.

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the date stated opposite their names:

Erwin W. Miller, October 25, 1939.
Oswald J. Reas, November 2, 1939.
Gilbert W. Bane, November 2, 1939.
Wilfred S. Iredale, December 2, 1939.
Joshua H. Garrett, December 2, 1939.

Carpenter Karl B. Diefenbach to be a chief carpenter in the Navy, to rank with but after ensign, from the 2d day of December 1939.

The following named lieutenant commanders to be lieutenant commanders in the Navy, to rank from the 1st day of August 1939 to correct the date of rank as previously nominated and confirmed:

Morton C. Mumma, Jr.	George C. Wright
David A. Hurt	David M. Tyree
Stirling P. Smith	Jackson S. Champlin

Lieutenant Louis A. Bryan to be a lieutenant in the Navy, to rank from the 1st day of July 1939, to correct the date of rank as previously nominated and confirmed.

The following named lieutenants to be lieutenants in the Navy, to rank from the 1st day of August 1939, to correct the date of rank as previously nominated and confirmed:

Paul G. Osler	John M. Lietwiler
George L. Raring	Donald I. Thomas
Robert B. Fulton 2d	Herbert M. Coleman
David D. Scott	Ernest P. Abrahamson
Frank H. Brumby, Jr.	Ronald L. Wilson
Chauncey S. Willard	Richard H. Lambert
John H. Morse, Jr.	Fred L. Ruhlman
David F. Kinert	Robert H. Weeks
Ernest D. Hodge	John G. Spangler
Harry L. Reiter, Jr.	Walter D. Coleman
Morton Sunderland	

POSTMASTERS

ALASKA

Guy E. Mish to be postmaster at Nome, Alaska, in place G. E. Mish. Incumbent's commission expired January 17, 1939.

ARKANSAS

Mabel L. High to be postmaster at England, Ark., in place of H. N. Poe. Incumbent's commission expired March 15, 1939.

Edward L. Waggoner to be postmaster at Hazen, Ark., in place of H. P. Screeton, resigned.

CALIFORNIA

Francis P. O'Brien to be postmaster at Belmont, Calif., in place of K. M. Rousseau, removed.

Richard J. Homan to be postmaster at Encinitas, Calif., in place of R. J. Homan. Incumbent's commission expired August 14, 1939.

COLORADO

Willard T. Moreland to be postmaster at Simla, Colo., in place of W. T. Moreland. Incumbent's commission expired January 21, 1939.

CONNECTICUT

William J. Rankin to be postmaster at Hartford, Conn., in place of W. J. Rankin. Incumbent's commission expired August 22, 1939.

George S. Clark to be postmaster at Milford, Conn., in place of G. S. Clark. Incumbent's commission expired January 23, 1940.

DELAWARE

Oram W. Layton to be postmaster at Claymont, Del., in place of G. H. Litz, resigned.

FLORIDA

Thomas Jesse Webb to be postmaster at Ojus, Fla. Office became Presidential July 1, 1938.

GEORGIA

John J. Story to be postmaster at Ashburn, Ga., in place of N. L. Smith, resigned.

Walter E. Schilling to be postmaster at Marietta, Ga., in place of W. E. Schilling. Incumbent's commission expired January 20, 1940.

ILLINOIS

Aaron W. Eads to be postmaster at Arthur, Ill., in place of H. P. Rigney, removed.

Clara B. Toland to be postmaster at Industry, Ill., in place of G. E. Roe, resigned.

James W. Duffy to be postmaster at Maywood, Ill., in placed of J. W. Duffy. Incumbent's commission expired August 26, 1939.

Albert E. Frueh to be postmaster at Medora, Ill., in place of C. G. Rutherford, deceased.

John H. Cox to be postmaster at Onarga, Ill., in place of F. M. Allison. Incumbent's commission expired July 18, 1939.

Florence L. A. Welch to be postmaster at Oneida, Ill., in place of L. H. Coleman, removed.

Charles H. Robert to be postmaster at Salem, Ill., in place of W. A. Mills. Incumbent's commission expired April 27, 1938.

Daisy M. Wallace to be postmaster at Windsor, Ill., in place of A. V. Wallace, deceased.

INDIANA

Hugh M. Hayes to be postmaster at Elkhart, Ind., in place of J. J. Littrell, deceased.

Elnora Root to be postmaster at Hagerstown, Ind., in place of Elnora Root. Incumbent's commission expired June 26, 1939.

KANSAS

Nat G. Walker to be postmaster at Great Bend, Kans., in place at N. G. Walker. Incumbent's commission expired May 25, 1938.

KENTUCKY

Emmett C. Crider to be postmaster at Fredonia, Ky., in place of S. K. Bugg, resigned.

Forrest P. Bell to be postmaster at Hartford, Ky., in place of L. G. Barrett, removed.

LOUISIANA

Henry H. Sample to be postmaster at Lecompte, La., in place of H. H. Sample, resigned.

MAINE

Ida P. Stone to be postmaster at Oxford, Maine, in place of I. P. Stone. Incumbent's commission expired April 2, 1938.

MASSACHUSETTS

Carl R. Rowe to be postmaster at Marlboro, Mass., in place of C. R. Rowe. Incumbent's commission expired January 23, 1940.

MINNESOTA

Richard G. Romens to be postmaster at Littlefork, Minn., in place of O. C. Olson. Incumbent's commission expired March 12, 1939.

James T. Collins to be postmaster at Oak Terrace, Minn., in place of E. S. Mariette. Incumbent's commission expired May 29, 1939.

MISSISSIPPI

Francis C. Hayden to be postmaster at Vaughan, Miss., in place of F. C. Hayden. Incumbent's commission expired July 18, 1939.

MISSOURI

Richard E. Sincox to be postmaster at Saint Clair, Mo., in place of C. H. Peter, deceased.

MONTANA

Donald W. Cameron to be postmaster at Belgrade, Mont., in place of H. J. Stephenson. Incumbent's commission expired January 18, 1936.

NEBRASKA

Carl S. Carrell to be postmaster at Bassett, Nebr., in place of C. S. Carrell. Incumbent's commission expired July 24, 1939.

Mary H. Vrchlavsky to be postmaster at Fort Crook, Nebr., in place of J. F. Koehler, resigned.

James A. Gunn to be postmaster at Ponca, Nebr., in place of A. H. Logan, deceased.

NEW HAMPSHIRE

Norman E. Perkins to be postmaster at Sunapee, N. H., in place of E. S. Perkins, deceased.

NEW JERSEY

Mildred Davis to be postmaster at Cedarville, N. J., in place of G. S. McCandless, resigned.

Peter T. Grea to be postmaster at Harrington Park, N. J., in place of A. H. Fechtenburg. Incumbent's commission expired April 27, 1936.

Leon P. Kays to be postmaster at Stanhope, N. J., in place of L. P. Kays. Incumbent's commission expired May 4, 1939.

Julia Neely Rumley to be postmaster at Towaco, N. J., in place of J. N. Rumley, deceased.

NEW MEXICO

Lucy O. Brown to be postmaster at Texico, N. Mex., in place of P. B. Grady. Incumbent's commission expired February 5, 1935.

NEW YORK

Daniel F. Driscoll to be postmaster at Geneva, N. Y., in place of D. F. Driscoll. Incumbent's commission expired January 20, 1940.

Mary A. Cahill to be postmaster at Lynbrook, N. Y., in place of M. A. Cahill. Incumbent's commission expired August 21, 1939.

Olivette L. Johnson to be postmaster at Rensselaer, N. Y., in place of O. L. Johnson. Incumbent's commission expired August 26, 1939.

Harold M. Drury to be postmaster at Scarsdale, N. Y., in place of H. M. Drury. Incumbent's commission expired August 21, 1939.

Edward W. Wolf to be postmaster at Southampton, N. Y., in place of W. K. Dunwell. Incumbent's commission expired June 1, 1936.

OHIO

George A. Zettler to be postmaster at Hamilton, Ohio, in place of H. B. Grevey, deceased.

Dudley C. Smith to be postmaster at Niles, Ohio, in place of H. A. Marceau, deceased.

Carl H. Caris to be postmaster at Ravenna, Ohio, in place of C. H. Caris. Incumbent's commission expired January 20, 1940.

OKLAHOMA

Carl L. Brattain to be postmaster at Lamont, Okla., in place of Pearl Brazell. Incumbent's commission expired May 29, 1938.

Edward S. Bowles to be postmaster at Perry, Okla., in place of E. S. Bowles. Incumbent's commission expired June 12, 1938.

PENNSYLVANIA

Alva M. Beers to be postmaster at Alburtis, Pa., in place of W. P. B. Gery, deceased.

Lynn McGraw Moses to be postmaster at Altoona, Pa., in place of A. B. Clark, removed.

Joseph P. Duffy to be postmaster at Bristol, Pa., in place of J. P. Duffy. Incumbent's commission expired August 2, 1939.

Grace G. Makens to be postmaster at Morton, Pa., in place of G. G. Makens. Incumbent's commission expired July 27, 1939.

James D. Webster to be postmaster at Sewickley, Pa., in place of J. V. Brush, transferred.

Clara E. Reese to be postmaster at Toughkenamon, Pa. Office became Presidential July 1, 1938.

SOUTH CAROLINA

Mary Gertrude Jenerette to be postmaster at State Park, S. C. Office became Presidential July 1, 1939.

SOUTH DAKOTA

Helen M. Himebaugh to be postmaster at Custer, S. Dak., in place of J. E. Kurka, removed.

TENNESSEE

Marvin McKnight to be postmaster at Bemis, Tenn., in place of Marvin McKnight. Incumbent's commission expired January 31, 1938.

John J. Parran to be postmaster at Bolivar, Tenn., in place of J. J. Parran. Incumbent's commission expired January 31, 1938.

William I. Easley to be postmaster at Bruceton, Tenn., in place of W. I. Easley. Incumbent's commission expired June 8, 1938.

James W. Stout to be postmaster at Decaturville, Tenn., in place of J. W. Stout. Incumbent's commission expired June 8, 1938.

John F. Dunbar to be postmaster at Grand Junction, Tenn., in place of J. F. Dunbar. Incumbent's commission expired June 17, 1939.

Shelbin C. Malone to be postmaster at Henderson, Tenn., in place of S. C. Malone. Incumbent's commission expired February 19, 1939.

Audrey E. Staples to be postmaster at Huntland, Tenn. Office became Presidential July 1, 1939.

Samuel C. Jones to be postmaster at Lexington, Tenn., in place of S. C. Jones. Incumbent's commission expired May 10, 1939.

John W. Simmons to be postmaster at Moscow, Tenn., in place of J. W. Simmons. Incumbent's commission expired June 17, 1939.

Edwin L. Goddard to be postmaster at Saulsbury, Tenn., in place of E. L. Goddard. Incumbent's commission expired May 10, 1939.

TEXAS

John Howard Payne to be postmaster at Dallas, Tex., in place of W. B. Luna, retired.

David A. Greer to be postmaster at Henrietta, Tex., in place of T. B. O'Bryan. Incumbent's commission expired August 7, 1939.

Moran Dunlap to be postmaster at Meridian, Tex., in place of H. D. Wintz. Incumbent's commission expired May 13, 1939.

Olen C. Arthur to be postmaster at Spur, Tex., in place of O. C. Arthur. Incumbent's commission expired August 21, 1939.

John B. Hardin to be postmaster at Vernon, Tex., in place of J. B. Hardin. Incumbent's commission expired January 31, 1940.

Leopold Morris to be postmaster at Victoria, Tex., in place of Leopold Morris. Incumbent's commission expired January 31, 1940.

VIRGINIA

Benjamin H. Garrett to be postmaster at Ellerson, Va. Office became Presidential July 1, 1938.

WEST VIRGINIA

Fred Gainer to be postmaster at Parkersburg, W. Va., in place of A. M. Stephenson. Incumbent's commission expired January 30, 1938.

John Kenna Kerwood to be postmaster at Ripley, W. Va., in place of J. K. Kerwood. Incumbent's commission expired January 31, 1938.

WISCONSIN

Rinold N. Duren to be postmaster at Cazenovia, Wis., in place of R. N. Duren. Incumbent's commission expired June 15, 1938.

Roger R. Austin to be postmaster at Lancaster, Wis., in place of R. R. Austin. Incumbent's commission expired January 18, 1939.

John W. Kelley to be postmaster at Rhinelander, Wis., in place of J. W. Kelley. Incumbent's commission expired August 14, 1939.

Joseph N. Thiele to be postmaster at Whitewater, Wis., in place of J. N. Thiele. Incumbent's commission expired February 9, 1939.

WYOMING

George Thornton Beck, Jr., to be postmaster at Cody, Wyo., in place of J. F. Cook, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 29, 1940

INTERSTATE COMMERCE COMMISSION

Carroll Miller, to be an Interstate Commerce Commissioner.

PROMOTIONS IN THE NAVY

MARINE CORPS

To be lieutenant colonels

Lucian W. Burnham	Robert C. Thaxton
Jacob Lienhard	Jesse L. Perkins
John Groff	Harold D. Shannon
George F. Stockes	Prentice S. Geer
Jacob M. Pearce	Lee H. Brown

To be captain

John A. Butler

POSTMASTERS

CALIFORNIA

Nolan W. Smith, Alturas.

ILLINOIS

James F. Carr, Wauconda.

KANSAS

Louie Haller, Alma.
Mary Alice Housh, Winchester.

NEW JERSEY

John R. Snedeker, Atlantic Highlands.
Emma Metze, Cliffwood.
Fraser Bliss Price, Eatontown.
Thomas Francis Cummings, Seaside Heights.
Margaret J. Lippincott, Seaside Park.
Mary G. Appleby, Spotswood.

NORTH DAKOTA

Fred A. Sonmars, Carrington.
John A. Nagel, Selfridge.

PENNSYLVANIA

Grover C. Myers, Gardners.
Peter A. Conway, Girardville.
Clarence L. Schwartz, Littlestown.
Marshall M. Hill, Reno.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 29, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we praise Thee for Him whose name is the Prince of Peace; how manifold are the images of Him. The child still stands in open-eyed wonder before Him as He puts strange questions to the temple sages; to the laborer He is still the carpenter toiling in the Nazareth workshop; to the tempted He is still meeting the test in the wilderness and vanishing the tempter by His unshaken faith; to the weary He is still resting by the wayside well; to the bereaved He is still weeping beside the mourners at the tomb. Oh, we thank Thee that we have seen Thy glory in the face of Jesus. Heavenly Father, in His holy name let there come forth a new knighthood that will fling down the challenge before racial and creedal hate, malice, and the strongholds of sin. Do Thou guide the world, for it is blind; deliver it, for it is in bondage; and save it ere it is lost. In the name of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection it is so ordered.

There was no objection.

[Mr. MARTIN J. KENNEDY addressed the House. His remarks appear in the Appendix of the RECORD.]

HON. BARTEL J. JONKMAN

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House:

FEBRUARY 29, 1940.

The SPEAKER,
House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. BARTEL J. JONKMAN as a Representative-elect to the Seventy-sixth Congress, from the Fifth Congressional District of Michigan, to fill the vacancy caused by the death of Hon. Carl E. Mapes, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.
By H. NEWLIN MERILL.

SWEARING IN OF MEMBER

Mr. BARTEL J. JONKMAN appeared at the bar of the House and took the oath of office.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include therein a letter I have written.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Speaker, I have sent a letter to Members of the House of Representatives asking them to sign discharge petition No. 4. This is the discharge petition on my resolution which proposes a constitutional referendum on participation in overseas wars. The principle embodied in this resolution is dear to the hearts of the American people and now, when the United States is at peace with the whole world, would seem to be a proper time to bring this much-discussed resolution out of committee, debate it thoroughly, and then vote on it. It is certain that a proposal which is so meritorious and has so much sentiment back of it will never be finally disposed of in any other way. I do hope that in this time of peaceful relations with the world Members will give consideration to this vital question of domestic policy and by taking counsel of their sense of fair play will sign the discharge petition so as to give this resolution its day in the House. That is all that is asked, and it seems to me that it is a very reasonable request.

By unanimous consent of the House, I present herewith for publication in the RECORD the letter I have written to the Members of this body, as follows:

FEBRUARY 26, 1940.

DEAR COLLEAGUE AND FRIEND: I hope you can see your way clear to sign discharge petition No. 4, now at the Speaker's desk. This is the petition that is intended to bring before the House for debate and a vote the resolution I have introduced for a constitutional amendment to give the people a right to vote on participation in foreign wars overseas. This proposed constitutional amendment would not interfere in any way or in any degree with our national defense. In case of attack or invasion of the United States or any country in the Western Hemisphere, the referendum would not apply.

I believe that strong national defense, coupled with a referendum on nondefensive or overseas wars, would be the best peace insurance this country could possibly have.

Five Gallup polls have agreed in their findings that a majority of the American people favor this constitutional amendment. Even though you may not now approve the resolution, please sign the petition to give it its day in the House. It is good Americanism, as well as good sportsmanship, to allow a proposal in which so many millions are interested to be debated and then voted up or down as two-thirds of the House may decide. I do not ask you to vote for the measure, but only that you help to get it before the House for consideration in the good American way. I believe that is a reasonable request.

Will you not help by signing discharge petition No. 4?

Yours sincerely,

LOUIS LUDLOW.

AMERICAN NEUTRALITY

Mr. JACOBSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JACOBSEN. Mr. Speaker, destructive wars and conflicts now raging in Europe present to our own country difficult, complex, and disturbing problems of statecraft whose solution tries to the utmost the talents of our ablest leaders. Our President and the Department of State have met these courageously. They have emphasized more than frequently the neutral attitude of the United States toward the nations involved. They have made clear and reiterated many times the simple and obvious fact that we are at peace with every people. They have stressed our rights as neutrals and have vigorously protested the invasion of those rights by belligerents.

With every confidence in the ability of our administration to cope successfully with intricate international developments and to prevent our involvement in these foreign embroilments; nevertheless, I, as a Member of this body, feel it my duty to be anxiously concerned with the acts of belligerents affecting our neutrality.

In particular do I protest and remonstrate against the high-handed conduct of England in her interference with American shipping upon the seas. Without apparent justification, she has wantonly arrogated to herself the unwarranted prerogative of seizing upon our mails, delaying our ships, and causing loss and injury to our commerce. History amply demonstrates that, while the immediate ill effects of such acts may be counteracted, the ultimate results of them may lead to serious and unavoidable consequences. Let no act of any belligerent go unchallenged when that act interferes with our rights as a peace-loving and neutral nation. Yet, let our conduct of international relations be such that no nation can seize upon our line of action as an excuse to involve us in the present European conflict. [Applause.]

EXTENSION OF REMARKS

Mr. LEAVY asked and was given permission to revise and extend his own remarks.

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement made by Dr. Francis E. Fronczak, health commissioner of the city of Buffalo, N. Y.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE NEW ELECTRIC METER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, in my efforts to improve the conditions of the farmers of this country, one of my chief battles has been that of getting electricity to the farmers' homes, getting it to them at rates they could afford to pay, and at the same time making it possible for them to secure the necessary electrical appliances at reasonable prices.

One thing that has disturbed me most has been the fact that we were using an electric meter in this country that was not only obsolete, but that was so complicated that the average farmer could not read it, and so expensive that he could not afford to buy it. It has four dials on it, with the hands on two of the dials turning clockwise and the hands on the other two turning anticlockwise.

I have one of those old meters here now, and I dare say there are not a dozen Members of the House who can walk up here and take a look at it and read it, offhand. I saw one very distinguished Republican Congressman, who has had a good deal to say about my attitude on the power question, make the attempt a while ago, and fail. If he cannot read it, how in the world can he expect the farmers in his district to read it, and especially the women and children on the farm?

I learned several years ago that they were manufacturing meters in Canada with only one dial, that any schoolboy could read, and that could be sold for something like half the price of these old cumbersome four-dial meters. I set in to try to get them put on the market in this country, and especially in those areas where we are building rural power lines, but I was informed that the manufacturers, for several reasons, said they could not make them.

I sent them word that if they could not make them, we could get a reciprocal-trade agreement through with Canada and get these meters imported from Ontario. That brought results; I was immediately notified that the manufacturers in this country were ready to make these meters for the R. E. A. to be supplied to the farmers on the R. E. A. lines.

I have one of these meters here now. Instead of having four dials, two running clockwise and two running anticlockwise, it has only one dial or one straight row of figures, just like the meter which registers the number of miles traveled on an automobile. Where the old meter costs $12.50, this new one costs only $8; that is, the large one.

I also have here a small meter for use in farm homes that retails for $5, and answers every purpose. Instead of having four dials, it simply has a straight row of figures, like a recording speedometer on an automobile.

In case the light goes out in the house, there is a little button on the side of this meter which when pressed turns on a small light inside of it. This indicates that the trouble is

in the house and not out on the line, and that all that is necessary to do is to change the fuse. If this little light fails to come on when the button is pressed, that indicates that the trouble is out on the line.

This new meter, which, as I said, only has one dial, or one straight line of figures, can be read by any schoolboy. This not only enables the farmers to read their own meters but it saves the expenses of sending a man around to read them every month. All that is necessary is to send the farmer a postal card and ask him to read the meter and put the figures on the card and return it to headquarters. Then the meter reader can go around once every 6 months, or once every year, and check up on it.

This may not seem to be a very great saving, but when you realize that there are 23,000,000 domestic consumers of electricity in this country, you can see that if each one of them had to have a new meter, the saving would run well above $100,000,000 for the whole country.

If we can bring the price of water pumps, refrigerators, washing machines, electric irons, and other electrical appliances down in proportion, there is no telling what the saving will mean to the American people, and especially to the American farmers.

I am placing these meters on display out in the hall, and I hope every Member will take the trouble to examine them. This change has not only simplified electric meters to the point where everyone can read and understand them without the assistance of an engineer, but, as I said, it has reduced the cost to the point where the farmers can afford to buy them. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Col. Alfred J. La Grandeur, on Wisconsin's cheese industry.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BOLLES]?

There was no objection.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution adopted by the executive council of the Wisconsin Conservation Congress.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BOLLES]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. VAN ZANDT]?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of the RECORD.]

THE PROBLEM CONFRONTING CONGRESS

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, the No. 1 job for Congress is to try to find positions and jobs for the 9,000,000 American people who are out of work. The same number of people have been out of work for 10 years. What are we doing toward creating jobs for these people? As the gentleman who addressed you a minute ago said, practically everything we do results in putting men out of work instead of giving men jobs and the opportunity to earn money. You make laws that put men out of jobs rather than make laws to create jobs. After 7 years you certainly should see that that is the case.

We have in our Labor Department Miss Perkins, who is doing nothing in the way of getting the country on its feet; more strikes and more unemployment than was even known in our country under her administration. Then we have the gentlewoman from New Jersey [Mrs. NORTON], chairman of the Committee on Labor of the House, sitting down on the job and not permitting legislation to be considered by this House so far as the N. L. R. B. is concerned. She will not legislate to give labor jobs or else she does not know how. We are having hearings about Wagner Act and N. L. R. B. by the Smith committee, but I am afraid the hearings will be prolonged to such an extent that we will not have the opportunity to change the law at this session. This law is doing more to keep $6,000,000,000 in the banks of this country than anything else because the owners of that money are afraid to spend it in business. Why do we not do something? Congress, or I may say the leaders, the President, the Speaker, the majority leader, the Democratic Party—heads of Government—will not change the bad laws they have passed, they will not restore confidence in business, they seem to be asleep for some reason or other. Why? Who controls them? After 7 years of trying to put 9,000,000 people to work has accomplished nothing in that respect. That is to admit failure. This administration has put a debt of twenty-four billions on future generations, and I am fearful it will wreck our children, if not ourselves and our Nation.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HESS. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a statement in reference to stream-pollution activities.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. HESS]?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein four or five short excerpts or statements by ex-President Wilson and others.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend the remarks which I expect to make in the Committee of the Whole House on the state of the Union today when it has under further consideration the War Department civil functions bill on the subject of the Panama Canal and to include the whole of an open letter addressed to the Secretary of War and the Chairman of the Maritime Commission by Mr. Boake Carter.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HINSHAW]?

There was no objection.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered last night by H. W. Prentis, Jr., president, National Association of Manufacturers, and director, Chamber of Commerce of the United States, on the subject of American democracy and free enterprise.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. GROSS]?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two editorials from Philadelphia newspapers.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. MYERS]?

There was no objection.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter from the Director of the Bureau of the Census, which I received this morning.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]?

There was no objection.

The letter referred to follows:

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, February 26, 1940.

Hon. J. BUELL SNYDER,
House of Representatives, Washington, D. C.

MY DEAR MR. SNYDER: Many false statements and inferences are being circulated concerning the decennial census. For your information there is enclosed a letter which I sent to the New York Times in answer to the more serious misstatements. I have marked certain paragraphs, for your special attention, giving the facts on the following salient points:

1. No Federal official can reveal any census information pertaining to any individual.

2. Business organizations and many other groups outside the Government requested inclusion of the income question.

3. The income inquiry does not call for total income. The extent of the question contemplated is absolutely necessary to get a proper measure of unemployment, and Congress itself recognized this necessity by directly calling for income in the 1937 unemployment census. A measure of purchasing power is essential to business for the development of broader markets for its products. For 20 years one of the most vital parts of the census of agriculture has been the question on income of farms.

4. The demand for the housing census came from business organizations outside the Government for facts which would stimulate home construction. Several of the important organizations demanding these facts are listed.

I hope that the enclosed statement will be of assistance to you in answering correctly any inquiries which you may receive from your constituents and in the consideration of census matters.

Very truly yours,

W. L. AUSTIN, *Director.*

STRAW BALLOTS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. PIERCE]?

There was no objection.

Mr. PIERCE. Mr. Speaker, yesterday I appeared before the Rules Committee of this House asking for consideration of House Concurrent Resolution 30, which I introduced in the hope that the Congress would make it its business to learn something about the way in which the much-publicized polls are conducted. These polls, which purpose to sample public opinion on issues and candidates, are publicized in newspapers throughout the Nation and widely quoted by the readers of the papers, who have no knowledge whatever of the way in which public opinion is sampled nor of the statistical methods used in formulating the statements which reach the press and the public.

Since most of the polls are now concerned with candidates for the Presidency and with legislative matters before the Congress, both parties are actually deeply concerned with the conduct of the polls. It is to the interest of every citizen and very specifically the business of Members of this Congress to know whether the polls are reliable, whether they actually sample public opinion, or whether the questions are so formulated that they are designed very subtlely to mold public opinion. Some people in responsible positions actually seem to have a superstitious regard for the sanctity of these polls. When those who conduct them are also concerned with national advertising, the question becomes more involved and the necessity for investigation more urgent. House Concurrent Resolution 30 has resulted from a series of resolutions and bills which I have persistently introduced, hoping that the Congress would enter this interesting field and perform its obvious duty in connection with ascertaining the facts upon the relation of the polls to public questions and public matters. I shall presently set before my colleagues a thorough discussion of straw ballots, but I desire at this time to offer a brief statement in order to call attention to the resolution and to initiate the discussion of this important subject. We shall later be concerned with the framing of the questions, the selection of the people polled, and the methods of interpreting the results.

For several years I have made a study of so-called straw ballots, or the measuring of public opinion by taking polls. After very careful study and thought, I have come to the conclusion that polls are often wrong in theory, in practice, and in fact, and that when interpreted an entirely erroneous conclusion may be drawn. The taking of polls and securing the wide use of the results of polls through syndicated columns in newspapers has become a feature of our elections and legislation which can no longer be ignored by legislative bodies nor by candidates. The matter appears to be wholly commercial. I think it is not scientific, and never can be scientific. It appears to me to be a very successful attempt to make public opinion, rather than a method of measuring public opinion.

Some Members of Congress have obviously been influenced by these polls, as they are quoted when critical and close votes are being taken. It certainly behooves the Congress to learn how the polls are taken, whether they do cover enough territory to give any adequate indication of public opinion, and whether they are ever manipulated in favor of certain candidates or in favor of certain legislation. It is my understanding that Dr. Gallup, and probably others who have made a business of polls, would welcome an opportunity to tell a congressional committee just how they conduct the polls. It is my opinion that there should be annual investigation, possibly by the committees of Congress in connection with the investigation of corrupt practices at elections.

As you will recall, the outstanding measurers of public opinion are Dr. Gallup and Messrs. Cherrington, Roper, Crosley, and Houser. The outstanding periodical publication which seems to take the lead in offering the results of polls is Fortune magazine. When a great advertising firm which handles national advertising and does business with local papers everywhere syndicates a column on polls, that column is likely to be widely used. Even without wrong intent, the trend is obvious.

When I became a Member of the Congress in March 1933, I early introduced a bill for the purpose of forbidding the use of the mails by those taking polls of public opinion. The bill was aimed directly at the Literary Digest poll. My bill was referred to the Committee on Post Offices and Post Roads and they had hearings. I failed to receive a favorable report from the Post Office Department. The Postmaster General claimed that he did not feel he was warranted in losing the revenue derived from taking polls by mail, estimated at $2,000,000 during a Presidential election. Finally the committee saw fit not to report the bill out, though some members were clearly impressed and really desired the passage. After the blow-up of the Literary Digest in the election of 1936, in which the prediction proved so far from the truth that it ruined the publication, I introduced a resolution calling for an investigation so that the people might be fully informed as to the method of securing the poll, and the so-called measuring of public opinion.

It is my desire now, and is the purpose of the pending resolution, to have the Speaker of the House and the President of the Senate appoint five Members from each body to constitute a committee of 10 to hold hearings and ascertain how the polls are made, so the public and the Congress may be fully informed. It is not intended that this will be an extensive hearing, it can probably be concluded within a few weeks; there need be sittings of the committee in Washington only. Those who are actively engaged in making and issuing polls should be summoned to the National Capital to describe their methods in detail, including men heretofore mentioned, together with a representative from the magazine Fortune, which is making quite a leader of its measuring of public opinion.

Dr. Gallup sells his poll to many widely read papers. It reaches Congress arranged in interesting form. Persons glancing at the paper find it conspicuously displayed, often on the front page, with percentages set forth in bold type. My contention is that the poll is, or may be, propaganda. I do not believe that a scientific poll can be taken of the city of Washington, or any other city, based upon questions on which very few people are sufficiently informed to entitle them to an opinion. The taking of a candidate's poll is extremely dangerous to the candidate for office who has not

plenty of money to watch all the polls, and, if you please, "stuff the ballot box."

In the old days of the Literary Digest, the ballots were sent out to a certain number of people whose names were found in telephone books, and taken from various lists of voters and citizens. Selection was not made at random, there was powerful official cooperation and the whole thing was entirely objectionable from every standpoint. Dr. Gallup is said to have scientifically trained interpreters and agents stationed over the United States to go out, when called upon by the doctor, and inquire, in a certain very clever way, of the persons interviewed what is their opinion upon a certain question, very cleverly stated by those who are past masters of the business of framing questions, in a manner calculated to evoke certain replies. Then a report is made to the doctor's headquarters, and, using his methodical table as to the number of interviews and the number of people, he arrives at his percentage, which may not be properly designated as scientific, and is apt to be misleading and dangerous because so plausible and interesting. It might easily be manipulated by those having ample money and influence, coupled with the desire to mold opinion on some particular matter, not necessarily with evil intent, but most certainly as propaganda.

It is estimated that fully one-fifth of all the voters who vote at elections vote for the one they believe will be the winner. The question that is uppermost in mind, when the voter goes into the booth, is "How can I get on the bandwagon? Who is going to win?" Perhaps, with their morning breakfast they have had the news flashed at them that a poll taken has resulted one way or another, and shows the drift to be a certain way. The natural tendency is to go that way.

I remember one case in the State of Oregon in 1916 when Wilson was candidate for reelection. A strong campaign had been made in his behalf. In the city of Portland and all the large centers, workers for Wilson's reelection were confidently expecting a victory for their candidate. At 2 o'clock the Oregon Journal, a Democratic paper supporting Wilson, announced that New York and all the Atlantic seaboard north had voted for Hughes, and that Hughes was unquestionably elected President. Democratic voters, glancing at the headlines, said, "What the hell is the use?" Many neglected to go to the polls, believing they were defeated. The Republican workers for Hughes redoubled their energies. Oregon carried for Hughes in that election by a very small vote—about 6,000, if I remember correctly. It has been freely stated by those who ought to know something about it that had it not been for the unfortunate announcement of the chief paper supporting Wilson in that campaign, he would have carried the State.

I have found in my long political career that the strongest argument I can make in my behalf, that my friends can make in my behalf, is, "He's going to win. You might as well get on the bandwagon." It takes the starch out of the opponent; it puts backbone into the friends of the one who can create that sentiment.

Measuring public opinion can be so easily manipulated, if money is used at the right time and right place, that I feel that this Congress ought, by a congressional investigation, to investigate the methods and let the public know upon what foundation the measurers of public opinion are building.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. PIERCE]?

There was no objection.

UNITED STATES NAVY

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 390

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 8026, a bill to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

ESTABLISHING A NATIONAL LAND POLICY

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 406

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 8157, a bill to establish a national land policy, and to provide homesteads free of debt for actual farm families. That after general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, the gentleman from New York [Mr. MARTIN J. KENNEDY] stated that his resolution, House Resolution 360, is before the Committee on Rules. The gentleman from Oregon stated that he appeared before the Committee on Rules yesterday.

I wish to say it is impossible for the Rules Committee to schedule hearings on all resolutions referred to it. I suggest now for the information of the House that all Members who have introduced resolutions and desire hearings to make a formal written request for a hearing. Under the rules of the committee, a hearing cannot be scheduled until an application for same has been submitted. I also wish to suggest at this time that chairmen of the various committees who have reported their bills, and who believe that they are entitled to a rule, make application for hearings without delay.

The Rules Committee today reported 4 special rules; 3 rules were previously granted at this session upon which the House has not acted, and there are 5 rules granted during the first session carried over to this session which await the action of the House. This is a total of 12 pending rules subject to the consideration of the House, and it is my further suggestion to the chairmen of committees that they do not delay their hearings on bills or resolutions which they expect to report and on which they intend to ask for a rule. There are many pending applications for hearings, and I feel it is to the interest of committee chairmen to speed up action on their hearings, as the Rules Committee, in the effort to cooperate in bringing about an early adjournment, will be unable to take up and give consideration to last-minute requests for hearings for special rules. The Speaker and the majority leader, and, I believe, the membership as a whole, are working for an early adjournment. Consequently, the Rules Committee will not entertain late requests for the granting of rules on bills and resolutions the consideration of which by the House may tend to prevent an early adjournment.

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. POWERS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 36]

Andresen, A. H.	Folger	Mansfield	Smith, Maine
Brewster	Gehrmann	Merritt	Smith, Ohio
Buckley, N. Y.	Gillie	Murdock, Ariz.	Steagall
Corbett	Hare	Murdock, Utah	Sweeney
Darrow	Hartley	O'Brien	Taylor
Dirksen	Hunter	Osmers	Thomas, N. J.
Ditter	Jarrett	Rayburn	Treadway
Douglas	Jeffries	Risk	Vinson, Ga.
Drewry	Keefe	Robsion, Ky.	Wadsworth
Duncan	Kelly	Sacks	Weaver
Durham	Kirwan	Schulte	White, Idaho
Evans	Kleberg	Scrugham	White, Ohio
Faddis	Lewis, Ohio	Shannon	Wolcott
Ferguson	McDowell	Sheridan	
Fitzpatrick	Maas	Smith, Ill.	

The SPEAKER. Three hundred and sixty-eight Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

GEORGE A. CARDEN AND ANDERSON T. HERD

Mr. CLARK, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered to be printed:

House Resolution 407

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 7230, a bill to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

BUREAU OF LABOR STATISTICS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered to be printed:

House Resolution 408

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of House Joint Resolution 265, a joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. FLAHERTY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Washington Post regarding the third-term resolution, which is most timely and forceful.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1941

Mr. SNYDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8668) making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8668, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. At the conclusion of the session yesterday the Clerk had reached the top of page 2. The Clerk will read.

The Clerk read down to and including line 21 on page 3.

By unanimous consent, the word "enroach", in line 17, on page 3, was corrected to read "encroach."

The Clerk read as follows:

Power plant, Bonneville Dam, Columbia River, Oreg.: For continuing the construction of the hydroelectric power plant at Bonneville Dam, Columbia River, Oreg., as authorized by the acts approved August 30, 1935 (49 Stat. 1038), and August 20, 1937 (50 Stat. 731), $800,000, no part of which shall be available for obligation for any expense incident to the installation of more than six electrical power units.

Mr. ANGELL. Mr. Chairman, I move to strike out the last word.

THE BONNEVILLE PROJECT IN OREGON AND WASHINGTON

Mr. Chairman, the river-development project at Bonneville, on the Columbia River between Oregon and Washington, is no longer in the experimental stage. It is now in operation and has proven itself to be feasible and, I am certain, is demonstrating that it will be a self-supporting venture and a profitable undertaking.

Work was begun on September 30, 1933, under the provisions of the National Industrial Recovery Act, the project being formally authorized in the Rivers and Harbors Act approved August 30, 1935. The project is located 40 miles east of Portland and includes a dam, powerhouse, ship lock, and fishways. The purpose of the project is for the improvement of the Columbia River for water transportation and utilization of hydroelectrical power made available by reason of this improvement.

The plans call for 10 units in the power project. Two of these are now completed and in operation under the direction of the Secretary of War and under the supervision of the Chief of Engineers of the United States Army.

Two additional units are under construction with appropriations heretofore made, and will be completed and ready for operation in March 1941. The capacity of the plant with the two units in operation is 86,400 kilowatts, which began operating to practically 90 percent of their full capacity in December of last year. The four units will furnish 194,400 kilowatts.

At the last session of Congress, when appropriations were under consideration for carrying on the work of this project, no transmission lines had been completed, so that it was impossible to market the electrical energy that was then available from the first two units. The transmission line between Bonneville and Portland was energized on December 1, 1939, and delivery of power began on that date to the Portland General Electric Co.

The line to Eugene is now completed, or practically so, and the remaining lines will be completed during the calendar year 1940.

Administrator Ross, who had charge of the marketing of power, died on March 14, 1939, and until September 16 his place had not been filled with a permanent administrator, which resulted in some delay in planning and carrying out a permanent program.

Mr. Chairman, contracts already entered into and now under negotiation will absorb the entire capacity of the first four units of the project. A contract has been made with the Aluminum Co. of America, calling for the delivery of 42,500 kilowatts of prime power at $17.50, and a contract is nearing completion with another manufacturing company which will take an additional allotment of prime power. These, together with the contracts made with public utilities districts and municipalities, as shown by the report of the Administrator, Dr. Raver, will afford a market for all of the power available, three-fourths of the existing plant capacity being already under contract.

In discussing this subject last year in the Congress, I called attention to the fact that steam-plant capacity in the Northwest area contiguous to Bonneville amounted to 370,000 kilowatts, or 71 percent of the ultimate capacity of Bonneville, and that by 1945 about 400,000 kilowatts of the then existing plant capacity would, because of age, be removed. During December of last year private utilities serving Portland used as high as 79,000 kilowatts, or 91 percent of the present capacity, which demonstrates that there is a market for this displacing power.

The annual report of the administrator of the Bonneville project shows that prime load immediately in sight through applications, contracts under negotiations, or contracts executed will total about 177,000 kilowatts in the fiscal year 1941, and 232,000 kilowatts in the fiscal year 1942. Present schedules for machine installation show that only 86,400 kilowatts will be available until the latter part of the fiscal year 1941. This available capacity will not be sufficient to meet actual demands under existing contracts and those in process of execution; in fact, will only be about one-half of the estimated requirement.

I have said that experience thus far with Bonneville shows that it will be a self-supporting project. The second annual report of the Administrator shows a total estimated revenue on the completion of the 10 units, and with the completion of the transmission lines as being $9,350,000 annually, with a net revenue of $7,459,549. Interest and amortization amounts to $4,060,000 per year, leaving a net above all charges of $3,399,549.

The transmission lines now having been in part completed and many trunk lines nearing completion necessitates additional funds for operation, which accounts for the increased budget submitted this year. Operation under Dr. Raver, administrator, is proceeding satisfactorily, and he is showing remarkable progress in securing of contracts not only with public utility district and municipalities but with private utilities and manufacturing enterprises, which will, I am sure, furnish a market for all of the available power which Bonneville will produce. Administrator Raver reports that the anticipated yearly revenues from the contract with the Portland General Electrical Co. alone is estimated to be in excess of $500,000, and he estimates the annual revenues from the contract with the Aluminum Co. and the other manufacturing company with whom the contract is now practically complete will exceed $500,000 yearly. These receipts from the Aluminum Co., however, will not commence before January 1, 1941. The administrator further states that, in his opinion, other contracts of a like character will be successfully negotiated.

As a result of the energizing of the transmission line to Portland, the city of Portland, on October 15, 1939, put into effect a rate reduction which Administrator Raver states is approximately 20 percent.

Mr. Chairman, should the Congress fail to make the appropriations requested in the Budget, this whole project will be delayed and the developments which are proceeding so satisfactorily will be stopped. Furthermore, much of the large investment which the Federal Government has in the project will be forced into idleness. Good common sense and good business judgment require, now that the project is nearing the stage of completion, that the necessary funds should be made available for its completion and successful operation.

The engineers advise that at the time the foundations are being constructed for units 5 and 6, the additional foundations for 7, 8, 9, and 10 should also be constructed. If this is not done, when construction takes place at some future date it will be necessary to close the operations of the generators 5 and 6 during this construction period. This would not only disrupt the service for a long period of time and deprive industries, municipalities, and farming communities of electrical energy but it would also deprive the Government of very large revenues during the inactive period of the dynamos, estimated to be $1,500,000 annually.

These foundations could be constructed as one project far cheaper than by constructing them piecemeal. In view of the fact that power applications clearly indicate all of the power available from the 10 generators will be needed by the time they complete construction, it is only good judgment to provide sufficient funds now to construct the foundations for the remaining units.

The whole Northwest territory contiguous to the Bonneville and Grand Coulee projects is a region of very great natural resources awaiting development. We have large areas of highly developed agricultural land, much of it under irrigation, and our great need is for markets. Much of the raw material, through manufacturing and processing, may be utilized and markets found for it through utilization of the electrical energy afforded by these two great Federal projects. Over 50 percent of the pay rolls of Oregon come from the forest industry. The major portion of forest products are sold in the raw state. Much of it, through manufacturing, could be utilized at the place of origin, thus not only affording a market for the production but also pay rolls, and thereby a market for much of our agricultural crops. In the Northwest States of Oregon, Washington, Idaho, and Montana there are immense deposits of strategic materials which our Government is in need of not only in wartimes but in peace as well. Included, among others, are manganese, mercury, chromite, aluminum ores, in addition to many others. The reduction of these ores and the utilization in manufactured products, or in processing requires large volumes of cheap electrical energy which can be furnished in the vicinity of these projects at the very lowest possible cost. The scientific developments which have been and are now taking place through the study of chemistry and the application of chemurgy to farm products will afford an outlet not only for the agricultural and other products of this region but also give a market for the power produced. Studies made by the Federal Power Commission indicate that the requirements of electrochemical and electrometallurgic industries have been increasing at a rate somewhat greater than that of general industrial activities, and the Commission estimates that these extraordinary requirements will be increased in 1940 by approximately 33 percent over 1936. These developments will call for large blocks of electrical energy.

Mr. Chairman, the Army engineers, whose judgment we have always found to be dependable and whose estimates are conservative, made an estimate of $7,089,200 as being necessary to continue the construction work on the Bonneville project. Units 1 and 2 of the hydroelectric plant only are completed; 3 and 4 will be completed this coming year, and 5 and 6 will follow in 1942. If only the $800,000 recommended in the Budget and the Appropriations Committee is allowed, it will slow this whole project.

The second annual report of the administrator shows definitely that power contracts already obtained and those in sight will afford a market for all of the power that will be produced from the additional turbines as fast as they can be installed, as it requires fully 2 years for construction and installation after an appropriation is made for additional units. The plants now owned and in operation by public utilities and municipal corporations are not of sufficient capacity to take care of the demands for electrical energy in the territory served by Bonneville. Bonneville will not displace existing plants but will market its power through existing facilities or municipalities or public districts. Unquestionably there will be a shortage of power facilities unless this project is allowed to continue normally to the full completion of the 10 power units. It is in the public interest and a matter of sound business judgment to provide the additional facilities by making sufficient appropriations for the installation of the additional units called for in the project plan so that full utilization may be made of the total investment for power facilities which the Government now has made in this great project, and I sincerely hope that this Congress in its wisdom will see its way clear to authorize the amount requested by the Army engineers for continuing the work on the Bonneville project.

The Clerk read as follows:

Total, Panama Canal, $30,098,771, to be available until expended.

Mr. POWERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday the gentleman from Virginia [Mr. BLAND] stated in the RECORD that he intended to offer an amendment putting the item for the third set of locks for the Panama Canal back in this bill. If the gentleman is on the floor at the moment——

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. POWERS. I yield.

Mr. BLAND. For reasons that appeal to me I have decided not to offer the amendment at this time.

Mr. POWERS. May I ask the gentleman whether he agrees with the committee that work on the extra set of locks should not start at this time?

Mr. BLAND. I do not.

Mr. POWERS. Mr. Chairman, then, as a matter of record, it seems to me if the gentleman from Virginia has changed his mind that there must be some motive behind the quick change. It appears to me that probably the new strategy is to have this amendment put on in another body and then when the bill goes to conference for pressure to be put on the conferees on the part of the House to agree to the new set of locks. If that is the strategy and if that is the plan, Mr. Chairman, I would like to state emphatically that every member of the subcommittee on War Department appropriations is unalterably opposed to the construction of a third set of locks in Panama at this time.

I am sorry I did not know that the gentleman would not offer his amendment for I would have had an amendment prepared and offered by someone to put the House on record against a third set of locks at this time.

Mr. Chairman, our testimony clearly and distinctly shows that in the opinion of General Strong, in the opinion of Governor Ridley, a third set of locks would be necessary from a national defense standpoint at the beginning of hostilities or in times of strained international relations. Now, certainly we are in somewhat that position at this moment. If such is the case why proceed with a third set of locks which will take 6 years to build and will cost $277,000,000?

Mr. Chairman, there is absolutely no necessity for the beginning of this expenditure in any appreciable amount at the present time. We are providing in this bill approximately $25,000,000 for protective measures in the Canal Zone. We will have provided by the end of next year a total of probably $39,000,000. The present locks will be bombproof. The plan is to build the new locks within a quarter of a mile to a half mile of the present ones. They are supposed to be bombproof, too. If we are spending $39,000,000 for protective devices in the Canal Zone and spending that money partially to bombproof the present locks, there is no reason in the world, in my opinion, or in the opinion of the committee, to build the third set of locks a quarter of a mile or a half a mile away, particularly in view of the present efficacy of the modern airplanes. Certainly, it does not take a modern plane more than a few seconds to go a quarter of a mile or half a mile.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. POWERS. Certainly, it takes a modern plane but a few seconds to go a quarter of a mile or half a mile and if our two sets of locks down there can be put out of commission by bombing, certainly another set, a quarter of a mile or a half mile distant, can be put out of commission.

Mr. Chairman, the gentleman from Virginia [Mr. BLAND] spoke yesterday about sabotage. Certainly, there are chances of sabotage in the Canal Zone. I admit that, and everyone else admits that, but certainly the gentleman from Virginia knows of the technical devices which are already installed in the Canal Zone and which I would hesitate to state for the RECORD. The gentleman knows of those protective devices and he knows that now the only way there could be any sabotage would be for a ship to go into the canal itself and blow itself up; in other words, to go in on a suicidal mission, and that is highly problematical, due to the fact there is a very rigid inspection of all cargoes and all ships on both sides of the canal.

Mr. Chairman, I merely take this time to state emphatically that if this amendment is placed on the bill in another body, I am confident this subcommittee will absolutely oppose it. I believe it to be the consensus of the entire House that the work should not be proceeded with at this time.

In closing, let me call the attention of the membership to this fact. The War Department appropriation bills of this year, military and nonmilitary, will amount to more than our national debt in 1917, or at the beginning of the World War. It is time to call a halt on some of these so-called defense measures. [Applause.]

Mr. COLLINS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Virginia [Mr. BLAND] and his committee are proud of the work done by them in getting legislation through the Congress in providing for the construction of an auxiliary waterway in the Panama Canal Zone. It is quite essential for the Committee on Appropriations to function efficiently, that there be legislatively approved programs for its guidance. I submit, however, it is the prerogative of the committee to consider and recommend the amount of the appropriation which should be provided for the prosecution of such programs. That is all we have done in this instance. It is for the House to determine whether or not it wishes to go along with our recommendation.

I have read the gentleman's statement which he put in yesterday's RECORD. I see nothing in it that the committee was not informed about when it considered this appropriation. I am sure we have a full comprehension of what is involved; I may say, possibly a fuller comprehension than my esteemed colleague, because of our more intimate contact with purely defense problems.

There is no question that this additional waterway ultimately will be built. All studies point to its need for commercial purposes by 1960 or a few years later.

Neither is there any question about its contribution to the effectiveness of naval surface craft. There is nothing new about that, however. That has always been true. It follows naturally that it would be of great potential worth in time of war or threatened war.

The question the committee raises, however, is why all this haste at this time? Why embark on a vast project, which, we are told, will cost $277,000,000, but which will cost, as a matter of truth, nobody knows what amount, because detailed plans and specifications for the structural features have not even been started. It will take at least 2 years to finish these plans.

Of course, as the gentleman from Virginia says, other work could be accomplished while this planning work is going on, but I fear much of it would have to be done over or abandoned.

We are going forward just as rapidly as possible with the protection of the existing waterway against sabotage and air attack. We are spending something like $39,000,000 on that work. As to rushing the work as a defense measure, as the chairman of this subcommittee said here yesterday, a "project that cannot be completed for 6 years is difficult to get excited about." It has been needed as a defense measure ever since the airplane became a weapon of destruction, and that was about simultaneous with the completion of the present Canal.

As to its early need because of the growing size of ships, commercial and naval, the present Canal is capable of transiting every naval ship now built, building, or at this time projected. It is my belief that we have reached the peak in size of capital ships. If we have not then, besides this auxiliary waterway, we should immediately start dredging our harbors and building drydocks up and down both coasts, and possibly begin replacing our largest seacoast guns with guns to stand off these dreamed-of superdreadnaughts. Those things require much time, too. The Navy is not advocating them. Parenthetically, I may add that I believe that we shall wake up some day not far hence and stop squandering money on these outmoded large targets for submarines, mines, and aerial bombs.

The gentleman from Virginia speaks of the danger of sabotage. If we should go to larger ships, sabotage would be concentrated upon the new locks—not the present ones—and instead of having an auxiliary waterway available we might have nothing, because the locks of the existing waterway would be inadequate.

Mr. Chairman, I have read the gentleman's statement of yesterday; I have read and examined the matter contained in House Document No. 210, to which he referred; I have studied the situation in the Canal Zone on the ground on many occasions; I have heard the subject discussed pro and con year after year in connection with annual appropriation measures; and I am of the decided opinion that the proper and logical course for us to pursue here today is to follow the recommendation of your Appropriations Committee.

As to its pressing urgency, I should also like to call attention to the fact that the matter is before us now, not as an urgent deficiency item, but in the regular annual Budget. Had the administration viewed it as extremely emergent, I submit we would have found an estimate for an immediate appropriation lying here when we convened back in January.

I hope the amendment will be voted down.

Mr. CULKIN. Mr. Chairman, I move to strike out the last word. I call the attention of the House to an article appearing in the New York Herald of today, on page 16, on this identical problem of a bypass for the Panama Canal. It was written by Maj. George Fielding Eliot, who, I understand, is now out of the service, but to my mind is an outstanding authority on the Army and the Navy and international relations. His book, The Ramparts We Watch, has become a textbook for both the Army and the Navy at this time. I rise merely to call the attention of the Committee to just one phase of his discussion of this question. Under a subhead, Need of New Locks Stressed, he states:

> The Panama Canal is the key to our whole naval strategy. Without it we would be compelled to maintain two fleets instead of one. If it were closed our interest in one ocean might be disastrously affected before the fleet could get there from the other.

In other words, if the Panama Canal is blocked by sabotage or otherwise, and the war is in the Pacific, that portion of our fleet which is in the Atlantic Ocean is out of action unless it goes around Cape Horn.

Later I shall ask permission of the House to include as a part of my remarks the article referred to, and I invite the careful attention of all Members who are concerned with naval affairs to this very timely and able article, from an eminent authority.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. SNYDER. Did I understand the gentleman to say that Major Eliot wrote this article?

Mr. CULKIN. Yes. He is a very distinguished writer on this question. Being on this committee the gentleman must know about his book, The Ramparts We Watch.

Mr. SNYDER. I understood the gentleman to say that he is the outstanding authority.

Mr. CULKIN. I think he is an outstanding authority.

Mr. SNYDER. Then let me say I think the outstanding authority on these matters is John Pugh, the clerk of this committee for the last 23 years.

Mr. CULKIN. I concede that; but I ask some consideration after Mr. Pugh for Major Eliot.

[From the New York Herald Tribune]

MAJOR ELIOT SAYS CANAL DEFENSE REQUIRES AID OF UNITED STATES NEIGHBORS—ONLY DANGER, HE FEELS, IS FROM A SURPRISE ATTACK BY A POWERFUL AIR FLEET, AND A 600-MILE-WIDE CIRCLE OF OUTPOSTS WOULD ALLAY ALL FEAR

(By Maj. George Fielding Eliot)

President Roosevelt, after a tour of inspection of the defenses of the Panama Canal, a tour which included adjacent waters and islands, has recommended that the defense zone of the Canal be considerably extended in area. This of course involves a certain amount of cooperation from neighboring nations, especially if the defense zone is to cover a radius of 600 miles, as reported.

The basic considerations affecting the defense of the Panama Canal are not generally understood by the public at large. The Canal is hardly likely to be attacked by a great overseas expeditionary force. In the Pacific it is much too far from any base possessed by any major power capable of landing such an attack. In the Atlantic, the distances, though less, are still prohibitive for practical purposes, and the Canal is covered by our naval control over the entrances to the Caribbean Sea, which, in the strategical sense, is rapidly being converted into an American lake.

In any case, the garrison and defenses of the Canal even now are such that to promise success, an expedition of this sort would have to be a major effort, involving large numbers of troops and ships, a strong supporting air force and, above all, naval control of the ocean across which it was launched. Lacking such control, no general staff in its senses would think of risking anything of the sort.

SURPRISE CALLED ESSENTIAL

Attack in force being out of the question, it follows that the major premise of Canal defense must be defense against surprise. Here it may be remarked that no attack on the Canal is likely to be made with the object of getting possession of it and using it. In the first place, it is difficult to see what use could be made of the Canal by any foreign power that would justify the risk involved. In the second place, as the Canal is much closer to the seat of our national power than to any other, if it were taken it could probably not be held, nor its uninterrupted use enjoyed. In the third place, if about to be overwhelmed, our garrison would hardly be kind enough to leave the Canal in working order to fall into enemy hands. Hence, if the Canal is attacked, the object will be the interruption of traffic through it, probably the interruption of American naval traffic, and if the attempt is made it must be made by surprise.

Now, the defense against surprise of an immovable object, lying well outside the national boundaries, is a complicated and difficult business. First of all, it confines the defenders to a more or less static attitude, at least until some hostile action manifests itself. It abandons the initiative to the enemy; the first move is his. The best that can be done is to provide against every contingency that can be foreseen, and then hope that no enemy thinks of something we have not provided against. Only when the enemy has shown his hand, or at least played his first card, can we take the offensive and begin our counteraction.

So far as may be foreseen, the means by which the Canal may be attacked by surprise, with a view to interrupting traffic through it, are:

1 Sabotage or the action of secret agents.
2. Naval bombardment of the locks.
3. Raiding parties.
4. Air attack.

SABOTAGE DEFENSE STRONG

Defense against sabotage and secret agents is a matter of eternal vigilance, of guarding vital points, of keeping watch on suspicious characters, of controlling and guarding rigidly the movements of foreign ships through the Canal. This is being done, and done efficiently. No such system is invulnerable, human ingenuity and human frailty being what they are; but the chances are heavily against the success of any attempt of the sort.

Defense against naval bombardment of the locks is provided by long-range guns, bombing planes, and submarines. It is unlikely that any admiral would risk his expensive and unreplaceable battleships within reach of these weapons on the off chance of damaging a lock; still less likely that the attempt would succeed if made.

Raiding parties to attack the Canal might be landed secretly on the coast of the Republic of Panama, or might make their way there from a neighboring country. But the traveling is extremely difficult and detection before reaching any vulnerable part of the Canal would be almost certain, especially as the raiding party would have to be a very strong one, since it would have to seize possession of a lock or spillway dam against opposition, and hold it long enough to place explosive charges to destroy it. Since there are now three regiments of infantry in the Canal garrison, this does not seem a promising method of attack.

There remains air attack. To interrupt traffic through the Canal by bombing, both channels of one of the locks must be destroyed, or a spillway dam must be blasted open to let the water out of Gatun Lake. This is not a matter of a raiding plane with two or three bombs. It is a matter of enough planes to produce a sufficient concentration of fire to destroy massive concrete structures, which are less easily injured by the detonation of high explosives against them in the open air than many persons imagine. A considerable force of bombing planes, and fighter planes to protect them, would be needed. Of course, a lucky hit might disable a lock gate, but two gates, one in each channel, would have to be destroyed to stop traffic, and then the operation would have to be repeated when the spare gates which are available had been put in place.

All this means that an air attack on the Canal, if it hopes for success, must be in strength. It must be launched from an aircraft carrier or carriers, or from a land base within striking distance. Carriers cannot easily approach the Canal undetected, are very vulnerable, could hardly hope to penetrate the Caribbean on one side, and would be an enormous distance from any conceivable base on the other (Pacific) side.

A land air base would have to be established in the territory of some Latin-American state. Such a base capable of serving the number of aircraft needed for an attack on the Canal would be difficult to conceal, and would itself be vulnerable to attack by our long-range bombers once it was detected. We are well enough served in this part of the world to render it improbable that a large number of bombing aircraft, with all their personnel, fuel, bombs, and supplies, could be brought together at any point within striking

distance of the Canal without our being informed of the fact * * * though the closer relations we maintain with the Canal's neighbors, the safer we shall be. But "improbable" and "unlikely" are dangerous words. They do not imply absolute security.

Therefore the Canal must still be immediately defended against air attack by antiaircraft artillery and by pursuit aviation. The effectiveness of these weapons depends almost altogether on the amount of warning they receive. This requires a warning net, and the effectiveness of a warning net depends in turn very largely on the distances of its outlying listening posts from the point to be defended. If the Canal defenses could have a warning net with outposts in the territory or island possessions of neighboring countries (a glance at the map will be sufficient to indicate several suitable locations) the Canal would be much safer. Incidentally, the 600 miles which the President is said to have mentioned is just about the limit of the radius of action of average bombers.

NEED OF NEW LOCKS STRESSED

The Panama Canal is the key to our whole naval strategy. Without it we would be compelled to maintain two fleets instead of one. If it were closed, our interest in one ocean might be disastrously affected before the fleet could get there from the other. No precaution to assure its safety can we afford to neglect. It is regrettable in the last degree that plans for the new set of locks (doubling the effort required for successful air attack and practically eliminating the chance of sabotage) should not have been pushed more speedily, and that Congress should have cut out the appropriation for this purpose.

But free and assured interoceanic transit for our fleet is so absolutely vital to our security that surely, sooner or later, in addition to taking every needful measure at Panama, we must come to the making of assurance doubly sure by the construction of a second canal in Nicaragua.

Mr. MOTT. Mr. Chairman, I rise in support of the pro forma amendment and for the purpose of saying a word about the item for flood control in this appropriation bill. I realize, of course, the futility of offering an amendment to increase the appropriation for any item in this or, for that matter, in any other appropriation bill which may be before the Congress at the present session. The Congress this year is definitely economy-minded, and it has consistently refused to increase any of the Budget estimates.

I do, however, wish to make a statement in regard to the appropriation for flood control because, although we know we cannot increase it, if we do not want its obvious inadequacy to go unchallenged and unnoticed.

It has been considered by those most interested in this activity that an amendment to increase the flood-control item could not possibly be adopted in the House, and that the cause of flood control would not be helped any by bringing on a fight here; rather, it might injure our chances of securing favorable action in the Senate, where hard and fast adherence to the Budget estimates have not been quite so pronounced. But I call attention of the House, nevertheless, to the inadequacy of this flood-control appropriation. The engineers, as you know, asked for $206,000,000 to carry on the orderly national flood-control program for 1941.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. MOTT. Yes; I yield to the gentleman from New Jersey.

Mr. POWERS. The engineers did not ask for that amount.

Mr. MOTT. Yes; that is the amount they asked for.

Mr. POWERS. Did they not say that it could be profitably expended?

Mr. MOTT. Oh, yes; that is always the customary form of their language in making recommendations.

Mr. POWERS. May I say to the gentleman, as I said to a gentleman yesterday, that is the same as a man having a $4,000 house stating that he could spend $500 profitably for repairs on the house if he had the money? We do not have the money.

Mr. MOTT. I think the gentleman is confused in regard to the form and manner in which the engineers make their recommendations to the Appropriations Subcommittees. They make their recommendations by stating that a certain amount of money can be profitably expended over a certain period on a certain program or project. That is the form in which all of their recommendations are made. As I say, they recommended the expenditure of $206,000,000 to carry on the national flood-control problem for the year 1941, and the Budget cut that amount down to $70,000,000. Now, with this kind of drastic reduction, if it should be continued in subsequent years, the flood-control program of the United States will be strung out indefinitely, and I think the tendency of this administration to cut down year by year on flood control, as well as on rivers and harbors improvement, must be apparent to everyone.

I hope when this bill goes over to the Senate we may be able to get an increase in that appropriation there; and, if so, when it comes back to the House, I trust that all those interested in flood control will take a united stand in support of a motion to concur in the Senate amendment.

I am sure I do not need to tell any Member of this body about the importance or the necessity of the value of flood control. You are all familiar with that. I will say merely that in the opinion of people generally, both in the Congress and throughout the country, there is no more valuable Federal activity than the effective control of the floods in our major streams. There is no activity that is more in need of immediate and effective prosecution at this time. You are familiar with that and with the reasons why that is so. It is my opinion that we ought to prosecute the program in accordance with the plans already authorized by law, and that we can do that and practice rigid economy at the same time.

Two years ago the Flood Control Committees of the House and Senate mapped out a comprehensive national program for flood control. That program, which is embraced in the 1938 Flood Control Act, is composed of certain projects which up to that time had been approved by the Board of Army Engineers and submitted to the Congress through the Secretary of War. Out of these individual authorized projects the Flood Control Committee made its national program, with the view of solving the problem of flood control for the whole country, and the Congress, in adopting this program, declared its intention of carrying out the plan in accordance with the authorization act.

The 1938 act, of course, did not include all the projects which had been approved by the Board of Engineers and reported to the Congress. It included only about one-third of those projects. The reason the Flood Control Committee limited its program to its present scope was because it believed that if it confined itself to a comparatively small program it could make a definite beginning on each of the projects authorized in the act and that it could complete all of those projects within the space of 5 years.

Now, you will remember that it was at the request of the President that the committee limited its authorized program to one-third of what the committee first intended, and it was thoroughly understood by all of us that funds were to be provided to make a start upon and to continue the limited program and to complete it in 5 years. But after we passed the 1938 bill, and after the Board of Army Engineers had made its estimates for the first year's work, the Budget Bureau made a drastic slash in the amount recommended by the engineers. The Budget cut it practically in two. The result was that in the last year we were not able to get a proper start on flood-control program at all.

About half the projects authorized in the 1938 act have not even been begun, and the engineers were obliged to use all the money appropriated to make even a fair beginning on the few that are now under way. They hoped this year they could get the rest of them started, but to the amazement of everybody the Budget estimates for 1941 were cut down to less than half of the 1940 appropriation. At this rate new projects will never get started, and the comprehensive program authorized by the Congress will thus be defeated.

I think this particular field is the wrong place to commence the economy program. Everybody is aware how and where an economy program should start. It should start by cutting those activities of the Government which are practically worthless. It is there that economy should start, and if you cut deep enough into these worthless activities you will not have to interfere with the legitimate activities of the Government. Hundreds of millions of dollars could be saved by eliminating these worthless activities altogether, but the fact is that the Budget cuts in those particular activities have been almost negligible. They still flourish, while the legitimate activities starve.

As you are all aware, I am particularly interested in the Willamette Valley flood-control project. This is natural, since it is in my own district, and since I was the author of the legislation which authorized the original flood-control survey which finally resulted in the inclusion of this project in the 1938 flood-control authorization bill. This project will cost $64,000,000 when completed and will be the outstanding project of its kind and size in the country. I want this project completed within the 5-year period. I do not want it to be strung out indefinitely. I do not want to take twice as long to complete it as was contemplated under the 1938 Flood Control Act.

But I speak here not so much for my own project as for the national flood-control program as a whole. I have no fear that the Willamette project will not be completed. We have already spent upon it $5,000,000. That was the initial appropriation, which was provided last year. We will get a substantial allotment out of the present appropriation for the next year's work even if the Budget estimates are not increased. A project of that magnitude once started cannot be stopped. But I want not only this project completed. I want every project authorized in the 1938 act completed; and I think in all fairness to all parts of the country this appropriation ought to be increased at least enough to make an actual substantial start on every one of those projects. The Congress can do this and still practice economy by reducing the appropriations for those governmental activities which all of us know serve little, if any, useful purpose.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last two words. We are at this point in the bill discussing the Panama Canal. I call the attention of the House to the fact that the Panama Canal owns the Panama Railroad, and the Panama Railroad in turn owns the Panama Railroad Steamship Co. This line operates three steamships between the Panama Canal Zone and New York, in which materials are hauled to the Canal for use there very largely. The rates for the hauling of this material are quite low; for example, the rate is $2.50 per ton for cement which is to be used in the construction of the Canal Zone. On the Pacific coast our rate is necessarily much higher, because the haulage must be done by private steamship lines. It is $7 a ton for the same thing. I have before me an open letter addressed jointly to the Honorable Harry Woodring, Secretary of War, Washington, D. C., and Admiral Emory S. Land, Chairman of the Maritime Commission, Washington, D. C., which reads as follows:

[From the Los Angeles Examiner of February 24, 1940]

BOAKE CARTER SCORES LOS ANGELES HARBOR SHIPPING RATE

(Boake Carter, widely read Examiner columnist, writes of inequalities in shipping rates affecting Los Angeles Harbor, studied during a recent visit here.)

LOS ANGELES.

To the Honorable HARRY WOODRING,
Secretary of War,
Washington, D. C.
To Admiral EMORY S. LAND,
Chairman, Maritime Commission,
Washington, D. C.

DEAR HARRY AND JERRY: I would like to nominate for occupancy of the doghouse once again the Panama Railroad Steamship Co.

You remember, Harry, back 4 or 5 years ago—that was before the Commission was born, Jerry—that evidence in the forms of consignment sheets and bills of lading was produced to show that the Panama Railroad Steamship Co. was carrying American-made goods from New York to the Canal Zone. Then they encouraged transshipment on foreign-flag ships, especially German boats, on down south, ignoring completely the fact that privately operated American-flag ships were available for those transshipments?

Do you remember at that time the Panama Railroad Steamship Co. was running junkets for Congressmen; was operating parallel to the old Colombia Steamship Line and other United States lines in direct competition; cut its freight rates and passenger charges way below what the private operators could charge? And remember the people who knew this condition remarked that that was a hell of a way for the United States Government to encourage private enterprise and the American merchant marine. The Colombia, by the way, had to quit and go out of business.

I remember, Harry, you investigated, and the Panama Railroad Steamship Co. nabobs came back with spacious and circuitous arguments, all evading the issue.

Since the Panama Railroad Steamship Co. is owned by the Panama Railroad Co., and the latter is owned by the United States Government, under the direction of the War Department, it seems not unreasonable to me to nominate the steamship company for the doghouse again for some new and additional monekyshines, not to mention loss of private business it is causing to people of many Western and Northwestern States of this country.

The Government intends to widen the locks of the canal, I take it. This means that there'll be a considerable amount of business for American manufacturers and the American workmen employed by them. Steel, cement, lumber, machine-tool makers of the West would like to get a crack at this business just as much as the Easterners. They would ship out of Los Angeles to the Canal Zone. But they can't, Harry—the freight-rate differential is prohibitive.

Now, Jerry, you explained last November to Senator DOWNEY, of California, that the rates couldn't be equalized, and you quoted a communication from Harry's War Department justifying difference in rates from New York and Los Angeles to the Canal Zone. You, Jerry, disclaimed the Government-owned Panama Railroad Steamship Co. was discriminating against private operation, since the real reason, you said, was that Pacific coast ports are farther away from the Canal Zone than New York or Gulf ports.

Now, Jerry, you wouldn't be trying to kid anyone, would you? To try to justify the big difference in rates on the grounds of "distance" is hooey. And Harry, that goes for the War Department, too, since Jerry was quoting one of your official memos. Maybe you personally didn't have a thing to do with it, but it sounds as though it were written by somebody who didn't know a thing about ocean freight rates, or hoped to fool someone. At any rate, Jerry, being a seaman, you should have known better than to try and palm it off on the public.

From Los Angeles to Balboa the distance is 2,913 miles. From New York to Colon it is 1,974 miles. Your Government-owned Panama Railroad Steamship Line is carrying cement for the new construction on the Canal from New York to Colon at $2.50 a ton. From Los Angeles to Balboa, it is $7 a ton. That makes a difference of $4.50 a ton for a difference of 939 miles in distance. Now you, Jerry, say that's justified because some chump in Harry's department said so.

Then will you explain to the people, Jerry, how come the rates from New York to Seattle, 6,038 miles, and New York to Los Angeles, 4,930 miles, are uniformly the same, with a difference of 1,108 miles? If there's a difference of $4.50 a ton to the Panama Canal Zone because of a difference of 939 miles, why no difference in rates for a discrepancy of 1,108 miles?

Or, Jerry, how about this? Singapore to New York via Suez is 10,172 miles; Singapore to Los Angeles is 7,866 miles. A difference there of 2,306 miles. The rate on crude rubber over the 10,000-mile route is $14 a ton and over the 7,800-mile route is $13.50 a ton. A difference of 50 cents for 2,300 miles, Jerry—and yet you are trying to kid these westerners out here that it's O. K. for a Government-owned steamship company to resort to below-cost, sweatshop rates because of a 900-mile differential.

But, Harry, here's where you come in. The annual report of the Governor of the Canal to the Secretary of War—that's you—for the fiscal year ending June 30, 1939, shows your steamship line lost $87,005.35. But the neatest trick is how your department wipes out that deficit. It does it through operation of the docks in the Canal Zone, all of which are also owned by your Department's Panama Railroad, the same outfit that owns your steamships. These docks kicked in with $1,936,016 in revenue for 1939. This came from a toll of $1 per ton assessed by the Panama Railroad on all cargo entering the Canal Zone. For instance, on every ton of freight out of Los Angeles to the Canal Zone the private shipper in Los Angeles has to pay $1 per ton to the Panama Railroad. The Panama Railroad takes that money it levies on private business to pay for the losses it incurs with its own ships, competing against private business at below-cost prices. And the below-cost operation is caused by inefficient operation and low rates allowed the eastern shippers.

Now, if that is what is called encouragement of private enterprise, then I begin to suspect you've both gone New Deal on us.

By the way, the public pays taxes to support the War Department's operations. Some of that dough goes to keep the Panama Railroad out of hock. It seems then that the public is socked twice—through taxes, and by being forced to kick in with another dollar per ton on all private freight.

That to me is a good example of the most pernicious form of Government competition with private industry; Government destruction of the very system the Government yells all the time should be maintained. It prevents private industry from pulling its share of the load, which Mr. Roosevelt, your boss, says it should, and bars employment of people who must otherwise remain on relief.

Yours,

BOAKE CARTER.

P. S.—I hope you two fellows don't mind my drawing your attention to this example of Americanism on the part of the Government's War Department and Maritime Commission.—B. C.

Mr. Chairman, I do not vouch for the accuracy of the figures used by Mr. Boake Carter, but I understand that the gentleman is careful in that respect and I am inclined to rely upon them. I feel so because I myself have attempted to dig into the statistics to learn why it is that we on the Pacific coast are, by virtue of Government-established freight rates on Government vessels operating exclusively on the east coast, barred

from selling our products in the Canal Zone to Government agencies. It is, in my humble judgment, a great wrong to the Pacific Coast States that is being done by our Government, and I hope that this day will see the beginning of a movement to right this wrong.

This wrong may be righted in more than one way. The most apparent way, possibly, would be for the Government to establish a service on the Pacific coast similar to that now in operation on the east coast, with approximately an equal or equitably equivalent set of freight rates. Another way would be for the Government to charge rates for its present service commensurate with those that would necessarily be charged by a privately owned and operated steamship company. Still another way would be to allow a compensating differential premium in price on west-coast products. I commend this subject to your earnest consideration.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BOREN. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I came here today with the intention of supporting an amendment that I believed was going to be offered by the distinguished gentleman from Virginia [Mr. BLAND] to add a third lock on the Panama Canal. It has only been a few months since I was in the Canal Zone and made a thorough inspection of the Canal, and I found the universal sentiment amongst military men there that a third lock was vitally necessary to the defense of the United States of America.

It goes without question that this lock may decide the fate of America at war. It is generally known that we cannot even build a battleship of the new and enlarged sizes that other navies can build because the present locks are not wide enough to let a large battleship go through.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. BOREN. I yield.

Mr. POWERS. We had testimony before our committee that any naval vessel now on the seas or under construction can go through the Canal, and from the gentleman's statement I am inclined to believe that the only reason in the world for a new set of locks is probably some of the super-salesmanship of the Navy, who are about to sell 80,000-ton battleships that cannot go through the present locks.

Mr. BOREN. Does not the gentleman agree that all battleships are now built so that they can go through the locks, and with that in mind?

Mr. POWERS. And all under construction are built with that in mind.

Mr. BOREN. Does not the gentleman believe that that is a handicap on construction for our Navy?

Mr. POWERS. I hope it is some handicap on super-construction for our Navy.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. BOREN. I yield.

Mr. TERRY. In the speech of our distinguished colleague, the gentleman from Georgia [Mr. VINSON], chairman of the Committee on Naval Affairs, at page 1517 of the RECORD of February 15, during the consideration of the Navy bill, there is this language:

> Mr. MAY. Mr. Chairman, will the gentleman yield?
> Mr. VINSON of Georgia. Yes.
> Mr. MAY. I do not know that the gentleman has specifically so stated, but I think it is clear that the 45,000-ton battleships can go through the Panama Canal's present locks, and, therefore, they are not in excess of the size that can be used.
> Mr. VINSON of Georgia. That is correct.

Now, so far all our present battleships and all battleships of 45,000 tons, the largest that we contemplate for any time soon, can go through the locks.

Mr. BOREN. The gentleman is absolutely correct. Naturally, we have not built and will not build a battleship that is too big to go through this vital artery of our defense. The width of all our present battleships is determined by the width of the present locks. For years we have built top-heavy ships because of this difficulty. Let me say further with reference to the statement by the gentleman a little earlier, that sabotage could destroy these canal locks, one time bomb could put out of commission this entire artery for an indefinite time. We should build a third lock and restrict its use to our Navy, and our Navy alone. I think the House is making a mistake by leaving it up to the Senate to put in this amendment which our national defenses demand.

The pro forma amendment was withdrawn.

Mr. ALEXANDER. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I am entirely familiar with the problems involved and conscious of the needs there, but I want to serve notice on the Members of the House that we from the Northwest districts will certainly object to any further expenditure for improvements or alterations or for any purpose in the Panama Canal so long as we cannot get justice in the way of waterways or freight rates up in the Northwest. We are land-locked up there and are constantly going down economically and industrially and in every other way because of the effect which the Panama Canal and the immense amount of tonnage which is going through there has on our economy. While I, of course, cannot speak for the other Members from the Northwest and will not attempt to, nevertheless I am sure that most of them will go along with me and not support any further appropriations for extensions at the Panama Canal.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. COCHRAN. I just want to ask the gentleman to get one of the committee clerks to prepare a recapitulation of the money that the Congress has authorized and appropriated for the Northwest. If he does he will find that it is more than the cost of the Panama Canal.

Mr. ALEXANDER. Well, that is somewhat along the line I wanted to discuss.

Mr. Chairman, we have had spent on the upper Mississippi River improvements up to date, according to the figures of the Army engineers, $147,191,000. We need an additional $22,809,000 to complete the work there and make it maximumly useful and effective. The Army engineers brought in a request for funds for 75 items to the Budget Bureau and the Appropriations Committee. Those 75 items totaled $73,226,800. In that $73,226,800 was an item of $17,989,000 for the 1941 fiscal year, to be applied on that $22,800,000 item that we need to complete the work up there—to put a roof on the house which we here in Congress have already built. What did the Bureau of the Budget do with those 75 items, which of course are for districts all over the United States? The Budget Bureau cut them all down but 18 items, and if I can get a little more time I will tell you what those 18 items were, because it is an interesting record and I want to put it in the RECORD at this point. The 18 favored items follow:

Connecticut River below Hartford, Conn	$75,000
Manhasset Harbor, N. Y	63,000
Irvington Harbor, N. Y	15,000
Rahway River, N. J	35,400
Great Kills Harbor, Staten Island, N. Y	114,500
St. Jones River, Del	262,700
Harbor of Refuge, Delaware Bay, Del	65,000
Oldmans Creek, N. J	88,800
Fishing Creek, Md	95,000
Intracoastal Waterway, Jacksonville–Miami, Fla	20,000
Palm Beach, Fla., side channel and basin	114,000
Ouachita River and Black River, Ark. and La	36,000
Racine Harbor, Wis	72,600
Suisun Channel, Calif	135,500
San Francisco Harbor, Calif	287,000
Bodega Bay, Calif	540,000
Neah Bay, Wash	500,000
Illiuliuk Harbor, Alaska	60,000

You will notice from the above list that almost without exception—I believe there are only two—these projects are either on the east or west coast, thus giving still more advantage to those sections as compared to our land-locked area in the Northwest. It would be interesting to ascertain just how these 18 favored projects were arrived at, and just why we were left out entirely along with 26 other projects.

In that $17,989,000 which the Army engineers asked for to proceed with the work on the upper river there is an

item of $3,845,500, which they propose to use for the building of necessary locks at the great historic Falls of St. Anthony. By building these locks, this would give us a harbor so we could make use of this $147,000,000 which the gentleman from Missouri [Mr. COCHRAN] is worrying about and which has already been expended for the improvement of the upper Mississippi River. Every cent of this will be returned to the Nation many times over in savings made possible not only to the Northwest but to the entire Nation in years to come by increased business and lowered living costs, which will result and combine to re-create the former prosperity of our resourceful, rich, and fertile Northwest area and to reestablish better business conditions for the whole Nation, if we can utilize this river highway to the fullest extent, as we will be able to if this small additional sum is expended up there.

In the $3,845,500 for the starting of locks at the Falls of St. Anthony are four items:

Dredging below lower lock	$501,700
Dredging above upper lock	536,200
Construction of lower lock	2,632,500
Design	175,100
	3,845,500

Now, if we are going to be prevented under the terms of this bill from starting this work, what is going to happen in case we are embroiled, and I hope we will not be, in this war in a year or two, and you want to get foodstuffs out of that great Northwest breadbasket? You will have the same situation, or worse than you had in 1918, which is one of the blackest in our history, when the freight trains were so piled up there, and traffic on the railroads was so congested that you could not get freight out of or into that great district on which our soldiers at the front must depend for much of their foodstuffs. The result then was that the Government had to take over the railroads, and I will venture to predict now that the condition will be worse next time, because the railroads have not been able to keep up with the necessity to replace their worn-out and antiquated equipment. Ask any railroad man what their situation is, or ask the War Department—they can tell you right now—that they are having the jitters because of the apparent shortage of rolling stock and locomotives, and still we fiddle here while Rome burns.

[Here the gavel fell.]

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. In the 3 remaining minutes I want to call, Mr. Chairman, to the attention of the members of the subcommittee the fact that although you agreed to allot $2,788,500 for work in the Upper Mississippi as compared to the nearly $18,000,000 I have already shown you is desired for 1941 by the Army engineers, not a penny of that can be used in starting work at Minneapolis. This morning I obtained from the Army engineers a break-down of how they intend to use this $2,788,500, and I want to put that in the RECORD so you may know exactly where this money is going to be spent, because some of the members of the committee do not seem to know the exact situation and engineers' plan under this very limited appropriation.

This break-down shows that none of it is going to the project in Minneapolis. They are going to use three-quarters of the amount for putting guards or guide walls at nine sites. These sites are Genoa, Lynxville, Guttenburg, Dubuque, LeClaire, Rock Island, Muscatine, Canton, and Quincy.

Twenty-five percent of this item of $2,788,500 is to be used for the purpose of dredging three little harbors—the one at LeClaire, the one at Muscatine, and the one at Canton. This and the nine items above will require all the money the bill carries for work on the upper Mississippi from St. Louis to Minneapolis. This leaves us absolutely out in the cold.

Remember this, also, this thing has been under way now going on 5 years; Congress has approved and authorized the project, still you are holding back and refusing to make it possible to utilize that upper river barge highway and to get the full, maximum benefit out of the one-hundred-and forty-seven-million-odd dollars you have already appropriated and expended up there. Is it good sense? Is it good business to do that? Or should we increase this item in the pending appropriation bill above the Budget estimate so as to prosecute this work and get this magnificent river highway in use to the fullest extent to the advantage of all sections of the country, in a manner advantageous to our agriculture, our trade and industry, our commerce, and our citizens? [Applause.]

[Here the gavel fell.]

Mr. ANGELL. Mr. Chairman, I rise in opposition to the pro forma amendment.

FLOOD CONTROL IN OREGON—THE WILLAMETTE BASIN PROJECT

Mr. Chairman, the Corps of Army Engineers reported to the Bureau of the Budget that they could profitably use during the fiscal year beginning July 1, 1941, $206,624,000 in flood control for the projects heretofore authorized, one of which is the Willamette Basin project in Oregon. However, the Bureau of the Budget reduced the amount requested to $70,000,000 only, which amount is carried in the pending bill. Under the requested allowance of $206,624,000 the United States Army engineers contemplated allocating the following amounts for the Willamette Basin project—hearings, page 146:

McKenzie River	$62,000
Tualatin River Dam	500,100
Dorena Reservoir	1,960,800
Fern Ridge Reservoir	1,046,900
Detroit	2,138,000
Detailed surveys and plans	1,000,000
Willamette River proper (bank protection)	710,600
Total	7,418,400

It is not necessary, of course, to restate the reasons which induced the Congress to authorize the construction of this project, which had been recommended by the Board of Army Engineers. Suffice it to say, however, that the Willamette Valley, included in the project, contains a drainage area of approximately 11,200 square miles, which is nearly as large as Holland. It has a north and south dimension of approximately 150 miles, and an average width of 75 miles. It lies between the Coast Range Mountains on the west and the Cascade Mountains on the east, and the Calapooya Mountains on the south. The valley floor proper contains an area of approximately 3,500 square miles, a great portion of which lies below an elevation of 500 feet. The climate is mild, having a minimum annual temperature for the year of 53 degrees, and the growing season averages around 210 days in length, and the frost-free period usually extends from April 1 to the end of October. The mean annual precipitation in the basin varies from a minimum of about 40 inches on the lower levels to 100 inches in the mountains.

If this precipitation were evenly distributed throughout the year it would be wholly sufficient to sustain the agricultural development in the valley, but the rainfall during summer is light and frequently from 30 to 60 days at this season there is no rain at all. This is very destructive to crops, requiring some additional irrigation.

On the other hand, the heavy rainfall in the winter, together with melting snows, presents a flood danger which, through the years, results in immense damage to property, and even the loss of life. Major Moore, of the Corps of Engineers, reports that the average annual damages in this basin resulting from floods is $1,693,000.

While this project is designed for flood control, it also serves a multipurpose in that it not only will prevent the flooding of this area but will also provide in the seven storage basins ample water for irrigation. There are 1,373,000 acres of irrigable area in the valley, of which 700,000 is adapted to supplemental irrigation. In addition to flood control and irrigation the project also provides for the improvement of navigation in the Willamette River, which is the waterway draining this whole area. At the present time there are 145 sawmills and 7 pulp and paper mills in the area. There are approximately 5,000,000 acres of timberland, containing an estimated 124,000,000,000 board feet. About 80 percent

of this is Douglas fir. The current annual growth in the basin of timber is estimated at 615,000,000 board feet, which may be materially increased by sustained forestry practice. The tillable lands within the area are of a high quality, producing varied agricultural products, and is particularly adapted to diversified farming. The timber and agricultural products, as well as mercantile and industrial development, amply justify the improvement of the navigation facilities of the Willamette River.

Mr. Chairman, with funds heretofore appropriated by the Congress, the Army engineers are now actively engaged in prosecuting this work. They are constructing the Fern Ridge project on the Long Tongue River near Eugene, and have been engaged in making surveys, borings, and acquiring preliminary data on various other portions of the project. Notwithstanding the general urge for retrenchment in governmental expenditures, it would be unfortunate to refuse a sufficient appropriation for continuing work on this project, which is now in progress.

The Clerk read as follows:

There is also appropriated for the fiscal year 1941 for the operation, maintenance, and extension of waterworks, sewers, and pavements in the cities of Panama and Colon, to remain available until expended, the necessary portions of such sums as shall be paid during that fiscal year as water rentals or directly by the Government of Panama for such expenses.

Mr. LANHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 15, after line 16, add a new section, to read as follows:

"SEC. 2. No part of any appropriation contained in this act shall be used directly or indirectly after January 1, 1941, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, or supervisory position unless such person is a citizen of the United States."

Mr. LANHAM. Mr. Chairman, I have long been an advocate of American work for American workers. The amendment which I have introduced provides for the employment of citizens of the United States in the Canal Zone in those positions which are skilled, technical, clerical, administrative, and supervisory.

The Panama Canal Zone is a very important element of our national defense. May I bring it to your attention in the first place that this amendment does not place any limitation upon the employment of common labor. It is probably not practical to seek to introduce at this time an amendment which would restrict common labor in the Canal Zone to American citizens.

May I also call attention to the fact that this amendment does not take effect until January 1, 1941, thus allowing 10 full months for the necessary changes to be made.

Mr. Chairman, this is no legislative innovation. A similar provision appears in the law with reference to the construction of new locks in the Panama Canal. This House recently placed a similar amendment upon the naval appropriation bill.

I have been very much surprised to learn upon authority which I think is entirely reliable that in the skilled, clerical, technical, administrative, and supervisory positions there are now between 3,500 and 5,000 aliens working for our Government in the Panama Canal Zone. In other words, there are between 3,500 and 5,000 idle American workers in these capacities who would be given an opportunity to perform this labor if this amendment is adopted.

Mr. BLAND. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Virginia.

Mr. BLAND. Is the gentleman not referring to common labor? He does not have reference to the positions covered here.

Mr. LANHAM. My authority for the statement comes from a most reliable source, and I understand the number mentioned relates simply to labor of the character indicated in this amendment and not to common labor.

Mr. FISH. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from New York.

Mr. FISH. I just want to make sure in my mind the gentleman's amendment applies to American citizens.

Mr. LANHAM. It does.

Mr. FISH. Is that regardless of race, color, or creed?

Mr. LANHAM. It applies to all American citizens in these skilled, technical, clerical, administrative, and supervisory positions in the Canal Zone.

Mr. FISH. It would not discriminate against the American Negroes, would it?

Mr. LANHAM. It would not discriminate against anyone who is an American citizen.

Mr. FISH. That is all right with me. I am for it.

Mr. LANHAM. Mr. Chairman, something may be said with reference to the expense of carrying on this work with American citizens. In this connection may I call to your attention that there is pending before the Senate a bill, S. 3130, relating to the citizenship and compensation of certain employees on military construction work in the Panama Canal Zone. There is an identical bill, H. R. 7941, pending in the House. In the report of the Senate committee on that bill, there is included a letter from the Secretary of War under date of January 15, 1940. That bill contains the same provisions with reference to these various positions that my amendment contains, restricting the work to American citizens. The Secretary of War said in his statement:

It is not believed that the enactment of the proposed legislation will from a practical viewpoint result in any appreciable increased cost.

And even if it did increase the cost a bit, although the Secretary of War says that practically it will not, it is worth something to maintain the American standard of living and to give this opportunity for employment when it can be given in this way to 3,500 or 5,000 of our citizens.

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]?

There was no objection.

Mr. LANHAM. Mr. Chairman, something may be said with reference to the fact that we employ these aliens down there because of the good-neighbor policy. I am quite as much in favor of the good-neighbor policy and friendly relations between the United States and Central and South American countries as anyone could be, but I do not think the good-neighbor policy can be construed to mean that American work shall be given to aliens and that we should, when this work is available, continue to keep our American labor unemployed. I think the duty is incumbent upon the Congress, especially with reference to the Panama Canal and its importance in our national defense and in our national economy, to have in these skilled, technical, clerical, administrative, and supervisory positions citizens of the United States of America.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. In addition to the point which the gentleman from Texas has brought out—namely, the desirability of giving employment to American citizens who are out of work—there is a further fact to which I personally can attest. Having been down to the Canal Zone several months ago and having conferred at length and confidentially with high officials there, including officers of the Army and Navy, I am informed that for many years the Canal Zone has been teeming with alien spies. It is unnecessary to specify, but anyone can accurately surmise, what nationalities predominate among these alien espionage agents; but they have been and are there beyond all doubt. I understand the Federal Bureau of Investigation and other agencies have been doing some good work down there of late. But, I submit, it would be most unfortunate to have employed on important military work in so vital a strategic point as the Canal Zone any skilled or technical workers who owe no allegiance to the United States.

Mr. LANHAM. I was thinking that the gentleman could see that implication between the lines of my remarks.

Mr. LEWIS of Colorado. I think the implication by the gentleman was very clear, but I believe it will do no harm to emphasize it at this time.

Mr. LANHAM. I am grateful to the gentleman.

Mr. KERR. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from North Carolina.

Mr. KERR. Does not the act of Congress which has to do with the construction of the third lock at the Panama Canal provide for just what the gentleman's amendment provides?

Mr. LANHAM. The act that has been passed with reference to the new locks?

Mr. KERR. Yes.

Mr. LANHAM. It does. The naval appropriation bill which we passed recently has this same provision in it also. There are pending bills both in the House and Senate with reference to military construction having this provision in it, and the Secretary of War has stated it will involve practically no additional cost.

In my remaining time I want to call attention to one further thing that may possibly be said. It may be urged that this amendment would be a violation of our treaty obligations, but I am reliably informed that the treaty between the United States and Panama, signed by the authorities of Panama in 1936, contains no inhibition against the policy proposed by this amendment and that the only thing which has occurred with reference to this particular feature since Panama signed that treaty was an exchange of notes between administrative and executive officers and not by legislative action. Since the treaty was signed by Panama in 1936, this very provision that I am suggesting has been placed in our law with reference to construction in the Panama Canal and was recently placed by similar amendment in the naval appropriation bill.

Mr. Chairman, in these times of unemployment, when capable American citizens are walking the streets and asking for jobs, I feel it is our duty to see to it that in our own American endeavor, for the protection of our country and for the facility of our commerce, we take some of these worthy citizens who are searching for employment and give them this good American opportunity to do American work. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have here a letter from the Acting Secretary of War, dated today, February 29, which is an answer to questions that might be raised with reference to the amendment offered by our colleague the gentleman from Texas [Mr. LANHAM]. I ask unanimous consent, Mr. Chairman, that the Clerk read this letter.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

WAR DEPARTMENT,
Washington, February 29, 1940.

Hon. J. BUELL SNYDER,
House of Representatives, Washington, D. C.

DEAR MR. SNYDER: I have been advised that efforts will be made to amend the War Department civil functions appropriation bill to include a labor restriction similar to section 7 of bill H. R. 8438, making appropriations for the Navy Department for the fiscal year 1941.

Section 7 of bill H. R. 8438, as it passed the House February 16, 1940, provides:

"SEC. 7. No part of any appropriation contained in this act shall be used, directly or indirectly, after January 1, 1941, for the payment of any civilian for services rendered by them on the Canal Zone while occupying a skilled, technical, clerical, administrative, or supervisory position, unless such person is a citizen of the United States of America."

The application of such an amendment to the War Department civil functions appropriation bill would violate the treaty concluded with the Republic of Panama, March 2, 1936, which was proclaimed by the President July 27, 1939. The Government of the United States stands committed to the Government of the Republic of Panama to maintain as its public policy the principle of equality of opportunity for employment on the Panama Canal of Panamanian citizens with those of the United States, and to favor such measures as may be necessary to put this policy into effect.

This question was thoroughly discussed during the negotiations which resulted in the general treaty between the United States and Panama on March 2, 1936. At the time the general treaty was signed and as an accompaniment thereof, the Secretary of State addressed a note to the Panamanian negotiators in which he stated:

"* * * the Government of the United States of America, in recognition of the special relationship between the United States of America and the Republic of Panama with respect to the Panama Canal and the Panama Railroad Co., maintains and will maintain as its public policy the principle of equality of opportunity and treatment set down in the order of December 23, 1908, of the Secretary of War, and in the Executive orders of February 2, 1914, and February 20, 1920, and will favor the maintenance, enforcement, or enactment of such provisions, consistent with the efficient operation and maintenance of the Canal and its auxiliary works and their effective protection and sanitation, as will assure to Panamanian citizens employed by the Canal or the railroad equality of treatment with employees who are citizens of the United States of America."

This note was before the United States Senate when the treaty was ratified July 27, 1939.

The pertinent parts of the Executive orders referred to in the Secretary of State's note read as follows:

"Executive order of the Secretary of War, dated December 23, 1908:

"By authority of the President, it is ordered:

"That the Executive order of February 8, 1908, restricting the personnel of gold employees to American citizens be amended to read as follows:

" 'On and after this date, the employment by the Isthmian Canal Commission of skilled laborers, clerks, and all others who have heretofore been known as gold employees of the Commission shall be restricted to American citizens and citizens of Panama, except where American or Panamanian labor or services of the character required is not available.

" 'Foreign employees now upon the pay roll of the Commission shall not be affected by this order, save in the event of any reduction of force preference shall be accorded to American citizens and citizens of Panama.'

"Executive order dated February 2, 1914:

"6. All employees who receive over $75 per month or over 40 cents per hour must be citizens of the United States or the Republic of Panama and such citizens will be given preference for employment in all grades. Aliens may not be employed in such grades unless—

"(a) they have occupied similar positions during the construction of the Canal for 2 years or more; or

"(b) in case of emergency, in which latter case they must be replaced by citizens of the United States or Republic of Panama as early as practicable.

"Executive order dated February 20, 1920:

"1. That the Executive order of February 2, 1914, be so amended that paragraphs 6 and 20 thereof shall read as follows:

" 'PAR. 6. All employees who receive compensation at the rate of more than $960 a year or 40 cents an hour, must be citizens of the United States or the Republic of Panama, and such citizens will be given preference for employment in all grades. Aliens may not be employed in such grades unless (a) they have occupied similar positions during the construction of the Canal for 2 years or more, or (b) in case of emergency, in which latter case they must be replaced by citizens of the United States or Republic of Panama as early as practicable.' "

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Pennsylvania be extended 5 minutes, and within that time I wish to ask him some questions.

Mr. SCHAFER of Wisconsin. Reserving the right to object, Mr. Chairman, how much longer will it take to read this New Deal manifesto which indicates that although we have more than 11,000,000 Americans who cannot find a job we should give foreigners the jobs in our Panama Canal Zone national-defense program.

Mr. RAMSPECK. Mr. Chairman, I make the point of order that unanimous consent was given for the reading of this letter and, therefore, it is not necessary that additional time be granted.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

In a radiogram just received, the Governor of the Panama Canal states that such restrictions in the War Department civil functions appropriation bill "would conflict with the commitments of our Government with respect to employment of Panamanians. The adoption of such an amendment would necessitate the discharge on January 1, 1941, of a number of persons on the pay roll of the Canal who are Panamanians and many of whom have been employed for a number of years." He further states: "The restrictions in the Third Locks Act, which would exclude Panamanians from a large number of positions, and the provisions of other bills now under

consideration which would impose restrictions against the employment of Panamanians, have been very severely attacked in the local press for many weeks, although the Panamanian Government and press are assuming that by reason of President Roosevelt's assurances to the Panamanian Government, steps will be taken to secure adoption of legislation which would remove the application of these restrictions against Panamanians and to bring this legislation into line with the commitments of our Government in the 1936 treaty with respect to the employment of Panamanians."

The Governor also states that "In view of the President's commitments as to the eligibility of Panamanians to obtain employment in any capacity with the Canal, the community of interests which exists between the Governments of the United States and Panama and in view of the fact that the enactment of this legislation would most seriously retard the measures now under way for safeguarding the locks and other vital structures of the Canal, it is considered that the utmost endeavor should be made to secure the elimination of these amendments from all appropriations bills for expenditures within the Canal Zone, and more particularly from the civil-functions bill."

The President, in a statement made August 11, 1939, on approving bill H. R. 5129, authorizing the construction of additional locks, called attention to a somewhat similar labor restriction which was applicable to new personnel only and did not require the discharge of persons then employed. He stated that the provision included in that bill was a violation of the treaty with Panama and that he proposed to request the Congress to amend the law so as to bring it into conformity with the commitments entered into with Panama.

The Governor of the Panama Canal has called my attention to the fact that if the labor restriction in section 7 of bill H. R. 8438 were incorporated in the War Department civil-functions appropriation bill, it would require the discharge of many employees who have served the United States faithfully for many years and that to discharge them and eject them from the Canal Zone in practically destitute circumstances would be inhumane and unjustifiable. He pointed out that their status as aliens is generally due to their inability to acquire citizenship by virtue of their residence in the Canal Zone, since the naturalization laws do not apply there.

A restriction of this nature would, in effect, make an important change in the Government's policy of maintaining and operating the Panama Canal, which has been in effect successfully for more than 25 years. Such a change in policy should not be made without full hearings in order that the Congress may be fully informed as to its far-reaching effects. It would affect the regular operating force of the Panama Canal and therefore is much more objectionable than if applied only to a temporary construction force.

Sincerely yours,

L. D. GASSER,
Acting Secretary of War.

Mr. LANHAM. Mr. Chairman, will the gentleman yield for a question?

Mr. SYNDER. I am pleased to yield to the gentleman from Texas.

Mr. LANHAM. Is it not true that when Panama signed this treaty in 1936 there was no provision in it with reference to the holding of these skilled, technical, clerical, administrative, and supervisory positions by citizens of Panama?

Mr. SNYDER. Yes; but I understand that these notes were exchanged before the ratification by Congress.

Mr. LANHAM. Is it not correct that when Panama signed the treaty in 1936 there was no such provision in it?

Mr. SNYDER. That is correct, if I am advised correctly, but these notes were exchanged before our ratification.

Mr. LANHAM. Is it not also true that since that time we have passed laws with this provision in them?

Mr. SNYDER. Yes; but it is only fair to say they had quite limited application.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I move to strike out the last word.

I wanted to get into this controversy somehow or other. [Applause.]

Mr. Chairman, I really wanted to propound an inquiry of the gentleman from Texas if he would rise to his feet and respond to a question. Yesterday we authorized the expenditure of $100,000,000 for the relief of foreign nations. Is it not about time we do something in the way of relief for our own American unemployed?

Mr. LANHAM. I entertain that sentiment very vigorously myself. This is an effort on my part to make available somewhere between 3,500 and 5,000 places for unemployed American workers, allowing 10 months in which the exchange can be made in order not to interfere with the progress of the projects in the meantime.

Mr. FISH. That is not so very much to ask of Congress when there are 10,000,000 unemployed in America.

Mr. LANHAM. Not in my opinion.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I did not object to the reading of the New Deal manifesto, the proclamation which our New Deal Secretary of War issued in favor of employing citizens of foreign countries in our Panama Canal national-defense program, notwithstanding the fact that we now have more than 11,000,000 of our American citizens who are out of a job, who want a job, and who cannot get a job, although for 7 long years we have had the benefit of the socialistic Karl Marx conception of government imported direct from Moscow by the New Deal.

I receive in my office, and no doubt many other Members of Congress receive, hundreds of letters each week asking for information with reference to the possibility of obtaining employment in the Government service. Many of these letters ask information with reference to obtaining employment in the Panama Canal program. Mr. Chairman, the pending amendment presents an important issue on which we must take a position. We must take a position on the side of 11,000,000 unemployed American citizens or on the side of unemployed foreign subjects who reside in foreign lands.

Remember that our good Lord said, "No man can serve two masters." He also said, "He that is not with me is against me"; and "wherefore by their fruits ye shall know them." Mr. Chairman, the vote on this amendment will reveal whether we serve and take a position on the side of our unemployed American citizens or whether we shall serve and take a position on the side of foreign subjects who reside in foreign lands. I choose to serve on the side of our unemployed American brethren. Mr. Chairman, we should also remember that this Panama Canal program is an essential and important part of our national defense. If we employ American citizens on the program there will be far less opportunity for alien agents to sabotage it.

I sincerely hope that the pending amendment offered by our very distinguished, lovable, and patriotic colleague, the gentleman from Texas [Mr. LANHAM], will be adopted unanimously. [Applause.]

[Here the gavel fell.]

Mr. WOOD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this is a War Department appropriation bill, and in connection with the pending amendment I would like to refer to the trouble that has been experienced in the Panama Canal Zone.

When the N. I. R. A. was enacted, we appropriated $3,300,000,000 for public work relief, and so forth, and the P. W. A. was established. A part of that fund was allotted to the Panama Canal Zone. A minimum scale of wages was established by P. W. A. for artisans, mechanics, and workmen on all public construction jobs performed by the P. W. A. During the Seventy-fourth Congress some improvements were made on the Panama Canal and a certain number of contractors secured these contracts, among whom was the firm of Mertinz & Griebens. Mr. Mertinz was a captain and Mr. Griebens was a soldier in the Austrian Army. They had a contract on which they were working West Indians. A complaint was made by the American Federation of Labor and the chairman of the Military Affairs Committee of the Senate introduced a bill along the lines of the amendment proposed by my colleague the gentleman from Texas, and through a complaint of the American Federation of Labor the Senate Military Affairs Committee sent a subcommittee to Balboa Heights, Canal Zone, to conduct a hearing into the advisability of the passage of this bill and the conditions that prevailed in the Canal Zone.

During this time Mr. Philip B. Fleming, then Acting Deputy Administrator of P. W. A., and another deputy, flew to the Panama Canal and appeared at this hearing.

Among other things they had this to say about the wages paid by not only this firm of contractors, but others, and he placed in the record a letter he wrote to the Secretary of War after he made his investigation, and this is dated March 27, 1935:

The Division of Investigations has recently made a complete inspection and labor survey of all projects in the Canal Zone financed with P. W. A. funds. The majority of the reports of the special agents indicate a satisfactory condition in all respects except one. It was noticed that contractors were employing native artisans at the rate of 50 cents per hour, whereas these men are doing work which is classified as skilled under the original instructions.

On December 8, 1933, Major General McKinley dispatched the attached radiogram to the Canal Zone which was to establish wage rates. There are three classifications set out therein: (a) Skilled labor at $1.20 per hour; (b) semiskilled labor at 50 cents per hour, and (c) common labor at 30 cents per hour. It is the opinion of this office after several conferences on this matter that it would be unfair to require contractors to abide by the $1.20 rate for native artisans in view of the fact that our investigators state that the normal productivity of these men is not more than 33 percent of that of a skilled American workman.

I would suggest that General McKinley's radiogram, mentioned above, be amended to read in paragraph (b) to include the words "native artisan" in the 50-cent brackets.

[Here the gavel fell.]

Mr. WOOD. Mr. Chairman, I ask unanimous consent to proceed for 3 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WOOD. Now, the artisans are the mechanics in the Panama Canal Zone. This firm, however, was employing native West Indies artisans and workmen, and they were paying below 30 cents an hour, and that is how the funds of the United States were spent in the construction work in the Panama Canal Zone, and there was not a single American working on this job of Mertinz & Griebens.

Therefore, I believe we should start with our War Department, especially, in weeding out these aliens who are employed now in supervisory capacities as experts and so on, and we should, by all means, require that the work performed by the artisans, mechanics, and experts on our war projects should be done by American citizens, and I certainly do hope that the amendment of the gentleman from Texas [Mr. LANHAM] may receive the unanimous approval of the Committee.

Mr. Chairman, I would like to now ask unanimous consent to submit a statement from the building and construction trades department, American Federation of Labor, which I ask that the Clerk may read, if there is no objection.

The CHAIRMAN. Without objection, the Clerk will read the statement.

There being no objection, the Clerk read as follows:

BUILDING AND CONSTRUCTION TRADES DEPARTMENT,
Washington, D. C., February 29, 1940.

STATEMENT OF BUILDING TRADES DEPARTMENT OF THE AMERICAN FEDERATION OF LABOR REGARDING THE AMENDMENT COVERING THE EMPLOYMENT OF AMERICAN CITIZENS ON THE PANAMA CANAL ZONE WHICH MR. LANHAM IS TO PROPOSE TO H. R. 7941

We earnestly appeal to the Members of the House to vote in favor of the amendment which has been offered by Congressman LANHAM, and which eliminates aliens above the grade of common laborer from civilian service on War Department activities to be carried on in the Canal Zone.

This amendment is effective January 1, 1941, and gives plenty of time for any necessary adjustments.

We understand that after W. C. Hushing, national chairman of the A. F. of L. legislative committee, appeared before the Appropriations Committee on this matter, that the committee agreed to the identical language in Mr. LANHAM's amendment, incorporated it in the bill and the report and forwarded it to the Government Printing Office. President Roosevelt learned of this action, intervened, and the bill was recalled from the Printing Office and the amendment stricken.

As representatives of all building trades affiliated to the American Federation of Labor, we sat in all conferences with Chairman Hushing which were held between the representatives of labor, the Secretary of War, Budget Director Smith, and other Government officers, and all concerned were in absolute agreement in regard to this proposal as set forth in H. R. 7941, which was passed by the House and which has been favorably reported in the Senate.

Before the introduction of this legislation, Secretary Woodring remained after a cabinet meeting was concluded and went over the proposal in detail with President Roosevelt, who gave it his absolute endorsement and with the understanding that none of the officials of the Government or the labor unions would advocate any amendment whatsoever.

After the House passed the legislation and after the Senate committee had favorably reported it to the Senate, Panamanians learned of this action and cabled their diplomatic representatives in Washington, who interviewed President Roosevelt, and as a result he reversed his position and notified the Secretary of War and Members of the Congress who are in charge of the legislation that he would insist on an amendment giving to Panamanians equal employment rights.

We regret this action of the President, because if agreements freely made between men do not stand up nothing else will. The President predicates his change of attitude on the treaty made by the Panamanians and the United States Government, which is found in the CONGRESSIONAL RECORD of July 24, 1939.

Nowhere in the treaty itself is this agreement mentioned, but after the Panamanians had ratified the treaty there was an exchange of notes between the representatives of the two Governments giving to the Panamanians equal employment rights. This was simply a renewal of an understanding reached many years ago and carried in Executive orders of the President and the Secretary of War.

While the Panamanians have had equal employment rights on the zone for many years, they have not been employed because equal employment rights for them would and should carry the same vacation privileges Americans enjoy, the same commissary privileges the Americans enjoy, the same transportation privileges the Americans enjoy on the Panama Railroad and Panama Steamship Line, the same housing conditions, the same rates of pay, and all other perquisites enjoyed by Americans. These things are not enjoyed by the West Indian employees, and the average wage scale for them is approximately 25 cents per hour, although they are employed on all building trades, clerical work, as policemen, etc.

While the Panamanians had these equal employment rights, our American officials would not employ them to any great extent because they could get the West Indians cheaper. The excuse of the supervisors was, first, that the Panamanians did not speak English and, therefore, American supervisors could not direct them in their work. When the Panamanians made the teaching of English compulsory in their schools and a new generation grew up, they still were not employed, as the West Indian could still be employed at miserable wages.

If, however, the West Indian is eliminated, there will be equal opportunity for these Panamanians if they are given equal employment rights, and it will deprive American citizens of half of all positions covered in Mr. LANHAM's amendment.

The construction work that is to be done on the Panama Canal Zone is of a heavy nature, the new set of locks, etc. Panamanians have never worked on this class of work, and a most distressing situation will result if they are given equal employment rights, which means half the positions.

It will create a deplorable situation not only for the American workmen but for the contractors, as all large contracting firms capable of handling such projects have cordial relations with our organizations in the United States, and we have been advised by several of the very largest firms that they did not care to bid on these Canal Zone projects unless legislation similar to that now proposed is enacted, because their bids would be based on rates of pay and working conditions Americans enjoy while some other firms might base their bids upon rates of pay and conditions of the West Indians.

Another point is large contractors having the cordial relations spoken of above would not care to jeopardize the friendly cooperation now existing in the United States by going outside the country and being forced to do work under conditions which would jeopardize such relationships.

They also fully realize that it is necessary to have experienced, competent American workmen to do such work.

The President should not carry his good-neighbor policy to the extent he now proposes and deprive American skilled labor of half of these positions when the building trades, although conditions have improved, still have 25 percent of their members totally unemployed in the United States. Everyone knows that there are nine or ten million American people unemployed in the United States at present, and they should be given these employment opportunities on the Canal Zone and aliens should not be considered.

JOHN P. COYNE,
President, Building and Construction Trades Department, A. F. of L.

HERBERT RIVERS,
Secretary-Treasurer, Building and Construction Trades Department, A. F. of L.

Mr. BLAND. Mr. Chairman, I rise in opposition to the pro forma amendment. The questions that are involved in the amendment offered by the gentleman from Texas [Mr. LANHAM], whom I love to follow usually, are much more far-reaching and important than he really has understood, I fear. The questions that are involved there should be considered on the bill which has been introduced by the gentleman from Texas and referred to the proper legislative committee. I wonder how many in this House have been to the Panama Canal Zone. I have. I went there with an idea that we

should have as many Americans there as possible, and I still have that idea, but gentlemen should remember that we are building in a foreign country. I wonder if gentlemen realize what the danger is in respect to sanitation, if in sending men there for whom homes have not been prepared, for whom hospitals have not been prepared, with conditions absolutely different from those that obtain in the United States, climatic conditions, entirely different, and who should have thrown around them if they go down there every protection for health and sanitation. Mr. Chairman, I would not subject the laborers of my section to what I fear would happen if we have not adequate provision for their care and protection. I am not talking about the dollars that are involved in the construction of these homes and hospitals and the placing of nurses and physicians there to take care of newcomers. Read, if you will, the evidence that was presented before my committee on a bill that will soon appear before the House if I can get the consent of the Rules Committee, for increased funds to the Americans who went down there in construction days when living conditions were bad. As a rule, living conditions are now very good, but it is by reason of hospitals to take care of those that are down there that they are good, and ample facilities to take care of the present population. You cannot provide those facilities at once. The argument of my friend itself shows that this is a proposal not to be handled on the floor by a committee amendment, but it is a proposal to be handled in the confines of a legislative committee, working out every problem in connection with it, and meeting every condition that may arise. I shall not undertake to defend the President of the United States from the letter of the American Federation of Labor. He needs no defense. His record should protect him from any attacks by labor.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. WOOD. Did not a subcommittee of the Senate Military Affairs Committee hold an exhaustive hearing in Panama on the Sheppard bill?

Mr. BLAND. I do not know whether they did or not.

Mr. WOOD. They did; I tell the gentleman.

Mr. BLAND. This House has a right to have matters studied by its own committees, and passed upon by its own Members, with all due respect to those gentlemen. The contract that was referred to here was not a contract coming out of the funds for the Panama Canal Zone, but it was very distinct from that. The Navy Department has charge of construction for its work down there and the War Department has the construction of those works that are for military defense. You are dealing now with Panama Canal Zone funds, and dealing with men who have been there working from 1914, and before that time, up to the present. Let us approach the matter gradually, and sensibly, and reach a wise conclusion.

The CHAIRMAN. The time of the gentleman from Virginia has expired. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. LANHAM) there were—ayes 86, noes 23.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 2. The total amount used on an annual basis for administrative within-grade promotions for officers and employees under any appropriation or other fund made available in this act shall not exceed the amount determined by the Bureau of the Budget to be available for such purpose on the basis of the Budget estimate for such appropriation or fund exclusive of new money in any such Budget estimate for such administrative promotions.

Mr. VAN ZANDT. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: Page 15, after line 24, add a new section as follows:

"SEC. 3. No part of any appropriation contained in this act or authorized hereby to be expended shall be used to pay the compensation of any officer or employee of the Government of the United States, or of any agency the majority of the stock of which is owned by the Government of the United States, whose post of duty is in continental United States unless such person is a citizen of the United States, or a person in the service of the United States on the date of the approval of this act who being eligible for citizenship had theretofore filed a declaration of intention to become a citizen or who owes allegiance to the United States."

Mr. VAN ZANDT. Mr. Chairman, the amendment I offer at this time is similar to the amendment adopted by the House some weeks ago with reference to the naval appropriation bills. Your attention is called to the fact that my amendment restricts the expenditure of the money appropriated for the nonmilitary functions of the War Department to only American citizens within the continental United States and does not apply to the Panama Canal Zone where there is employed the so-called "silver labor" group composed of native West Indians and Panamanians who are accustomed to climatic conditions that render it impossible for native Americans to follow such occupations.

By excluding aliens other than the above referred to group, the plight of the vast army of unemployed American citizens is being recognized by the Congress of the United States.

Why should the American people spend millions to help the unemployed and at the same time provide jobs for aliens through appropriations such as we are considering? Every single dollar appropriated by this Congress should be spent with a view to improving the position of our own American citizens, and by the adoption of this amendment Congress takes a step in that direction.

My colleagues, I earnestly exhort you to consider our 10,000,000 unemployed fellow Americans and respectfully request your favorable consideration of this amendment.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. Surely.

Mr. SNYDER. As far as I am concerned, I will accept the gentleman's amendment.

Mr. VAN ZANDT. I thank the gentleman.

The CHAIRMAN. Without objection, the amendment will be agreed to.

The amendment was agreed to.

Mr. LEAVY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just for a moment or two, I want to discuss the record of the hearings on this bill, insofar as it bears on the Bonneville project.

In the hearings, on page 126, the distinguished chairman of this subcommittee asked General Robbins if the $6,289,000, asked for Bonneville in the deficiency bill a day or two preceding the consideration of the Bonneville item here, was being used. Now, as a matter of fact, and as a matter of record, there never was a deficiency submitted for Bonneville in the sum of $6,289,000, nor in any other sum, during this year. Anyone reading the record would be under a misapprehension. I want to ask the distinguished chairman of the subcommittee if I am not correct in the statement that I now make?

Mr. SNYDER. The gentleman is correct. It was a misprint. I had in mind the Boulder Dam project when that statement was made. The gentleman is correct.

Mr. LEAVY. As a result of that misapprehension, there was a limitation placed upon the Bonneville appropriation, which is found on page 10 of the bill.

Mr. SNYDER. I beg the gentleman's pardon. I would not say as a result of that misapprehension that limitation was placed in the bill. I would not want to go on record as saying that.

Mr. LEAVY. Will the distinguished chairman say that the fact that such misapprehension did exist it became a factor leading to placing this limitation on the bill?

Mr. SNYDER. It might have been one of the factors.

Mr. SMITH of Washington. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield to my colleague.

Mr. SMITH of Washington. I would like to ask this question: Is it not a fact that according to the plans and specifications in constructing the various units, when we come to the time when units 5 and 6 are completed, that will really provide a retaining wall and foundations for units 7 and 8,

and, as I understand it, it was not intended, in placing this limitation, to preclude that method of construction, which would be most economical and be in accordance with the plans and specifications?

Mr. LEAVY. It is my understanding that the situation is just as my colleague has explained it. If I am in error on that, I would like to have the chairman of this committee or some member of the committee correct me.

The Bonneville project is a project providing for 10 generating units, 2 of which have been installed, and all the power that is there generated is now sold, and there is a demand for additional power, and 4 more are being installed. There are still 4 that should be and can be installed. If a strict construction is placed upon this limitation of the $800,000, it would mean that when unit 6 is reached no provision whatever could be made for the ultimate construction of unit 7. It would mean that whenever the Government did see fit to construct unit 7, it would have to spend hundreds of thousands of dollars, because it was prohibited in the construction of unit 6 from taking into consideration the fact that there would be another unit. I am glad to know that the committee had no such thought when they wrote the limiting language in this bill.

Now, many skeptics have said, "You will never sell that Bonneville power." Why, Mr. Chairman, the Aluminum Co. of America in the last 60 days has contracted for $10,000,000 worth of Bonneville power over the next 20 years, and is building a $16,000,000 plant out near Vancouver, Wash., across the river from Portland. The California-Nevada Steel Co. in the last 2 weeks has made a contract for $5,000,000 worth of power. We cannot possibly supply the power that is now being asked for unless we proceed as rapidly as possible to carry through to completion all these units. It is a most short-sighted policy to delay finishing all 10 of these great generating units. This project will pay back from the 2 units out of the 10 units now in operation within the next year $2,200,000. Again I say, what a short-sighted policy it is to refuse now to permit construction of all the generating units and necessary transmission lines in order that the Government may recoup its investment there. [Applause.]

[Here the gavel fell.]

The Clerk concluded the reading of the bill.

Mr. SNYDER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 8668) making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes, directed him to report the same back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. SNYDER. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. MARCANTONIO. Mr. Speaker, I ask for a separate vote on the Van Zandt amendment.

The SPEAKER. Is a separate vote demanded on either of the other amendments? [After a pause.] If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. Without objection, the Clerk will report the Van Zandt amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: Page 15, after line 24, add a new section, as follows:

"SEC. 3. No part of any appropriation contained in this act or authorized hereby to be expended shall be used to pay the compensation of any officer or employee of the Government of the United States, or of any agency the majority of the stock of which is owned by the Government of the United States, whose post of duty is in continental United States unless such person is a citizen of the United States, or a person in the service of the United States on the date of the approval of this act who being eligible for citizenship had theretofore filed a declaration of intention to become a citizen or who owes allegiance to the United States."

The SPEAKER. The question is on the amendment.

Mr. MARCANTONIO. Mr. Speaker, I ask for a division.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 135, noes 3.

So the amendment was agreed to.

The SPEAKER. Without objection, the Clerk will be authorized to correct the section numbers of the bill.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BLAND. Mr. Speaker, I ask unanimous consent that in revising and extending the remarks I made in the Committee of the Whole today I may include certain quotations and excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MOTT. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today on flood control in the Committee of the Whole and to include therein certain excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article by Benjamin Marsh.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to include in the remarks I made today an article by Major Elliot.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks regarding the N. Y. A. and to insert therein an editorial from the University of Minnesota Daily.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

WATER-POLLUTION CONTROL

Mr. COLMER. Mr. Speaker, I call up House Resolution 249.

The Clerk read as follows:

House Resolution 249

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 685, an act to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Rivers and Harbors, the bill shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH], and I yield myself 10 minutes.

The SPEAKER. The gentleman from Mississippi is recognized for 10 minutes.

Mr. COLMER. Mr. Speaker, this is the rule on the so-called stream-pollution bill. This bill passed the Senate and was amended by the Rivers and Harbors Committee of the House before reporting it here.

The rule provides for 2 hours of general debate and for the reading of the bill under the 5-minute rule. In other words, it is an open rule and the Members may have what opportunity they desire to offer additional amendments to the bill.

Mr. Speaker, the question of stream pollution is a very momentous one in this country at this time. The problem of the prevention of stream pollution is an ever-increasing one with the constant increase in the population of the country and the consequent increase in the pollution of our streams. There are two schools of thought as to how this problem should be met. There is that school of thought which believes that the proper solution to this problem is to start out immediately with a drastic Federal program to force, through the strong arm of the Federal Government, an immediate solution of the problem regardless of the consequences that might ensue. The other school of thought, that which prevailed in the reporting of this bill to the House, believes that this being a problem of such gigantic magnitude and such far-reaching effect should be approached in a careful, studious, cooperative, and helpful manner rather than reaching the strong arm of the Federal Government out and forcing the solution in that manner.

This bill, as I say, is fostered by the latter school of thought. I am sure that those of us who are interested—and we are all interested—in this great problem can appreciate that if the strong arm of the Federal Government were sought in the immediate solution of the problem many evils might result. For instance, in practically every congressional district of this great country we have large industries that have grown up, and great metropolitan centers, with an ever-increasing use of the streams for the disposal of sewage and refuse from these industries. Now, to swoop down with one fell play by a drastic law and say to these industries and these great metropolitan centers this thing must subside within a comparatively short time or drastic penalties will ensue would likely bring about havoc to our economic and social life.

Mr. DINGELL. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. DINGELL. I would like to know how long industries need to adjust themselves. I understand the bill to be considered provides for a substantial amount of latitude in order for industsy to adjust itself. Can the gentleman tell me, after 100 years of industrial expansion, how much longer industry is going to take to adjust itself and will industry ever adjust itself unless the strong arm of the Government makes it do so? There are many questions that might be asked in connection with this matter. Industries have the right to use water from these streams, but they have no right to dump pollution and sewage into these streams, thereby destroying fish, wildlife, and game. Will the gentleman answer my question as to how long industry ought to have to adjust itself?

Mr. COLMER. Mr. Speaker, the gentleman has asked so many questions that it would be difficult to answer all of them.

Mr. DINGELL. Just answer the one.

Mr. COLMER. Not being a seer, of course, I could not answer the gentleman's question as to how long it will take. The only way I can answer is to say that those who sponsor this legislation feel that the better solution of the problem is in cooperation rather than in drastic force and action. How long it will take no one knows. But we do know that progress is being made. I know that the gentleman from Michigan, who has many great industries in his district and his State and thousands upon thousands of men employed in those industries, would not want to run the chance of having some drastic action taken that would close down those industries and throw his people out of work.

Mr. DINGELL. They need not close down.

Mr. CARTER. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from California.

Mr. CARTER. I listened to all the testimony given before the Rivers and Harbors Committee in reference to pollution. This testimony was given last year. I want to assure my friend from Michigan that very rapid strides are being made at the present time in connection with the solving of the pollution problem. That was the testimony of gentlemen from various States when they appeared before this committee, and they came from a very wide area. This problem is being solved, in my humble opinion, and can be solved without the necessity of any legislation but by merely leaving it entirely in the hands of the States.

Mr. COLMER. I am grateful to the gentleman from California, who has given much thought to this subject.

Mr. DONDERO. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. DONDERO. The testimony before our committee showed that the public was the great offender in the pollution of our waters. The testimony further showed that 60 percent of our sewage problem thus far has been corrected. In other words, we are making great progress.

Mr. DINGELL. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. DINGELL. Much of this correction has been due to the Public Works Administration advancing money to municipalities for the purpose of creating sewage-disposal plants throughout the entire United States; but industry has been very, very slow, and frequently unwilling to cooperate. I have flown over the terrain of Pennsylvania and other States. The streams and rivers are veritable canals and depositories for mine and industrial sewage and deadly refuse that has been dumped there for a half century or more. In spite of the pleadings of sportsmen, game conservationists, and others, no effort has been made by the culprits to correct the situation. It is time that something drastic be done to force correction of the situation.

Mr. COLMER. I may say to the gentleman, who evidently belongs to that school of thought which believes that the proper method of approach is by drastic action, and of course I hope he will have opportunity to express himself more fully in general debate, that this bill sets up a board—a Division of Water Pollution Control—under the Public Health Department.

The bill proposes to establish a Division of Water Pollution Control in the United States Public Health Service, which will, in cooperation with the Chief of Engineers of the War Department and other Federal agencies and the States, make surveys and prepare plans for improving the sanitary conditions of the navigable waters of the United States and streams tributary thereto by eliminating or reducing discharge of sewage, industrial waste, and other substances into said water.

This bill, however, does not set up a new bureau but rather utilizes existing facilities of the Department of Public Health, the War Department, the Chief of Army Engineers, and so on. In other words, we are not setting up a new bureau but using the existing facilities for this purpose. In a word, the bill provides for the study and development, and the eventual solution of this pollution problem.

It does not authorize enormous amounts of money to be expended from the Public Treasury but, on the contrary, provides that the municipalities, the industries, and so on may secure loans from the Reconstruction Finance Corporation. Those of us who have given this bill some thought believe that this is the sane and proper approach to a solution of the problem, and I may say as a member of the Rivers and Harbors Committee for some 4 or 5 years I have given it considerable thought; it has the approval of the Department of Public Health, the Surgeon General, and it has the approval, I may say, of everybody who has been consulted about this problem, with the possible exception of the officers of the Biological Survey.

Mr. CARTER. Will the gentleman yield?

Mr. COLMER. I am happy to yield further to the gentleman from California.

Mr. CARTER. I understood the gentleman to say that this bill has the approval of the Surgeon General.

Mr. COLMER. Quite so.

Mr. CARTER. Does not the gentleman know the Surgeon General is made a czar under this bill, and, of course, he is going to approve a bill of that kind?

Mr. COLMER. I did not understand that the Surgeon General had been made a czar under it, I will say to my friend, who ordinarily is rather conservative in his statements, but I do understand that it is necessary for someone to be at the head of this Board, and those who in their wisdom have set up this legislation have preferred to use the services of the head of an existing department of the Government rather than set up a new agency, which, I am sure, my distinguished friend from the left side of the aisle would oppose. I would rather have thought that in the interest of economy he would have looked with approval on the use of the Surgeon General, who is already being paid by the Government.

Mr. LEWIS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. The bill we have before us, which has the designation S. 685, is the bill as it passed the Senate. Am I correct or not correct in saying that the Committee on Rivers and Harbors struck out all that bill and substituted an entirely new one?

Mr. COLMER. I would not answer that affirmatively. Some changes have been made, but the general thought has been followed.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. HOOK. Can the gentleman tell me what this bill will accomplish besides appropriating $300,000 for the necessary expenses of the division administering the problem and $700,000 to be distributed to the States?

Mr. COLMER. I believe if the gentleman from Michigan will examine closely into that he will find that the figures to which he refers for appropriations were in the Senate bill and are not in the House bill.

In conclusion, Mr. Speaker, I can appreciate the differences of opinion that might arise over this very complicated and perplexing problem. After considerable study of this subject, I am constrained to believe, however, that this is the proper approach to the subject. And in this connection I would like to call the attention of the House to the fact that this bill represents the views of the very learned and distinguished gentleman from Texas, the able and highly respected chairman of the Rivers and Harbors Committee of the House of Representatives. It is to be regretted most sincerely that Judge MANSFIELD is ill and unable to be here in person to pilot this bill, on which he has been working for a long number of years, through the House. I am sure that many of us who are less conversant with this problem than the gentleman from Texas are the more appreciative of the fine work and the extended study that he gave to this legislation before it received his final approval and the approval of his able committee.

Moreover, Mr. Speaker, I am sure that I express the opinion of the entire House when I express the hope that Judge MANSFIELD'S illness will be of a short duration, and that he will soon occupy his accustomed place among his colleagues who love and appreciate him so dearly. [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Speaker, I yield 15 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, the problem of what to do with the pollution of the public waters of America is not a new one. It has been before this body in one form or another for at least 5 years. The fact that we are again confronted with legislation to remedy the pollution of the navigable waters of America is in itself good testimony to the fact that individual initiative and private industry alone will not solve the problem. Needed is some kind of stimulus from the Federal Government.

About 5 years ago—in December of 1934, to be exact—a conference was held, known as the Dern-Lonergan conference, to decide what attitude the conservation groups of America should take toward this increasingly serious problem of pollution. Out of that conference grew what is known in the history of this legislation as the Lonergan bill, introduced by Senator Lonergan, of Connecticut. That was introduced in the Seventy-fourth Congress, in January of 1936. At that time I was an official in the Izaak Walton League, which was a primary sponsor of the Dern-Lonergan conference, and I have been personally familiar with all antipollution legislation since proposed. Long before coming to Congress, I was active in sponsoring clean-streams legislation.

Since 1936 numerous other bills have been introduced from time to time dealing with the problem of pollution, and today we find ourselves as legislators representing constituents divided into three different camps, and we, ourselves, are divided into three different camps from the standpoint of the duties which we have as the legislative part of the Government considering the problem of pollution.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Who is the author of the bill we are presently considering? As I understand, it is a Senate bill.

Mr. MUNDT. It is S. 685, and it was introduced by Senator BARKLEY.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a correction?

Mr. MUNDT. I yield.

Mr. DONDERO. I believe the gentleman means to be correct, but the bill we are considering this afternoon is the bill that has been reported by the Committee on Rivers and Harbors as a substitute for the Barkley bill, and it strikes out everything after the enacting clause.

Mr. LUTHER A. JOHNSON. I understand that, but I wanted to know who originated the legislation in the Senate.

Mr. MUNDT. There have been some changes made in committee; that is quite correct. But, in substance, it is still the same S. 685 introduced in the Senate by Senator BARKLEY.

Some of us, I am sure, recognize that pollution is a national problem, as has every intelligent survey which has been made of the problem, which has almost been surveyed to death; that is, to the death of clean streams, not to the death of pollution by any means.

In the first place, it is recognized, I believe, by conservationists and State health groups as well, that there must be some national assistance and some national stimulus if we seriously mean to solve the problem of pollution. Among those who recognize this point of view there are two schools of thought. There is the school of thought represented by the Barkley bill and by the committee substitute for the Barkley bill, that the approach should be primarily one of study and gentle encouragement on the part of the Federal Government, by appropriating money for surveys, and for the making of plans, by the encouragement of interstate compacts, and by the assistance of such Federal financing as is possible either through grants or through reduced interest rates.

The present version of the bill before us provides nothing for grants, because that has been deleted from the original Barkley bill. Generally speaking, it represents the school of thought that the Federal Government should simply provide encouragement and leadership in the solution of a problem which for 150 years has manifestly remained unsolved. It does nothing in its present form to outlaw pollution—past, present, or future.

The other school of thought, the school of thought to which I personally belong and the school of thought reflected and represented by conservation organizations of America—in fact, every major conservation organization of America is a member of this school of thought—feels that the Federal Government should do more than simply encourage the correction of pollution, should do more than make possible the formation of interstate compacts, and should do more than to offer reduced interest rates to groups to correct their nefarious practices.

Among these conservation organizations which believe that this Congress should take a definite forward step resulting in something constructive in the way of eliminating and controlling pollution are the Izaak Walton League of America, the American Wildlife Federation, the American Wildlife Institute, the American Forestry Association, the American Audubon Society, the American Association for the Advancement of Science; and I could name others of like significance and like importance.

Obviously, Mr. Speaker, these organizations which have devoted a major portion of two decades to studying the problem of pollution control have some pretty good reasons to substantiate their point of view that simply permitting voluntary eradication of pollution will never cure the problem.

Now, between these two schools of thought, or associated with them, is another one, which openly supports the position that they believe the Federal Government should do nothing about the problem. They do not offer a solution, although they cannot deny that the inevitable law of gravity compels streams to cross State lines, and consequently stream pollution becomes an interstate problem; but, winking both eyes against that fact, they blandly say, "We believe it is a function for the States without any assistance, without any regulation, without any laws emanating from the Federal Government."

I am not just sure about the position of the speaker preceding me; I do not believe he belongs to that school, but I did hear some statements made by someone engaging him in a colloquy leading me to believe that perhaps the gentleman from California belongs to that school.

Let me show you how futile that school of thought actually is. Last week I had the opportunity of going into the Old Dominion State of Virginia to help commemorate Washington's Birthday at the place where Washington had his home, and, waiting for my turn to go on the program, I picked up a copy of a Virginia newspaper, the Daily Advance, published in Lynchburg, Va., and here it is for Thursday evening, February 22, 1940, discussing our problem of pollution. The headline says: "Lichford urges no action on stream pollution now"; and then the article tells us that Mayor Lewis E. Lichford left for Richmond, the capital of Virginia, to appear before the Virginia Legislature to urge that no antipollution legislation be passed by the State of Virginia in this session.

There is no reason, is there, for a State like Virginia to pass antipollution legislation unless the other States housing competitive industries pass similar legislation? And, quite frankly in his home-town paper, the mayor of Lynchburg says that the commission that he represents "does not want to work a hardship on the industries in Virginia or on the cities either. The commission has been interested in getting new industries in Virginia and hopes to induce more to come, so we can't be too hasty about the matter"; that is, the matter of eliminating pollution.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I am very pleased to yield to my friend and my cosponsor of the cost-of-production farm program.

Mr. MASSINGALE. I would like to be informed by the gentleman just what the essential difference is between the so-called Izaak Walton League bill and this Senate bill 685, if that is the bill we are discussing now.

Mr. MUNDT. The essential difference, I can say to the gentleman from Oklahoma, is the difference between the two schools of thought which I have pictured thus far: the one which feels that it should be left primarily to the States to solve the problem with some Federal encouragement in the form of an appropriation to provide opportunities to study and investigate the problem and work out remedial measures and to encourage State compacts; and the other, the Izaak Walton League position, is that the Federal Government should go further and should do something to provide for national uniformity in antipollution legislation, so that States advertising to the world that they want to bring industries within their bounds because there is no antipollution legislation there, will be prohibited from such an iniquitous attempt to bring industries from States correcting their pollution problems into States that do not correct them. We feel that the protection of honest, pollution-correcting industries is more imperative, if you please, than the protection of pollution-offending industries. The present system penalizes the clean industries and rewards the unclean.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. MUNDT. I yield.

Mr. TABER. Has the gentleman a copy of any amendment that he would propose to offer to what the committee is recommending?

Mr. MUNDT. Yes.

Mr. TABER. So that we may know what the issue may be, will he please discuss it?

Mr. MUNDT. I thank the gentleman. I just want to say this before mentioning the amendment, that I know some of you have received letters and telegrams, perhaps, from conservation organizations urging you to vote for or against the so-called Barkley bill or to vote for or against the so-called Mundt bill, and some of you have received wires stating that I was going to offer my bill, H. R. 7971, which has the support of these conservation organizations that I have mentioned, as a substitute in toto for the so-called Barkley bill.

For two valid reasons, however, I am not going to offer the substitute, the conservationists' bill, for the Barkley bill at this time. The first reason is this—and I think you will agree with me—that by and large it is not good legislative practice to bring in by amendment a bill 12 pages long dealing with a complicated national problem and ask Members to make a snap judgment for or against that piece of legislation in preference to one the committee has had an opportunity to study. I do not believe that to be a good legislative practice, and I would hate to be in a position where I would have to offer that type of amendment. I am not going to do so.

The second reason why that amendment is not going to be offered is this. I have no desire to attempt to put Members on the spot, either with their constituents or their consciences in endeavoring to make a decision, even if it were good legislative practice, with the time given for this discussion between those two proposals. Consequently our original thought was that perhaps the best thing to do would be to urge those friends of the conservationists' bill, H. R. 7971, to recommit the Barkley bill to the committee for further consideration, because there have been no public hearings on H. R. 7971, which bears the endorsement of the organizations I have previously mentioned and many more. However, conservationists and sportsmen do not like to take a destructive position. We do not like to be in the position, even by indirection, of being opposed to something that aspires to make progress against pollution. Therefore I have offered an amendment to put in some pollution-control language, and I have placed it in the CONGRESSIONAL RECORD, where you will find it on the next to the last page of the RECORD of the issue of yesterday.

I have submitted that amendment to the committee in charge of the bill, the Rivers and Harbors Committee. On the assumption that there are enough opponents of any kind of pollution legislation to warrant the view that we should unite in some effort to solve this problem and try to fight from the same corner and play on the same team, I am authorized to tell the committee that I have conferred with the conservation groups, and they are willing to compromise on this basis.

With existing pollution, we perhaps cannot move too hastily, and perhaps with existing pollution we cannot clamp down next year or the year after and say it must immediately cease. Perhaps for a period of a few years we can make some progress by surveying the national problem, by encouraging interstate compacts, by granting low-interest inducements for voluntary remedial measures, and by warning persistent offenders, as we are today, that continued defiance of the public interests will result in more regulations to come.

But, certainly, if we are going to pursue that course, we must at least stop any new forms of pollution and any new sources of contamination from aggravating the present problem while we are trying to solve it. This, in short, is the

purpose of the Mundt amendment. With this addition to S. 685 we are ready to accept that legislation since it will then become a step in the right direction and will, for the first time in American history, definitely outlaw new sources of pollution.

We have talked about pollution and criticized it for generations. The Mundt amendment does something about it. It stops the problem from growing worse while we continue to study ways and means of correcting evil practices which are already well on the way to ruining the public waters of this country. Many of us favor applying definite control provisions to existing pollution as well as to future pollution, but we know legislation is a process of compromise and orderly development. For that reason we have offered my amendment as a happy compromise in order that this Congress may write into law for the first time in American history some legislation properly prepared to curb the growth of pollution and providing some encouragement and stimulus to correction of the existing problem.

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. Yes.

Mr. HARRINGTON. The statement the gentleman is making is most interesting. Do I understand that the Izaak Walton League and the Audubon Society and other associations have agreed to urge the amendment which the gentleman has proposed and which he has offered to the committee amendment?

Mr. MUNDT. That is right. This is agreed on, that if the committee will accept this amendment so that we can join hands in fighting for some pollution legislation, the league and other organizations working with it in this fight for clean-streams legislation will withdraw their opposition to S. 685 in its then amended form. All the conservationists ask is that no legislation be passed until and unless such legislation actually contains some pollution-controlling features.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. WIGGLESWORTH. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. MUNDT. We have agreed that if the committee will accept this amendment, we will withdraw our opposition to S. 685 and go along and make the best progress we can. I am happy to say that we have effected a compromise between both points of view, whereby we can make progress, not as fast as I would like to or as many conservation groups would like, but make it much faster than we would by no legislation at all.

Mr. HARRINGTON. In other words, it is a step in the right direction.

Mr. MUNDT. That is right. We asked for a loaf and were offered a stone, but now we are compromising with a slice of bread.

Mr. PATRICK. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. Yes.

Mr. PATRICK. I am in this position, and I am sure other Members are in the same class. People apparently all over the country have been corresponding about this, sending communications and resolutions, and the people seem to be under the impression that the gentleman is coming forward today with his amendment. The gentleman now states that he is not. What position will that leave us in, if the gentleman is withholding his bill? I find myself with the gentleman, since we are divided into certain schools of thought.

Now, I am asking the gentleman where that will leave those of us who intended to go along with the amendment, or at least seriously considered doing so. Does that throw us in the position to vote to recommit this bill if we sustain the position we had in mind?

Mr. MUNDT. I do not think so. I do not think you would have to vote to recommit the bill, because we shall have adopted the enforcement feature of my bill, which is the heart of the difference between S. 685 and my bill, insofar as they apply to new sources of pollution.

The opposition to S. 685 is based on that bill in its original form and in the form in which it comes to us as a committee substitute because in both forms it does nothing to control present pollution nor to prevent future pollution. My bill, H. R. 7971, sought to control and prevent both present and future pollution. The amendment I have offered compromises with the committee in charge of the Barkley bill and imposes the control features of H. R. 7971 only on new sources of pollution. While that is not all we wanted, it is a great step in advance, and I am sure the gentleman's constituents who have written him will rejoice in the portion of victory which we have won for clean streams. With this amendment added, I am sure the gentleman and I agree, and that with us all other conservationists will also agree that S. 685 will then be much better than no legislation at all and that it will merit a favorable vote by the big majority of this House. [Applause.]

[Here the gavel fell.]

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the distinguished chairman of the Rules Committee, Mr. SABATH.

Mr. SABATH. Mr. Speaker, I am indeed grateful that the gentlemen on the other side recognize the need for this legislation. You are familiar with the fact that a measure or bill to this effect was passed and vetoed by the President, but in this Congress he has made recommendations for this legislation that would eliminate the objections that were found in the bill that we passed.

As I am informed, and on examination of the bill, I am satisfied that those objectionable features have been eliminated, and that this bill meets with general approval. I know that up until some time ago certain organizations were opposed to this legislation, but even many of those organizations now familiar with the amendments, as I understand, are in favor of its passage.

I have been for many years, as have the various city administrations of Chicago for the past 40 years, interested in this question. It has cost the city of Chicago over $180,000,000 to build plants to make possible the elimination of the objectionable matters that have been permitted to infiltrate into our lake. I feel there are many cities which would like to do likewise, but which are not financially in a position to do so.

Mr. Speaker, the bill creates a Division of Water Pollution Control in the United States Public Health Service in charge of a commissioned engineer of that Service which, in cooperation with the Chief of Engineers of the War Department, other Federal agencies, and the agencies of the several States, shall study and investigate the pollution of our waterways and streams with a view of submitting comprehensive plans for eliminating or reducing the pollution and improving the sanitary condition of such waterways and streams.

Repeating, the President vetoed a bill previously passed but has since pointed out the need for such legislation as set forth in his message to Congress on February 15, 1939, in which he states in part:

> I hope that at this session the whole problem of water pollution may again receive your attention.
>
> To facilitate study of the problem by the Congress I am transmitting a report on water pollution in the United States, which outlines the status of pollution, the cost of bringing about a reasonable degree of abatement, and the financial, technical, and administrative aspects of such a program. The document was prepared at my request by a special advisory committee of the National Resources Committee composed of representative experts from the Departments of War, Treasury, the Interior, Agriculture, and Commerce, and from private and State agencies.
>
> It is my opinion that pending further experimentation with interstate and State enforcement activities Federal participation in pollution abatement should take the general form of establishing a central technical agency to promote and coordinate education, research, and enforcement. On the basis of recent experience, it should be supplemented by a system of Federal grants-in-aid and loans organized with due regard for the integrated use and control of water resources and for a balanced Federal program for public works of all types. The time is overdue for the Federal Government to take vigorous leadership along these lines.
>
> FRANKLIN D. ROOSEVELT.
>
> THE WHITE HOUSE, *February 15, 1839.*

In accordance with the President's recommendations the Senate passed S. 685, which the resolution for a rule now before us makes in order for immediate consideration. Dur-

ing my absence from the floor the gentleman from Mississippi [Mr. COLMER] has explained the provisions of the bill and, not wishing to take up the further time of the House and wishing to avoid any restatement of his explanations, I shall refrain from going into an analysis of the provisions of the bill. However, I feel the general purpose and need for the enactment of the bill is fully explained in section 5 thereof, and I am taking the liberty of inserting it at this point:

SEC. 5. Any State, municipality, or other public body which is discharging untreated or inadequately treated sewage or wastes into navigable waters of the United States or streams tributary thereto is hereby declared to be eligible to Federal aid in the form of grants-in-aid and/or loans for the construction of necessary treatment works, in accordance with plans approved by the respective State health authority and the Surgeon General. Such loans and grants-in-aid shall be made upon such terms and conditions as the President upon the recommendation of the Secretary of the Treasury may prescribe, subject to the following limitations: (1) Grants-in-aid or loans shall be made only upon the certification of the State health authority having jurisdiction and upon approval and recommendation of the Surgeon General; (2) no grant-in-aid shall be made in respect of any project of an amount in excess of 33⅓ percent of the cost of the labor and materials employed upon such project, including the cost of preparation of plans and the carrying of same into execution.

Dr. Thomas Parran, Surgeon General, United States Public Health Service, appeared before the Committee on Rivers and Harbors of the House on March 17, 1937. As our country's foremost expert in public health and sanitation problems, I feel that an excerpt from his statement before the committee as to the existing pollution conditions should be brought to the attention of the House and to the country. I quote:

At the outset I will state very emphatically that the increasing pollution in our streams constitutes a very serious public-health problem. That is evidenced by the increasing growth of industry and the urbanization, adding a larger amount of sewage to our streams.

Mr. Speaker, many municipalities and even States, saying nothing of private industries, have recklessly caused and allowed pollution of our rivers and lakes, endangering the health of whole communities. Chicago, as I have stated, has expended $180,000,000 for the construction of sewage-disposal plants and the building of a sanitary canal. Like Chicago, other cities have gone to great expense to provide for sewage disposal, yet are confronted by a terrible and alarming health condition by having adjacent municipalities and many private industries continue to discharge their sewage into the same lakes or tributary streams on which the municipalities are situated.

Some municipalities and private industries seem to be indifferent to health conditions and are continuing to use our rivers and lakes in disposing of garbage and refuse, and until recently, when stopped by the enactment of city health ordinances, there were firms within the city limits of Chicago who dumped their refuse and offal in the branches and forks of the Chicago River to the ill health of residents of the community and the blighting of property for residential purposes. We have gone forward in Chicago and met the sewage problem. This bill plans to place Nation-wide safeguards against pollution conditions and in order to obtain uniform regulation the Division of Water Pollution Control is authorized to give due consideration and study in conjunction with municipalities and States, and even industries, to bring about a practical solution of the existing conditions. I feel that this legislation is greatly needed and demanded from every section of our country.

I hope that the resolution will be adopted and the bill passed without a great deal of delay.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes; I yield.

Mr. MICHENER. The Mundt bill, H. R. 7971, was introduced some time back.

Mr. SABATH. Oh, there have been a great many bills introduced on the subject.

Mr. MICHENER. What I am getting at is this: A bill was introduced in the House. The committee introducing the bill asked for a rule reporting that bill. The Rules Committee granted a rule reporting a specific bill. Later the legislative committee came in and asked unanimous consent that a supplementary report might be filed on the original bill. That consent was granted. A supplementary report was filed, which includes the Senate bill, which is an entirely different bill than the Rules Committee authorized a rule for.

Therefore, if you consider the Senate bill in connection with the report, there will be before the House a piece of legislation on which a rule was never granted, about which the Rules Committee knew nothing. The point of the whole thing is this: If that can be done, then, by subterfuge, a committee may bring a perfectly harmless bill before the Rules Committee and get a rule, and then by a later supplemental report absolutely change the bill and still have a place on the legislative program.

Mr. SABATH. The gentleman, as a rule, is very careful in his observation and is well informed, but for his information I wish to state that the special rule makes in order Senate bill 685 as amended. Senate bill 685, which is known as the Barkley bill, has been perfected and amended by the House committee and has eliminated some of the objectionable features or features that were objected to originally.

So that today the rule makes in order the Senate bill, as amended, and I believe it is in accordance with the rules of the House, and there is no effort made to mislead the House, and I do not think the committee has been misled.

Mr. MICHENER. The point I am making is that when the Rules Committee reports a bill it is presumed to have some knowledge of the bill and what is in it. They are not reporting a number. If this is permitted, you may introduce a bill by number and it may be entirely harmless, and then by a supplementary report you may bring in another bill, which is entirely different, and still get a place on the calendar, which you could not possibly have gotten from the Rules Committee if the Rules Committee had been told the truth.

Mr. SABATH. I regret that the gentleman from Michigan is mistaken. Here is the bill and here is the special rule. The bill is known as Senate bill 685. A rule was granted on S. 685 and was not granted on any other. I desire to say the rule was granted in the last session, but due to conditions that existed in the last few days of the last session it was not called up, and this is the first time we have had an opportunity to bring this legislation before the House. I do not think there was any misstatement on the part of the committee. It is legislation in the right direction, and I hope that the rule will be passed.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I have used more time than I intended to already.

Mr. KELLER. Will the gentleman yield?

Mr. SABATH. Yes; I yield briefly.

Mr. KELLER. This resolution refers to S. 685. Then you come in here with a bill that is not S. 685, and I have to look around in the report and finally I find that in the supplemental report the bill partly follows the Senate bill and partly follows something else entirely.

Mr. SABATH. It was amended.

Mr. KELLER. A person cannot get head or tail out of this to save his life. There are two entirely different matters presented, to my judgment.

Mr. SABATH. The bill has been amended by the House committee.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MOTT. The gentleman stated that the Izaak Walton League, and other similar organizations, had recently withdrawn their opposition to S. 685.

Mr. SABATH. I did not say anything about the Izaak Walton League. I spoke about other organizations, such as the American Water Works Association, from which I received a letter only today.

Mr. MOTT. May I inquire whether any of the organizations mentioned by the gentleman from South Dakota in his remarks have withdrawn their opposition to S. 685?

Mr. SABATH. I regret that I was not on the floor when the gentleman from South Dakota made his remarks. I do not know to what associations he referred.

Mr. MOTT. He mentioned the Isaak Walton League. I want to know if this league has changed their position.

Mr. SABATH. I do not know.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman yields back 5 minutes.

Mr. FADDIS. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. COLMER. I yield.

Mr. FADDIS. Mr. Speaker, I would like to know just what the situation is regarding this legislation, and I feel that there are a great many other Members who would like to know what we are to consider, whether it is S. 685 or the bill contained in the supplemental report of the committee.

A great many Members are interested in this piece of legislation. We would like to look it over to see whether we agree with it or disagree with it, but we would like to be informed by somebody—if anybody knows—just which bill is to be considered.

The SPEAKER pro tempore. The pending resolution calls for the consideration of the bill S. 685. When the House goes into the Committee of the Whole, amendments, of course, may be offered to that bill.

Mr. MICHENER. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MICHENER. My further parliamentary inquiry is this, the thing I am concerned about is the integrity of the rules of the House. The function of the Committee on Rules is to understand the type of legislation and the kind of legislation that the legislative committee intends to bring up for consideration.

Mr. SABATH. A point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SABATH. Mr. Speaker, I make the point of order that the gentleman from Michigan is not in order. The gentleman from Mississippi has the floor and did not yield to him.

Mr. COLMER. Mr. Speaker, I do not yield to the gentleman from Michigan for a further parliamentary inquiry.

Mr. FADDIS. Mr. Speaker, will the gentleman from Mississippi yield to me to pursue my parliamentary inquiry to get it straightened out?

Mr. COLMER. Mr. Speaker, I yield further to the gentleman from Pennsylvania.

Mr. FADDIS. Mr. Speaker, I may be somewhat dense, but what I am trying to find out is, What is the bill under consideration? Some of us wish to study this bill and find out what it is. We wish to know what the bill is before we vote on the rule.

The SPEAKER pro tempore. Answering the inquiry of the gentleman from Pennsylvania, the Chair will state that the resolution now pending before the House is a resolution from the Committee on Rules, providing, if adopted, for the consideration of Senate bill 685.

Mr. FADDIS. I understand that, Mr. Speaker, and I believe the entire membership present understands what the resolution before us is. What we would like to determine, if it is permissible to have it determined at this time, is just what bill are we going to have to take action on if the rule is granted? We want to know this in advance. Perhaps some of us might feel it advisable to vote down the rule to start with. I think we ought to be informed.

The SPEAKER. The Chair may be able to clarify the situation in response to the inquiry of the gentleman from Pennsylvania. The resolution now pending provides for the consideration of Senate bill 685. Under the provisions of the rule, if adopted, the Senate bill would be the matter before the House, but under the liberal terms of the rule the Senate bill will be subject to amendment or to amendment by way of substitute from the committee in charge of the bill.

Mr. MICHENER. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. Does the gentleman from Mississippi yield for the purpose of a parliamentary inquiry?

Mr. COLMER. I yield to the gentleman from Michigan, Mr. Speaker.

Mr. MICHENER. The Speaker was not in the Chair when I raised my original point. The point was this, that a legislative committee asked for a rule to consider a specific piece of legislation dealing with a specific matter in a particular way. I was not then a member of the committee. After consideration the Rules Committee felt it wise to recommend a rule providing for the consideration of this particular thing in this particular way. Shortly after that the legislative committee secured unanimous consent to file a supplemental report on this original bill, and in their report the legislative committee adopted another bill dealing with the same matter but in an entirely different way and in a way that possibly—and probably—would not have been authorized when the rule was asked for.

A confidential copy is floating around here of the bill which the committee intends to bring up. My inquiry is whether that can be done under the rules of the House. If that can be done, it is a simple matter for any committee to ask for a rule on a perfectly harmless bill which every one might be for, and then, after they get the rule, bring in another bill in fact, under the same number. This rule was granted on July 10 last year. Then in January, 7 months later, they introduce a new bill in a supplemental report and are attempting to bring this new bill dealing with the same subject matter in an entirely different manner before the House under the old rule. Can that be done?

The SPEAKER. Is the gentleman submitting a parliamentary inquiry?

Mr. MICHENER. Yes. My inquiry is, Can that be done?

The SPEAKER. Can what be done?

Mr. MICHENER. I just made an inquiry outlining what I felt was the situation here.

The SPEAKER. In other words, does the gentleman submit the inquiry whether or not the Rules Committee can submit the resolution now pending?

Mr. MICHENER. No. The rule is on a bill which was before the Rules Committee on the 10th of July last year. Will it be in order for the House to take up a different bill included in the supplemental report, and a supplemental report changing the original bill entirely?

The SPEAKER. The Chair thinks it understands the parliamentary inquiry.

Mr. MICHENER. The Rules Committee never saw this bill.

The SPEAKER. The gentleman from Michigan [Mr. MICHENER], who raises this question by parliamentary inquiry, of course, is familiar with the general principle that all proposed action touching the rules, joint rules, and orders of business shall be referred to the Committee on Rules. Under a broad, uniform construction of that jurisdiction, the Rules Committee, as the Chair understands it, has practically plenary power, unreserved and unrestricted power, to submit for the consideration of the House any order of business it sees fit to submit, subject, of course, to the approval of the House.

The Chair, of course, knows nothing about what was in the minds of the committee in reference to this legislation. The Chair can only look at the face of the record as it is presented from a parliamentary standpoint. As the Chair construes the resolution now pending, it is very broad in its terms. It provides for the consideration of a Senate bill pending on the Union Calendar and the Chair assumes that the Committee on Rules was requested to give a rule for the consideration of that bill, which was the original basis for any legislation that may be passed touching this subject of stream pollution.

In conformance with the general power and jurisdiction of the Rules Committee, it did report a resolution providing that in the consideration of the Senate bill any germane amendments may be offered; and, of course, it is not the province of the Chair, presiding over the House, to determine the relevancy or germaneness of any amendment that may be submitted in the Committee of the Whole, whether by way of a substitute or by way of amendment.

The Chair is clearly of the opinion that the Rules Committee had a perfect right under the general authority con-

ferred upon it to report this resolution providing for this method of consideration of the bill.

Mr. WIGGLESWORTH. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, we have had quite a discussion with reference to the parliamentary situation that exists, and I think the Speaker has explained it very well. Anything I may say in addition certainly could not add very much. I have seen many times in my experience here on the floor, brief as it has been, occasions when legislative committees, after their bill has been given a rule by the Rules Committee, later agree on amendments that are to be offered on the floor, and, as I understand it, that is all that is contemplated in the present situation. Certain amendments that have been agreed to by the committee are to be offered.

Briefly, those amendments are three. The first one is to take out of the bill as originally reported on May 10 of last year a provision for grants-in-aid to the States. The second change is to take out of the bill as reported the provision which would have paid $700,000 each year to the different States to carry out the antipollution measures. The third one is to change the lending provisions from the Secretary of the Treasury to the Reconstruction Finance Corporation.

Since that time, and as a result of some communications back and forth and some effort to try to write a good bill, an amendment has been prepared and will be offered by the gentleman from South Dakota [Mr. MUNDT], and this amendment will not be opposed by the committee. Obviously, under the rule, he has a perfect right to offer this amendment. He may offer a great many more, but, as I understand the situation, he will not do so.

Mr. CARTER. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from California.

Mr. CARTER. There has been no agreement so far as I know that there will be no opposition from the committee to the Mundt amendment. I am a member of the committee, and I am opposed to the Mundt amendment.

Mr. HALLECK. Perhaps I said too much when I undertook to state what might be done by the committee.

Mr. PARSONS. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Illinois.

Mr. PARSONS. It is my understanding that the gentleman is against any kind of an antipollution bill, and naturally he would oppose the Mundt amendment.

Mr. HALLECK. I think I am correct in saying that the majority of the committee who have been diligently for S. 635 as reported by the committee and as it is presented here today are not inclined to oppose the amendment that will be offered by the gentleman from South Dakota.

Mr. COCHRAN. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman feel that in view of the fact this bill was reported nearly a year ago and only recently the amendments have been agreed to by the committee or submitted by the committee, in the interest of orderly procedure the House today should adopt the rule and that those in charge of the bill should print in the RECORD tonight the amendments that they are going to offer so that under general debate there might be intelligent discussion of the bill as the proposed amendments of the committee would change it? I am opposed to the bill, but I would like to know what you are going to offer so I can make an argument against the bill that the committee would like to have enacted.

Mr. MICHENER. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. MICHENER. I think the gentleman misunderstands the amendment. The Mundt amendment is not the amendment included in the supplemental report.

Mr. HALLECK. I recognize that. Now, I believe I can clear this up, at least to the satisfaction of anyone who wants to approach it with a consideration of the situation as it now exists. The report was gotten out by the committee on February 20. I have been sitting here for quite a few years, and I notice we have not been given that long a time in connection with a great many measures.

Mr. COCHRAN. This report states it is as of May 10, 1939.

Mr. HALLECK. I am talking about the supplemental report made by the committee. That supplemental report sets out the bill as it will be urged here by the committee, and that necessarily includes the amendments. Obviously, the amendment that is to be offered by the gentleman from South Dakota [Mr. MUNDT] has not been printed, but I do not know of any rule of the House that requires a Member who wants to offer an amendment to have it printed anywhere before he offers it.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Under the rules of the House, the Mundt amendment would be controlled by the rule of germaneness. Any Member can introduce an amendment, and the House will take care of itself on the subject of germaneness.

Mr. HALLECK. Of course, if the amendment were not germane, under the rule it would not withstand a point of order made against it; but if it is germane, there is no reason why it should not be offered at any time by any Member who wants to offer it.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from South Dakota.

Mr. MUNDT. May I say that if anyone wants to read the amendment, it is printed on page 3273 of the RECORD.

Mr. HALLECK. If the gentleman will permit, however, he has made some slight change in it?

Mr. MUNDT. Some slight modifications in conformity with the committee's request.

Mr. HALLECK. But in essence it has been printed in the RECORD.

Mr. MUNDT. The gentleman is correct.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to my genial chairman.

Mr. SABATH. Is it not a fact that the Committee on Rules has been criticized at times for bringing in gag rules and not permitting amendments; but now, when they bring in a broad rule giving every Member a chance to offer amendments, I find some gentlemen opposed to this broad rule giving each and every Member the right to offer amendments and giving the House the right to vote on them?

Mr. HALLECK. This is undoubtedly an open rule. It is the sort of rule that all of us who believe legislation should be written on the floor stand for in connection with matters like this.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Illinois.

Mr. KELLER. It seems that everybody who is given time to speak here is for the bill, but all of us who have objection to it have absolutely no time to point out the difficulties that are included in this rule. It seems to me that is unfair and it is not right.

Mr. HALLECK. I yielded for a question, as the gentleman from Illinois knows.

Mr. KELLER. Is not that true?

Mr. HALLECK. There is time on the gentleman's side and there is time on our side. I do not know who is for or against the bill. I know how I feel about it.

If you will permit me, I would like now to say what little I have to say about the bill. In the first place, this bill in its broader aspects simply provides for the setting up in the United States Public Health Service of a division to study the problem of stream pollution, water pollution, and to undertake to devise ways and means of preventing such pollution and overcoming and eliminating it. The bill provides an appropriation annually for that purpose. It provides for cooperation with the States in carrying on that program.

As the bill is presently reported from the Committee, there is no so-called control feature in it. There is nothing in the bill that could be said to look in the direction of affirmative and direct action toward either eliminating pollution that now exists or preventing pollution that may occur hereafter. The

Mundt amendment has to do only with pollution of waterways that will hereafter occur.

As I understand it, the Mundt amendment states that no sewage or industrial waste shall be permitted to be discharged into the navigable waters of the United States or waters tributary thereto unless and until approved by the division which is to be set up in the United States Public Health Service under the general provisions of this bill. In other words, the Mundt amendment, for the first time, in my opinion, writes something into this bill that looks definitely in the direction of doing something directly about controlling pollution of our water courses.

I believe that anyone who has been around over this country and knows anything of the situation in respect to pollution of streams must agree that it is high time some cognizance, active and aggressive, be taken of the situation and something done to cure it. Pollution occurs by reason of industrial waste and by reason of municipal waste. Sewage and industrial waste flow into the streams that go across State boundaries or streams that form the boundaries of States. It is a matter of concern to all of us and I believe it is high time we paid some attention to it.

Clear, pure water, or at least something approximating clear and pure water, in the streams of this country, is highly desirable. Watercourses and the water in them are put to manifold uses in our civilization. A watercourse tends to set up a community of itself. It is proper that the water be used in the many ways that it is used. The water in the streams, first of all, provides the water supply for many of our great municipalities. Let me say to you that the hearings disclose that one-fourth of the water in the pool in the Ohio River at Cincinnati, 20 miles long, in low-water time has come out of sewers.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Speaker, I yield 3 additional minutes to the gentleman from Indiana.

Mr. HALLECK. Cincinnati dumps its raw sewage into the Ohio River in the very pool from which it takes its water for its drinking supply.

In many places the pollution loads often became so great that it is almost impossible to purify the water before it may be used. The trouble with too many of these situations is that we are putting the money in at the wrong end. It is time we began to spend some money for sewage-disposal plants, some money to eliminate industrial waste running into our streams instead of spending so much money to purify the water after it has been polluted.

The water in these streams should be available to the people of America for recreational facilities. It should continue to be the habitat of the fish and the shellfish of the country. You talk to some of these people down in Virginia along the James River, and in some of those places there are oyster beds, valuable properties which are being destroyed by pollution. These people are crying for relief.

Water is used as a medium of transportation, and that is a very valuable use. And, of course, we must all recognize that the waterways and our watercourses and streams must necessarily be used in carrying away and disposing of the waste and refuse from our great municipalities and industrial centers. All of these uses of our waterways should be harmonized so far as possible, to the end that the greatest use in behalf of the people generally should be retained for them. I think that is what we are all seeking to do.

Now, when we talk about the pollution of streams incident to their use in disposing of sewage and waste, I understand that great and tremendous expense would be involved in trying to do away with pollution overnight, but we should be making a start in that direction. Certainly there should be some limit to the extent to which either muncipalities or industries can go in further polluting the streams of the country. This is what, in my opinion, the amendment to be offered by the gentleman from South Dakota will, in some measure, undertake to do. It is all right to study the problem; it is all right for these Federal agencies to devise ways and means of seeking to cure the pollution of the streams, but I think the amendment that is to be offered should be adopted. [Applause.]

Mr. COLMER. Mr. Speaker, I yield 5 minutes.

Mr. KELLER. Mr. Speaker, I rise to submit a unanimous-consent request.

The SPEAKER. Does the gentleman from Mississippi yield for that purpose?

Mr. COLMER. I yield to the gentleman.

Mr. KELLER. I ask that we be given 30 minutes for those who are opposed to the adoption of the rule to discuss this matter, since the hour has been used by those in favor of it, and it seems only fair that there should be 30 minutes for those opposed to the rule.

The SPEAKER. That is a matter that is within the control of the gentleman in charge of the resolution, if he yields for that purpose.

Mr. KELLER. That is the way they have used the time.

The SPEAKER. The Chair must observe the rules of the House with reference to the matter brought up by the gentleman from Illinois [Mr. KELLER]. The Chair is not undertaking to decide this at all, but under the general rules of procedure the gentleman from Mississippi is in charge of the rule, and if he yields to the gentleman from Illinois to make that request, the Chair, of course, will be glad to entertain it.

Mr. KELLER. Do I not understand it is the ordinary rule that half of the time be given to each side?

The SPEAKER. As an ordinary proposition, that is true, but there may be exceptions, of course. The Chair thinks it proper to state to the gentleman from Illinois that the ordinary procedure, when a resolution is brought in from the Rules Committee, is for the majority member of the Rules Committee to have 30 minutes and to yield 30 minutes to some member of the minority. The Chair understands that practice is being followed in this instance.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I am very much interested in the bill before the House. As a sportsman and fisherman and out-of-doors man I have been trying to do everything I could to bring about a restoration of the purity of the streams, the lakes, and the rivers of this country.

About 4 years ago I had a long discussion with the President, and it was as a result of our understanding that I introduced a resolution here which was the basis of a Nation-wide investigation on the part of the Army engineers of the War Department, which was later referred to the Committee on Rivers and Harbors. I think that report constituted the basis of this legislation.

I should like to see a stronger, restrictive, and a more specific bill brought into the House today, but since that cannot be had at this time, I am, of course, willing to compromise, because I consider this bill to be a step in the right direction.

Mr. SOUTH. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I am sorry, but I have just a few minutes.

Mr. SOUTH. For just a brief question, which I am sure the gentleman will be willing to answer.

Mr. DINGELL. For just one brief question, yes.

Mr. SOUTH. The gentleman knows that my colleague, the distinguished gentleman from Texas, Mr. MANSFIELD, is in the hospital. I would like to ask the gentleman if he knows whether this bill, including the Mundt amendment, is somewhat in keeping with the recommendations of Mr. MANSFIELD'S committee and what he himself is in favor of.

Mr. DINGELL. Mr. Speaker, I am sorry that I cannot answer the question. I am not familiar with the wishes of the gentleman from Texas [Mr. MANSFIELD]. For perhaps 60 or 70 years, during the period of our industrial development in this country, industry has assumed as a matter of right not only to take the pure water of our streams and lakes but to pollute and destroy the wholesomeness of these bodies by dumping industrial refuse into these lakes and streams and rivers. The city and

State institutions have dumped raw sewage into these rivers and lakes and have caused irreparable harm. Game birds, migratory and shore birds, and wildlife generally were being destroyed by the thousands, and where once a stream is polluted, wildlife and game never come back to it. I want these streams to be enjoyed by all the people. I want the manufacturers and the municipalities to have the full use of these natural resources, but I insist that these are God-given resources, to be enjoyed by all, and within restrictive limitations by certain special interests; I want these lakes and rivers and streams to be enjoyed by sportsmen and out-of-doors people today, and I want them to be enjoyed in later years after I have gone on by my children and my children's children; but unless there is a limitation, a very specific, a very definite circumscription in the law to prevent these vicious abuses, the beauty and the utility of our waters will be destroyed forever. Industries will not conform to the latest and newest idea about the elimination of stream pollution unless compelled to do so. Certainly there will always be enough of them who will not, to defeat our objective. I am sorry that I must assume an attitude so uncompromising and forceful, but I think I am obliged to place the blame as I see it and as I know it to be.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. Yes.

Mr. PARSONS. Would the gentleman be willing to accept this rather than nothing at all, to give us a start?

Mr. DINGELL. To make my position clear, I think I mentioned earlier that I thought this is a step in the right direction, although the bill does not go as far as I would like to have it go, but I have made it clear that I would accept this bill as a beginning. I would like to see the bill amended in such a way that there would be a certain progressive time schedule for conforming to a carefully worked-out plan. Public sentiment will sustain severe penalties to force compliance. Some industries and municipalities voluntarily corrected their abuses. The Public Works Administration has been very helpful in eliminating municipal sewage pollution.

The SPEAKER. The time of the gentleman from Michigan has expired.

The SPEAKER. All time has expired.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The gentleman from Mississippi moves the previous question on the resolution.

Mr. CARTER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from California makes the point of order that there is not a quorum present. Evidently there is not.

Mr. COLMER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 37]

Andresen, A. H.	Fitzpatrick	Mansfield	Smith, Maine
Barnes	Flannagan	Martin, Ill.	Smith, Ohio
Boland	Ford, Leland M.	Mason	Steagall
Buckley, N. Y.	Ford, Thomas F.	Merritt	Sullivan
Byrne, N. Y.	Gearhart	Mouton	Sutphin
Camp	Gehrmann	O'Brien	Sweeney
Carlson	Gifford	Pierce	Taylor
Case, S. Dak.	Gillie	Rayburn	Thomas, N. J.
Chapman	Green	Risk	Vincent, Ky.
Clason	Hall, Leonard W.	Robsion, Ky.	Vinson, Ga.
Corbett	Hartley	Sacks	Wadsworth
Cummings	Hope	Satterfield	Wallgren
Darrow	Jarrett	Schulte	Welch
DeRouen	Keefe	Schwert	Wheat
Dirksen	Kelly	Scrugham	White, Idaho
Ditter	Kilburn	Seccombe	White, Ohio
Douglas	Kleberg	Shanley	Winter
Drewry	Lambertson	Shannon	Wolcott
Durham	Larrabee	Sheppard	
Evans	Lewis, Ohio	Sheridan	
Ferguson	McLean	Smith, Ill.	

The SPEAKER. On this roll call 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

WATER-POLLUTION CONTROL

Mr. GAVAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 685, with Mr. O'NEAL in the chair.

The Clerk read the title of the bill.

Mr. GAVAGAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. CARTER. Mr. Chairman, reserving the right to object, does the gentleman expect to read the bill for amendment tonight?

Mr. GAVAGAN. If possible, I would like to finish the bill tonight; but whatever the committee wishes to do will be satisfactory to me.

Mr. CARTER. If we could have an agreement that the completion of the bill may go over until tomorrow, I may not object. Otherwise I shall object to the gentleman's request.

Mr. GAVAGAN. I have no objection to the bill's going over until tomorrow.

Mr. CARTER. With that understanding I will withdraw my objection.

The first reading of the bill was dispensed with.

Mr. GAVAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I do not think there will be any bill introduced in this Congress that is of so vital importance to the people I represent as some effective stream pollution elimination measure.

I want to tell you something of the history of this bill. You remember session before last the Barkley-Vinson bill was passed by both the House and the Senate. It was vetoed by the President, because he said it did not conform to the ordinary budgetary requirements. Subsequently that same bill, with the budgetary requirements inserted, was introduced both in the Senate by Senator BARKLEY and in the House by me. We did not seem to make any progress in the consideration of that bill. There was a conference held with the health authorities of the Government, with the Reconstruction Finance Corporation, with the chairman of the Rivers and Harbors Committee, and Senator BARKLEY and me with the President in regard to some effective stream pollution elimination measure.

This proposed amendment grew out of that conference. I can say to you that it meets with the approval of the health authorities of the United States; that it meets with the approval of the Reconstruction Finance Corporation; and that it meets with the approval of the President of the United States.

The bill as originally introduced and passed provided for loans both to industries and to municipalities and grants to municipalities. The amendment that is proposed here merely provides for loans to municipalities and to subdivisions of the

State. I think probably I am more interested in the elimination of pollution and represent more people who are more vitally interested in that subject than any other people in the United States. My district is just across the Ohio River from the city of Cincinnati. You have been told that the Ohio River has been locked and improved for purposes of navigation. I do not suppose there is any river on the continent that is more highly improved for that purpose than the Ohio River. There is a pool in that river that extends from Fernbank to Coney Island, a distance of probably 15 miles, that in the summer is a stinking pool, into which goes the industrial waste and domestic sewage of 800,000 people. Out of that pool comes the water supply of the city of Cincinnati, of the city of Covington, of the city of Newport, the city of Bellevue, the city of Dayton, and the city of Fort Thomas. All of those cities mentioned, except Cincinnati, are on the other side of the river in my district. I know I speak their earnest wish when I ask you today to pass some measure that may at least start on the elimination of the pollution of that river.

I do not believe you can approach this matter by harsh measures. I do not believe you can compel cities to clean up the rivers by processes of abatement and injunction. Already under the common law we can abate a nuisance. An individual can abate a private nuisance. An individual can abate a public nuisance if his interests are affected thereby. Here we have the proposition under a proposed amendment that this matter shall be in the jurisdiction of the courts of the United States. They may invade the province of the State, and they can exercise their jurisdiction on tha cities along the navigable streams of the United States in order to compel them to abate this nuisance that grows out of the sewage of the cities being dumped into the inland streams. I ask you how you are going to exercise this power. I want to know if there is any judge in the United States who will grant an injunction to abate this character of nuisance when the offender is the city, and the greatest offenders are the cities of this country. What judge will enter an order enjoining the continued use of the city sewers?

Into those city sewers go not only the domestic sewage of the people who live there but also the greatest quantity of industrial waste from the great manufacturing enterprises. Almost all the great industries of our country are situated in our cities and they have no other manner in which to dispose of their waste but to dump it into the city sewers.

The only way some contend we can combat these nuisances is by enjoining the operation of the sewers in the cities of the United States. In doing this you might protect the fish and aquatic life, the migratory wild fowl, but you kill all the citizens in the great valley. Certainly that remedy is not desirable.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. For a question.

Mr. ZIMMERMAN. The gentleman from Kentucky is making an interesting discussion, but I wonder what benefit this improvement would be to the cities in Ohio and Kentucky in the case of a flood such as we had in 1937 which came down the Ohio River and submerged the entire valley, pouring not only the filth of cities but of many States down that valley? I ask the gentleman if he does not believe it might be better to do something toward preventing these floods rather than to pass a bill of this nature?

Mr. SPENCE. No; I do not, because if this pollution continues at the rate it has been going on and nothing is done to relieve it, there will not be any people in the Ohio Valley to be flooded. To preserve the health of the people of the Ohio Valley it seems to me it is essential that we look forward to correcting these conditions at some not far distant time. The flood of 1937 was an act of God. The pollution of the streams is not an act of God but of man and is something that can be remedied.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield further?

Mr. SPENCE. I yield.

Mr. ZIMMERMAN. Then, are we not getting the cart before the horse? Had we not better spend some money to prevent these awful floods, particularly the ones in the Ohio Valley which cost this country half a billion dollars and on top of that we had to go in and spend Government money to clean it up?

Mr. SPENCE. Man has never conceived any method that would prevent a flood such as occurred in the Ohio River in 1937. That was an act of God, and man, in the presence of such a thing as that, is impotent. Rain came in a little section of the Ohio Valley and made a sea out of that river. We cannot do anything to prevent a recurrence of that kind. But here is a condition that we can mitigate now. How ought we to meet this problem?

The municipalities are not in many instances able to pay for the proper interceptor sewers and disposal plants to do away with the future pollution of the rivers. They have not the money to do it. This bill makes no provision for any grant to any State or any subdivision. It merely gives the municipalities and the industries the opportunity to borrow under long terms at reasonable rates of interest funds that they can use in building intercepting sewers and disposal plants.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Kentucky.

Mr. SPENCE. I think that the cities and those who are responsible for the operation of the municipal functions in the Ohio Valley are anxious to eliminate this condition. I believe if the cities are given the opportunity to secure the necessary funds they will use them in a manner that will result eventually in the elimination of the pollution of the river, and I believe it is the only effective way by which this can be accomplished. Now, if you attempt to put this power into the United States courts to enjoin the cities from continuing this, to abate the nuisances, it is not certain that they would have jurisdiction except upon navigable streams. It is not the navigable streams, however, that have entirely caused the condition that exists. In Cincinnati there is Mill Creek, a terribly polluted little stream, not navigable. The Congress could not delegate to a Federal court jurisdiction over such a stream, for the only jurisdiction the United States has over navigable streams is under the commerce clause of the Constitution.

It is said that we ought to delay passage of this bill because we have not given it sufficient consideration. Since 1921 many hearings have been held upon this subject. The Rivers and Harbors Committee had extensive hearings in 1924. At least 15 hearings have been printed. Sixty-five bills have been introduced for this purpose. It seems to me after the long investigation of this subject that the Congress is certainly in position to take some definite action. The committee, I believe, has accepted one of the amendments offered by the gentleman from South Dakota [Mr. MUNDT], possibly a modified amendment of the one that appeared in the RECORD. I am not in favor of the acceptance of any amendment. I believe we should exercise our influence and our persuasion upon the municipalities that are polluting the streams. I believe if we can get that part of the pollution cleaned up that the greatest pollution of the streams will be eliminated. After we have given the municipalities the opportunity to do what they can to eliminate pollution, if there still remain recalcitrant industries, or manufacturing establishments along the rivers, who are unwilling to conform to our expressed purpose and the requirements of the law, I am in favor of passing some drastic law, but I believe if we pass a harsh measure now it will not have the effect we want it to have, it will not encourage these municipalities to do the things we want them to do, and I am confident that the passage of the proposed amendment to Senate 685 is the only remedy we should apply at the present time.

In addition to the provision in the bill for loans there is a provision for compacts between the States. Many of the States have already made these compacts by which we will have coordinated, effective, and uniform action by the States,

which is very essential if we are going to have any real elimination of stream pollution.

Mr. Chairman, I desire to read an editorial on this subject appearing in the Cincinnati Enquirer on last Saturday, February 24, which, I am confident, speaks the wishes of the majority of the people in the Ohio Valley. The editorial speaks of the bill as introduced in the House as my bill. However, I claim no credit and have no pride of authorship as it was merely the Barkley-Vinson bill we introduced with the budgetary requirements inserted:

SPORT—OR PUBLIC HEALTH?

Now, that the stream purification legislation has been reported out of committee in a form which substitutes loans to communities and industry from the Reconstruction Finance Administration rather than by grants-in-aid from the Treasury or other drains upon it, there was reason to hope for early passage.

The amendments to the Barkley-Spence bill as it passed the Senate surely remove any legitimate hesitation Congress or the President might advance toward any further drains on the national economy. But once more in the history of this legislation some of the very forces which have been protesting their allegiance to the cause of pollution abatement show up as obstructionists. These are the spokesmen for the Izaak Walton League.

Their purpose is to make the waters safe for fish by mandatory and punitive action by the Federal Government. There are several reasons why such an approach may be disastrous to the whole cause. Surely the most cogent is the improbability that any such measures could pass Congress. The second is that if passed, the doubtful constitutionality would first have to run the gantlet of the courts, further delaying the process by which the only real purification progress has been achieved.

The avowed impulse back of the Barkley-Spence bill is the preservation of the public health by the removal of such pollution as amounts to a peril in the Ohio and other streams. This is not enough for the Izaak Walton League officials, who assert that another standard, sufficient for aquatic life—which most city-treated water is not—must obtain.

The Izaak Walton League does not speak for all sportsmen. In a recent drive for membership it complained that not more than 5 percent of sportsmen belonged to such organizations. Nor is there evidence that the spokesmen represent the views of the whole of the membership.

Even if they do they are imperiling a measure which has the full support of every State board of health and the health authorities of the United States Government. Do they care to be on record as opposing public health?

In doing so they are lining up with such lobbyists as have been retained by the principal polluters in the United States.

Mr. SEGER. Mr. Chairman, I yield 12 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, the matter before the House this afternoon is one of the greatest importance to the American public. It deals with the preserving of our public health, fish, and wildlife.

Pollution of our waterways which first became alarming some 20 years ago has been steadily increasing until it has become a national menace. Sewage and industrial waste dumped into many of our rivers from which domestic water supplies are taken has become so great as to reach the point where epidemics of large proportions are imminent.

It is amazing that this condition has been allowed to grow to such an extent without some controlling legislation by the Federal Government long ago.

Since 1921 the Committee on Rivers and Harbors has had before it for consideration some 65 bills relating to the control of water pollution. Extensive hearings have been held on the majority of these bills, but the only legislation so far enacted into law is the Oil Pollution Act of 1924. This act served only to prevent the discharge of oil into the coastal waters of the United States.

Now we have before us the bill, S. 685, which, after all these years, presents a means of controlling pollution in the navigable waterways and their tributaries of the United States. The public-health authorities of the United States have been almost unanimous in their approval of the provisions of this bill. It is doubtful if any bill ever before this Congress has had such long and intensive study and consideration.

The bill is a simple one. It establishes a Division of Water Pollution Control in the United States Public Health Service.

This Division will be manned by sanitary engineers whose sole duties will be to design means of reducing or eliminating the pollution in our national waterways.

Surveys to determine the source and type of pollution in a locality will be made by these engineers on the request of any State health authority, subject to the approval of the Surgeon General, and review reports may be ordered by resolution of the Committee on Rivers and Harbors of the House or the Senate Committee on Commerce, who act upon the recommendation of a Member of Congress. Plans are to be drawn up and recommendations made as to the best possible means to control the type of pollution involved, whether sewage or industrial waste, and submitted to the State or municipal health department requesting same by the Surgeon General.

A board of five members is created within this Division, four to be commissioned officers of the Public Health Service, and the fifth, the Chief of Engineers, United States Army, or a member of the Corps of Engineers designated by him; all to serve without additional compensation. The duties of this board shall be to pass on all reports of investigations and plans for corrective methods and submit to the Surgeon General recommendations as to their desirability and feasibility.

With a practical plan in hand recommended by the Surgeon General of the United States Public Health Service, the locality affected will then be eligible for a construction loan through the Reconstruction Finance Corporation at a reasonable interest, possibly as low or lower than 2¾ percent.

The whole cost to the United States for administering this bill is $250,000 annually.

This is a cooperative venture and the record shows that the States are ready and willing to cooperate. They have been waiting for this incentive and as the able and lovable chairman of the Committee on Rivers and Harbors, J. J. MANSFIELD, pointed out in his extension of remarks printed in the Appendix of the CONGRESSIONAL RECORD, which I understand was dictated from his hospital bed, more progress has been made in the last 6 years through P. W. A. loans and grants than in all the time previous in the matter of the construction of sewage-treatment works. Of course, the P. W. A. program is now a matter of the past, and if this bill becomes a law the good work done toward this end in the last 6 years will be more than duplicated in the next 6 years under the encouragement of loans by the Reconstruction Finance Corporation.

The pollution of some of our streams is nearing the saturation point, and the enactment of this bill into law is urgent. The insignificant amount necessary to carry out the purposes of this bill will pay dividends a thousandfold in good health to the American public.

Resolution regarding the proposed Water Pollution Act (S. 685), pending before the Seventy-sixth Congress, third session

Be it resolved, That the members of the Great Lakes Boards of Health Commissioners and Engineers—of New York, Pennsylvania,[1] Ohio, Michigan, Indiana, Illinois, Iowa, Minnesota, and Wisconsin—and the Upper Mississippi River Boards of Health Commissioners and Engineers—of Iowa, Minnesota, Missouri, Illinois, and Wisconsin—convening in joint session at Chicago, this 3d of February 1940, hereby approve the Federal-State cooperative type of water-pollution control embodied in the Barkley bill, S. 685, now pending in Congress in its present form, or as it may be amended to provide for long-term loans at low rates of interest in lieu of a combination of grants-in-aid and loans; be it further

Resolved, That copies of this resolution be forwarded to all State and Territorial health officers, Members, and appropriate committees of Congress, and others concerned.

FEDERAL-STATE PATTERN OF STREAM POLLUTION ACTIVITY IS GETTING RESULTS—IT NEEDS EXPANSION—A STATEMENT FAVORING ENACTMENT OF BARKLEY BILL, S. 685

From 1935 to 1940 proposed stream-pollution legislation of a national character has been evolving in the Congress through active intensive efforts to key legislators, public-health officials, fishermen and sportsmen, industrial managements, and broad-minded civic leaders who recognize that stream pollution is a national incubus which is harming public health, handicapping industry, and destroying recreational assets of our Nation. President Roosevelt in his message to Congress urging action in February 1939, said "The time is overdue for the Federal Government to take vigorous leadership along these lines."

The type of legislation which is unanimously supported by all sections of the country and by people in all walks of life, with one

[1] Not represented at meeting of the boards of health commissioners and engineers, February 3, 1940.

exception—certain sportsmen who want the job done immediately through drastic court action—is a natural outgrowth and expansion of the successful program which has been carried forward for the past 10 or 15 years through the cooperative efforts of State and Federal agencies concerned with stream pollution. The proposed legislation provides for the United States Public Health Service handling the work administratively, setting up standards of water quality for the drainage systems of the United States. It also provides for long-term loans at low interest rates to cities and to industries, but utilizes the existing police power of the States to carry out necessary control measures. State compacts are to be organized to deal effectively with sections of the country where interstate stream pollution is a problem.

HISTORY OF PAST 6 YEARS SHOWS OUTSTANDING PROGRESS

The history of what has been accomplished in the past is the best criterion of what will be done in the future under any specified plan of procedure. With that in mind let us briefly examine what State health departments and State water-pollution control agencies have done in the period of 1933 and 1938, working in cooperation with the United States Public Health Service, Works Progress Administration, and Public Works Administration.

In 1904 the sewage from approximately 1,000,000 people, 3 percent of the urban population of the country, was treated. In 1932 more than 30 percent received treatment, and by 1938 nearly 60 percent of the sewage was receiving either primary or secondary treatment. The almost miraculous rate of progress in the last 6 years has been due to State health department activity, popular education, and Federal financial assistance.

The States have been successful in getting their cities to build sewage-treatment plants to reduce stream pollution. In the Ohio River basin much stimulus has come from well-directed civic activity in Cincinnati, whose citizens fear the destruction of their drinking-water supply owing to the rapid increase in pollution of the Ohio River, which is the source of their public water supply. During the last 6 years the progress made by 7 States in this large industrial section of the country in reducing stream pollution was as follows: Ohio, 114; Pennsylvania, 73; Kentucky, 61; West Virginia, 21; Tennessee, 24; Indiana, 48; Illinois, 87.

Summarizing this situation we see that 428 cities in 7 States in the Ohio Basin spent nearly $100,000,000 in the last 6 years to reduce detrimental pollution coming from sewage and industrial wastes.

MANY INDUSTRIES ARE ACTIVELY AT WORK REDUCING POLLUTION

Industrial wastes coming from manufacturing plants within a city are generally discharged into the city sewerage system. Thus, these wastes flow directly to the sewage-treatment plant and are treated before discharge to the stream. In Ohio it is significant of the trend of the times to find that three large milk-plant managements have just completed treatment plants which are operating successfully. These industries were located on small streams outside the city sewerage system. Over a period of years the cooperative effort of the United States Public Health Service and the State health departments of Pennsylvania, Ohio, West Virginia, and Kentucky have brought about the installation of 21 phenol waste-treatment plants at byproduct coke ovens, built at a cost of millions of dollars by the industrial managements. Several basic industries, notably pulp and paper, tanning, and the iron and steel group, have active research programs under way with capable staffs. They are working to find out ways and means to reduce industrial wastes which are causing detrimental pollution.

The United States Public Health Service took the leadership in 1933 in organizing a program to combat acid mine-drainage pollution coming from over 25,454 coal mines in 8 States in the Ohio Basin. Daily from these abandoned and active coal mines over 15,000,000 pounds of mine acid closely resembling full strength sulfuric acid flows into the tributaries of the Ohio. The sealing of abandoned coal mines was started in 1933, and this program, carried on by the Works Progress Administration and supervised by the Public Health Service, is reducing the tremendous acid load in Pennsylvania, Ohio, West Virginia, Indiana, Kentucky, Tennessee, Alabama, and Maryland. In some basins in West Virginia already a 60-percent reduction in acid load has been noted. Unemployed coal miners on relief have built many thousands of traps and water seals and closed many holes into the mines to effectively air seal them, thereby turning destructive acid water into useful sweet water again.

We favor enactment of the Barkley stream-pollution bill (S. 685), and accept amendments proposed by the Rivers and Harbors Committee, since these amendments seem necessary to obtain approval of the measure.

COMMITTEE ON STREAM POLLUTION OF THE
CINCINNATI CHAMBER OF COMMERCE,
HUDSON BIERY, *Chairman*.

Communication No. 47, February 24, 1940.

Mr. Chairman, who is for this bill? I have before me a letter from the Michigan Department of Health and a resolution which was unanimously passed by the health commissioners of the several States indicated therein on the 3d day of February this year in the city of Chicago. The Great Lakes Board of Public Health Commission and the Upper Mississippi Board of Public Health Commission met in the city of Chicago representing the following States: New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Iowa, Minnesota, and Wisconsin and the Upper Mississippi Boards of Health Commissioners and Engineers for Iowa, Minnesota, Missouri, Illinois, and Wisconsin, and unanimously passed a resolution approving the Federal-State cooperative type of water-pollution control, such as recommended by this bill reported by the Rivers and Harbors Committee unanimously, with the exception of one or two members who reserved the right to oppose it on the floor of the House.

Mr. KELLER. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. KELLER. Has the gentleman a copy of the resolution referred to?

Mr. DONDERO. Yes, I have a copy of the resolution referred to, and I shall insert it in the RECORD.

Mr. STEFAN. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman tells us of the numerous people who are in favor of this particular bill. The gentleman will agree with me that the Izaak Walton League, the Audubon Society, and many outdoor sportsmen have opposed the Barkley bill. We have before us a compromise bill which the committee has written, and many objectionable features of the Barkley bill have been entirely eliminated. The committee has taken up and considered the principles favored by the Izaak Walton League, the Audubon Society, and others, therefore we have a new bill here which they approve?

Mr. DONDERO. Yes.

Mr. STEFAN. And with the amendment to be offered by the gentleman from South Dakota [Mr. MUNDT] we are all agreed that it will contain principles satisfactory to the Izaak Walton League and other similar organizations?

Mr. DONDERO. Yes. The Mundt amendment seeks to prevent future or new pollution of our navigable waters and their tributaries.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. What provisions are there in this bill, relative to pollution, which endangers the public health that the State departments of public health have not already got?

Mr. DONDERO. Let me answer the gentleman this way: The pending bill leaves to the police power of the States the question of control of the pollution of their waters.

Mr. BATES of Massachusetts. Which power they already have.

Mr. DONDERO. The Federal cooperative agencies of this Government, acting in conjunction with the States, will help solve the problem.

Mr. BATES of Massachusetts. Do they need any help from the Federal Government when they have the power now to enforce the law?

Mr. DONDERO. I think they do in those States where the navigable waters are boundary streams and where the streams run through more than one State. This bill provides for the making of compacts between States.

Mr. BATES of Massachusetts. If it was not for that particular provision there would be no necessity for this bill at all, would there?

Mr. DONDERO. That is true; but I want to call to the attention of the House the progress that has been made. In 1904 approximately 1,000,000, or 3 percent of the urban population of the country, had their sewage treated. In 1932, 30 percent, and in 1938, 60 percent. I call attention to that fact to show the progress we are making in this country without using the "big stick." Dr. Parran, Surgeon General of the United States Public Health Service, informed me that they have had practically 100-percent cooperation from municipalities, industry, and everyone concerned in trying to solve this very difficult problem; and only where the municipalities or industries did not have the finances to correct the situation did the Department not have their cooperation. In the Ohio River Valley, in the last 6 years, where

perhaps the problem of stream pollution is the greatest of any place in the United States, 428 cities have corrected the condition and have done it without the use of force, drastic or harsh legislation.

Mr. SOUTH. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Texas.

Mr. SOUTH. I should like to renew the question which I asked the gentleman from Michigan [Mr. DINGELL].

The gentleman is a member of the great committee presided over by the gentleman from Texas [Mr. MANSFIELD]. May I ask the gentleman whether or not the gentleman from Texas is in sympathy with this bill?

Mr. DONDERO. He is entirely and wholeheartedly in favor of this bill. This bill comes from his committee and he was present at all the hearings and when it was reported to this House.

Mr. SOUTH. I know he is tremendously interested in this bill, and I hope it will pass.

Mr. DONDERO. He is, and I know that it is his opinion that this is a sensible and a moderate approach to the problem.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. KELLER. I did not understand the gentleman's statement about the section in which such excellent progress had been made. Will the gentleman repeat that statement?

Mr. DONDERO. The gentleman will find that information in the hearings on this bill. I have before me a statement coming from the Stream Pollution Committee of Cincinnati and the Chamber of Commerce of Cincinnati in which the same figures are used, and I will give the number of cities by States in the Ohio River Valley that have solved their problem.

Mr. KELLER. I thank the gentleman.

Mr. DONDERO. Here they are: Ohio, 114; Pennsylvania, 73; Kentucky, 61; West Virginia, 21; Tennessee, 24; Indiana, 48; and Illinois, 87. It is a remarkable and commendable record, showing what we have done by cooperation and without force. [Applause.]

[Here the gavel fell.]

Mr. SEGER. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON. Mr. Chairman, the provisions of the bill before the House for consideration are not new to Congress. They are the result of years of study by public and private agencies for the purpose of charting a course that will solve one of the most serious problems facing this country today. It cannot be contended that this problem affects only those areas adjacent to navigable streams or their tributaries, for national health is something that is Nation-wide. This proposed legislation cannot, in any sense of the word, be classed as experimental, nor is it designed to bring about merely temporary benefits. In its present form no grants-in-aid to local subdivisions are provided for. Financial help is made possible only through R. F. C. loans.

The menace of stream pollution is something that cannot be dealt with without Federal cooperation and aid. The contamination of our navigable streams and their tributaries has reached the stage where local treatment plants are, or soon will be, inadequate to deal with the problem. Let me refer for a moment to conditions as they exist today in the Ohio Valley the drainage basin of which includes 200,000 square miles comprising parts of 14 States. The population of the basin is 17,000,000 people. Raw, untreated sewage from localities containing almost 6,000,000 perons is discharged daily into the Ohio River and its tributaries, and, in addition thereto, treated sewage from areas containing 2,500,000 additional persons is discharged into the Ohio River and its tributaries every day. Six million two hundred thousand persons are supplied with water from the Ohio and its tributaries. The bacterial pollution of the river at certain periods of the year is much greater than is considered safe to be used as a water supply, even when the water is treated by the most up-to-date methods of filtration and chemical processes. All of the larger cities on the Ohio River place their raw, untreated sewage in the river. The time was when the river flowed freely and thus created, to a limited extent, a natural process of purification, but the Ohio River is now a series of navigation dams consisting of more than 50 in number. During low water these dams retard the flow and create a series of pools. Near the larger cities they are open cesspools, and from such places these cities derive their water supply.

For a number of years there has been an alarming increase in the pollution of Ohio River water. The Public Health Service has found that water containing as much as 5,000 bacillus coli per 100 cubic centimeters may be chemically treated and used for drinking water. Prior to 1935 raw water in the Cincinnati area averaged annually about 2,600 bacillus coli per 100 cubic centimeters. Since that time the average has increased at an alarming rate. For the year 1935 the average was 10,330. In August 1938 the highest monthly average on record, it reached 28,840. During the entire year 1938 the average was 10,580 more than twice the average considered by the Public Health Service as safe for drinking purposes. Cincinnati has just spent $3,000,000 to improve its processes for water treatment, and the city has been supplied with safe drinking water through chemical treatment, but health authorities are reluctant to prophesy how much longer the water can be safely treated regardless of the amount spent for treatment plants, thus indicating the necessity for the handling of the stream-pollution menace by the Federal Government in conjunction with the States and their political subdivisions, as well as with private industry. It can readily be appreciated that the taking of steps to eliminate stream pollution in any given area would be useless unless similar action were taken over the entire course of the river for, with every rise in the river, the localities downstream must take the pollution from upstream. It would be of no advantage to Cincinnati, for example, to spend millions of dollars largely to benefit Louisville and other downstream cities unless there was some assurance that Pittsburgh and other upstream cities did likewise.

Engineers have estimated that when the Ohio River is at a low stage in the Cincinnati area we have a flow of about 6,000 cubic feet per second, 1,500 cubic feet of which have been through sewers. In other words, one-fourth of the entire flow, or 1 quart out of every gallon of water, has passed through sewers. That is what we are pumping into our waterworks. High chlorinization of the water might kill the germs but it does not take them out. Some specialists dealing with diseases of children will not permit their patients to use city water. Many adults are not permitted to use it. The poor, who cannot afford bottled water, must take their chances.

The conditions which I have described in the Ohio Valley are typical of other sections of the country. In some places they are worse, in other places not as bad, but there is no State in the Union that can be said to be entirely free from the menace of water pollution.

The bill before us today is a result of years of work on the part of Congress, extensive hearings having been held last year and in previous years by the Rivers and Harbors Committee. It is an improvement over the Barkley-Vinson bill, which was passed by the Seventy-fifth Congress, in that it limits Federal expenditures to a sum not to exceed $250,000 per year, to be used solely for administrative purposes. It eliminates entirely all political subdivisions, as well as private industry, from grants-in-aid, and it adds a member of the Army Engineer Corps to the governing board. The objection of the President to the Barkley-Vinson bill has been overcome in this bill.

On February 15, 1939, the President submitted a message to Congress in which he said that although he had vetoed the Barkley-Vinson bill for a technical reason, he fully subscribed to the general purposes of that act; and further said, "I hope that at this session the whole problem of water pollution may again receive your attention."

As far back as 1912, by a special act of Congress, the duties of the United States Public Health Service were broadened to include a study of stream pollution, with the result that we are today fortified with a quarter of a century of knowledge that has been gained by constant study of the problems

of pollution by both the Public Health Service and the Army engineers.

Under the provisions of the bill now before us, no part of the maintenance cost of any project shall be borne by the Federal Government. Many cities have already made arrangements to proceed with sewage-treatment projects when given the assurance that the Federal Government will make it possible for other local subdivisions and industry to do likewise. The city of Cincinnati, for example, has recently approved a bond issue for sewage-disposal works and interceptor sewers. Incidentally, although many other bond issues were voted down, this particular bond issue was heartily approved by the voters of Cincinnati.

I believe that all who are familiar with the problem will agree that stream contamination has reached the stage where it may be classed as a major emergency. If all of the present hazards of polluted waterways were to suddenly descend upon us, it would be viewed as a national catastrophe, comparable to a serious epidemic or a great flood, and prompt and adequate action would be taken.

Favorable action by this House is all that remains to be done in order to set in motion the machinery that will afford protection to the health of millions. Should the House now fail to enact this measure into law, it will not only have reversed the action taken by the Seventy-fifth Congress but will have ignored two previous decisions of the Senate on the same subject, and will also have permitted to go unheeded the urgent request of the President contained in a special message sent to us earlier in the session. Further than that, the House will have rendered useless more than 25 years of intensive study on the part of the War Department engineers and the Public Health Service, and the health and lives of millions of persons in all sections of the country will be jeopardized.

Let us not be deluded by a plea that the bill should be amended so as to provide for mandatory enforcement by Federal injunction. Such an amendment would be an unwarranted encroachment upon States' rights and entirely unnecessary. It would likewise render the law of doubtful constitutionality. The zeal with which the States have entered into the interstate-compact agreements which were authorized by Congress is the best indication that the States individually and collectively will cooperate to make the law effective. The laws of the States as well as the compacts which they have entered into confer ample authority. We cannot attempt to enlarge upon that authority under the pretext of obtaining a stronger law. Let us not at this juncture attempt to confer upon the Federal Government the dubious authority to go about the country enjoining the various subdivisions of the States and industries wholly within those States. In the years to come, if we find that the States have not been able to cope with the problem, we can consider other remedies. [Applause.]

Mr. SEGER. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. HESS].

Mr. HESS. Mr. Chairman, I believe that the city I come from and the district I represent is probably more interested in this legislation than any other section of our country.

We are located on the banks of the Ohio River, and the residents of Cincinnati and the surrounding territory receive their drinking-water supply from the waters of the Ohio River.

Our problem in Cincinnati is the problem of all the Kentucky cities across the Ohio River, such as Covington, Newport, Bellevue, and Dayton; also those cities down the river, such as Louisville, Ky., and Aurora, Lawrenceburg, and Evansville, Ind.

The Ohio River drainage basin includes 200,000 square miles, comprising parts of 14 States. The population of this basin is approximately 17,000,000. All of the larger cities on the main stem of the Ohio are placing their raw, untreated sewage in the river. River pollution also includes wastes from many industrial plants and mines. It is estimated that the many coal mines in the upper stretches of the river contribute 4,000,000 tons of sulfuric acid every year. In addition the entire range of industrial development is represented in processing mineral, agricultural, forest, and chemical products, resulting in every possible type of industrial waste contribution.

The raw, untreated sewage from nearly 5,800,000 persons and the treated sewage from nearly 2,400,000 additional persons is discharged daily into the Ohio River and its tributaries. Over 6,200,000 persons are supplied with water from the Ohio River and its tributaries, and 1,500,000 persons are supplied with water from the Ohio River itself. The concentration of bacterial pollution in the river water for many weeks at a time is far greater than that considered safe to be used as a source of public water supply, even when the water is treated by the most modern methods of filtration. These serious conditions prevail in successive river stretches from Pittsburgh, through Wheeling, Huntington, Portsmouth, Cincinnati, and Louisville, a river length of over 600 miles.

There has been an amazing increase in the pollution of raw Ohio River water for the last 15 years. The United States Public Health Service has found that a satisfactory raw water supply from a lake or river may have as many as 5,000 bacillus coli—germ from the lower bowel of red-blooded animals—per cubic centimeters, and be safely treated for use as drinking water. In August 1935 the bacillus coli count averaged 22,700, and by July 1938 the count hit 28,840, an all-time monthly high—safe limit, 5,000. All prior annual records were shattered during the year 1938 with an average of 10,580 count per 100 centimeters.

To keep pace with increasing pollution, the Cincinnati Water Works has just spent $3,250,000 to enlarge the facilities of the plant, and to improve its process for treatment. Health authorities hesitate to prophesy how much longer the water can be safely refined, if the pollution continues to increase as it has increased during the past 10 years.

We who live along the Ohio River and its tributaries have only once source of supply for the water we use daily, and that is the river water. The National Resources Committee informs us that, when the river is low, 1 quart out of every gallon of water flowing in the river has been through a sewer.

Something must be done to correct this evil and to protect the health of millions of our citizens. The time to act is now; we cannot delay action for another year; it may be too late. The bill before us is a step in the right direction. It is the beginning of the solution of a problem of paramount interest to millions of our citizens all over the United States.

Objection has been made to this legislation because it involves the annual expenditure of $250,000, to cover administration. Let us not be penny-wise and pound-foolish in this drive for economy. If the health of our citizens is not guarded, it will cost us hundreds of times this amount in doctors' and hospital bills in the future. This legislation will permit cities and industries to make loans at low rates of interest to construct sewage-disposal plants and industrial waste-disposal plants to protect our water supply. It is the best possible legislation we can hope to get at this time. It meets with the approval of the President of the United States, the United States Public Health Service, which will administer it, the Reconstruction Finance Corporation, which will make the loans, and it has passed the Senate without a record vote. There are also upward of 65 organizations throughout the United States interested in this subject which have placed their stamp of approval on this type of stream-pollution legislation. Let us hesitate no longer, but pass this bill on to the White House, where it may receive the Presidential signature and become law. The House of Representatives has a chance today to perform a real humanitarian act. [Applause.]

Mr. GAVAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Chairman, I am very glad to endorse everything my friend, the gentleman from Michigan [Mr. DONDERO] has said about this bill. It relates to a subject in which I have been very much interested for the past 20 years. In 1916, I introduced a stream-pollution bill in the State Senate of Virginia. When the Committee on Conservation of Wildlife Resources was organized in the House in 1934, one of the first subjects we studied was that of stream pollution. I fully agree with my colleague from

Michigan who said that this is not only a serious problem but a national problem. The Select Committee on Conservation of Wildlife Resources, in each of its reports to the House, has called attention to stream pollution both as a health problem and as a fishing problem, and as affecting the recreational use of our inland waters, and the committee has urged appropriate legislation on the subject.

Several years ago, when the so-called Barkley-Vinson bill was pending before the House Committee on Rivers and Harbors, I appeared at the request of the select committee of which I was chairman and testified before the committee at considerable length in behalf of that bill.

This matter has been before us so long now that no extended debate should be necessary. We all know pretty well what is involved. The main difference of opinion has been on whether we should adopt a rather conservative approach, an approach based upon study and investigation and to a large extent voluntary cooperation, or whether we should crack down on all the polluters, including our municipalities, and fix a dead line beyond which they cannot go, requiring them to eliminate all their pollution, even though, as Dr. Abel Wolman said, it may cost them from $2,000,000,000 to $4,000,000,000 to do so.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from California.

Mr. CARTER. Is the gentleman from Virginia, who, I may say, is very sincere in his attitude toward these measures, favoring the bill S. 685, which is the Barkley bill, I believe, or is he favoring the proposed amendment which I understand is to be offered and which appears in the report of the Committee on Rivers and Harbors?

Mr. ROBERTSON. I will be frank with the gentleman. There have been very many changes in the various bills. Your committee has had before it four or five different bills, and it has brought out one or two different bills. Then, I believe the gentleman from South Dakota [Mr. MUNDT] has introduced four or five more bills. It is difficult for me to keep up with all of them. The one I am now supporting, however, is the last one, and it is the one that is before us today, that is, the bill appearing in the report of the Committee on Rivers and Harbors, which, when offered as an amendment, will strike out all after the enacting clause of S. 685 and insert the new provision contained in the committee report. The bill provides for $250,000 for the Health Service to study this problem, with R. F. C. loans to those who want to put in sewage treatment plants or industrial waste elimination plants.

Mr. CARTER. As I understand, that bill is not yet before the committee and cannot come before the committee in a parliamentary manner until after it is offered as an amendment. It has not yet been offered as an amendment. The bill that is before the committee at the present time is S. 685, without the amendment offered by the Committee on Rivers and Harbors.

Mr. ROBERTSON. I am for the bill that the committee will offer later. I may say that while I have not had an opportunity to study carefully an additional amendment, which I understand the committee will offer or accept, I am in sympathy with its general purpose, that is, to prevent future pollution from new sources which is clearly unnecessary and so declared to be by the agency we set up to study and handle that problem.

There is one phase of that so-called Mundt amendment that I hope the committee will consider carefully before the exact language of the amendment is adopted. I refer to new pollution that can occur from any municipal sewage after the enactment of this law.

Take, for instance, a little town of 10,000 that may have a big factory or two factories located in it and within a year grow to 20,000. Would that be new pollution? If so, that little town may not have the money to put in immediately a sewage-treatment plant, yet, under this law, it would be subject to prosecution, conducted by the district attorney, if it did not do so, unless it be clear that the words "new source" mean a different source. That is one phase of the proposed amendment that has been shown me that I think should be carefully considered before it is bodily included in the substitute which I understand will later be offered by the acting chairman of the committee.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Michigan.

Mr. DONDERO. The reason for a moderate approach to this problem is that the public itself is the great offender and not industry?

Mr. ROBERTSON. Of course, from the health standpoint, it is the typhoid and other germs that go from city sewers into our streams that must be used as sources of drinking water. That will, of course, always have to be a major consideration in respect of legislation of this kind from the standpoint of public health. Also, as a fisherman, I am very much interested in the problem from that standpoint, and the recreational use of our inland waters.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Kentucky.

Mr. SPENCE. Does not the gentleman think that the diversity of views largely comes from the diversity of geographical locations? In other words, it is generally recognized that a drastic bill could not be applied to the cities of the Ohio Valley, but such powers might very well be applied to the broad, open spaces of some of the West, where there is, say, a sawmill every 20 miles dumping its waste, and such a provision would enjoin the sawmill from continuing to dump its waste into the stream.

Mr. ROBERTSON. Well, the West has cities and the West has industry, and from no section of the country would there come any united support for a drastic bill now that would say to industry that "At such-and-such time you close down in this respect or we will put you out of business."

Mr. SPENCE. I recognize that the West has some of the finest cities in the country; but there are also fine open spaces, as the district of the gentleman from South Dakota [Mr. MUNDT] would probably demonstrate, and it might be that his bill would be applicable to the few sawmills in his country but would not be applicable to the Ohio Valley.

Mr. ROBERTSON. I would not like to inquire into just why he is supporting his particular legislation. It may be he puts recreational use and health above the needs of industry in this respect; but be that as it may, I think we are pretty well agreed in this House that we are going to have a bill along the lines of the bill that is to be presented to us by the committee, with the possible addition of an amendment affecting new sources of pollution; and, personally, I hope very much the House favorably acts on that type of legislation. [Applause.]

Mr. SEGER. Mr. Chairman, I yield 12 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, the Rivers and Harbors Committee greatly regret that the distinguished chairman of the committee, the gentleman from Texas, Judge MANSFIELD, is unable to be present today by reason of ill health. This to be regretted, as he is a technician in the field of controlling water pollution and is fully alive to that problem. I am glad to announce that his illness is not serious and that he will be back in the harness shortly. The Congress greatly needs the services and sound counsel of that great American at this time. [Applause.] I am able to state that he is strongly for the committee bill and believes that the legislation proposed by his committee is the sane effective approach to the question of pollution of our waterways.

Every citizen of the United States who is concerned with the public health is animated by a desire to conserve the wildlife resources of the country and to promote the use of our rivers and streams for recreational purposes and is vitally concerned in the control of pollution of public waters. Every group that has studied this question are of one mind—that as a civilization grows older this menace to the well-being of our people grows more threatening.

The third report of the Special Advisory Committee on Water Pollution contains some alarming but interesting data regarding the present status of the pollution problem. Seventy-three million people of the United States are served by public sewage systems. This sewered population discharges daily approximately five and three-quarter million gallons of liquid waste, all of which finds its way, treated or untreated, into the streams, lakes, or tidal estuaries. The sewage from 37,000,000 people, representing about 54 percent of the sewered population, is at the present time treated either by sedimentation or otherwise. This leaves approximately two and one-half billion gallons of sewage which are discharged daily in an untreated condition into our water courses. In the field of mining about 2,700,000 tons of sulfuric acid enter our streams as drainage from bituminous mines. The acid drainage from anthracite mines constitutes a similar offense. It is estimated that 10,000,000,000 barrels of brine, about one-half of which finds its way into our streams, are produced daily in the oil fields.

The industrial plants of the country of every name and description are daily discharging into the streams and lakes great quantities of waste which renders the water unsuitable for industrial purposes and prevents recreational use of the streams.

These conditions should be cured. All thinking Americans are alive to this fact. What is the probable cost of the correction of these conditions? It is estimated that an additional expenditure of approximately $1,000,000,000 will be required for municipal surface treatment; $52,000,000 for the control of coal-mine drainage and not less than $100,000,000 for the treatment of oil-field brine. The treatment of industrial wastes will involve an added disbursement of $900,000,000. It is further estimated that the annual operating and maintenance cost for new surface-treatment plants will amount to at least $15,000,000, while the fixed and operating charges for the treatment of mining, oil fields, and industrial wastes will probably exceed $225,000,000 per year.

The House will see that this represents a colossal disbursement which, if carried on ruthlessly, would dislocate our national economy and do violence to wages and pay rolls which carry subsistence to millions of our countrymen. The problem is present and pressing and two schools of thought are now contending to write the law which shall clean up this menacing national condition.

The Rivers and Harbors Committee present a bill here today which represents a moderate but effective approach to these problems. This bill has the endorsement of practically every health body in the United States. It bears the imprimatur of the American Medical Association and has the solid backing of the United States Public Health Service. The representatives of these bodies appeared before our committee and wholeheartedly approved the principles of the bill which is presented here today.

The bill provides for the creation of a Division of Water Pollution in the United States Public Health Service. It further provides for the zoning of the country and establishes the Public Health Service as the contact agency between the various States on interstate pollution control. To date there has been no interstate jurisdiction of this question. The history of it has been that while some States are mindful of the necessity of pollution control, another State upstream has not developed any civic conscience on the question. The bill provides for an appropriation of $215,000 annually and for loans from the R. F. C. The bill does not provide for any grants. This bill bridges over that hiatus and enables the States through the medium of the Federal Government to get together on some sane concerted attack on this question. This bill was born of much discussion and represents substantially the viewpoint of the committee, which has conducted full hearings on the subject and heard all parties in interest.

The committee legislation has the added value of writing into the law the viewpoint of the public-health agencies who have been fighting this problem from the beginning. They are practical men and realize that pay rolls are necessary to an ordered national economy. They further realize that this great problem must be approached sanely and without violence.

A bill embodying these general features was passed by the House and Senate, but was subsequently vetoed by the President on the ground that it did not comply with his budgetary views. The present bill meets his views in the financial provisions, and he will, I am advised, sign the bill in its present form.

There is another school of thought on this question. It is presented by the Mundt bill, which has the backing of certain sportsmen's and conservation groups. I have great respect for the idealism and charm of the proponent of that measure, the gentleman from South Dakota [Mr. MUNDT]. He is an extremely useful Member of the House, and no one can question his fine ability and high service to the country; nor do I question the idealism of the Izaak Walton Society and similar groups, who are urging the passage of drastic legislation on this question. These gentlemen are true nature lovers and are imbued with a strong desire to keep our open spaces free from the taint and waste of civilization.

As I spell it out, these gentlemen would write into law a provision that by injunction proceedings, or mandamus, the offending manufacturers, the miners, and oil refiners should be estopped from continuing the pollution of our waters. The proposition is clothed in weasel words, but that is the effect of it. Under the Mundt proposal a bureaucracy at Washington could ultimately enjoin these groups from operating and thus throw millions of men out of work. By virtue of this proposal a million lawsuits could be started, and, as I view it, blackmail would be the order of the day. The manufacturer, particularly the small manufacturer, upon whose pay rolls of the well-being of our people largely depends, would be haled into court, and a lawyer's holiday would result. This proposed law would, of course, be unenforceable and in most jurisdictions would be declared unconstitutional under the rule of reason. The gentleman from Texas, Judge MANSFIELD, placed an extension in the Appendix of the RECORD the other day which told the history of drastic legislation of this type. He stated that most of the States had passed drastic legislation of this character, and all of it was a dead letter. Neither the courts, juries, nor public officers are going to place people in the bread line so that fishing may be improved.

The health officers of the various States and the Federal Government know that such legislation as this always dies aborning and is nothing more than a futile gesture. I am for the House bill and urge the Committee to pass it in its present form. It represents the best national thought on the question. It creates a Division of Water Pollution Control in the Public Health Service. It constitutes no invasion of States' rights, and the paralyzing hand of bureaucracy cannot lay its hand on the manufacturing plants of America. It places the handling of this question in the hands of the United States Public Health Service and the State health departments. I have great regard for the United States Army engineers, but the personnel of the United States Public Health Service are experts in the field of stream pollution. They have been at it for many years, and they will approach the interstate phase of this great problem with effectiveness and without doing violence to local needs.

I respectfully urge the House to support the Barkley-Mansfield bill. It will be a big approach to the solution of this problem and will bring about a gradual and certain cure of this problem.

I am now advised that the distinguished and able gentleman from South Dakota [Mr. MUNDT] will offer an amendment relating to new sources of pollution and will not oppose the pending bill if that is accepted. I urge the passage of his amendment and congratulate him upon his fine sportsmanship. I think the conservationists and sportsmen for whom the gentleman from South Dakota [Mr. MUNDT] so ably speaks are likewise the subjects of hearty congratulation. Under our joint auspices I know that pollution in America will be tremendously lessened. [Applause.]

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I will yield to the gentleman now for a relevant question.

Mr. CARTER. I want some information relative to the so-called Mundt amendment.

Mr. CULKIN. I said I would yield for a relevant question.

Mr. CARTER. That amendment reads in part as follows:

After date of enactment of this act no new sources of pollution, either by sewage or industrial waste, shall be permitted to be discharged into the navigable waters of the United States and streams—

And so forth. Suppose a factory has temporarily suspended and this bill then goes into effect—will it be affected by the Mundt amendment?

Mr. CULKIN. Oh, the gentleman is seeing ghosts.

Mr. CARTER. Will the gentleman yield further?

Mr. CULKIN. No. I am sorry. The gentleman must know that that question is absurd. Whatever the vested rights of the factory were prior to the enactment of this law will be preserved.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. MURDOCK of Arizona. I am very much inclined to favor such legislation as this, provided it is not too drastic. The gentleman does not think the passage of the bill before us will stop the wheels of industry or be unduly rash and harsh in regard to industries now functioning?

Mr. CULKIN. It will not. It would not affect or lessen the pay rolls of any plant. We can conserve them and at the same time make a rational approach to this question.

May I say this: You do not come to know about these things by accident, although some people think you do. Every bar fly knows more about questions that confront us here and which we have heard in committee week after week than we do. I was impressed in the hearings with the rational attitude of industry in America on this question. I think they see the handwriting on the wall, and they are going to cooperate. I think there will not be any problem under this legislation. You can get more enforcement by this bill than you can by any mandamus or injunctive procedure. That is the pathway to complete inaction.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. CULKIN. Yes; I yield.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SEGER. Mr. Chairman, I yield the gentleman one-half minute.

Mr. CULKIN. Make it snappy. I only have half a minute.

Mr. BATES of Massachusetts. That is more time than some of us could get on this very important bill, which we are very much concerned about. The gentleman mentioned the situation in Connecticut.

Mr. CULKIN. The gentleman should not scold me. I am giving the gentleman my half minute. The sands are running quickly. [Laughter.]

Mr. BATES of Massachusetts. The gentleman mentioned the situation in Connecticut and Massachusetts, that those people are not able to comply. Under this bill, will you be able to compel them to comply?

Mr. CULKIN. You cannot compel them; no. But the weight of public opinion and the influence of the technical leadership will accomplish the purpose.

[Here the gavel fell.]

Mr. SEGER. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, this bill is a step in the right direction. The gentleman from Michigan [Mr. DONDERO] pointed out to the members of the Committee the number of organizations which are backing this legislation. I could give you numerous others in almost every State in the Union which are asking for this type of legislation to be enacted at this time. You know we spent a lot of money to get rid of fruit insects, in fact, we spend $412,000 a year. We spend $395,000 a year for Japanese beetle control. We spend $70,000 a year to get rid of the sweetpotato weevil, and $375,000 a year to control the gypsy and brown-tail moth; and we should. We spend $680,000 for foreign-plant quarantine. As a matter of fact, over $5,000,000 a year is appropriated to the Bureau of Entomology to exterminate these insects. Then, too, we spend money to eradicate the foot-and-mouth disease, tuberculosis and Bang's disease, and for grasshopper control, as I am reminded by my friend from Wisconsin [Mr. SCHAFER]. We have spent hundreds of thousands of dollars. My good friend from California [Mr. CARTER], who is a member of the Committee on Appropriations, votes for those expenditures, and it is entirely proper that he should vote for them. All we are asking for here is $250,000 for administering this law and making it possible for these communities, these public agencies, to borrow money to provide themselves with sewage plants and with proper equipment to get rid of this menace.

In Ohio we have eradicated about 50 percent of it. There is still 50 percent to go. As long as human lives are at stake as a result of this nuisance, it is essential that this bill be passed.

As the gentleman from New York [Mr. CULKIN] pointed out, public sentiment will force those agencies to take advantage of these low-interest loans provided for in this measure.

I hope that the Members of this House, including our good friend from California [Mr. CARTER], will see the light and will vote to put over this meritorious measure that has been approved by every member of the Rivers and Harbors Committee, save one. With the Mundt amendment, as explained and outlined by the gentleman from South Dakota a while ago, even those organizations and agencies which found the bill objectionable will find occasion to go along with it.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I doubt frankly whether any man in this House is more in favor of a proper bill against pollution of our streams than I am. In my own district I have had plenty of evidence of the necessity for many years. It is not only not a new thing to me, but an old, unfortunate one. I am in agreement with the spirit of the bill under discussion here. I objected to the method of procedure for the rule, I think perfectly justly, because it is a practice that seems to have grown up in the House that unless you are a member of the committee in charge of a bill, you have no opportunity of expressing your opinion one way or the other, even though your research may have gone to a very great extent in the direction covered by the bill.

I think that is the wrong spirit. I protested against it, and I protest now. It seems to me that the chairman and minority members of the committee ought always to see to it that the spirit of this House is honored and respected. The idea is to give half the time to those who are for a bill and half the time to those who are against a bill, and that custom should be followed.

Now, back to the bill itself.

I believe in the cooperative spirit of this bill. I do not believe, at the present time, that it would be advisable at all to put down the mailed fist. I think we ought to do everything we can to assist those cities and communities which are not otherwise able to pay their own way, to help them provide their own sewage systems, because I know the spirit of my own district. Unfortunate as the economic condition is at the present time they want to do away with stream pollution as well as anyone under the sun.

I am going to support the spirit of this bill, and I hope the bill will be amended in such way as to deserve my final support.

Mr. PARSONS. I would be glad to have the gentleman explain the type of amendment he would like to see adopted.

Mr. KELLER. I am going to refer to that right away.

I have in my district, as some of you know, a great coal-mining region. Into a small stream, the Big Muddy River, all the raw sewage of 100,000 population is poured, and it is not difficult to understand what the condition is below the place of entry. I know it thoroughly from many years of

observation and experience. I am, therefore, going to do what I can to see to it that a rational bill is put forward here—one that will meet the conditions and that will be national in scope. I want to point out, however, on page 3 of this new bill—that we are not considering now—the first sentence, beginning with "encourage compacts between the several States," and then following that, subsection (c):

(c) The consent of the Congress is hereby given to two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative effort and mutual assistance for the prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

The sentence quoted from subsection (b) should be eliminated, and all of subsection (c) should be eliminated for the simple reason that the Constitution of the United States provides for the entering into of compacts between the States. If the consent of Congress is given in advance that States may enter into compacts Congress has lost the power to modify those compacts afterward. That power is taken away from Congress entirely. That is not in keeping with the spirit of our times because no man can foresee what ought to be done as these things develop. This question of stream pollution is a national question and should always remain in control of the Federal Government.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes; for a question only.

Mr. ZIMMERMAN. The gentleman from Illinois is not in favor, then, of the bill that is under consideration, the Senate bill?

Mr. KELLER. I think perhaps they have it better in this new bill as far as I am able to read it, the one which is to be offered as a substitute for S. 865. I hope the gentleman will read my statement and give it careful consideration. Unless somebody else does, I shall present amendments for consideration of this body, eliminating those unfortunate provisions in regard to compacts between States. [Applause.]

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I yield such time as he may desire, to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I have carefully analyzed this bill. This is what you term popular legislation because in the end your State and my State, if the bill becomes a law, will get something for nothing, at least that is the thought of many who urge its passage. On the contrary at least some of the States will foot the bill. I refer to those States whose contributions to the Federal Treasury exceed the gratuities that are passed out in various forms.

To my way of thinking this law will soon be as popular as the act providing Federal aid for the construction of roads.

Remember this is an authorization bill. Section 1 sets up another bureau within a bureau known, however, as a division. I speak now of the substitute which will be offered I understand, by the Committee on Rivers and Harbors. Section 2 provides the set-up, the duties, and if you will read it carefully you will see how far-reaching the legislation is. In cooperation with other government agencies plans will be prepared for eliminating or reducing pollution of navigable streams of the United States and waters tributary thereto. This covers all waters in the country with the exception of lakes, as all streams eventually empty into navigable rivers and bays.

In this section you also find the bait. Specifically mentioned you find the plans must have due regard for improvements which are necessary to conserve such waters and promote for their public use for water supplies, propagation of fish, and aquatic life, recreational purposes, agricultural, industrial, and other legitimate uses.

This division, upon request of any State health authority, shall conduct investigations and make surveys of any specific problem of water pollution, confronting any State, community or municipality, and make definite recommendations for the correction and elimination of pollution. The division must further, under provisions of the House bill, make a periodic test of the water at any and all bathing beaches.

Is it any wonder that we all have received letters calling upon us to vote for the stream pollution bill. The lure extends to the fishermen, the State engineers, and contractors, and many others. The House bill provides for loans from the Reconstruction Finance Corporation. The original House bill gave us some idea how far reaching the law will be because it provided for an appropriation of $50,000,000 annually. But do not forget the Senate bill has no limitation as to amount. The language in the Senate bill paragraph (e) of Section 7 authorizes to be appropriated annually such sums as may be necessary in the form of grants-in-aid and loans. Think of it, no limitation whatsoever, and remember, no matter what kind of a bill the House passes the bill goes to conference. Between the language in the House bill and the Senate bill the conferees will certainly have unlimited discretion. I predict that, in the end, you will have a conference report that will practically saddle, on the Federal Government, the entire cost of eliminating stream pollution.

Those of you who are insisting upon a reduction in expenditures should stop, look, and listen.

When the taxpayer wakes up to what Congress is doing in this legislation you will hear plenty. Now the propaganda is one-sided, all in favor of the bill. The taxpayer expects us to protect them from Treasury raids.

To hear me talk undoubtedly you would be justified in saying I am opposed to stopping stream pollution. On the contrary I am for it but I do not feel it is the duty of the Federal Government to assume the responsibility and burden in bringing it about.

We legislate for the District of Columbia. I happen to be the author of the law that provided the District government could borrow up to $8,000,000 to construct a sewage-disposal plant so as to stop pollution of the Potomac River. What happened as a result of my bill? The District Commissioners provided for a three-and-one-half-million-dollar project about one-third of which was a grant from the P. W. A., not in my mind a sufficient amount to properly take care of the situation. Only a few moments ago I talked to the sanitary engineer of the District. I asked him what results have been accomplished. He replied it was working fine. I wanted to know why the Potomac was still subject to pollution near Georgetown. He replied he knew of no pollution there. Why there is a sewer that goes under the driveway along the Potomac and when I pass that place every morning the river is full of gulls. If the Potomac was not being polluted at that point why would the gulls be at the mouth of that sewer? He promised to investigate.

Regardless of whether it is functioning properly, I cite my efforts to stop pollution in the Potomac as evidence I favor elimination of untreated sewage.

The bill provides $250,000 for additional help but it further provides for the detail of engineers and experts of any Government agency to assist the new division, those detailed to be paid from the appropriations of the offices to which they are now assigned. The question is just how large a personnel would be needed to carry out the provisions of the bill. The $250,000 is only a starter. The build-up for this popular agency will be fast and furious.

This legislation goes too far. We should remember the activities that properly belong to the State that the Government has already taken over and not add to that list.

There is a provision in the bill the Congress can call for surveys. Provisions similar to those in the River and Harbor Act. Congress will call for surveys, reports will be made to the Committee on Rivers and Harbors, and then you will have an omnibus bill to stop stream pollution just as you have an omnibus bill to improve rivers and harbors.

A year ago I led the fight against the Vinson-Barkley bill. My efforts appeared hopeless at the outset but on a roll call I was only defeated by a few votes. Fortunately the President vetoed that bill. That was in 1939. Now in 1940 you have another bill.

I fear the ultimate result if this legislation passes. Recall what happened to Federal aid for roads. Congress started with an appropriation of $75,000,000 for the first 5 years. Five million the first year, ten million the second, fifteen the third year, twenty the fourth year, and twenty-five millions the fifth year. That was the start. Look at the finish. That was not so long ago. Look where we are now. Not counting the special appropriations our average appropriation for Federal-aid highways is now around $125,000,000. That is what will happen under such legislation as this. The time to prevent it is now. This bill should be defeated and I hope it is. [Applause.]

Mr. GAVAGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. ZIMMERMAN, having resumed the Chair, Mr. O'NEAL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, had come to no resolution thereon.

MELVIN JOSEPH MAAS, JR.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to address the House for 2½ minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Speaker, I do not think the House should adjourn today without appropriate recognition of a joyous event which occurred at 4:50 this morning at Providence Hospital when Melvin Joseph Maas, Jr., or plain Joseph Maas, as the name will finally be determined, began his mundane career under favorable auspices, weight 7½ pounds, muscles and vocal organs in fine trim, the first leap year baby of the crop of 1940 to be born in the Capital City of our Nation.

At last accounts the baby's father, our beloved colleague the gentleman from Minnesota, Representative MELVIN J. MAAS, was doing well, in possession of all of his faculties, proudly conscious of the honor that goes with the parenthood of an only son. When he came down from the stratosphere long enough to be interviewed he said that he was uncertain whether he would bring up his boy to be a general in the Marine Corps or an admiral in the Navy.

Though young in age and experience, Melvin Joseph, or Joseph, as the case may be, gave lusty evidence of his faith in the principles of the political party to which he belongs, which led his attendants rather to believe that he will be neither a general nor an admiral when he grows up but a worthy Member of this great legislative body in which his father has served so long and with such outstanding distinction.

I hold in my hand a picture taken today of the gentleman from Minnesota, Representative MAAS, with his offspring in his arms, and I defy anyone who looks at that picture to say that our colleague is not satisfied. Let us show our affectionate regard for the father and salute the son by giving both a rousing hand. [Applause.]

EXTENSION OF REMARKS

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article on bituminous coal by Arnold Gerstel, of Philadelphia, Pa.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. ALLEN].

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include an article on the Izaak Walton League.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. ALLEN]?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a letter from the bureau of transportation and public service of the New Bedford Board of Commerce, and I also ask unanimous consent to extend my own remarks in the RECORD and to include a letter addressed to Senator WHEELER by the Merchants' Association of New York.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa [Mr. HARRINGTON]?

There was no objection.

Mr. BATES of Kentucky asked and was given permission to extend his own remarks in the RECORD.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee today, and, also, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein the revised wording of the Mundt amendment to the Barkley bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

There was no objection.

Mr. KELLER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee today, and also to extend my remarks immediately following an amendment offered yesterday to the Finnish bill by the gentleman from New Jersey, because I lived 12 years in Old Mexico and know the conditions in Latin America perhaps better than any man in America.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. KELLER]?

There was no objection.

Mr. GAVAGAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the proposed committee amendment to the pending bill S. 685, for the information of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. GAVAGAN]?

There was no objection.

The matter referred to follows:

Proposed amendment to S. 685, an act to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes: In S. 685, strike out all after the enacting clause and insert in lieu thereof the following:

"That there is hereby established in the United States Public Health Service a Division of Water Pollution Control (hereinafter referred to as the Division). The Division shall be in charge of a Director, who shall be a commissioned engineer officer of the United States Public Health Service detailed for such duty by the Surgeon General of the Public Health Service (hereinafter referred to as the Surgeon General). Such engineer officer, while serving as Director, shall have the rank of an Assistant Surgeon General of the Public Health Service, subject to the provisions of law applicable to Assistant Surgeons General in charge of administrative divisions in the District of Columbia of the Public Health Service.

"SEC. 2. (a) The Division shall, after careful investigation, and in cooperation with the Chief of Engineers of the War Department, other Federal agencies, and the agencies of the several States authorized by law or duly designated to deal with water pollution, and in cooperation with the municipalities and industries involved, prepare comprehensive plans for eliminating or reducing the pollution and improving the sanitary condition of the navigable waters of the United States and streams tributary thereto. In the development of such comprehensive plans, due regard shall be given to the improvements which are necessary to conserve such waters and promote their use for public water supplies, propagation of fish and aquatic life, recreational purposes, agricultural, industrial, and other legitimate uses, and for this purpose the Division is authorized to make joint investigations with the aforesaid agencies of the Federal Government and any State or States of the condition of any waters of the United States, either navigable or otherwise, and of the discharges of any sewage, industrial wastes, or substance which may deleteriously affect such waters.

"(b) The Division shall encourage cooperative activities by the several States for the prevention and abatement of water pollution; encourage the enactment of uniform State laws relating to water pollution; encourage compacts between the several States for the prevention and abatement of water pollution; collect and disseminate information; make available to State agencies, municipalities, industries, and individuals the results of such surveys, studies, investigations, and experiments conducted by the Division and by other agencies, public and private; and furnish such assistance to State agencies as may be authorized by law.

"(c) The consent of the Congress is hereby given to two or more States to enter into agreements or compacts, not in conflict with

any law of the United States, for cooperative effort and mutual assistance for the prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

"SEC. 3. (a) The Division, upon request of any State health authority and subject to the approval of the Surgeon General, shall conduct investigations and make surveys of any specific problem of water pollution confronting any State, drainage-basin authority, community, or municipality with a view to effecting a solution of such problem, and shall make definite recommendations for the correction and elimination of the deleterious conditions found to exist.

"(b) The Division, upon the request of any municipality, shall make a periodic test of the water at any bathing beach within the limits of such municipality, and shall make a report to such municipality as promptly as possible with respect to the existence of water pollution at such bathing beach and shall make definite recommendations for the correction and elimination of any deleterious conditions which are found to exist: *Provided*, That only such sums as may be specifically appropriated for such purposes shall be expended in making such tests and recommendations.

"SEC. 4. The Public Health Service shall prepare and publish, from time to time, reports of such surveys, studies, investigations, and experiments as shall be made under the authority of this act, together with appropriate recommendations with regard to the control of pollution of the waters of the United States.

"SEC. 5. Every loan or purchase of securities by Reconstruction Finance Corporation to finance the construction of treatment works shall hereafter be made only upon the recommendation of the State health authority having jurisdiction and upon the recommendation of the Surgeon General and his certification that such construction is necessary to prevent the discharge of untreated or inadequately treated sewage or other waste which would substantial'y impair the quality of any waters of the United States.

"SEC. 6. (a) There is hereby established in the Division, by detail from time to time, a board of five, four of whom shall be commissioned engineer officers of the Public Health Service, a majority of whom shall be experienced in sanitary engineering, and the fifth, the Chief of Engineers, United States Army, or a member of the Corps of Engineers designated by him, all said members to serve without additional compensation. The duties of said Board shall be fixed by the Surgeon General, and to it shall be referred for consideration and recommendations, in addition to any other duties assigned, so far as in the opinion of the Surgeon General may be necessary, all reports of examinations, investigations, plans, studies, and surveys made pursuant to the provisions of this act or hereafter provided for by the Congress, and all applications for loans for the construction of necessary treatment works proposed to be made pursuant to section 5 of this act, and all other matters in connection therewith upon which report is desired by the Surgeon General. The Board shall submit to the Surgeon General recommendations as to the desirability of commencing, continuing, or extending any and all projects for treatment works upon which reports are desired and for which loan applications have been made. In the consideration of such proposed treatment works and projects the Board shall have in view the benefits to be derived by the construction thereof in accomplishing the purpose of this act, and the relation of the ultimate cost of such works, both as to the cost of construction and maintenance, to the public interests involved, the public necessity for such works, and the adequacy of the provisions made or agreed upon by the applicant for the loan for assuring proper and efficient operation and maintenance of the works after completion of the construction thereof. The Board shall, when it considers the same necessary, and with the approval and under orders from the Surgeon General, make as a board or through its members, personal examinations of localities where the proposed treatment works are to be located. All plants, costs estimates, information, and arguments which are presented to the Board for its consideration in connection with any matter referred to it by the Surgeon General shall be reduced to and submitted in writing, and shall be made a part of the records of the Office of the Surgeon General.

"(b) As soon as practicable the Board shall classify the navigable waters of the continental United States into districts to be known as sanitary water districts. The Board shall fix and define the boundaries of each such district and may from time to time alter such boundaries. The areas of such districts shall, insofar as practicable, conform to the areas of watersheds not wholly contained within the boundaries of one State.

"(c) All special reports ordered by the Congress pursuant to the provisions of this act shall, at the discretion of the Surgeon General, be reviewed in like manner by the said Board; and the said Board shall also, on request by resolution of the Committee on Commerce of the Senate or the Committee on Rivers and Harbors of the House of Representatives submitted to the Surgeon General, examine and review the report of any examination, investigation, survey, or project for the elimination or reduction of water pollution or for the construction of treatment works made pursuant to any act or resolution of the Congress, and shall report through the Surgeon General, who shall submit its conclusions thereon through the Federal Security Administrator and the President as in other cases.

"SEC. 7. There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1941, the sum of $250,000 for all necessary expenses of the Division in administering the provisions of this act, including: (a) Expenses of investigations made under this act, including (1) printing and binding of the findings of such investigations, (2) the pay and allowances, travel expenses of personnel of the Public Health Service (including commissioned officers) while engaged in field investigation, (3) (upon the approval of the Surgeon General) the expenses of packing, crating, drayage, and transportation of the personal effects of such personnel and personnel of other Government departments on duty with the Public Health Service upon permanent change of station under competent orders in connection therewith while engaged in such investigations, and (4) purchases required for such investigations, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 edition, title 41, sec. 5), when the aggregate amount involved does not exceed $100; (b) upon approval of the Surgeon General the necessary expenses of the Board of engineer officers provided for in section 6 (a) of this act; (c) the pay and allowances, and travel expenses of reserve engineer officers while on active duty under section 8 (a) of this act; and (d) for the reimbursement of appropriations insofar as expended for pay and allowances of personnel detailed to the Division under section 8 (c) or 8 (d) of this act.

"SEC. 8. (a) For the administration of this act the Federal Security Administrator may, upon recommendation of the Surgeon General, appoint such engineers, attorneys, experts, research assistants, examiners, and consultants as may be necessary, and fix their compensation, in the manner provided by law for the appointment and fixing of compensation of personnel of the Public Health Service; and the Surgeon General is authorized to transfer, assign, or detail to the Division, from any other division of the Public Health Service, such professional and scientific personnel as may be available. Not exceeding 10 engineer officers in the reserve of the Public Health Service may be ordered to active duty for such periods of time as may be desirable, extending not more than 5 years beyond the date of enactment of this act, to assist in carrying out the purpose thereof.

"(b) Such clerks, stenographers, and other employees as may be necessary to discharge the duties of the Division and for the investigations in the field shall be appointed by the Federal Security Administrator in accordance with the civil-service laws and their compensation shall be fixed in accordance with the Classification Act of 1923, as amended, and he shall prescribe such rules and regulations with respect to their duties as he may find necessary.

"(c) The personnel of the Public Health Service paid from any appropriation not made pursuant to section 7 may be detailed to assist in carrying out the purpose of this act.

"(d) The Federal Security Administrator, with the consent of the head of any other executive department of the Federal Government, may utilize such officers and employees of said department as may be found necessary to assist in carrying out the purposes of this act.

"SEC. 9. When used in this act, the term "State health authority" means the official State health department, State board of health, or such other official State or interstate agency as is empowered with the duties of enforcing State laws pertaining to public health or to the abatement of pollution of waters; the term "treatment works" means the various devices used in the treatment of sewage or industrial waste of a liquid nature, including the necessary intercepting sewers, outfall sewers, pumping, and power equipment and their appurtenances; the term "person" means an individual in the capacity of proprietor of an industrial enterprise, a partnership, a private corporation, an association, a joint-stock company, a trust, or an estate.

"SEC. 10. No provision of this act shall be construed as superseding or limiting the functions, under any other act, of the Public Health Service relating to the prevention, control, and investigation of sewage and pollution either directly or indirectly of the navigable waters of the United States and streams tributary thereto.

"SEC. 11. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 12. All provisions of this act applicable to the States shall also be applicable to the District of Columbia and the Territories, including Puerto Rico and the Virgin Islands.

"SEC. 13. This act may be cited as the Water Pollution Act."

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein an editorial from the Cincinnati Enquirer of last Saturday on the pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. BENDER asked and was given permission to revise and extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. GAVAGAN. Mr. Speaker, at the request of the gentleman from Pennsylvania [Mr. SNYDER], who had a 30-minute special order today, I ask unanimous consent that he may have the privilege of addressing the House tomorrow

after disposition of business on the Speaker's table, and at the conclusion of the legislative business in order for the day and any previous orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. GAVAGAN]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CRAVENS (at the request of Mr. MILLS), for 2 days, on account of illness.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7270. An act to amend the Bonneville Project Act.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title: S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

ADJOURNMENT

Mr. GAVAGAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned until tomorrow, March 1, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE OF THE CENSUS

There will be hearings by the Committee on the Census in room 213, House Office Building, Friday, March 1, 1940, at 10:30 a. m., on the reapportionment of Representatives in Congress.

COMMITTEE ON THE JUDICIARY

On Monday, March 4, 1940, at 10 a. m., there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

On Monday, March 4, 1940, at 10 a. m., Subcommittee No. 4 of the Committee on the Judiciary will hold a hearing on the bill, H. R. 7737, to amend the Judicial Code by adding a new section thereto, designated as section 266a, to provide for intervention by States and direct appeals to the Supreme Court of the United States in certain cases involving the constitutional validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes. The hearing will be held in room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Thursday, March 7, 1940:

H. R. 6321, to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

This bill was previously referred to the Committee on Ways and Means, but under date of February 26 it was rereferred to this committee.

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7983, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

H. R. 8612, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1416. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for conservation and use of agricultural land resources, Department of Agriculture, fiscal year 1940, in the sum of $60,000,000 (H. Doc. No. 643); to the Committee on Appropriations and ordered to be printed.

1417. A communication from the President of the United States, transmitting an estimate of appropriation for the Executive Office of the President, in the amount of $2,500, for the fiscal year 1940, to remain available until expended (H. Doc. No. 644); to the Committee on Appropriations and ordered to be printed.

1418. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Panama Canal, for the fiscal year 1940, to remain available until expended, amounting to $325,000 (H. Doc. No. 641); to the Committee on Appropriations and ordered to be printed.

1419. A communication from the President of the United States, transmitting an amendment to the text of the Budget for the fiscal year 1941, for the War Department, under the heading "Air Corps, Army" (H. Doc. No. 642); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 390. Resolution providing for the consideration of H. R. 8026, a bill to establish the composition of the United States Navy, to

authorize the construction of certain naval vessels, and for other purposes; with amendment (Rept. No. 1687). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 406. Resolution for the consideration of H. R. 8157, a bill to establish a national land policy, and to provide homesteads, free of debt, for actual farm families; without amendment (Rept. No. 1688). Referred to the House Calendar.

Mr. CLARK: Committee on Rules. House Resolution 407. Resolution for the consideration of H. R. 7230, a bill to provide for an appeal to the Supreme Court from the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd; without amendment (Rept. 1689). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 408. Resolution for the consideration of House Joint Resolution 265, joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor cost in industry; without amendment (Rept. No. 1690). Referred to the House Calendar.

Mr. DOXEY: Committee on Agriculture. H. R. 7643. A bill to facilitate and simplify national-forest administration; with amendment (Rept. No. 1691). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. H. R. 5477. A bill for the benefit of the Indians of the Crow Reservation, Mont., and for other purposes; with amendment (Rept. No. 1693). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 8499. A bill relating to adoption of minors by Indians; with amendment (Rept. No. 1694). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL: Committee on Indian Affairs. H. R. 6957. A bill to extend to the Colville Indian Reservation in the State of Washington the provisions of the act of June 18, 1934 (48 Stat. 984), as amended; without amendment (Rept. No. 1695). Referred to the Committee of the Whole House on the state of the Union.

Mr. GAVAGAN: Committee on War Claims. H. R. 2625. A bill to provide for the payment of war-risk insurance to the dependents of officers and enlisted men who lost their lives at the time the U. S. S. *Lakemoor* was torpedoed and sunk on April 11, 1918; with amendment (Rept. No. 1700). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 7563. A bill for the relief of Salomon Georg Kaufmann, his wife Doris Kaufmann (nee Stern) and their child Michael Peter Kaufmann; with amendment (Rept. No. 1692). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 5742. A bill for the relief of Leon Frederick Ruggles; without amendment (Rept. No. 1696). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8717. A bill for the relief of sundry claimants, and for other purposes; with amendment (Rept. No. 1697). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8718. A bill for the relief of sundry claimants, and for other purposes; with amendment (Rept. No. 1698). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. S. 1790. An act for the relief of the Eberhart Steel Products Co., Inc.; with amendment (Rept. No. 1699). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8710) granting a pension to David H. Lambert; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8527) for the relief of Samuel Young; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KNUTSON:

H. R. 8713. A bill for the relief of the Republic of Finland; to the Committee on Ways and Means.

By Mr. HARTER of New York:

H. R. 8714. A bill to amend the Neutrality Act of 1939; to the Committee on Foreign Affairs.

By Mr. MAY:

H. R. 8715 (by request). A bill to amend the National Defence Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes; to the Committee on Military Affairs.

By Mr. BOYKIN:

H. R. 8716. A bill to amend the Merchant Marine Act, 1936, to further promote the merchant-marine policy therein declared, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KENNEDY of Maryland:

H. R. 8719. A bill to provide for the reimbursement of certain personnel or former personnel of the United States Marine Corps for the value of personal effects destroyed as a result of a fire at Raritan Arsenal, Metuchen, N. J., on October 10, 1938; to the Committee on Claims.

By Mr. GARRETT:

H. J. Res. 476. Joint resolution to redeem certain exemption or ginning certificates issued under the Bankhead Act; to the Committee on Agriculture.

By Mr. SHERIDAN:

H. Con. Res. 50. Concurrent resolution for the purpose of creating a National Advisory Unemployment Council; to the Committee on Labor.

By Mr. JARMAN:

H. Res. 409. Resolution authorizing the printing of a revised edition of the pamphlet containing information concerning monetary and other benefits available to persons who have served in the armed forces of the United States; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLUETT:

H. R. 8720. A bill for the relief of Jesse W. Pitts; to the Committee on Claims.

By Mr. ANDERSON of Missouri:

H. R. 8721. A bill for the relief of Irene Trauernicht; to the Committee on Claims.

By Mr. KENNEDY of Maryland:

H. R. 8722. A bill for the relief of the heirs of Lt. William Lee Clemmer, Coast Guard; to the Committee on Claims.

By Mr. KING:

H. R. 8723. A bill relating to the citizenship of Anna Malama Mark; to the Committee on Immigration and Naturalization.

By Mr. LUCE:

H. R. 8724. A bill for the relief of Henry Michael Murphy; to the Committee on Naval Affairs.

By Mr. LUDLOW:

H. R. 8725. A bill granting an increase of pension to Cornelia A. Smith; to the Committee on Invalid Pensions.

By Mr. MAGNUSON:

H. R. 8726. A bill for the relief of Pearl Welch; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 8727. A bill for the relief of Arthur S. Chapin; to the Committee on Military Affairs.

By Mr. WALTER:

H. R. 8728. A bill for the relief of Mr. and Mrs. Samuel Azer; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6714. By Mr. COLLINS: Concurrent resolution of the House of Representatives, State of Mississippi, memorializing the President and the Congress of the United States to establish a Regular Army or military post, fort, or camp in the State of Mississippi; to the Committee on Military Affairs.

6715. Also, concurrent resolution of the House of Representatives of Mississippi, memorializing Congress to appropriate $250,000 for the General Samuel Dale National Shrine; to the Committee on the Public Lands.

6716. By Mr. FLAHERTY: Petition of the Northeastern University, Boston, Mass., favoring continuance of Civil Aeronautics Authority civilian pilot training program; to the Committee on Appropriations.

6717. By Mr. HARRINGTON: Petition of Sam Cohen, John Haaga, and others, of Sioux City, Iowa; to the Committee on Ways and Means.

6718. By Mr. LUTHER A. JOHNSON: Petition of Julian Montgomery, State highway engineer of Texas, opposing House bill 6395; to the Committee on the Judiciary.

6719. By Mr. MARTIN J. KENNEDY: Petition of Rutgers University, New Brunswick, N. J., urging support of House bill 8260, providing Federal aid for engineering experiment stations in the land-grant colleges and universities; to the Committee on Interstate and Foreign Commerce.

6720. Also, petition of the American Forestry Association, Washington, D. C., urging that Senate bill 685 and House bill 7971 be referred back to committee for further study; to the Committee on Rivers and Harbors.

6721. Also, petition of the Department of Health of the State of New York, Albany, N. Y., urging support of Senate bill 685, as revised and amended, to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes; to the Committee on Rivers and Harbors.

6722. By Mr. KEOGH: Petition of the Lincoln Women's Republican Club, of St. Albans, Long Island, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn sugar-refinery workers; to the Committee on Foreign Affairs.

6723. Also, petition of the Business and Professional Women's Club of Brooklyn, Inc., Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn sugar-refinery workers; to the Committee on Foreign Affairs.

6724. Also, petition of the American Water Works Association, New York City, concerning the Barkley stream-pollution bill (S. 685); to the Committee on Rivers and Harbors.

6725. By Mr. MONKIEWICZ: Petition of 301 citizens of Hartford and New Britain, Conn., and vicinity, protesting against the imposition of new processing taxes on bread and other necessities; to the Committee on Agriculture.

6726. By Mr. PFEIFER: Petition of the National Federation of Post Office Motor Vehicle Employees, Local No. 2, Jamaica, Long Island, N. Y., urging support of House bill 4098, which provides for permanency of the Motor Vehicle Service of the Post Office Department; to the Committee on the Post Office and Post Roads.

6727. Also, petition of the New York Association of Biology Teachers, Helen S. Woodelton, chairman, conservation committee, Brooklyn, N. Y., urging defeat of the Barkley pollution bill (S. 685) and favoring the Mundt bill; to the Committee on Rivers and Harbors.

6728. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning the new Sugar Act of 1940; to the Committee on Foreign Affairs.

6729. Also, petition of the American Forestry Association, Washington, D. C., urging postponement of the pollution bill for another year; to the Committee on Rivers and Harbors.

6730. Also, petition of the New York Section, Inc., of Green Mountain Club, Brooklyn, N. Y., urging recommitment of pollution bill and defeat of the Barkley bill (S. 685); to the Committee on Rivers and Harbors.

6731. Also, petition of the Business and Professional Women's Club of Brooklyn, N. Y., urging the continuance of the present Sugar Act, which protects home industry and home employment; to the Committee on Foreign Affairs.

6732. Also, petition of the Izaak Walton League of America, Inc., Chicago, Ill., urging recommitment of Senate bill 685, the Barkley pollution bill; to the Committee on Rivers and Harbors.

6733. Also, petition of the Lincoln Women's Republican Club of St. Albans, Inc., St. Albans, Long Island, N. Y., favoring continuation of the present Sugar Act as a protection to those engaged in the refined-sugar industry in Brooklyn; to the Committee on Foreign Affairs.

6734. By Mr. RANKIN: Two memorials of the Legislature of Mississippi; to the Committee on Military Affairs.

6735. By Mrs. ROGERS of Massachusetts: Memorial of the Board of Aldermen of the city of Chelsea, Mass., commending Capt. Joseph A. Gainard for his efficient handling of the situation when his ship, the *City of Flint* was captured by the Germans; to the Committee on Foreign Affairs.

6736. By Mr. SCHIFFLER: Petition of the West Virginia Chamber of Commerce, opposing the Mead bill, to create an Industrial Loan Corporation, etc.; to the Committee on Banking and Currency.

6737. Also, petition of the Marion County Industrial Union Council, Labor Temple, Fairmont, W. Va., favoring certain amendments to the National Labor Relations Act; to the Committee on Labor.

6738. By the SPEAKER: Petition of Arthur G. Coons and others, Claremont College, Claremont, Calif., petitioning consideration of their resolution with reference to the reciprocal-trade agreements; to the Committee on Foreign Affairs.

6739. Also, petition of the State, County, and Municipal Workers of America, Philadelphia, Pa., petitioning consideration of their resolution with reference to resolution on anti-alien legislation; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 1, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious God, we praise Thee that the essence of life is divine. Made in His image is the immortal word in the front door of Thy Holy Book. Help us not to belittle the past nor curtain the future. This old, old truth may we never deny. It is as ancient as the heart of the Almighty, yet as new as the last aspiration that reaches the throne of grace. Not in dumb resignation, dear Lord, do we lift our hearts in prayer, but to enjoy the unbroken inflows of fresh, new wonder while eternity's flame burns deep in our breasts. Do Thou impart to blind, mortal eyes the abiding assurance that, however dark the night, the shadow-draped hills but conceal the brighter dawn. Inspire us to unveil the cross and see infinite love struggling for expression and learn that mercy is greater than sacrifice and that truth is more wonderful than fiction. Blessed be Thy holy name; these will live until the stars grow cold and the leaves of the judgment book unfold. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 424. Joint resolution to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 643. An act authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington; and

S. 1935. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

RESIGNATION FROM COMMITTEE

The Speaker laid before the House the following resignation from committee:

FEBRUARY 29, 1940.

Hon. WILLIAM B. BANKHEAD,
Speaker, United States House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on the District of Columbia.

Very sincerely,

JOE B. BATES.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

CONTESTED ELECTION—NEAL AGAINST KEFAUVER

The Speaker laid before the House the following communication from the Clerk of the House, which was read, and, with the accompanying document, referred to the Committee on Elections No. 1, and ordered to be printed:

FEBRUARY 29, 1940.

The SPEAKER,
House of Representatives, Washington, D. C.

SIR: This office has unofficial knowledge of the bringing of a contest growing out of the special election held September 13, 1939, to fill the vacancy in the Seventy-sixth Congress from the Third Congressional District of the State of Tennessee.

On October 19, 1939, John R. Neal served notice on Estes Kefauver, returned Member from the Third Congressional District of the State of Tennessee, of his purpose to contest the election of said Kefauver. Now comes the sitting Member, Estes Kefauver, in communication to me under date of February 23, 1940, moving to dismiss the said contest and sets forth the reasons therefor.

For the information of the House the Clerk deems it proper to state that no testimony in behalf of either party has been filed in this office as required and in the manner prescribed by law. The time prescribed by law for the taking of testimony having long since expired and no testimony having been transmitted to the Clerk of the House, it would, therefore, appear that this case has abated.

The motion to dismiss the contest is submitted herewith for the consideration of the appropriate committee.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.
By H. NEWLIN MEGILL.

MESSENGER TO HOUSE RADIO PRESS GALLERY

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts, and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 355), as follows:

Resolved, That House Resolution 199, adopted by the House of Representatives on May 23, 1939, is amended by striking out the comma following the word "gallery" and the words "the services of the messenger to be provided only during the session of the Congress."

Mr. WARREN. Mr. Speaker, this resolution merely places the messenger to the radio gallery on an annual basis rather than on a monthly basis while Congress is in session. This is a unanimous report from the Committee on Accounts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on Monday next, after the reading of the Journal and the disposition of matters on the Speaker's table, and following the legislative program of the day and the address of the gentleman from Pennsylvania [Mr. RICH], I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXCESS RESERVES OF BANKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, much has been said about the excess reserve of banks and that the banks are just bursting with money. At the end of 1939 all the member banks in this Nation had excess reserves aggregating $5,166,566,000, but of this $5,166,563,000, $3,002,856,000 is in a few banks in New York City. So, from 80 to 85 percent of these excess reserves are in five States. It is not a very healthy situation for them to be concentrated in the hands of a few people in a few large banks. Upon these excess reserves loans equal to 7 to 1 can be made. But most of the reserves are in one city, and without a stock-market boom—which we do not want for the purpose of inflation—they will not be put to work. If these reserves were distributed in a better way among all the banks of the Nation, more loans and of the proper kind would be made. I repeat that it is against the interest of the country for a few men, who control a few banks, to control the value of money, which establishes the value of everything else. The problems of money and monopoly have not been solved. Last week the excess reserves of member banks increased $60,000,000, but all this increase was in New York City banks.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein a letter and certain tables on excess reserves which were prepared by Mr. E. A. Goldenweiser, Director of Research and Statistics of the Federal Reserve Board.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The letter and matter referred to are as follows:

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
Washington, February 28, 1940.

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

DEAR MR. PATMAN: In reply to your request of February 19, I am enclosing four tables giving the following statistics:

1. Required reserves, excess reserves, and the percentage of excess reserves to required reserves at the end of each year, 1934–39, for central reserve city member banks, reserve city member banks, and country member banks.

2. Balances carried by the various groups of banks on deposit with other domestic banks, and also deposits held by member banks for other domestic banks at the end of each year, 1934–39.

3. Required reserves and excess reserves for the three classes of member banks before and after the four dates on which reserve requirements were changed.

4. Excess reserves of member banks by individual States for the end of 1939.

The percentage of excess reserves to required reserves is given in table 1 for each class of member bank, because these percentage figures show the relative distribution of excess reserves. In analyzing the distribution of excess reserves by classes of member banks account should be taken of the amount of balances carried with correspondent banks, because banks, and particularly country banks, deposit a large amount of their idle funds with banks in other cities. As shown in table 2, balances carried by country member banks with their correspondents are now at the record level of $2,600,000,000. This may be compared with an average level of about $1,000,000,000 during the period 1924–31. Reserve city banks also carry substantial balances with correspondents, but at the same time they hold balances for other banks, and withdrawal of the latter is likely to be met by drawing upon the former. New York City banks, which have the largest amounts of excess reserves, also hold very large deposits of other banks. In effect, New York banks are carrying part of the excess reserves of other banks.

If there is any more information you need, do not hesitate to call on us.

Very truly yours,

E. A. GOLDENWEISER,
Director of Research and Statistics.

TABLE 1.—*Reserves of member banks*

[In millions of dollars]

End of year	All member banks	Central reserve city banks	Reserve city banks	Country banks
Required reserves:				
1934	2,301	1,121	724	456
1935	2,736	1,445	858	433
1936	4,632	2,384	1,496	753
1937	5,793	2,870	1,897	1,026
1938	5,511	2,911	1,724	876
1939	6,437	3,593	1,944	900
Excess reserves:				
1934	1,781	870	544	366
1935	2,837	1,606	737	494
1936	1,939	832	612	494
1937	1,212	464	413	335
1938	3,184	2,076	630	477
1939	5,167	3,315	1,174	678
Excess as percent of required:				
1934	77.4	77.6	75.1	80.3
1935	103.7	111.1	85.9	114.1
1936	41.9	34.9	40.9	65.6
1937	20.9	16.2	21.8	32.7
1938	57.8	71.3	36.5	54.5
1939	80.3	92.3	60.4	75.3

TABLE 2.—*Interbank deposits*

[In millions of dollars]

End of year	All member banks	Central reserve city banks	Reserve city banks	Country banks
Balances carried by member banks with other domestic banks (member and nonmember):				
1934	3,149	310	1,543	1,296
1935	3,776	320	1,779	1,676
1936	4,066	321	1,816	1,929
1937	3,414	299	1,470	1,645
1938	4,240	344	1,940	1,956
1939	5,506	407	2,485	2,614
Deposits held by member banks for other domestic banks (member and nonmember):				
1934	4,703	2,244	2,101	358
1935	5,847	2,860	2,556	431
1936	6,555	3,092	2,963	499
1937	5,565	2,636	2,496	433
1938	6,642	3,345	2,827	469
1939	8,652	4,422	3,633	597

TABLE 3.—*Reserve position of member banks when reserve requirements were changed*

[In millions of dollars; based on averages of daily figures for the half month before and after change]

Date of change in reserve requirements	All member banks	Central reserve city banks	Reserve city banks	Country banks
Aug. 16, 1936:				
Required reserves (Aug. 1–15)	2,958	1,558	929	471
Required reserves (Aug. 16–31)	4,440	2,322	1,404	714
Increase	+1,482	+764	+475	+243
Excess reserves (Aug. 1–15)	3,105	1,516	970	619
Excess reserves (Aug. 16–31)	1,852	760	601	490
Mar. 1, 1937:				
Required reserves (Feb. 16–28)	4,595	2,364	1,474	757
Required reserves (Mar. 1–15)	5,357	2,751	1,717	888
Increase	+762	+387	+243	+131
Excess reserves (Feb. 16–28)	2,139	985	642	513
Excess reserves (Mar. 1–15)	1,364	432	497	435
May 1, 1937:				
Required reserves (Apr. 16–30)	5,279	2,674	1,714	890
Required reserves (May 1–15)	6,012	3,020	1,963	1,029
Increase	+733	+346	+249	+139
Excess reserves (Apr. 16–30)	1,623	708	495	420
Excess reserves (May 1–15)	911	225	324	363
Apr. 16, 1938:				
Required reserves (Apr. 1–15)	5,740	2,881	1,860	1,000
Required reserves (Apr. 16–30)	5,056	2,603	1,618	835
Decrease	−684	−278	−242	−165
Excess reserves (Apr. 1–15)	1,619	738	488	394
Excess reserves (Apr. 16–30)	2,523	1,323	730	471

TABLE 4.—*Excess reserves of member banks, Dec. 30, 1939*

[In thousands of dollars]

All member banks	5,166,566
New England:	
Maine	8,081
New Hampshire	3,059
Vermont	3,402
Massachusetts	194,876
Rhode Island	20,431
Connecticut	26,886
Middle Atlantic:	
New York	3,002,856
New Jersey	66,097
Pennsylvania	391,972
East North Central:	
Ohio	184,344
Indiana	28,767
Illinois	493,697
Michigan	80,322
Wisconsin	43,835
West North Central:	
Minnesota	38,246
Iowa	10,835
Missouri	89,262
North Dakota	934
South Dakota	2,935
Nebraska	10,274
Kansas	9,726
South Atlantic:	
Delaware	3,012
Maryland	28,987
District of Columbia	29,795
Virginia	30,390
West Virginia	8,591
North Carolina	7,547
South Carolina	3,247
Georgia	9,125
Florida	8,876
East South Central:	
Kentucky	11,059
Tennessee	10,516
Alabama	12,851
Mississippi	3,273
West South Central:	
Arkansas	9,707
Louisiana	16,589
Oklahoma	18,462
Texas	74,789
Mountain:	
Montana	10,421
Idaho	1,806
Wyoming	3,763
Colorado	30,195
New Mexico	2,341
Arizona	1,219
Utah	6,321
Nevada	1,020
Pacific:	
Washington	9,641
Oregon	4,946
California	97,240

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. I have asked for this time, Mr. Speaker, to inquire as to the program for next week. I wonder if the Chair would take the House into his confidence at this time on that matter?

The SPEAKER. In answer to the inquiry, the Chair may say that, of course, it is the custom for the majority leader to make such announcements, but, inasmuch as he is temporarily detained with a cold, the Chair takes the liberty of stating that the program, as far as any program has been arranged, will be this: On Monday next, of course, there will be the call of the Consent Calendar and suspensions, if any. The Chair will state that at this time he has it in mind not to recognize any Member for suspensions. It is hoped that on Monday afternoon, or at least on Tuesday, we will begin consideration of the Interior Department appropriation bill, which will probably consume 2 or 3 days. That is as far as any program has been arranged for next week.

EXTENSION OF REMARKS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by Commissioner Collier on S. 3083.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by Russell B. Brown before the Cole subcommittee of the Committee on Interstate and Foreign Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DECLARATION OF INDEPENDENCE BY TEXAS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Speaker, inasmuch as the House is not likely to be in session tomorrow, and inasmuch as March 2 is the one hundred and fourth anniversary of the declaration of independence by Texas, I have asked for this minute to say a few words and to present a unanimous-consent request.

In its statement of grievances the declaration of independence by Texas resembles in many respects the Declaration of Independence written by Thomas Jefferson for the Thirteen Colonies. It is a very important and significant American historical document. In its consequences it had a vast effect upon the development of this country in which we live. I believe it has never been made generally available for perusal by the people of this country or even by the Members of Congress. The original of this declaration is in the capitol building in Austin. I have a copy of this document, which is comparatively brief, and in view of its importance and significance I ask unanimous consent, Mr. Speaker, that it may be included in the RECORD at this point as a part of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The matter referred to follows:

THE UNANIMOUS DECLARATION OF INDEPENDENCE MADE BY THE DELEGATES OF THE PEOPLE OF TEXAS IN GENERAL CONVENTION AT THE TOWN OF WASHINGTON ON THE 2D DAY OF MARCH 1836

When a government has ceased to protect the lives, liberty, and property of the people, from whom its legitimate powers are derived, and for the advancement of whose happiness it was instituted; and, so far from being a guaranty for the enjoyment of their inestimable and inalienable rights, becomes an instrument in the hands of evil rulers for their oppression. When the Federal republican constitution of their country, which they have sworn to support, no longer has a substantial existence; and the whole nature of their government has been forcibly changed, without their consent, from a restricted federative republic, composed of sovereign States, to a consolidated, central, military despotism in which every interest is disregarded but that of the army and the priesthood—both the eternal enemies of civil liberty, the ever-ready minions of power, and the usual instruments of tyrants. When, long after the spirit of the constitution has departed, moderation is, at length, so far lost by those in power that even the semblance of freedom is removed, and the forms themselves of the constitution discontinued; and, so far from their petitions and remonstrances being regarded, the agents who bear them are thrown into dungeons, and mercenary armies sent forth to force a new government upon them at the point of the bayonet. When, in consequence of such acts of malfeasance and abdication on the part of the government, anarchy prevails and civil society is dissolved into its original elements. In such a crisis the first law of Nature, the right of self-preservation—the inherent and inalienable right of the people to appeal to first principles and take their political affairs into their own hands in extreme cases—enjoins it, as a right toward themselves and a sacred obligation to their posterity, to abolish such government and create another in its stead, calculated to rescue them from impending dangers and to secure their future welfare and happiness.

Nations, as well as individuals, are amenable for their acts to the public opinion of mankind. A statement of a part of our grievances is, therefore, submitted to an impartial world in justification of the hazardous but unavoidable step now taken of severing our political connection with the Mexican people and assuming an independent attitude among the nations of the earth.

The Mexican Government, by its colonization laws, invited and induced the Anglo-American population of Texas to colonize its wilderness, under the pledged faith of a written constitution that they should continue to enjoy that constitutional liberty and republican government to which they had been habituated in the land of their birth, the United States of America.

In this expectation they have been cruelly disappointed, inasmuch as the Mexican Nation has acquiesced in the late changes made in the Government by Gen. Antonio Lopez de Santa Anna, who, having overturned the constitution of his country, now offers us the cruel alternative either to abandon our homes, acquired by so many privations, or submit to the most intolerable of all tyranny—the combined despotism of the sword and the priesthood.

It has sacrificed our welfare to the State of Coahuila, by which our interests have been continually depressed through a jealous and partial course of legislation carried on at a far-distant seat of government by a hostile majority in an unknown tongue; and this, too, notwithstanding we have petitioned in the humblest terms for the establishment of a separate State government, and have, in accordance with the provisions of the national constitution, presented to the General Congress a republican constitution, which was, without just cause, contemptuously rejected.

It incarcerated in a dungeon for a long time one of our citizens, for no other cause but a zealous endeavor to procure the acceptance of our constitution and the establishment of a State government.

It has failed and refused to secure, on a firm basis, the right of trial by jury—that palladium of civil liberty, and only safe guaranty for the life, liberty, and property of the citizen.

It has failed to establish any public system of education, although possessed of almost boundless resources (the public domain), and although it is an axiom in political science that unless a people are educated and enlightened, it is idle to expect the continuance of civil liberty or the capacity for self-government.

It has suffered the military commandants stationed among us to exercise arbitrary acts of oppression and tyranny, thus trampling upon the most sacred rights of the citizen and rendering the military superior to the civil power.

It has dissolved, by force of arms, the State Congress of Coahuila and Texas and obliged our representatives to fly for their lives from the seat of government, thus depriving us of the fundamental political right of representation.

It has demanded the surrender of a number of our citizens and ordered military detachments to seize and carry them into the interior for trial, in contempt of the civil authorities and in defiance of the laws and the constitution.

It has made piratical attacks upon our commerce by commissioning foreign desperadoes and authorizing them to seize our vessels and convey the property of our citizens to far distant ports for confiscation.

It denies us the right of worshiping the Almighty according to the dictates of our own conscience by the support of a national religion calculated to promote the temporal interest of its human functionaries rather than the glory of the true and living God.

It has demanded us to deliver up our arms, which are essential to our defense, the rightful property of freemen, and formidable only to tyrannical governments.

It has invaded our country, both by sea and by land, with intent to lay waste our territory and drive us from our homes, and has now a large mercenary army advancing to carry on against us a war of extermination.

It has, through its emissaries, incited the merciless savage, with tomahawk and scalping knife, to massacre the inhabitants of our defenseless frontiers.

It hath been, during the whole time of our connection with it, the contemptible sport and victim of successive military revolutions, and hath continually exhibited every characteristic of a weak, corrupt, and tyrannical government.

These and other grievances were patiently borne by the people of Texas until they reached that point at which forbearance ceases to be a virtue. We then took up arms in defense of the national constitution. We appealed to our Mexican brethren for assistance. Our appeal has been made in vain. Though months have elapsed, no sympathetic response has yet been heard from the interior. We are therefore forced to the melancholy conclusion that the Mexican people have acquiesced in the destruction of their liberty and the substitution therefor of a military government—that they are unfit to be free and incapable of self-government.

The necessity of self-preservation, therefore, now decrees our eternal political separation.

We, therefore, the delegates, with plenary powers, of the people of Texas, in solemn convention assembled, appealing to a candid world for the necessities of our condition, do hereby resolve and declare that our political connection with the Mexican nation has forever ended; and that the people of Texas do now constitute a free, sovereign and independent republic, and are fully invested with all the rights and attributes which properly belong to independent nations; and, conscious of the rectitude of our intentions, we fearlessly and confidently commit the issue to the decision of the Supreme Arbiter of the destinies of nations.

Richard Ellis, President of the Convention; Charles B. Stewart, Thos. Barnett; John S. D. Byrom; Francisco Ruiz; J. Antonio Navarro; Jesse B. Badgett; Wm. D. Lacey; William Menefee; Jno. Fisher; Mathew Caldwell; William Mottley; Lorenzo De Zavala; Stephen H. Everitt; Geo. W. Smyth; Elijah Stapp; Claiborne West; Wm. B. Scates; M. B. Menard; A. B. Hardin; J. W. Bunton; Thos. J. Gazley; R. M. Coleman; Sterling C. Robertson; Jas.

Collinsworth; Edwin Waller; Asa Brigham; Geo. C. Childress; Bailey Hardeman; Robt. Potter; Thomas Jefferson Rusk; Chas. S. Taylor; John S. Roberts; Robert Hamilton; Collin McKinney; Albert H. Latimer; James Power; Sam Houston; David Thomas; Edw. Conrad; Martin Parmer; Edwin O. LeGrand; Stephen W. Blount; Jas. Gaines; Wm. Clark, Jr.; Sydney O. Penington; Wm. Carrol Crawford; Jno. Turner; Benj. Briggs Goodrich; G. W. Barnett; James G. Swisher; Jesse Grimes; S. Rhoads Fisher; John W. Moore; John W. Bower; Saml. A. Maverick; Sam P. Carson; A. Briscoe; J. B. Woods. Test: H. S. Kimble, Secretary.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects and to include statements which I made before the Committee on Appropriations.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief report of the operations of the Farm Security Administration for the past year in the Fifth Congressional District of Kansas.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by our colleague the gentleman from Massachusets [Mr. MARTIN] at the annual beefsteak dinner of the Columbia Club at Indianapolis, Ind., on February 19, 1940.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks to be made in Committee today by including therein an article by Herman G. Baity. It may slightly exceed two pages of the RECORD, but I ask unanimous consent that it may be printed in the RECORD notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

THE PEOPLE MUST PUT AN END TO THIS SPENDTHRIFT ERA IN GOVERNMENT OR WE PERISH

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. THORKELSON. Mr. Speaker, every once in a while we read in the newspapers of how some spendthrift son or daughter has gone through an inheritance or fortune left to him or her by some benefactor who, as he slaved and saved, believed the recipient of the benefactions would use the gift conservatively and wisely.

Today, as I look at the Treasury Department statement for February 27, I am reminded of these spendthrifts.

So far this fiscal year our Government has gone $2,628,259,772 in the red. Unless we cut down this deficit spending by June 30 next, we will have run the year's deficit to over $4,000,000,000. Future historians will no doubt call this the spendthrift age in government.

But, Mr. Speaker, whatever the historians record, they will place the blame upon the Members of Congress who have been appropriating money for all kinds of schemes and projects faster than the expanding bureaus and agencies of the Government can spend it and almost twice as fast as the Congress and the Treasury Department can devise ways and means to collect the needed additional revenues to balance the Federal Budget.

So we have had to resort to borrowing; and our borrowing has been from the money changers—the national and international bankers, if you please, against whom Mr. Roosevelt so loudly declaimed in the campaign of 1932. May I now invite your attention to the fact that, instead of driving the money changers from the temple, they have built the money changers a new marble palace down on Constitution Avenue, where they sit in complacent glee and survey their doubly secure holdings.

Oh, Mr. Speaker, what a farce and sham the New Deal has made of our Government.

Oh, what debauchery has been committed in the name of democracy.

Oh, what a heavy burden has been placed upon the present and yet unborn generations of our people.

Shame upon you, spendthrifts. Shame upon you. The people must surely put an end to this spendthrift era this November or we perish.

EXTENSION OF REMARKS

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a table showing the parity payments that have been made since the inception of the program.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and to insert an address of Robert C. Bassett delivered at La Crosse, Wis., on February 19, 1940.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial from the Times Tribune of Minneapolis.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. YOUNGDAHL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short letter from a farm leader in Minnesota.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JOHNSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Philadelphia Inquirer.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BOLLES. Mr. Speaker, something like a year ago I stood on this floor and talked about the cow. For the first time, I think, in the history of this Congress or any other Congress, there was revealed to many people, who believed that the only things produced in the United States were cotton, corn, wheat, and oats, the fact that there was a cow and she had four tubes and it took 17,600,000 pulls on those tubes in order to produce the milk.

Wisconsin cattle produced nearly 12,000,000,000 pounds of milk last year. This is about 11 percent of all the milk produced in the United States and it is an all-time high point in Wisconsin's milk production, according to the crop reporting service.

Estimates indicate that there were 2,108,000 head of producing cows on Wisconsin farms during 1939, which is a larger milk-cow population than shown for 1938. The average milk production per cow of 5,680 pounds was a little below the average for 1938, and the increase in the total milk production compared with 1938 came from the greater number of milk cows. The total milk production in the State last year was about 1 percent greater than in 1938.

With 11,973,000,000 pounds of milk produced on Wisconsin farms, the State continued its lead in milk production by a wide margin. Minnesota ranked second with 8,160,000,000 pounds and New York ranked third with 7,465,000,000 pounds.

Milk production for the Nation as a whole in 1939 was estimated at 108,558,000,000 pounds, which was somewhat above the production of 1938 when the number of milk cows was somewhat smaller. [Applause.]

EXTENSION OF REMARKS

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief news story on the subject of stream pollution from the Des Moines Register.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address given by our colleague the gentleman from Massachusetts [Mr. MARTIN] at a Republican rally in Chicago on February 20.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a compilation of statistics concerning income-tax payers.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a resolution from the Chamber of Commerce of Fall River, Mass., protesting against the Wheeler-Lea transportation bill.

The SPEAKER. Is there objection?

There was no objection.

PRESIDENT ROOSEVELT

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I have requested this brief period to ask those who always stand ready to laud President Roosevelt and denounce the Republican Presidents before him what in the world Mr. Roosevelt would have done if those Republican Presidents had run the Government like he has run it?

Suppose the Republican administrations from 1920 to 1932 had used up all of the credit of the Nation for the past, present, and future, as has Mr. Roosevelt? Could he have become the Nation's spendingest President? Certainly not.

Summed up, Mr. Roosevelt and his followers are always blaming and finding fault with the very thing that made it possible for him to be a spending President. In my opinion, Mr. Roosevelt and his criticizing followers have continuously shown poor sportsmanship.

OCCUPATIONAL DISEASES

Mr. KELLER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. KELLER. Mr. Speaker, I have just introduced a bill in relation to occupational diseases in this country, principally for the consideration and study of the present and the next Congress. I ask unanimous consent in this connection to submit a statement in respect thereto in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KELLER. Yes.

Mr. RICH. The gentleman speaks about occupational diseases. I think what we ought to do is to have a complete diagnosis of what has been happening in the last 7 years, due to the efforts of this administration, and if we do, then the gentleman will want to have an operation.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. KELLER. Then, Mr. Speaker, I ask unanimous consent to proceed for half a minute more.

The SPEAKER. Is there objection?

There was no objection.

Mr. KELLER. Simply to answer the gentleman from Pennsylvania by saying that if he can look into and gage my mental processes he is a better man than I have ever suspected him of being. But I doubt his ability along that line as I do along so many others.

The purpose of this bill is to aid the States in the control of occupational diseases, that is, disabling conditions from exposures encountered in employment, by effecting better control of these hazards through maintaining special industrial hygiene units in State labor departments, these industrial hygiene divisions to function first by designing and applying engineering control measures to existing exposures; second, by aiding in the preparation of suitable rules and regulations for prevention and by directly aiding the enforcement agency charged with the application of the rules and regulations; third, by aiding the State adjudicating agency in the disposition of workmen's compensation claims.

Occupational diseases occur in all 48 States. Although the extent of damage to workers' health as a result of job hazards varies according to the nature and concentration of industry, this is definitely a Nation-wide problem.

No industrial employment is free from conditions capable of causing sickness, disability, and premature death. The industrial worker's life expectancy is 8 to 10 years less than the population at large.

Most seriously exposed are the estimated 5,000,000 workers menaced by specific, recurring, recognized occupational diseases, that is, lead poisoning, dermatitis, silicosis, asbestosis, poisoning from benzol, carbon disulphide, mercury, radium, carbon monoxide, and about 20 more.

Increasing use of new chemicals, new solvents, new processes are not only bringing new diseases but are producing an alarming increase in the known health disabilities.

Numerous surveys showing the extent of the hazard have been made. Half of the States recognize from 1 to 31 predominant occupational diseases in Workmen's Compensation Act schedules. Medical techniques have been developed to appraise and sometimes alleviate the damage, but preventive programs are wholly inadequate in some States and nonexistent in others. This is due primarily to insufficient funds available to the responsible enforcement agency, that is, the State labor departments.

While health departments in the several States have jurisdiction over the public health—contagious diseases, water supply, sewage disposal—this is a general authority, not specifically related to industry.

In virtually every State in the Union there has been set up by law a labor department or industrial commission charged with the duty of regulating working conditions and authorized to enter places of employment in the enforcement of labor laws, rules, and regulations. These agencies have specific authority and responsibility with respect to prevention of industrial accident and disease.

In three States—New York, Massachusetts, and Illinois—industrial hygiene units which deal exclusively with the science of protecting the worker's health have been integrated with State labor departments and operate wholly on State funds.

Under the Social Security Act of 1935 the Surgeon General of the United States Public Health Service has allotted Federal funds to 25 States and 3 city health departments for research in the field of industrial hygiene and sanitation. None of these industrial hygiene units in the health departments renders service to labor departments in any one of the following ways: First, actual enforcement of detailed rules or laws; second, adjudication of workmen's compensation claims; third, directly aiding in the formulation of administrative codes, rules, and regulations.

If industrial hygiene work is to serve a practical purpose other than the mere development of scientific information, it must be carried out by an agency integrated with the department of labor which has full responsibility for and jurisdiction over protecting the health of workers.

The SPEAKER. The time of the gentleman from Illinois has expired.

WATER-POLLUTION CONTROL

Mr. GAVAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 685, with Mr. O'NEAL in the chair.

The Clerk read the title of the bill.

Mr. SEGER. Mr. Chairman, may I inquire the status of the time?

The CHAIRMAN. The gentleman from New York [Mr. GAVAGAN] has consumed 29 minutes and the gentleman from New Jersey [Mr. SEGER] has consumed 30 minutes.

Mr. SEGER. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, primarily for the information of those not in the Chamber yesterday, and who have not followed the developments of this pollution legislation in the CONGRESSIONAL RECORD, I rise to make a few remarks in the 5 minutes allotted to me. Speaking, first of all, as one of those who has been active in opposition to S. 685 up until yesterday and who has been urging Members of the House to recommit S. 685 for further consideration, I wish to explain why we have changed our attitude toward that bill. It has been the contention of the conservationists throughout the country, the Izaak Walton League, the American Audubon Society, and others, that it is better to have no legislation on pollution at all than to have legislation which does not make some direct improvement in the situation. However, I am happy to advise the House again that yesterday a compromise amendment was agreed to between certain members of the committee and those most interested in my pollution bill, H. R. 7971. At this conference we agreed on an amended version of the amendment which I was going to offer to the committee's bill, which is satisfactory both to the conservationists, and, I understand, to a vast majority of the Members of the House who are interested in passing an antipollution bill at this time. We anticipate the opposition of those who are interested in protecting the so-called vested rights of polluters and deny that polluters have any vested rights in American public waters.

We were opposed to S. 865 in its original form not so much because of what it did but because of what it left undone. This amendment provides that while we study the problems under the provisions of Senate bill 865 we shall invoke regulations preventing new sources of pollution.

It seems to me we have arrived at an honest, fair compromise whereby existing polluters will be given adequate time to correct their nefarious practices, and this Congress will have declared that it is opposed to the polluting practice and will have outlawed its future extension.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. DISNEY. Will your amendment have the same form as that appearing in the Appendix of the RECORD, page 1047?

Mr. MUNDT. My amendment is in this morning's RECORD. I am not sure on which page. It will not be in precisely the same form as it appeared in yesterday's RECORD, because after conference with committee members we altered it slightly, and you will find it in this morning's RECORD in the exact form and language in which I shall offer it.

I urge the Members to vote for this amendment so that both schools of thought with regard to pollution correction can unite in support of S. 865, because any legislation dealing with pollution is bound to have the opposition of certain industries, certain groups, certain manufacturers, who seem to feel that they have an inherent right to pollute the streams of America. Consequently those of us favoring progress toward clean streams must unite in this fight. My amendment rescues from H. R. 7971, which was the conservationists' bill, the bill which you were urged to vote for by various conservation organizations, the control features, insofar as they apply to nonexisting forms of pollution. This amendment prevents this Congress from taking the highly ludicrous standpoint of spending the taxpayers' money to correct a problem before we are willing to prevent the problem from growing worse so rapidly that it is fast becoming insolvable. If we are trying to correct it as it now exists, let us discontinue dumping new forms of sewage into the problem so that we will have to come back for additional taxpayers' funds to continue to study the problem which will be encouraged rather than discouraged by such innocuous legislation. It freezes the pollution problem where it is and says we shall proceed slowly, with Government assistance, in trying to find corrective methods for eliminating the present serious condition. In the meantime we shall stop putting new forms of pollution into the public waters of America. [Applause.]

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, of course, it is impossible in 5 minutes to discuss a question as broad as stream pollution. I have not read the amendment proposed by the gentleman from South Dakota [Mr. MUNDT] and would have to consider that before I could say whether I would accept it or not. However, for just a minute I do wish to bring to the attention of the Committee my knowledge of the efforts to secure pollution legislation.

I have been interested in that subject since I came to Congress. I think it was 20 or 21 years ago that I appeared for the first time before the Committee on Rivers and Harbors in an effort to secure some relief from pollution. Almost every year since that time there has been the same experience. The trouble up to this time has been that legislation that was submitted was too drastic in character and friends of legislation to remedy stream pollution were driven away because they could not subscribe to the features of the legislation. The bill before the House approaches the problem in a sane, constructive way in an effort to try to find some solution. If a bill such as this had been passed by the Congress immediately after my first appearance before the committee about 20 or 21 years ago many of the hardships that we now undergo and much of the pollution occuring since would have been avoided. I hope the bill as reported by the committee will pass. If the Mundt amendment is offered, I must consider the legislation further.

I want to call attention to one other thing. In the draft of the bill which has been presented to the House this morning I find in section 2, subsection (c), a provision that compacts and agreements may be entered into between the States. I wish to call the attention of the House to the fact that in the last session of Congress my committee reported out a bill providing for compacts and agreements between States with respect to fishery matters, and that bill was vetoed by the President upon the sole ground that we did not provide that the compacts and agreements should be resubmitted to the Congress before actually becoming law. In other words, the bill that we passed did not meet the approval of the President because provision was omitted that such compacts

should be referred back to the Congress for approval. I think the President was correct. We have reported again the same bill with language to take care of the omission. That bill has passed the House and is now pending in the Senate. The language we added to meet the objection of the President was:

> Any such compact or agreement shall not be binding or obligatory upon the signatory States unless it has been approved by the legislatures of such States and by the Congress of the United States.

The bill which was vetoed, omitted only the words "and by the Congress of the United States."

What I fear is that if serious consideration is not given to an amendment such as I have suggested now and will probably offer, we may be confronted with a Presidential veto if the President follows the precedent set by him in the last session of Congress.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. DONDERO. I do not know what the attitude of the committee might be, but it seems to me that the gentleman's suggestion is a reasonable one. Rather than risk that veto, I think that an amendment such as the gentleman suggests ought to be presented to the House for approval. I cannot see any objection to it.

Mr. BLAND. If my time would permit, I would like to read this from the Presidential veto:

> This joint resolution is not in conformity with the usual and accepted methods of granting the consent of Congress to the execution of interstate compacts or agreements in that it lacks a provision requiring the approval by the Congress of such compact or agreement as may be entered into before it shall become effective. I believe that it would be unwise to establish the policy of granting in advance the consent of the Congress to interstate compacts or agreements in connection with subjects described only in broad outline as in Senate Joint Resolution 139.

The date of the veto was August 11, 1939, and the quotation above is the pertinent portion of the message.

[Here the gavel fell.]

Mr. SEGER. Mr. Chairman, I yield 4 minutes to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I am a member of the Committee on Rivers and Harbors and also of the Special Committee on Wildlife Conservation. I approach this problem, therefore, from two viewpoints. In my own district in the western part of Oregon we are very much interested, of course, in protecting our industries which use the waterways for the disposal of their waste. I recognize, as do you gentlemen, that we must in any program we adopt with reference to the prevention of further pollution or the eradication of existing pollution in our streams recognize the interests of the commerial users insofar as possible and at the same time preserve public health, fish, and wildlife. On the other hand, we should clearly adopt a program which will not only preserve those interests but will also protect an equally large interest, the right of the public, to have these great waterways of our country flow through their natural courses as little polluted as possible. We realize under existing conditions, with large cities bordering most of these streams and with great industrial enterprises, pulp mills, manufacturing concerns, and mines such as we have in the West, using the streams, that certain pollution is bound to take place. But it seems to those of us on the committee who have given this matter considerable consideration that we can reach a common ground where all interested parties and the public interest may be protected.

We in the West pride ourselves on our wonderfully fine waterways, lakes, and mountain streams. They constitute one of our chief assets in attracting to our communities tourists to enjoy themselves in fishing, outdoor sports, bathing, and otherwise using these fine waterways in which the West abounds. Not only are they useful and profitable for purposes of recreation, but also we want to attract great industries to use them. The Federal Government is spending large sums to develop many of them for transportation. Personally, I am convinced that the compromise, which now seems largely to have been arrived at by members of the committee on both sides of the aisle, is a step forward in the solution of this problem. It does not go far enough to suit some and too far for others. I favor the committee amendment, which will be offered when the bill is read under the 5-minute rule, and also the amendment offered by the gentleman from South Dakota [Mr. MUNDT]. I wish to read the first sentence of the Mundt amendment. It is short. It appears in the Appendix of the RECORD at page 1097.

> After the date of the enactment of this act no new sources of pollution either of sewage or industrial waste shall be permitted to be discharged into the navigable waterways of the United States and streams tributary thereto until and unless approved by the division.

That division is the board set up within existing boards which we already have. It will not entail any additional expense, but will provide opportunity for men who are already charged with responsibility of protecting public health and industry to see that any attempt to pollute streams in the future may be stopped so far as possible. This is a beginning, at least.

Mr. Chairman, the matter of stream pollution has come to be one of the problems of major importance throughout the United States, and there is scarcely a community of any size bordering upon any of our waterways that has not been seriously affected by pollution. It is true that very material improvement has been made in some communities in meeting this problem; however, it is not a problem confined within a single State, but spreads across State lines by reason of its effect upon interstate waterways. Under the commerce clause of the Constitution the Federal Government is involved.

This bill, while it is considered by some as ineffective in meeting the situation, nevertheless is an advance and will give an opportunity to formulate plans and programs and financing through Federal cooperation with the States that gives promise of real effectiveness, eventually leading to a solution of the problem. Its most effective provision is the one regulating new pollution.

In Oregon, my own State, we realized the necessity of providing effective methods for reducing stream pollution and by a vote of the people have adopted measures which will eventually give our State real relief. All of the organizations in our community interested in wildlife conservation, such as the Izaak Walton League, have been active in a campaign to have enacted legislation along the line of the Mundt bill.

The committee amendment, whether amended by the Mundt amendment now pending or not, does not go as far as these organizations would prefer. Nevertheless, I feel we should be willing to accept the compromise by adopting the committee amendment with the Mundt amendment thereto.

I shall support that program, and urge all of you who are interested in taking a step forward in preventing further pollution of our streams to do likewise.

Mr. Chairman, in the House this morning, before we went into the Committee of the Whole, I secured permission to extend an article by Herman G. Baity on this subject, which I wish to follow my remarks at this point.

The matter referred to follows:

ASPECTS OF GOVERNMENTAL POLICY ON STREAM POLLUTION ABATEMENT

(By Herman G. Baity, Sc. D., F. A. P. H. A., professor of sanitary engineering, division of public health, University of North Carolina, Chapel Hill, N. C.)

(Read before the public health engineering section of the American Public Health Association at the sixty-eighth annual meeting in Pittsburgh, Pa., October 18, 1939)

All persons and agencies interested in the stream conservation problem are mutually agreed that there exists in this country a pollution situation that is most undesirable and uneconomic; that such conditions are so widespread as to constitute a major national concern; and that such remedial and preventive measures should be taken as to protect the public health, preserve public decency, conserve the wild-life resources, and promote the use of natural waters for wholesome recreational purposes. It is ironical and unfortunate that some of these agencies, whose interests and objectives are common, should differ so widely and fight so bitterly over ways and means of accomplishing desirable ends. The greatest contribution that can be made to the cause would be the encouragement of a dispassionate consideration of the opposing points of view and a reconciliation of differences. During the recent session of Congress there have been evidences that feelings are running so high as to develop bitter prejudices, cause misrepresentations of facts, and encourage the widespread release of misleading propaganda.

The proper legislative solution of this vexing problem, which requires the ultimate in vision and perspective, should take place in an atmosphere that is clear and calm.

Before considering the opposing points of view or attempting to weigh existing differences, it would be well, perhaps, to reflect briefly upon the fundamental uses of streams and the general nature of the pollution problem.

THE NECESSARY USES OF STREAMS

The uses to which streams and other natural bodies of water are put are many and various, serving in as many ways the needs of our individual and national life. Due to geographical and topographical conditions, the river basin becomes a kind of closed community so far as water uses are concerned. The stream becomes the source for domestic and industrial water supply, irrigation, and hydroelectric power developments; it serves the needs of recreational facilities; it provides the habitat for fish, shellfish, and water fowl; it furnishes the medium for water transportation; and provides the vehicle for the carrying away and ultimate disposal of the liquid wastes originating from our community life and industrial processes.

The use of a natural water course for the reception and disposal of liquid wastes is as necessary and legitimate as its use for any other purpose, subject to definite limitations. If such use renders the river unfit as the source of present or potential public water supplies, offends the senses, endangers health, inhibits the growth of wildlife, prevents its use for recreation, or obstructs navigation, the development of the drainage area will, as a result, be hindered or even stopped, and all people and properties within the area will suffer. But in emphasizing this danger one must not overlook the possible economic consequences which would result if overzealous demands for a pristine degree of stream cleanliness required a degree of sewage and waste treatment that would be prohibitory to municipal and private enterprise.

The proper balance of stream uses is different for every stream, and for each, depending upon conditions, there is one combination which is most logical and economical. Such a policy does not mean that our water courses need become or remain open sewers. In every case public decency and economy demand a degree of cleanliness sufficient to avoid nuisance conditions, provide recreational facilities, support useful aquatic life, protect the public health, and preserve the natural beauties of water. The solution of the problem lies in true conservation, which implies the maximum possible judicious uses of the many properties of streams, such uses to be evaluated from a consideration of the broad demands of the public welfare. It does not lie in any simple statutory device which attempts to regulate water quality upon the basis of a single water use.

POLLUTION ABATEMENT A PECULIAR PROBLEM

A complicating factor in dealing with stream pollution is the fact that the municipal or private agency making an outlay of money for pollution abatement is not the one which benefits directly from the expenditure. It is the downstream riparian owners and users of water who suffer from the pollution, or who reap the benefits of its abatement. In an age of exploitation of natural resources this peculiar fact has, quite understandably, caused both public and private polluters of water to dump their wastes in the easiest and least expensive manner, leaving the unpleasant consequences to the users of water on the streams below. In the past they have too often ignored the public interest and the welfare of succeeding generations and have shunned the responsibility of providing pollution relief.

But the days of pioneer exploitation and the advancing frontier are gone. The growth of densely populated and highly industrialized areas has tremendously increased liquid pollution, while the rainfall has remained practically constant, and normal stream flow has actually diminished under the influences of modern land use. The resulting condition is not limited in its effects to esthetics, recreation, or public health; the economic consequences are being felt. Many industries requiring water of high quality for modern processes of manufacture are already suffering great losses by reason of its defilement by their own wastes, or those of sister industries.

It is high time that serious cognizance be taken of the condition and value of the Nation's streams and plans laid for the sanitary redemption of some and for the continued protection of others, plans not only for the present but for the decades and centuries which are ahead.

EXTENT OF THE POLLUTION PROBLEM

The Third Report of the Special Advisory Committee on Water Pollution of the National Resources Committee, presented to Congress by President Roosevelt on February 15, 1939, contains the most accurate available data regarding the present status of the pollution problem. It estimates that 73,174,000 people of the United States were served by public sewerage systems as of August 1938, which represents 56 percent of the 129,818,000 estimated population of the country at that time.

This sewered population discharges daily approximately five and three-fourths billion gallons of liquid wastes, practically all of which finds its way, treated or untreated, into streams, lakes, and tidal estuaries. This enormous flow represents, however, less than one-half percent of the average daily flow of the streams of the country. The sewage from about 19,000,000 persons is subjected to primary treatment of sedimentation, while an additional 20,700,000 persons are tributary to secondary treatment plants. This total population of 39,700,000 served by some type of treatment works represents about 54 percent of the sewered population, or approximately 31 percent of the country's total population. In terms of volume, roughly two and one-half billion gallons of sewage are discharged daily in an untreated condition into water courses, while about three and one-fourth billion gallons per day receive treatment prior to discharge. However, it should be borne in mind that these statistics do not paint a true picture of the sewage pollution problem. The special advisory committee is careful to point out that it is not essential that all sewage receive complete treatment and that, under certain condition, no treatment may be necessary or desirable.

In the field of mining wastes, the committee estimates that annually about 2,700,000 tons of sulfuric acid entered streams as drainage from bituminous coal mines prior to the recent widespread campaign of sealing abandoned workings. From anthracite mining large quantities of culm and acid drainage also find their way into the water courses of this district. The oil fields are estimated to produce daily about 10,000,000 barrels of brine, a considerable part of which drains into streams. In some sections of the country hydraulic mining operations continue to contribute materially to the silting of stream channels.

A great variety and volume of liquid wastes are discharged from industrial plants into the streams of the country. No reliable estimates are available as to their amounts, or their specific characteristics and effects, but the committee rated them in descending order of importance as follows: Food products, paper and pulp, textiles, petroleum products, and metallurgical products. These wastes are harmful to the receiving streams in a number of ways. They may contain substances causing disease; they may impart obnoxious tastes, odors, and colors, which are revulsive to the senses, render the water unsuitable for industrial purposes, corrode structures, prevent recreational use of the stream, and inhibit the development of fish and other forms of wildlife.

COST OF POLLUTION ABATEMENT

The special committee estimates that the further cost of treatment works to bring about a reasonable abatement of water pollution would involve an expenditure of approximately $1,000,000,000 for municipal sewage treatment, about $52,000,000 for the control of coal-mine drainage, not less than $100,000,000 for the treatment of oil-field brine, and approximately $900,000,000 for the treatment of industrial wastes for which practicable processes have been developed. The annual operating and maintenance costs for the new sewage-treatment plants would amount to at least $15,000,000, while the fixed and operating charges for the treatment of mining, oil field, and industrial wastes would probably exceed $225,000,000 per year. These estimates of the committee for installation and operation assume that optimum use would be made of the natural purification capacities of streams and that, in many situations, much waste would be discharged untreated or with only minor treatment. The complete treatment of all wastes is estimated to cost several times more than the programs outlined above. Such a degree of treatment is considered unattainable, and, even though it were possible, a program of this extent is not considered necessary.

FEDERAL LEGISLATION

During the past 5 years various bills dealing with the problem of stream pollution have been introduced into Congress. These bills fall generally into two types, representing two opposing schools of thought with respect to regulation, and may be briefly summarized as follows:

The first measure dealing with pollution control was introduced into the Seventy-fourth Congress by Senator AUGUSTINE LONERGAN, of Connecticut. Largely supported by the wildlife-conservation group, the Lonergan bill provided for a central Federal regulatory agency to exercise pollution control through injunction procedures in the United States courts.

At about the same time other bills were introduced into the Senate and the House providing for Federal participation, through an existing agency, in a program of educational, research, and coordinating activities, but with regulatory control left to the States. These bills embodied the principles considered desirable by the health officials of the country, and were represented in the later Barkley-Vinson measures introduced in the Senate by Senator BARKLEY and in the House by Representative VINSON of Georgia.

Neither the Lonergan nor the Barkley-Vinson type of bill received final action during the Seventy-fourth Session, and both types reappeared during the Seventy-fifth Session. Late in this session the Vinson bill was passed by both Houses after the elimination of the drastic regulatory provisions attached to it by amendment in the Senate, and the United States Public Health Service was designated as the agency to represent the United States Government in the program. Quite surprisingly, the bill was given a pocket veto by the President on the basis of a technicality, although he voiced hearty approval of its basic objectives and principles.

The Seventy-sixth Congress saw the early introduction in the House of bills similar to the Vinson bill: H. R. 295 (PARSONS), H. R. 922 (SPENCE), and H. R. 2890 (BLAND). One similar to the Lonergan type, H. R. 4170, was introduced by Representative MUNDT. Later in February, Representative MANSFIELD, chairman of the Committee on Rivers and Harbors, introduced H. R. 4314, the bill suggested by the Advisory Committee on Water Pollution of the National Resources Committee as incorporating the best opinion of Federal planning, budgetary, health, and conservation agencies, containing all the basic principles included in the original Vinson bill, and meeting the technical objections upon which the Presidential veto had been based.

Meantime, Senator BARKLEY had submitted S. 685, the same bill as the Vinson measure of the last session with some minor revisions to remedy partially the criticisms of the President, and Senator CLARK had introduced S. 1691, another measure similar to the Lonergan bill. The Barkley measure passed the Senate with minor amendments and went to the House, where it was reported favorably after being amended to conform to Federal budgetary procedure. This bill was given clearance in preference to H. R. 6723, a revised bill later introduced by Mr. MUNDT, but the adjournment of Congress left it in the category of unfinished business. It will doubtless come before the House for action at the next regular session.

CONFLICTING POINTS OF VIEW

In general, the organized wildlife conservation groups appear to believe that the only effective machinery for pollution control is a central Federal agency vested with broad and arbitrary powers to enforce abatement orders by mandamus procedures in the Federal courts. They select the United States War Department as best qualified to administer the program. They profess a lack of confidence in the ability of State and local governments to enact adequate and uniform laws for the abatement of pollution or to enforce such laws even though they were on the statute books. Furthermore, they charge Federal and State public health agencies with an unsympathetic attitude toward pollution abatement, disparage the achievements of these organizations in preventing and relieving pollution, discount the value and applicability of their research developments, and actually accuse these public agencies of bad faith in dealing collusively with offending industry.

On the other hand, all of the public-health agencies of the country, all Federal bureaus and departments concerned with water quality and use, such planning agencies as the National Resources Planning Board, and the President of the United States, apparently favor a type of legislation which gives to the United States Public Health Service certain functions and responsibilities pertaining to research, education, stimulation, and coordination, but leaves to the States, or authorized interstate agencies, the powers of regulation and control.

Those who have had most experience with problems of this nature subscribe to this latter policy as being most logical, reasonable, and, in the long run, most productive of satisfying results. Although the advocates of rigid Federal regulation may not be entirely without justification for their impatience with existing conditions and their cynicism with respect to the future effectiveness of State control, it is believed they may be laboring under certain illusions in their active legislative campaign.

Admitting the possibility that any commentator on so controversial a subject may have predilections that sway him from a course of strict neutrality, the writer ventures to examine a few of the points at issue between the two schools of thought:

Federal against State powers—the power delegated to Congress by the commerce clause of the Constitution is limited to commerce between the several States. Under this authority the Federal Government now exercises control over the discharge of refuse matters, other than liquid wastes, into navigable waters, and the Oil Pollution Act of 1924 rests upon this clause for its constitutionality. The same justification might apply to pollution of navigable streams by domestic or industrial wastes where such discharge constituted actual and appreciable hindrances to navigation, such, for example, as sludge banks in ship channels. However, isolated cases of this kind would not appear to authorize the taking over of the entire field of pollution control by a Federal agency. Since international treaties become the supreme law of the land, without question of constitutionality, the Congress has power to control pollution insofar as necessary to fulfill treaty obligations relating to boundary waters, regardless of whether such streams are navigable or intrastate in character. The Federal Government has the power to regulate pollution on the public domain and exercises some indirect control over water quality through the "beneficial public uses" clause of the Federal Power Act. Its domestic quarantine powers give it authority to approve the safety of water used for drinking and culinary purposes on interstate carriers, and, under voluntary agreements with the various States, it enforces regulations regarding the certification of interstate shipments of shellfish. Aside from these limited powers, in the opinion of leading authorities, there appears to be no constitutional authority for Federal water-pollution control.

The authority of the States over such intrastate matters as stream pollution is well established and cannot be taken away. State legislatures, by exercise of the police power, may enact statutes relating to pollution control or may delegate to agencies of the State the authority to formulate and enforce regulations pertaining thereto. However, the Federal Government does have the authority to conduct scientific and technical investigations relating to water pollution, to cooperate with the States in an advisory capacity, and to render financial assistance to State and local authorities for investigative and construction purposes. There is strong opinion that, regardless of legal powers, this indirect type of participation by Federal agencies would result in a more effective and orderly program of pollution abatement than could possibly be achieved by Federal domination.

Efficacy of centralized control: It is only natural that those observing the sad plight of prostituted streams should infer that the trouble lies in the inefficacy of control machinery under our system of Federal and State division of responsibility. There comes the urge to scrap the machinery and build on a different design. It appears doubtful that our State-Federal form of government is responsible in any large measure for the present situation. The pollution problem is old and world-wide, and for almost a century the countries of Europe have been wrestling with the legislative and administrative phases of pollution abatement. No nation has yet developed a workable plan for reconciling satisfactorily the various conflicting interests in natural waters to provide maximum judicious use for the greatest public benefit. It appears that the record in small highly federalized countries is no better than in those where the legislative and enforcement responsibilities are dispersed.

The explanation of the condition lies not so much in the deficiency or obsolescence of control machinery as in the extreme complexity of the problem, the multiplicity and conflict of interests, and the fact that pollution is only one phase of the larger problems of the conservation and maximum advantageous use of our water resources in general. A change in this condition will not result spontaneously from any device of centralizing power and responsibility. It may be expected to come gradually from the extension of powers on all levels of government, by fitting pollution control into its proper place in the broader control program of planned conservation and use of all water resources, by constant educational and promotional work of all interstate agencies, by relentless attacks along the whole front of the water problem by local governments under the guidance, stimulation, and participation of Federal groups, by the promulgation of interstate compacts and agreements, and by financial assistance from the Federal Government to public and private polluters requiring such aid.

Enforcement by mandate: To the provoked and impatient the correction of public evils by mandate has the appeal of being quick and effective. Regulation appears on the surface to be a simple device for curing all ills. Critics proclaim: "There ought to be a law." Perhaps it would be well to remember other times in our national life when similar evils have been observed, and when the laws designed to provide the perfect panacea proved to be unenforceable and disappointing. Moreover, those who have had occasion to invoke the police power of government in dealing with the public have long ago learned that the mailed fist is less productive than the velvet glove.

Public psychology reacts adversely to arbitrary force. Persuasion, education, and cooperation are more effective instruments than the "big stick," and the power of law should be held in reserve for exercise only when milder measures fail. The Lonergan, Clark, and Mundt types of legislation provide for actions in equity to be brought in the Federal courts and instruct United States attorneys to institute such actions when requested to do so by the Secretary of War or any one of the district boards. These bills appear to remove all existing authority of the States over sewage and waste treatment plants, and place their operation directly under the supervision of the chief of engineers, except for those waters ruled not to be navigable.

Although these bills carry provisions for cooperation with State agencies, for advisory services of other Federal agencies, for the collection and dissemination of information, and for Federal financial assistance, it is feared by many that the emphasis upon drastic control by court action would result in inadequate investigations of actual stream requirements and of the economy and applicability of treatment processes. Precipitate action without complete information would result not only in mental anguish but in the gross waste of public and private funds. Enforcement of the provisions of these measures with respect to new or additional pollution would tend to hinder industrial development and municipal growth, and might preclude the extension of sewers to presently unsewered and insanitary communities. In any case, such measures would be concerned with pollution alone and would neglect consideration of the many other related and inseparable problems of water conservation and use.

Pollution primarily a health problem: There can be no doubt that among the many objectionable and hazardous effects of water pollution the interests of the public health are paramount. Even the most ardent angler must recognize that in the general economy of a stream system the uses of water for such vital needs of life and health as public water supply and the ultimate disposal of domestic wastes are of supreme significance. And when the health interests in a stream are adequately safeguarded, there is usually the consequence that the quality standards of water for other uses are automatically met. It is therefore only reasonable and proper that the administrative responsibility for pollution control should be vested in Federal, State, and local health agencies.

In their criticism of the Barkley-Mansfield type of bill sponsors of the Mundt legislation disparage the splendid research accomplishments of the United States Public Health Service in this field and charge health agencies in general with indifference, inefficiency, and bad faith in dealing with water pollution. The charge has been made repeatedly that health organizations are in league with industrial polluters in conducting "study clubs" for the indefinite and wilfull delay of corrective measures. All who are acquainted with the records of the United States Public Health Service and State health departments will recognize such statements as false and libelous. There is probably no organization in the world that has excelled the record of the United States Public Health Service in the development of fundamental knowledge in the realm of stream pollution, water and sewage treatment during its 26 years

of intensive and basic research on these subjects. The critics appear to be so unacquainted with the technical bases of pollution abatement as to fail even to recognize that the scientific problems are difficult, complex, and slow of solution. They remind the writer of an impatient textile executive who said that he could take a good chemist and solve all the waste-treatment problems in his industry in 30 minutes.

Army engineers or Public Health Service: Sponsors of the Mundt and Clark bills insist that Federal control be vested in the War Department in the interest of rigid enforcement, and cite many other reasons why the Army engineers should be placed in charge of the program. Without disparagement of the splendid record of the Corps of Engineers in their field of responsibility, it can be stated that not one of these reasons is valid. It is notable that there is missing from this list of reasons the primary one which should govern the selection of any Federal agency to perform a particular task, namely, the availability of personnel having the viewpoint, training, experience, background, and technical equipment to handle the problem. These resources for pollution control have been built up by the United States Public Health Service over a period of more than 25 years, during which time, with meager appropriations, they have assembled a highly qualified organization and established an enviable record of useful accomplishment. This work has been quiet, largely intangible, and removed from public view—a reason, perhaps, why the tangible and costly construction projects of the Corps of Engineers should give some people the idea that this agency is vastly superior in its ability to get things done.

As a matter of fact, in all stream investigations in which the Corps of Engineers and the United States Public Health Service have participated jointly the corps has requested the Health Service to handle all phases of the work pertaining to pollution, stream quality, and abatement recommendations. It is presumed that this has been done, because they feel that the Health Service is much better equipped to do the job. In any type of program the Army engineers would continue to handle matters relating to hydrology, maps, channel structures, channel configurations, etc., but it is certain that they would be the last to claim their superior qualifications to deal with the complex problems of pollution. It is apparent that the real reason for the opposition to the United States Public Health Service is the fact that this agency does not subscribe to the extreme views of a few groups interested in only one phase of the problem. Through more than 50 years' fruitful participation with States in regulatory measures for the improvement of the public health and welfare the United States Public Health Service has gained the full faith and confidence of the people of the Nation. It is logical and expedient that it should represent the Federal interests in any pollution-abatement program.

Progress in pollution abatement: Advocates of the plan of rigid federalized control by injunction maintain that the streams of the country are in such appalling condition as to constitute a threat to civilization, and are becoming progressively worse, as a result of the inherent impotency of any State system of regulation and the utter indifference and ineffectiveness of local enforcement agencies. In this connection it is enlightening to look at the record.

According to the report of the Special Committee on Water Pollution, more progress has been made in municipal pollution abatement during the past 6 years than in the preceding quarter of a century. Since 1932 the population tributary to treatment plants has increased from 21,500,000 to 39,760,000, a change from 35 to 54 percent of the sewered population of the country, or an increase from 17 to 31 percent of the Nation's total population. Within this period, and in the face of a rapidly increasing population and tremendous extension of sewer service, the sewered population not served by sewage-treatment plants has been reduced from 40,500,000 to 33,414,000. This has been accomplished at a cost approaching $1,000,000,000.

In the State of Ohio, for example, during the 12-year period 1928 to 1939, inclusive, 160 municipalities have constructed sewage-treatment improvements costing about $40,000,000 (exclusive of costs for collecting sewers, interceptors, etc.) serving 3,223,000 people, or nearly 50 percent of the State's population. In the State of New York, between 1933 and 1939, 102 municipal sewage-treatment works have been built at a cost of more than $38,000,000 and serving 2,854,000 persons. Together with the 161 plants installed in the preceding 30 years, these works now treat the sewage of 263 cities and towns, representing a population of 5,400,000 people, or 78 percent of the entire sewered population of the State. New York City's 10-year program for cleaning up the pollution of that area at a total cost of about $150,000,000 is proceeding on schedule, and several large plants have been placed in operation. The great abatement program of Chicago is essentially finished, and those of other large centers of population and industry are proceeding apace. Proportionate progress is being made in other regions of the country.

While an important impetus to this recent progress may be attributed to the availability of Federal grants-in-aid, most of the credit should probably go to the behind-scenes educational and promotional activities of public-health agencies which have been relentlessly carried on. And another important reason for progress lies in the realization by municipalities and industries of their moral and legal responsibilities in pollution abatement. While the progress made in the treatment of industrial wastes has not been so outstanding as that in the municipal field, many new plants have been constructed, and the general indifference of industry is noted to be rapidly disappearing.

The Federal-State pattern of cooperation: During a period of about 50 years, there has been developed a plan of action and cooperation between Federal and State authorities on all matters pertaining to the public health that has effected a closely linked relationship and results of most satisfying and significant values. In essence the plan involves the provision by the United States Public Health Service of (a) research services to develop scientific facts and procedures; (b) safe and uniform standards; (c) guidance in methods and procedures, by expert technical assistance; and (d) financial assistance; while the responsibility for legislation and administration of the programs is left with State health agencies. Notable among the achievements in the sanitary field of this working arrangement have been the improvement of drinking water quality, with consequent decrease of the intestinal diseases, through the application of the Treasury standard; the successful attack on the malaria menace of the South through the use of scientific facts, methods, and procedures developed by the Public Health Service; the unprecedented advance in safe milk production through the adoption of the United States Public Health Service standard milk ordinance; and the protection against infected shellfish by the application of standards pertaining to sources, production, and marketing.

In all of these activities and many others the United States Public Health Service has developed the scientific facts and shown the way; the States have accepted guidance and executed programs with enthusiasm and efficiency. There is every reason to believe that this plan is the best one that can be conceived for dealing with the problem of stream-pollution abatement.

CONCLUSIONS

The foregoing discussion indicates the author's belief in the following principles relating to the administration of a national program of pollution abatement:

1. That a stream must be recognized as supplying various important needs within the drainage basin, and that all these uses must be considered and balanced.

2. That one of the natural and inescapable uses of streams is for the reception and ultimate disposal of liquid wastes produced on their watersheds after such treatment as may be required.

3. That the self-purification capacities of streams must be utilized to a greater or less degree in all cases, alone or as an adjunct to treatment processes, and that complete treatment of all wastes is neither economically possible nor scientifically necessary.

4. That control of pollution by the injunction process, administered by a Federal agency, is of doubtful constitutionality, contrary to the principles of democratic government, wasteful of money, and ineffective in its prospect of satisfying results.

5. That regulation of pollution is a proper function of State government, and that a Federal agency should operate in an investigative, stimulative, and coordinating capacity, with financial aid furnished for administrative and construction purposes.

6. That the vexatious problems of pollution in interstate waters can best be solved by an extension of the system of interstate compacts and agreements.

7. That the most important factors in pollution abatement are those related to public health, and that health agencies should have the responsibility of administering the program.

8. That the United States Public Health Service is best qualified to represent the interests of the Federal Government, and that the pollution abatement program should be conducted in cooperation with State health agencies along the lines of the "Federal-State pattern" which has been found so effective in other similar undertakings.

9. That with a national campaign conducted under such a plan, and with reasonable availability of Federal funds for loans and grants-in-aid, the future progress in pollution abatement should be comparable with that of the past 6 years. At this rate, within a period of 5 to 10 years the more objectionable conditions of sewage and industrial waste pollution should be corrected.

REFERENCES

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2. Report of hearings before Committee on Rivers and Harbors of House of Representatives, Seventy-sixth Congress, first session, on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, March 3 and 6, 1939.

3. Report of hearings before Committee on Commerce of United States Senate, Seventy-sixth Congress, first session, on S. 1691, March 22, 23, and 27, 1939.

4. CONGRESSIONAL RECORD, Seventy-sixth Congress, first session.

5. Tarbett, R. E. National Aspect of Stream Pollution, presented before annual meeting North Carolina Society of Engineers, January 1939 (unpublished).

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8. Wolman, Abel. State and Other Governmental Functions in the Control and Abatement of Water Pollution in the United States, Chapter XXV, Modern Sewage Disposal, Federation of Sewage Works Associations, 1938.

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I. STATUS OF WATER POLLUTION IN UNITED STATES, 1938

1. Municipal sewage:	
Total population of United States	129,818,000
Urban population (incorporated places in excess of 2,500)	73,200,000
Served by public sewers	73,174,000
Percent of total population served by sewers	56
Population tributary to primary sewage-treatment plants	19,000,000
Population tributary to secondary sewage-treatment plants	20,700,000
Total population served by sewage-treatment works	39,700,000
Percent sewered population served by treatment works	54
Percent total population served by treatment works	31
Daily discharge of untreated sewage—gallons	2,500,000,000
Daily discharge of treated sewage—do	3,250,000,000

(NOTE.—These statistics cannot give accurate representation of pollution problem. It is not essential that all sewage receive complete treatment and, under certain conditions no treatment may be required. The reasonable self-purification capacities of streams should be utilized.)

2. Mining and industrial wastes:	
Acid mine drainage from bituminous coal fields, tons H_2SO_4/year	2,700,000
Culm and acid drainage from anthracite coal fields	Unknown amount
Brine from oil fields, barrels per day	10,000,000
Debris and silt from hydraulic mining operations	Unknown amount
Industrial waste from manufacturing processes	Unknown amount

(NOTE.—Waste-producing industries account for about 75 percent of manufacturing activity of United States, with an annual value of production of $18,000,000,000 and with an employment of about 3,000,000 persons.)

II. ESTIMATED COST OF POLLUTION ABATEMENT

1. Municipal sewage:	
Cost of additional sewage-treatment plants	$1,141,000,000
Annual operating costs of additional treatment plants	15,000,000

(NOTE.—These estimates based upon degree of treatment considered necessary and reasonable. If complete treatment were applied, additional capital cost would be about $2,000,000,000 and annual operating cost about $30,000,000.)

2. Mining and industrial wastes:	
Cost of acid control at abandoned bituminous-coal mines	$12,000,000
Cost of corrective treatment at anthracite-coal mines	40,000,000
Cost of treatment plants for oil-field brines	100,000,000
Cost of industrial waste treatment works	900,000,000
Total capital costs	1,052,000,000
Annual costs of mining and industrial waste treatment	225,000,000

(NOTE.—These estimates do not contemplate complete treatment of all wastes, but assume optimum use of natural purification capacities of streams.)

3. Recapitulation:	
Capital cost of necessary treatment works	$2,193,000,000
Annual operating and maintenance costs	240,000,000

III. PROGRESS IN POLLUTION ABATEMENT IN UNITED STATES

Year	Sewered population	Tributary to treatment works	Population tributary to treatment works	
			Percent of sewered population	Percent total population
1904	28,000,000	1,100,000	3	[1] 1.2
1910	34,700,000	3,900,000	11	4
1932	62,000,000	21,500,000	35	17
1938	73,174,000	39,700,000	54	31

[1] Approximately.

Mr. SEGER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. JOHNS].

Mr. JOHNS. Mr. Chairman, I rise at this time in support of this bill because in my district I have many of the largest paper mills in the world; in fact, I think, the largest—the Kimberly-Clark mills.

These people are very much in favor of this bill, S. 685, with the amendment that may be offered here today, which will have a tendency to do away with pollution. These manufacturers themselves have cooperated in the past to a large extent in efforts to eliminate stream pollution in what is known as the Fox River Valley. There are perhaps more mills along this river dumping pollution into the river than in any other place in the United States.

I want you to know today that the paper manufacturers of the United States, especially those in my district, would gladly cooperate and support this bill, as they have written me they want me to. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. SEGER. Mr. Chairman, I yield 13 minutes to the gentleman from California [Mr. CARTER].

Mr. CARTER. Mr. Chairman, I am opposed to this bill for two reasons. In the first place, it sets up another commission in the Government of the United States that will cost several hundred thousand dollars per annum. In the second place, as was stated on the floor of the House today by those who favor this bill, the pollution question is being solved at the present time by the States.

I am a member of the Rivers and Harbors Committee, and I have listened to every word of testimony that was given before that committee in reference to this problem. The testimony is to the effect that about 80 percent of the pollution problem has already been solved by the States, and each year they are working on it. Therefore this legislation is unnecessary.

Mr. COLMER. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Mississippi.

Mr. COLMER. I understand that the gentleman is opposed to this legislation because it goes too far.

Mr. CARTER. I stated the two reasons I oppose this legislation.

Mr. COLMER. If I understand the gentleman correctly, he would not be in favor of any legislation on the subject.

Mr. CARTER. I believe the States are cleaning up the pollution problem and they should continue to clean it up. The gentleman from Mississippi is a very ardent advocate of State rights, and I do not want to send the Surgeon General of the United States down into the State of Mississippi or any other State to tell the people there what to do about their pollution problems. You have enough brains and ability in your own State to clean up this problem, and it is being done, and will continue to be done, throughout the United States.

Mr. SEGER. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from New Jersey.

Mr. SEGER. May I say that the State of New Jersey has spent $20,000,000 of its own money in cleaning up a river, and this money was spent without asking aid of the United States Government.

Mr. CARTER. I congratulate the State of New Jersey. In my own community we have a sewage-disposal problem that it is estimated will cost $15,000,000 to solve. I am sure if we could get this money out of the Federal Treasury my community would come running here in order to do that, but I am telling them to solve their own problem. There is no money in the Federal Treasury at the present time, and the only money we get in, little as it is, comes from the various States and municipalities. So they might as well finance their own problems.

Mr. BENDER. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Ohio.

Mr. BENDER. On the same basis the gentleman would advocate the abolition of the Bureau of Entomology, for which we appropriate $5,000,000 a year, and he would also advocate doing away with the appropriation for the control of the foot-and-mouth disease?

Mr. CARTER. One question at a time. I am using all of my ability to prevent you money spenders from establishing new commissions. I will enlist in any crusade with the gentleman from Ohio or others to eliminate a number of things that are not essential and necessary.

Mr. CULKIN. Will the gentleman yield?

Mr. CARTER. In a few minutes.

Mr. CULKIN. I yielded to the gentleman.

Mr. CARTER. I am well aware of that. I can remember as far back, may I say to the gentleman, as yesterday without his assistance. I decline to yield.

Mr. Chairman, we are in an unusual position here today. Technically we have before us the Senate bill 685, but the hope has been expressed by some that a substitute will be accepted in place of that bill. The substitute is an amendment that comes from the Committee on Rivers and Harbors. It is pretty much the same, although different in some particulars. In an endeavor to cut down the amount of overhead involved in this bill the Rivers and Harbors Committee set the sum at $250,000 per annum for the overhead expenses; but, Mr. Chairman, may I say that so far as the financial outlay is concerned, there is a joker in this bill, and I refer to paragraph (c), section 7, of the Rivers and Harbors print. In addition to the $250,000 that ostensibly is set up as the annual overhead, there is a provision in there which reads as follows:

The personnel of the Public Health Service paid from any appropriation not made pursuant to section 7—

That is a section of this act—

may be detailed to assist in carrying out the purposes of this act.

That leaves it entirely up to the Surgeon General as to the number of personnel that will be transferred, and no one can stand up here and tell me what it is going to cost per annum to administer this act.

Mr. CULKIN. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from New York.

Mr. CULKIN. May I ask the gentleman, whose memory is so good, does he know that these great rivers of the United States flow interstate? How is he going to get jurisdiction of them if they do flow interstate?

Mr. CARTER. I will be happy to answer that question. May I say first that we have rivers in the West that flow interstate. We have developed one of those rivers, the Colorado, and we did this through interstate compacts.

Mr. CULKIN. The gentleman means the Government developed it.

Mr. CARTER. I do not yield further. I desire to answer the gentleman's question.

I will vote here to permit these States to enter into compacts, if such legislation is necessary, and where there is an interstate river involved, if they desire to work it out on an interstate basis. I will permit them to do that.

Mr. CULKIN. The gentleman has not answered my question.

Mr. CARTER. I do not yield further. I think the example of the Colorado River compact is a splendid example for these other States and should be followed.

There is no necessity for establishing another bureau in the Government. While the annual overhead is set at $250,000 and upward for the first year, you gentlemen well know the history of bureaus and commissions. Let the camel get his nose under the tent, and it will rise up to a million dollars very soon.

Mr. COCHRAN. Mr. Chairman, will the efficient and distinguished gentleman yield?

Mr. CARTER. I yield to my gracious colleague from Missouri.

Mr. COCHRAN. There is a little joker further down in the bill—did the gentleman find it?—whereby the new division can call upon individuals from other departments to be assigned to duty in this work, and such persons must be paid from the appropriation of the department or agency from which they are assigned. Therefore the $250,000 is a mere trifle when considering the large number of engineers and scientists that will be assigned to work out this problem paid from other appropriations.

Mr. CARTER. I thank the gentleman for his contribution. It is very apt at this time.

The President of the United States in an economy message delivered here a few months ago stated that the way to stop appropriations is to stop authorizations, and you Members of this House know that is the way to do it. If we do not stop these authorizations we are never going to be able to stop the appropriations. Therefore I am urging that this bill be defeated today.

I am for cleaning up the streams of the State and navigable waters and the inland bays and rivers just as much as anyone, but I maintain and contend, and I challenge anybody to prove otherwise, that this work is being done now by the States. Therefore, why set up another organization? If the Federal Government is going to do this at all, why not do it under the Chief of Engineers, who has a river and harbor organization at the present time covering the entire United States?

Mr. SANDAGER and Mr. BENDER rose.

Mr. CARTER. I yield to the gentleman from Rhode Island.

Mr. SANDAGER. I wish the gentleman from California would explain before he leaves the floor wherein the substitute differs from the original bill.

Mr. CARTER. The substitute differs in this respect: The original Senate bill provides for an overhead of $1,000,000 a year, with a limit of $50,000,000 for grants and lending purposes per annum.

Mr. COCHRAN. And awards or grants which mean gifts.

Mr. CARTER. Yes; for grants and loans. This bill provides ostensibly, on the face of it, $250,000 for overhead, but, as the distinguished and able gentleman from Missouri has suggested, it also leaves a loophole open whereby they can call in all kinds of personnel from the outside who will not be paid out of this appropriation of $250,000 per annum. Now, I ask, how much is this bill going to cost per annum? There is not a person in this House who can answer that question.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield.

Mr. COCHRAN. I notice in the bill that this new set-up will be required to make tests of bathing beaches from time to time. Can the gentleman tell us how many bathing beaches there are in the United States? It would be interesting to know the burden on the division of this work alone.

Mr. CARTER. No; and that is another reason for voting against this measure.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I decline to yield further.

This division of water pollution is to be set up in the Public Health Service and is to be under the control of a director. The director is not appointed in the usual way by the President but, under the terms of this bill, is appointed by the Surgeon General, who has very extensive powers when it comes to administering this bill. From the study I have made of the bill, I believe their hope and their ambition is to set up another organization duplicating that of the Chief of Engineers throughout the country. They provide that this division of water pollution shall make its reports to the Commerce Committee of the Senate and to the Committee on Rivers and Harbors of the House, as is done in river and harbor work.

Mr. Chairman, this bill should be defeated. [Applause.]

[Here the gavel fell.]

Mr. SEGER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Frankly, this bill calls for an expenditure of not more than $250,000 a year by the Federal Government. It provides that various political subdivisions and States may borrow money from the Reconstruction Finance Corporation at a low rate of interest to prevent stream pollution. As I pointed out yesterday, we spend millions of dollars in order to exterminate various insects which infest the agricultural areas of the country. Insects recognize no State lines and neither does water pollution. This is the only satisfactory way in which this problem can be solved.

Our hearts bleed for Finland, and our hearts bleed for Czechoslovakia and Poland. We appropriate millions of dollars to be loaned through the Export-Import Bank for the

benefit of these unfortunate people. But charity begins at home. Here is our chance to help our own people. Because of stream pollution thousands of lives are being affected and hundreds of lives are being snuffed out by reason of diseases resulting from pollution.

It is true that States and communities are doing much to solve this problem but there are many communities which have no funds. They would like to help out in this situation but they do not have the money. Let us give them the opportunity of borrowing this money from the Federal Government in the regular way. There are no grants in this bill. Nothing is given to them. The bill provides $250,000 to be used by the Surgeon General. The Surgeon General's Department has never been questioned on the floor of this House. A member of the staff of the Army engineers is to serve as a member of this commission and he will join hands with the Surgeon General in administering the law. [Applause.]

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, once more we have before us a so-called anti-stream-pollution bill. Those of us who have been interested in legislation of this kind for a great many years have been very hopeful, after the many years of work and labor which have gone toward a solution of this problem, that some day we would have before us a piece of legislation that we could get behind wholeheartedly and enthusiastically and support, because we believe that it may accomplish something to correct this evil which is one of our national disgraces. We have hoped we could have upon our books a piece of legislation that would be something more than a sop thrown to the people to make them believe that steps were really being taken to eradicate stream pollution in the United States, but here we have a bill very much like the other bills with which we have been confronted—a bill which gives unlimited bureaucratic possibilities; a bill which makes possible large appropriations from time to time to tell the American people exactly what we already know, and that is what is polluting our streams. Everyone in the United States knows what is polluting the streams. They know that stream pollution is coming from industrial and domestic wastes. They know that if stream pollution is to be prevented, the waste coming from the large industries and the sewage coming from the large metropolitan centers must be purified before it is allowed to go into the streams.

What we need is legislation which will clamp down on the influences which are polluting our streams and then prevent them, after a reasonable length of time, from allowing it to go into the streams. This legislation will not accomplish that purpose.

Mr. Chairman, one of the reasons we have never been able to accomplish anything definite in regard to the solution of this problem of stream pollution is the fact that those of us who are genuinely for legislation which will accomplish our purpose are usually kept divided by the efforts of those who pretend to be lobbying in favor of anti-stream-pollution legislation. It is quite plain to be seen there is many a lobbyist operating here in Washington who does not wish to accomplish the purpose for which he is lobbying. Whenever a lobbyist has a great issue and has behind him organizations that are financing him in his efforts, he is, of course, quite well aware that if he succeeds in having his issue enacted into law his position as a highly paid lobbyist is going to disappear. Unfortunately, because of the efforts of some of these lobbyists, those of us who are against legislation like S. 685 have been kept divided in order that we may not concentrate our efforts toward the enactment of a piece of legislation which will solve this problem.

Mr. Chairman, I hope this legislation will be defeated. I do not want a piece of legislation passed which will be heralded to the sportsmen of the United States as a panacea for the injustices they have had heaped upon them by the metropolitan centers and the industrial interests of the United States when, in reality, it does nothing whatever to solve the problem or to purify our streams and make them better centers for fishing, bathing, boating, and the water in them more healthful and palatable. [Applause.]

[Here the gavel fell.]

Mr. SEGER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I do not know on what conservation meat the distinguished gentleman from Pennsylvania [Mr. FADDIS], who preceded me, feeds. We have been confronted with the extreme attitude—you might say, the uncompromising attitude—of those who are interested in the conservation of game. All of them have acquiesced in this bill provided the Mundt amendment is added, and we have agreed to that.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Just briefly; yes.

Mr. FADDIS. I simply want to say that I believe some of the interests who really do not want a bill passed have agitated the extreme views.

Mr. CULKIN. That is a statement, but the gentleman, obviously, does not want any bill at all, or he is blind to the progress of conciliation that has gone on here. Everybody is for this bill now, except the ardent and confirmed polluters who are threatening the life of the people of the United States.

Mr. SEGER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. SEGER. I believe the gentleman is doing many of us here an injustice. I am not a polluter, but I am against the bill.

Mr. CULKIN. I was talking in terms of the public. I now want to say a word about the distinguished gentleman from California, for whom I have great affection. We are spending, for California and in California, approximately $400,000,000 to give them a good water supply. We are spending $150,000,000 on Boulder Dam, and we are spending $190,000,000 on Central Valley. This is to turn the ocean back, and turn salt water into fresh. Now, why in God's name, is the gentleman for that, and wholeheartedly for that, working ably in that cause, and yet resists the attempt of the people of the United States to cure this great problem of interstate pollution. The gentleman from California spoke about the engineers. The engineers are in fact, in this bill, but the engineers have no chemists, they have no groups that would analyze the bacterial content of these waters, and that is one reason why we put it in the Public Health Service.

Congress has worked on this problem for 20 years. This measure provides a progressive solution which will help a very difficult national situation. [Applause.]

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. PARSONS].

Mr. PARSONS. Mr. Chairman, I am sure that the House agrees with me today in extending our heartfelt wishes for the recovery of the chairman of the Committee on Rivers and Harbors, the gentleman from Texas [Mr. MANSFIELD], who is in the Naval Hospital at the present time. Word has just reached the Chamber that he is to undergo an operation today, and we are all fervently praying that he will immediately recover and be back with us. If he were here he would be wholeheartedly supporting this measure, as he has so faithfully worked in the committee to get a bill reported that would fit the needs of the country and obtain the support of the membership of this House.

Mr. Chairman, this country is a country of propaganda. We talk about propaganda from across the seas in time of war, but I think we have more propaganda in America than in any other nation on the face of the globe, and the more the propaganda is spread for a common cause, sometimes the less we obtain results in the direction in which we are propagandizing. Recently, at least in the last 4 or 5 years, there has been a great wave of sentiment around the country to clean up the streams and harbors, and the more we talk about it the further some Members get away from it. Three groups are

interested in this thing today. One is a small group, thank God, of the polluters who want to keep on polluting the streams. They are against anything that will clean up the situation. There is another group, not considering what has been done during the last 6 or 7 years, who would want to clean it up the day after tomorrow and have all the streams pure, with all of the fish swimming again. Then there is the larger group, I think, who believe in enacting legislation and attacking this problem in a sensible, logical way, whereby we will not have to destroy industry and the credit of the municipalities and the States of this country, but will eventually clean up the situation. I think it is the larger group that will support this measure today.

I was very much amused at the gentleman from California [Mr. CARTER]. Two years ago he was against this measure because it provided $50,000,000 annually in grants and loans, but he never said anything about the $190,000,000 that the Government has been granting and lending to clean up the water supply of the State of California. He now comes in and complains, since we have eliminated that from the bill and reduced the administrative expense to $250,000 a year, that he is still against the bill because of administrative expenses.

Mr. CARTER rose.

Mr. PARSONS. I cannot yield; I have only a few minutes. The gentleman knows that if there was no added administrative expense for this Board in the Public Health Service that Service would have to neglect some of its other duties. I was responsible, perhaps as much as or more than any other member of the committee, in having the Chief of Engineers or some member designated by him to be a member of this Board, because the Army engineers have had jurisdiction of the rivers under the War Department for many, many years, and naturally, of course, they should be represented on this Board.

Let us see what has been done. In the 140 years prior to 1930 we had cleaned up the streams that had been polluted about 25 percent. In the last 7 years—and these figures are a matter of record—we have cleaned up pollution of the streams of this country at a rate which includes more than 18,200,000 population, which is, when we consider the pollution that comes from the cities, approximately 33⅓ percent. We have been making great progress in these last 6 or 7 years with the aid and assistance of loans and grants from the Federal Government. Prior to 1930 there had been about 3,900 plants erected by the cities and municipalities for the disposal of their sewage. In the last 6 years there has been erected 1,310 additional—more than 33⅓ percent in 6 years—over 140 years prior to that time. So I say that we are attempting in a big way to take care of the situation.

In answer to those who were followers of the original Mundt bill, where they wanted a drastic measure adopted, where they could enjoin muncipialities and private industry to immediately forthwith desist from polluting the streams, or to those who wanted a set definite limitation as to when those streams should be cleared, I say that we cannot afford to interfere with industry in such a drastic manner. We cannot afford to intimidate them and increase unemployment, and cannot afford to enjoin municipalities immediately whose credit is impaired somewhat at the present time. Therefore, after we have cleaned the situation 50 percent in the last 7 years to a point where industry has been cooperating in every case, and that without any legislation, but purely on a cooperative basis, I say to you who have been supporters of the Mundt bill that the amendment we have proposed to accept will gradually and surely eventually attain the result that even the most fiery solicitor for clean streams has ever wished for.

Now, it is estimated that it will take approximately $1,000,000,000 in the next 10 or 12 years for industry to clean pollution from the streams in the industrial areas. It will probably take another billion dollars in the next 7 or 8 years to effectuate for the municipalities the work that we hope to attain. We cannot do that all in a day or in a year. It takes a year or two to draw plans. It takes another year or two to get the contracts and the funds provided for, and then another year for the completion of them. The Public Health Service has said to us in committee that in the next 10 years, with the same progress that has been made in the past 7 years, we will practically have completed the program.

Now, as to new sources of stream pollution which the Mundt amendment covers, which has been accepted by the committee, it provides that no new source of pollution shall be poured into the streams or the tributaries unless approved by the Public Health Division. That means that if a new industry or a new city is established, they must come to the Board for approval before they can pollute the streams. Then if there are any individuals or if there are any municipalities who fail to comply, they can go into the district court in that area and obtain an injunction prohibiting them from polluting the stream. That is to take care of the situation so far as any of those who want this evil corrected now are concerned.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. PARSONS. Yes; I yield.

Mr. KELLER. Do I get the idea that if it were clear to this board, they would permit pollution to enter into the streams?

Mr. PARSONS. Not at all; but they have a right to survey and investigate to ascertain whether or not the stream is being polluted, and we will not just have the say-so of some fellow who wants to crack down on industry at his own will, for political purposes or otherwise. That is why this protection is written into the Mundt amendment.

So I say that when the amendment is proposed by the committee, it should be adopted, and the amendment to the amendment which will be proposed by the gentleman from South Dakota [Mr. MUNDT] should also be adopted, and that the bill be passed. [Applause.]

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. LEWIS of Colorado. This Mundt amendment which is to be offered, as I understand, is that which is printed in the Appendix of the RECORD, page 1097.

Mr. PARSONS. Of yesterday or the day before?

Mr. LEWIS of Colorado. Of yesterday's RECORD.

Mr. PARSONS. That is correct.

Mr. LEWIS of Colorado. As I read it, if somebody wishes to start a reduction plant or a mill for the concentration of ore away up in the mountains of Colorado on a stream which is a tributary of the South Platte, which in turn is a tributary of the Missouri, which in turn is a tributary of the Mississippi, then he must get the permission of this Federal board before he can start operations, because, technically speaking, the discharging of a small amount of tailings into that stream would be pollution?

Mr. PARSONS. That is correct. If we ever intend to clean up this situation, there must be a beginning, and we thought it better to begin with new sources of stream pollution, because they could come under it as they develop, so that there would be no further expense to them in the operation of their business in the future.

Mr. LEWIS of Colorado. If I correctly interpret public sentiment in our State, the people of Colorado are more interested in encouraging private industry to give employment, in getting people back to work, than they are in having Congress enact any more of this so-called corrective or reform legislation. Every one of these bills puts more men on the public pay roll. Many of these bills discourage private investors in any plans to put more men to work on private industry's pay rolls.

Mr. PARSONS. Anticipating what the gentleman's next question will be, I will say to the gentleman that the Public Health Service has had such wonderful cooperation that they really did not want this language in the bill. They would rather proceed on a cooperative basis, because they have only had three or four cases in the entire United States where they have been turned down. But there are a number of Members here who believe that something should be put into the bill that the Public Health Service could enforce on new sources of stream pollution, if necessary.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. CULKIN. Is it not a fact that the type of disturbance in a stream such as the gentleman speaks of is not in fact such pollution as comes within the scope of this bill?

Mr. PARSONS. As far as what the gentleman stated, it certainly would not come within the scope of this bill; but if it did, I am sure that the gentleman's State has a much stronger law against stream pollution than this bill itself carries.

Mr. CULKIN. The fact is that the great bulk of the stuff that comes from manufactures into streams is not, of its own nature, hostile to life or harmful to human beings. It does not come within the category.

Mr. PARSONS. Well, it would not come under this act at all unless it was shown that it was a source of pollution that created a nuisance to public life and marine life.

Mr. LEWIS of Colorado. Will the gentleman yield further?

Mr. PARSONS. I yield.

Mr. LEWIS of Colorado. Nevertheless, an action can be brought in a Federal court there, and this man who wants to put a few or many men to work can be brought into the Federal court and compelled, at great expense, to go into the intricacies of how much pollution these few mill tailings would involve.

Mr. PARSONS. Not at all, unless it was a source of pollution. Tailings from a mine would not necessarily be a new source of stream pollution. It might be. Water coming from the mine might be.

Mr. LEWIS of Colorado. The burden would be put upon the man who is planning to give others work to show in a Federal court that his proposed industry would not pollute the stream, unless he had been able to win in advance the approval of a Federal agency, probably wholly ignorant of such industry.

Mr. PARSONS. That is correct, but does the gentleman want to stop pollution in the future?

Mr. LEWIS of Colorado. I certainly do.

Mr. PARSONS. If he does, then he should start now. If not, then he should not be for any bill at all.

Mr. LEWIS of Colorado. I think we are handling that very well in our own State, as the gentleman stated in the beginning of his address. The people in our part of the country are getting very tired—they are, indeed, being rubbed raw—by Federal agencies and their agents and employees sent out there from Washington, some of whom have never before been west of the Alleghanies, who are wholly ignorant of our local conditions and who, under authority of Federal statutes, are trying to tell the people of Colorado how to run their State.

Mr. PARSONS. The gentleman knows that his State has a stronger law on pollution than this amendment carries here.

Mr. LEWIS of Colorado. It might not be so regarded by this new Federal agency.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PARSONS. I yield to the gentlewoman.

Miss SUMNER of Illinois. I should like to have the RECORD show just what Congress means by the phrase "new pollution." In the great district which I have the honor to represent—however humbly—we have a great many canning factories. Their work is seasonal. Each year in the fall they pollute the water. Would this be new pollution since it happens only occasionally? Would that be considered old pollution? I wish the RECORD to show what the understanding of the committee is in order that the courts may so interpret the law when it is enacted.

Mr. PARSONS. I am very happy the gentlewoman has asked that question; and I may say that the gentlewoman represents here in the House the district represented by the man who served the longest number of years in the Congress of the United States, the late Joseph G. Cannon. Answering the gentlewoman's inquiry I may say that plants already in operation and which are now sources of pollution at certain seasons of the year would not be considered as new sources of pollution under the terms of the Mundt amendment.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. MURDOCK of Arizona. I have had a great deal of correspondence from wildlife preservationists, game protective associations, and like organizations in regard to this bill.

Mr. PARSONS. I have had a great deal myself.

Mr. MURDOCK of Arizona. But in keeping with the remarks of the gentleman from Colorado let me say that the mining industry is very much concerned about this bill. I hope that the terms of the bill will be so defined as to prevent harm coming to, or unnecessary regulation of, the small mine operators such as the gentleman from Colorado mentioned. Unnecessary regulation must be avoided, even in this vital matter.

Mr. PARSONS. I think I can safely say to the gentleman that with the Public Health Service and the Chief of Engineers on this board he has nothing to fear that industry will be disturbed under the provision against new sources of pollution.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. SPENCE. Would the gentleman consider the enlargement of a present industry a source of new pollution, or an increase of the flow of pollutive substances from an established industry a source of new pollution?

Mr. PARSONS. This question has been raised by a number of Members. Answering the gentleman I would say that would not be a new source of pollution, because the present source of pollution is there. An extension or an expansion of a present business would not, under the terms of this act, be considered a new source of stream pollution. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

Be it enacted, etc., That there is hereby established in the United States Public Health Service a Division of Water Pollution Control (hereinafter referred to as the Division). The Division shall be in charge of a Director, who shall be a commissioned engineer officer of the United States Public Health Service detailed for such duty by the Surgeon General of the Public Health Service (hereinafter referred to as the Surgeon General). Such engineer officer, while serving as Director, shall have the rank of an Assistant Surgeon General of the Public Health Service, subject to the provisions of law applicable to Assistant Surgeons General in charge of administrative divisions in the District of Columbia of the Public Health Service.

The Clerk read as follows:

Committee amendment offered by Mr. GAVAGAN: In S. 685, strike out all after the enacting clause and insert in lieu thereof the following:

"That there is hereby established in the United States Public Health Service a Division of Water Pollution Control (hereinafter referred to as the Division). The Division shall be in charge of a Director, who shall be a commissioned engineer officer of the United States Public Health Service detailed for such duty by the Surgeon General of the Public Health Service (hereinafter referred to as the Surgeon General). Such engineer officer, while serving as Director, shall have the rank of an Assistant Surgeon General of the Public Health Service, subject to the provisions of law applicable to Assistant Surgeons General in charge of administrative divisions in the District of Columbia of the Public Health Service.

"SEC. 2. (a) The Division shall, after careful investigation, and in cooperation with the Chief of Engineers of the War Department, other Federal agencies, and the agencies of the several States authorized by law or duly designated to deal with water pollution, and in cooperation with the municipalities and industries involved, prepare comprehensive plans for eliminating or reducing the pollution and improving the sanitary condition of the navigable waters of the United States and streams tributary thereto. In the development of such comprehensive plans, due regard shall be given to the improvements which are necessary to conserve such waters and promote their use for public water supplies, propagation of fish and aquatic life, recreational purposes, agricultural, industrial, and other legitimate uses, and for this purpose the Division is authorized to make joint investigations with the aforesaid agencies of the Federal Government and any State or States of the condition of any waters of the United States, either navigable or otherwise, and of the discharges of any sewage, industrial wastes, or substance which may deleteriously affect such waters.

"(b) The Division shall encourage cooperative activities by the several States for the prevention and abatement of water pollution; encourage the enactment of uniform State laws relating to water pollution; encourage compacts between the several States for the prevention and abatement of water pollution; collect and disseminate information; make available to State agencies, municipalities, industries, and individuals the results of such surveys,

studies, investigations, and experiments conducted by the Division and by other agencies, public and private; and furnish such assistance to State agencies as may be authorized by law.

"(c) The consent of the Congress is hereby given to two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative effort and mutual assistance for the prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

"SEC. 3. (a) The Division, upon request of any State health authority and subject to the approval of the Surgeon General, shall conduct investigations and make surveys of any specific problem of water pollution confronting any State, drainage-basin authority, community, or municipality with a view to effecting a solution of such problem, and shall make definite recommendations for the correction and elimination of the deleterious conditions found to exist.

"(b) The Division, upon the request of any municipality, shall make a periodic test of the water at any bathing beach within the limits of such municipality, and shall make a report to such municipality as promptly as possible with respect to the existence of water pollution at such bathing beach and shall make definite recommendations for the correction and elimination of any deleterious conditions which are found to exist: *Provided,* That only such sums as may be specifically appropriated for such purposes shall be expended in making such tests and recommendations.

"SEC. 4. The Public Health Service shall prepare and publish, from time to time, reports of such surveys, studies, investigations, and experiments as shall be made under the authority of this act, together with appropriate recommendations with regard to the control of pollution of the waters of the United States.

"SEC. 5. Every loan or purchase of securities by Reconstruction Finance Corporation to finance the construction of treatment works shall hereafter be made only upon the recommendation of the State health authority having jurisdiction and upon the recommendation of the Surgeon General and his certification that such construction is necessary to prevent the discharge of untreated or inadequately treated sewage or other waste which would substantially impair the quality of any waters of the United States.

"SEC. 6. (a) There is hereby established in the Division, by detail from time to time, a board of five, four of whom shall be commissioned engineer officers of the Public Health Service, a majority of whom shall be experienced in sanitary engineering, and the fifth, the Chief of Engineers, United States Army, or a member of the Corps of Engineers designated by him, all said members to serve without additional compensation. The duties of said board shall be fixed by the Surgeon General, and to it shall be referred for consideration and recommendations, in addition to any other duties assigned, so far as in the opinion of the Surgeon General may be necessary, all reports of examinations, investigations, plans, studies, and surveys made pursuant to the provisions of this act or hereafter provided for by the Congress, and all applications for loans for the construction of necessary treatment works proposed to be made pursuant to section 5 of this act, and all other matters in connection therewith upon which report is desired by the Surgeon General. The board shall submit to the Surgeon General recommendations as to the desirability of commencing, continuing, or extending any and all projects for treatment works upon which reports are desired and for which loan applications have been made. In the consideration of such proposed treatment works and projects the board shall have in view the benefits to be derived by the construction thereof in accomplishing the purpose of this act, and the relation of the ultimate cost of such works, both as to the cost of construction and maintenance, to the public interests involved, the public necessity for such works, and the adequacy of the provisions made or agreed upon by the applicant for the loan for assuring proper and efficient operation and maintenance of the works after completion of the construction thereof. The board shall, when it considers the same necessary, and with the approval and under orders from the Surgeon General, make as a board or through its members, personal examinations of localities where the proposed treatment works are to be located. All plants, cost estimates, information, and arguments which are presented to the board for its consideration in connection with any matter referred to it by the Surgeon General shall be reduced to and submitted in writing, and shall be made a part of the records of the office of the Surgeon General.

"(b) As soon as practicable the board shall classify the navigable waters of the continental United States into districts to be known as sanitary water districts. The board shall fix and define the boundaries of each such district and may from time to time alter such boundaries. The areas of such districts shall, insofar as practicable, conform to the areas of watersheds not wholly contained within the boundaries of one State.

"(c) All special reports ordered by the Congress pursuant to the provisions of this act shall, at the discretion of the Surgeon General, be reviewed in like manner by the said board; and the said board shall also, on request by resolution of the Committee on Commerce of the Senate or the Committee on Rivers and Harbors of the House of Representatives submitted to the Surgeon General, examine and review the report of any examination, investigation, survey, or project for the elimination or reduction of water pollution or for the construction of treatment works made pursuant to any act or resolution of the Congress, and shall report through the Surgeon General, who shall submit its conclusions thereon through the Federal Security Administrator and the President as in other cases.

"SEC. 7. There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1941, the sum of $250,000 for all necessary expenses of the Division in administering the provisions of this act, including (a) expenses of investigations made under this act, including (1) printing and binding of the findings of such investigations; (2) the pay and allowances, travel expenses of personnel of the Public Health Service (including commissioned officers) while engaged in field investigation; (3) (upon the approval of the Surgeon General) the expenses of packing, crating, drayage, and transportation of the personal effects of such personnel and personnel of other Government departments on duty with the Public Health Service upon permanent change of station under competent orders in connection therewith while engaged in such investigations; and (4) purchases required for such investigations, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5), when the aggregate amount involved does not exceed $100; (b) upon approval of the Surgeon General, the necessary expenses of the board of engineer officers provided for in section 6 (a) of this act; (c) the pay and allowances and travel expenses of Reserve engineer officers while on active duty under section 8 (a) of this act; and (d) for the reimbursement of appropriations insofar as expended for pay and allowances of personnel detailed to the Division under section 8 (c) or 8 (d) of this act.

"SEC. 8. (a) For the administration of this act, the Federal Security Administrator may, upon recommendation of the Surgeon General, appoint such engineers, attorneys, experts, research assistants, examiners, and consultants as may be necessary, and fix their compensation, in the manner provided by law for the appointment and fixing of compensation of personnel of the Public Health Service; and the Surgeon General is authorized to transfer, assign, or detail to the Division, from any other division of the Public Health Service, such professional and scientific personnel as may be available. Not exceeding 10 engineer officers in the Reserve of the Public Health Service may be ordered to active duty for such periods of time as may be desirable, extending not more than 5 years beyond the date of enactment of this act, to assist in carrying out the purpose thereof.

"(b) Such clerks, stenographers, and other employees as may be necessary to discharge the duties of the Division and for the investigations in the field shall be appointed by the Federal Security Administrator in accordance with the civil service laws and their compensation shall be fixed in accordance with the Classification Act of 1923, as amended, and he shall prescribe such rules and regulations with respect to their duties as he may find necessary.

"(c) The personnel of the Public Health Service paid from any appropriation not made pursuant to section 7 may be detailed to assist in carrying out the purpose of this act.

"(d) The Federal Security Administrator, with the consent of the head of any other executive department of the Federal Government, may utilize such officers and employees of said department as may be found necessary to assist in carrying out the purposes of this act.

"SEC. 9. When used in this act, the term 'State health authority' means the official State health department, State board of health, or such other official State or interstate agency as is empowered with the duties of enforcing State laws pertaining to public health or to the abatement of pollution of waters; the term 'treatment works' means the various devices used in the treatment of sewage or industrial waste of a liquid nature, including the necessary intercepting sewers, outfall sewers, pumping and power equipment and their appurtenances; the term 'person' means an individual in the capacity of proprietor of an industrial enterprise, a partnership, a private corporation, an association, a joint-stock company, a trust, or an estate.

"SEC. 10. No provision of this act shall be construed as superseding or limiting the functions, under any other act, of the Public Health Service relating to the prevention, control, and investigation of sewage and pollution either directly or indirectly of the navigable waters of the United States and streams tributary thereto.

"SEC. 11. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 12. All provisions of this act applicable to the States shall also be applicable to the District of Columbia and the Territories, including Puerto Rico and the Virgin Islands.

"SEC. 13. This act may be cited as the 'Water Pollution Act.'"

Mr. GAVAGAN (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment may be dispensed with as it was printed in the RECORD of yesterday.

Mr. BLAND. Mr. Chairman, reserving the right to object, may I ask if this amendment now submitted to the House includes the so-called Mundt amendment?

Mr. GAVAGAN. No; it does not.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. GAVAGAN] is recognized for 5 minutes in support of the amendment.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. GAVAGAN. I yield.

Mr. KELLER. Is the amendment the gentleman is now offering included in the print of the bill headed "Confidential Committee Print"?

Mr. GAVAGAN. Yes.

Mr. KELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KELLER. Is the bill to be read by sections?

The CHAIRMAN. By unanimous consent the bill has been considered as read, it now being in the form of a committee amendment.

Mr. BLAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. As I understand the situation, the bill as read is one amendment which is pending before the Committee, and that now amendments may be offered to any portion of that bill.

The CHAIRMAN. The gentleman's understanding is correct.

Mr. BLAND. That an amendment may be offered, but an amendment to an amendment could not be offered because it would be an amendment in the third degree.

The CHAIRMAN. That is correct.

Mr. GAVAGAN. Mr. Chairman, the only difference between the amendment as now offered by the Committee on Rivers and Harbors and the bill as it passed the Senate is that sections 5 and 6 of the Senate bill are stricken out. These sections provided for Federal aid to States and for Federal grants and loans to persons, individuals, and corporations. A further change is made that instead of the lending authority being the Secretary of the Treasury it has been changed to the Reconstruction Finance Corporation. Otherwise, with a few changes in prepositions throughout the bill, there has been no other change from Senate bill 685.

Mr. KELLER. May I ask what is the idea of striking out the Senate provision, which seemed to me to be a very good one, having to do with granting aids to cities and States? There are many cities in the United States at the present time that are entirely unable economically to undertake this very thing of doing away with stream pollution.

Mr. GAVAGAN. The reason for it is the state of the Treasury of the United States and the exorbitant cost that would be involved in rectifying the situation through Government grants-in-aid or loans. The loans will have to be justified before the R. F. C. They will have to be able to show that the work is not only necessary but that there will be a chance for the Government to get back its money.

Mr. PARSONS. Will the gentleman yield?

Mr. GAVAGAN. I yield to the gentleman from Illinois.

Mr. PARSONS. The fact is that the President vetoed the original bill passed 2 years ago because it did not conform to budgetary requirements. We have been trying to correct that situation.

Mr. KELLER. Which means what?

Mr. PARSONS. That means he does not want any more outright grants given to municipalities.

Mr. KELLER. What are you going to do in the case of a town that is practically bankrupt?

Mr. PARSONS. The attorney for the R. F. C. stated before the committee that where municipalities or private business could not obtain local bank loans for this purpose, they could come to the R. F. C., make application there, and get relief under the terms of this act.

Mr. KELLER. Do I understand that goes far enough to meet a condition like this: There is a city of considerable thousands of people in my district which is in default at the present time on its water and sewage bonds. Those sewage bonds did not provide for sewage disposal at all. I do not know how they could go about it. You will find 50 or 100 situations in the United States that ought to be attended to, and the people desire not to pollute the streams, but they will be prevented from carrying out the idea expressed in this act unless they have assistance.

Mr. PARSONS. Of course, we cannot legislate for each particular case in a measure of this kind. The loan feature is in here in order to give them that opportunity.

Mr. SEGER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SEGER. I think we would be interested in this dialogue if we could hear more of it.

Mr. SPENCE. Will the gentleman yield?

Mr. GAVAGAN. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I think the reason that grants were taken out of the bill was because of a suggestion made by the President, who said this would further unbalance the Budget. He disapproved of the grants and vetoed the other bill. We certainly do not want to pass a bill that will be vetoed again. He expressly said he did not want grants in the bill because it would be a direct obligation against the Government.

Mr. CARTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CARTER. As I understand the parliamentary situation, the so-called Rivers and Harbors Committee amendment is now pending before the House as an amendment to the original bill?

The CHAIRMAN. Yes; and it is subject to amendment.

Mr. CARTER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CARTER to the Committee substitute amendment: Page 9, line 15, strike out lines 15, 16, and 17.

Mr. BLAND. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Virginia.

Mr. BLAND. Will the gentleman tell us the language that is stricken?

Mr. CARTER. Mr. Chairman, the part which will be stricken by my amendment reads as follows:

The personnel of the Public Health Service paid from any appropriation not made pursuant to section 7 may be detailed to assist in carrying out the purposes of this act.

Mr. Chairman, the amendment offered by the gentleman from New York [Mr. GAVAGAN], which is really a substitute for the original Senate bill, has never been referred to the Bureau of the Budget. So far as I know it has never been referred to anybody. So far as I know, and I am a member of the Rivers and Harbors Committee, no witness was ever called before that committee to testify in reference to this bill.

Mr. GAVAGAN. Will the gentleman yield?

Mr. CARTER. Not at this point. No hearings were ever held. I was unable to attend all of the meetings, but I understand there was some discussion among the committee membership about the bill at the time of reporting it; but other than that, so far as I know, there was not one witness called.

Mr. PARSONS. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Illinois.

Mr. PARSONS. The gentleman knows there was a conference held at the other end of the Avenue, attended by all parties interested and all of the Government agencies interested or named in this bill, and all agencies that will have anything to do with the functioning or the administration of it. This was all thrashed out, and this appropriation of $250,000 was agreed to.

Mr. CARTER. The gentleman flatters me. This is the first time I ever heard of that conference. I never knew of such a conference; and if there were any Republicans present, I was not one of them. I knew absolutely nothing about the meeting.

Mr. CULKIN. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman missed three meetings of the Rivers and Harbors Committee at which this amendment was discussed rather at length.

Mr. CARTER. Oh, I have no doubt but that the committee discussed it. What I am saying is that no hearings were ever held on this bill.

Mr. CULKIN. We heard the R. F. C. attorneys on it, and we heard Dr. Parran on it in detail.

Mr. CARTER. Did the gentleman from New York attend the meeting at the other end of the Avenue referred to by the gentleman from Illinois?

Mr. CULKIN. I did not.

Mr. CARTER. Was the gentleman aware of the meeting?

Mr. CULKIN. Yes; I knew about the meeting.

Mr. CARTER. Well, the gentleman had more information than I.

Mr. CULKIN. Why was not the gentleman present at the three meetings of the Rivers and Harbors Committee when this amendment was brought up? Was he busy otherwise? I assume he was.

Mr. CARTER. I am not answerable to the gentleman from New York for my actions. I believe upon reflection the gentleman from New York will want to withdraw that question. I am answerable to my constituents and to my conscience as to my presence. I decline to yield further.

If the gentleman wants to proceed in an unparliamentary manner that is his business.

Mr. CULKIN. I am complimenting the gentleman.

Mr. CARTER. I decline to yield further, but I want to say that I most thoroughly resent the question of the gentleman from New York. I feel amply able to determine where I shall be at any particular time without any suggestions from him.

The amendment I have offered strikes from the bill that section which would permit the Surgeon General to call into this work any number of employees from other parts of the Public Health Service not paid out of the $250,000.

[Here the gavel fell.]

Mr. CARTER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CARTER. It is the only way we are going to know what this overhead will amount to. As it is at the present time, I understand they have technical experts there whom they pay $50 a day. There is no limit to the number of those experts that might be called in. They are not paid out of this appropriation of $250,000.

Let me say that it would be a most reckless act on the part of this Committee to delegate to the Surgeon General this authority. As I called to the attention of the Committee a few minutes ago, the President of the United States does not appoint this director, it is the Surgeon General who appoints the director of this division, and he is responsible to the Surgeon General alone.

I do not want to be misunderstood in reference to this matter. I am opposed to this bill and I am opposed to the substitute that was offered by the gentleman from New York. I want to say, however, that my amendment does make that substitute a much better bill than it is at the present time. [Applause.]

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry our colleagues in the committee have gotten into a personal and acrimonious discussion. Much as I admire the gentleman from California [Mr. CARTER], and he is an esteemed and good friend of many years, I cannot really believe he is sincere in his amendment to strike out subdivision (c) of subdivision (a) of this paragraph. The paragraph, as written by the committee, simply gives the Surgeon General the right to transfer employees already upon his pay roll from one division or another to this new division. There is nothing strange about that procedure. We have been doing it from time immemorial.

Under the circumstances, Mr. Chairman, I sincerely trust that the amendment will not be agreed to. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. MUNDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MUNDT to the committee substitute to S. 685: Immediately after subsection "c" of section 2 of the committee amendment, add the following subsection:

"(d) (1) After date of enactment of this act, no new sources of pollution, either by sewage or industrial waste, shall be permitted to be discharged into the navigable waters of the United States and streams tributary thereto until and unless approved by the Division; and

"(2) The discharge of new sources of water pollution without review and approval of the Division as required under the foregoing provisions is hereby declared to be against the public policy of the United States and to be a public and common nuisance. An action to prevent or abate any such nuisance may be brought in the name of the United States by any United States attorney, and it shall be the duty of such attorney to bring such an action when requested to do so by the Division, the Surgeon General, any duly constituted interstate agency dealing with control of water pollution, any State agency dealing with control of water pollution, any State health authority, or any incorporated municipality. Such action shall be brought as an action in equity and may be brought in any court of the United States having jurisdiction to hear and determine equity cases."

Mr. GAVAGAN. Mr. Chairman, this amendment is acceptable to the committee.

Mr. BLAND. Mr. Chairman, the amendment is opposed by members of this committee, and I ask to be heard in opposition to the amendment.

The CHAIRMAN. The gentleman from South Dakota is recognized for 5 minutes.

Mr. MUNDT. Mr. Chairman, as you know, I have discussed this amendment and it has been discussed by members of the committee and by different conservationists on the floor for the last 2 days. I do not believe it is necessary to go into detail as to what it does. Substantially, it simply states that if Congress is ready—and I am sure it is—to do something about pollution, to go along with S. 685 and appropriate a small amount of money to help encourage surveys and studies of the pollution problem, to make available to municipalities and to industries at low interest rates money from the Reconstruction Finance Corporation to establish pollution-control works, to declare that pollution is not in accord with the better public policy of America, and still withal to assume a reasonable attitude that we are not going to clamp down this year or next year and stop polluters from continuing a practice in which they have for many years been engaged, my amendment follows almost axiomatically as an important and integral part of that philosophy.

Surely before we begin the appropriation of money from the Federal Treasury to attack the problem of pollution we must do something to stop new forms of deleterious pollution injurious to human life and detrimental to animal and fish life, and that is all my amendment does.

The question confronting us, then, is that with S. 685 and this amendment added to it, the conservationists of the country are united in saying that we are making some progress toward pollution regulation and elimination. Without my amendment and with no pollution-discouraging legislation it resolves itself into whether or not we are going to bring before this country some day a dwarfed and distorted version of the great Abraham Lincoln, raised on the shores of some flowing sewer, who will say: "Let us make this Government a government of the polluters, by the polluters, and for the polluters."

The issue is clear-cut. The committee has indicated its acceptance of my amendment—at least those members of the committee who are supporting S. 685 have done so—and I hope it will have the approval of this body. [Applause.]

[Here the gavel fell.]

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, for years I have been following this legislation and have seen it inevitably wrecked upon this rock.

Let me read this amendment and then let us see whether the men here will vote for it or not:

(d) (1) After date of enactment of this act, no new sources of pollution—

If a man residing in a town wants to build his own garage that happens to dump waste into the sewer that goes into navigable water, without any previous permission for that event, he is in danger of Federal prosecution.

No new sources of pollution, either by sewage or industrial waste—

The man who lives on the outskirts of a city and under the Constitution of the United States, as declared in decisions of the Supreme Court, has been dumping his sewage into such waters and decides tomorrow to build a house, with similar provision for his sewage, if this law is passed, is in danger of apprehension by the Federal courts and to trial before a Federal jury—

shall be permitted to be discharged into the navigable waters of the United States and streams tributary thereto until and unless approved by the Division; and—

Take the man who has a hogpen, such as one of my friends mentioned to me a few moments ago, should let some of the wash go into the water, what has he facing him? Let us see:

The discharge of new sources of water pollution without review and approval of the Division as required under the foregoing provisions is hereby declared to be against the public policy of the United States and to be a public and common nuisance. An action to prevent or abate any such nuisance—

The man who is building a house with the sewage that runs down into navigable water, or the man who is building a garage with a new source that goes down to the navigable water—

may be brought in the name of the United States by any United States attorney, and it shall be the duty of such attorney to bring such an action when requested to do so by the Division, the Surgeon General, any duly constituted interstate agency dealing with control of water pollution, any State agency dealing with control of water pollution, any State health authority, or any incorporated municipality. Such action shall be brought as an action in equity and may be brought in any court of the United States having jurisdiction to hear and determine equity cases.

Hitlerism run mad! Any attempt to impose such conditions as this upon the people of the country, without even a month to prepare for such a situation, would immediately drive municipalities and cities into bankruptcy or at least impede their growth.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. MAY. Does the gentleman understand the amendment to mean that if I want to build a new house in my town and attach it to the existing sewers I would be prohibited from doing so?

Mr. BLAND. I cannot read anything else, and if it does not mean that, in the name of heaven let them say so, and not bring you up before a Federal court to be tried and then have it decided that it does not mean that.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. MICHENER. As a matter of fact, an apartment house or the home of a man in the city would drain into the city sewer?

Mr. BLAND. Yes.

Mr. MICHENER. And in that event the municipality does the dumping and not the builder or the owner of the house. The act would be but a continuation of existing conditions. Therefore the part of the bill referred to by the gentleman would make it impossible to bring the man whom the gentleman from Kentucky refers to within the scope of the bill.

Mr. MAY. He is subject to prosecution under the act.

Mr. BLAND. He could be brought to prosecution.

Mr. MICHENER. There would be no such prosecution, as this is an equity proceeding.

[Here the gavel fell.]

Mr. BLAND. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Chairman, this is the most far-reaching amendment that was ever submitted to a legislative body affecting the people of the United States. If that instrument, formerly known as the Constitution of the United States, is still in existence, I have very serious doubts of its constitutionality. I once investigated the law under which these actions may be brought as to whether the Constitution of the United States would probably protect these people. I think it would, but I am not going to take the chance of having my constituents brought into a Federal court and then have to appeal their cases and become bankrupt.

Mr. Chairman, our country and our Congress would be brought into disrepute by the adoption of such an amendment.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. ZIMMERMAN. In our section of the State we have drainage ditches that flow into navigable streams and in some counties they are a mile apart. Would we have to come to Washington or to some agency in Washington to get a permit to have these drainage ditches flow into some of these navigable streams?

Mr. BLAND. In my opinion, yes; and every fellow, as my friend said a while ago, who built a pigpen, if some of the drainage was going into navigable water—and you can see how far that reaches—would have to come to Washington and say, "Please let me build my pigpen there." It is ridiculous. [Applause.]

Mr. ZIMMERMAN. I may say to the gentleman that in my district there are, perhaps, 1,000 drainage ditches and they would have to have 1,000 hearings.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last word. If this amendment had been offered by some rabid new dealer, I might be able to understand it, but it is astonishing to me to find a member of the Republican Party proposing to establish here bureaucratic control over the lives and operations of the people and the business of this country, without definitions or standards, and without giving any opportunity for hearing or consideration of the facts involved on the part of anybody. Talk about bureaucratic government. Here is proposed an amendment offered by the gentleman from South Dakota [Mr. MUNDT] to give a division in the Public Health Service the right of life and death over the operations of business and home life throughout this Nation. No new paper factory in my part of the country, for instance, could be established without the consent of the Public Health Service. No pigpen, as somebody has suggested, could be put where it might discharge some waste into a branch which runs into a navigable stream, without the consent of the Public Health Service, and yet you provide absolutely no definition of what waste is; no definition of what pollution is; and no place where a person can get a hearing and find out what his rights are under this amendment. It is the most far-reaching thing I have ever seen proposed in the way of bureaucracy.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MAY. It goes even further than the proposal the other day against which gentlemen on the other side of the House voted almost unanimously in connection with the census bill.

Mr. RAMSPECK. Certainly. If you are talking about delegation of authority, and we heard a good deal about it in reference to trade agreements, this delegates all the authority in the world to a division of the Public Health Service. You could not do anything in the way of erecting a factory or a home that discharged any waste into a branch that ran into a river that is navigable without the authority and consent of the Public Health Service.

Mr. MOTT. Would the gentleman's objection be removed if this language in subdivision (d) of the amendment "until

and unless approved by the division" were removed? Would that remove the objection, simply making it mandatory law that no new pollution source should be emptied into navigable streams, and fixing a penalty for violation of that law?

Mr. RAMSPECK. I do not think that would change the effect of it at all, because you are making it the public policy of the United States and giving the courts the right to enjoin a man from operating, and you have given no definition here or any language which tells a man what he can or cannot do. There is nothing in the bill that defines what is pollution or waste.

Mr. MOTT. If pollution were properly defined and the law were made mandatory prohibiting the doing of certain things and not leaving anything to the discretion of the division, would that remove the gentleman's objection?

Mr. RAMSPECK. I cannot pass on something until I see it in language. I am objecting to giving an agency of the Government absolute authority without any possibility of a hearing, without his having his day in court, until he is dragged into court in the face of an injunction which might destroy the property that cost him thousands of dollars to build.

Mr. MOTT. Then the gentleman's objection is that this law places discretion in the hands of a division and makes violation of a regulation of the division a violation of law instead of the law being a mandatory one?

Mr. RAMSPECK. My objection is simply this: If we are going to prohibit industrial waste and pollution from going into streams, then that ought to be defined and there ought to be a procedure where a man can get a hearing and have his day in court, and a right to appeal from a decision of this agency, just as we set up in the Federal Trade Commission and other agencies of that type. If we had some such procedure as that, I think I would be able to go along. I am in favor of cleaning up the streams, and I am in favor of this bill as reported by the committee, without this amendment, and I hope the amendment will be voted down.

Mr. HARRINGTON. Mr. Chairman, I move to strike out the last two words. It seems to me that this matter of stream pollution which has been before this body for the last 22 years, and upon which some 16 or 18 hearings have been held, has been thoroughly discussed time and time again, and when those of us who are interested in sportsmen's organizations and the wild and fish life of the country come here in an effort to make even a small start, we have the Constitution and all of the hobgoblins in the world to contend with simply because we are making a start to clean up a situation which we all know is every day getting a little bit worse.

My able and distinguished friend from Virginia, the chairman of the great Committee on Merchant Marine and Fisheries, than whom there is no more sincere or conscientious member, has conjured up the ugly picture of dictatorship, the exceedingly distasteful thought of Hitlerism, and has shed some crocodile tears for the little garage and even the small-home owner. He would have you believe that by the adoption of the Mundt amendment we are creating another governmental Frankenstein which we shall not be able to control.

Nothing is farther from the truth, and I am sure my good friend from Virginia will reverse his opinion once he has been able to read the bill and this excellent amendment in the cool and quiet of one of those lovely Virginia spring evenings.

I rise in support of the Mundt amendment. May I say that in 1924, if I read correctly, the Congress of the United States passed the Oil Pollution Act of 1924. I think that would well take care of the situation with reference to the question of any garages which my good friend has raised.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. KITCHENS. In my section of the country and many other sections of the country they are drilling wells for the discovery of oil, and in doing so they will pump water out of streams, which becomes muddy, and that water is permitted to run back into those streams. In the gentleman's opinion, would this bill require every man who wanted to drill an oil well to obtain a permit before he could begin drilling, and would each well be a new source of controversy?

Mr. HARRINGTON. If the Mundt amendment were adopted, and if the pumping of the oil and the water would create a new source of pollution, I would say that they would be subject to the provisions of the act.

Mr. KITCHENS. I am in favor of preventing pollution of our streams, but I would dislike to do anything that would so handicap certain business that it would make it too expensive for them to operate, such as having to come here to Washington on every occasion to get a permit.

Mr. HARRINGTON. I do not believe the Public Health Service, or this new Board that is set up, and whose members are taken from the Army engineers and the Public Health Service, is in any way interested in doing anything that will prevent any new industry which will give employment from going ahead. They would do nothing to prevent the drilling of new oil wells or the opening of new mines. I am sure they have very good sense.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. ZIMMERMAN. In my home county we have a hundred and some drainage districts, which must have an outlet. Under the provisions of this amendment it would be necessary for every drainage district which might in some way contact a barn or a feed lot or water from a barn or feed lot, to go to Washington and get a permit in order to drain that water into a stream, which is a common-law right, which the people have had since time immemorial; that is, the right of the riparian owner to drain into the streams below. We would have to come to Washington and get that permit, would we not?

Mr. HARRINGTON. I think the gentleman is incorrect. In my opinion, unless there is new pollution, that would not be the case. Certainly the drainage ditches which are existing today, which empty into these streams, would not be new pollution, and that is all this amendment applies to.

Mr. ZIMMERMAN. But by State law we construct other drains into draining ditches which go to these streams, and it would be a violation of the terms of the amendment.

Mr. HALLECK. Will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. HALLECK. Is it not fair to say that the term "pollution," insofar as it applies to pollution of streams and water courses, has a very well-defined meaning which has grown up out of the usage and understanding of the people; and that the incidental drainage of a barn lot into a stream would never be held by anybody to constitute pollution such as is contemplated by this amendment? Is it not also fair to say that insofar as the Mundt amendment is concerned the only remedy has to do with injunctive relief; and insofar as the drilling of an oil well is concerned, a temporary operation that might for a very limited period of time bring about temporary pollution of a stream in some measure, would not be the sort of pollution that is contemplated by the amendment now being considered? Furthermore, is it not likely that the temporary pollution would be over and out of the way before it could ever be reached by injunctive relief?

Mr. HARRINGTON. I thank the gentleman. He is an able and distinguished lawyer and I am not. I think that probably his statement answers any question which my good friends from Missouri or Arkansas had in mind.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. DIRKSEN. Mr. Chairman, I rise in favor of the amendment.

Let me ask the Members of the House whether they ever heard that little bit of doggerel that goes like this:

> The other day upon the stair
> I saw a man who wasn't there.
> He wasn't there again today.
> I wish that man would go away.

They have been reading things into the Mundt amendment that simply are not there. It is directed against those who discharge pollution, not against the householders, as our distinguished friend from Virginia [Mr. BLAND] would make us

believe. They are reading into this amendment things that simply are not there.

The second section of the amendment makes it contrary to public policy to continue pollution. What a stupid piece of legislation this would be if you will permit an industry at the lower end of a stream to continue polluting and to get money from the Federal Government by means of grant-in-aid; to continue, and let the penalties of the law or restrictions fall upon somebody else. We have had that situation out in Illinois where one city was discharging its sewage into a river and another city simply threw up its hands and said, "We propose to do exactly nothing because our sister city upstream is not doing anything." New pollution must be stopped and existing pollution progressively diminished. That is the one and only remedy for this condition.

If you are going to get anywhere on pollution, we must first establish an absolute standard. Either it is wrong or it is right. If it is wrong, then we must make it a violation of public policy to continue the pollution. That is what the second section of this amendment does. The first section provides discretionary policy in the hands of the director of the division so as to take care of existing situations at least for a little while. If it is wrong to pollute on the 1st day of February 1940, it was wrong 20 years ago and it will be wrong 20 years hence.

There is involved here, of course, a large element of public health. Years ago I used to do some marine contracting on the Illinois River. I have had engineers get some of this putrid and putrescent disposal material in their eyes and had compensation cases to deal with. That is how poisonous the stuff is that is being discharged into the navigable streams of the country today. You cannot temporize with that sort of thing. You might just as well throw this bill in the waste can so far as its effect is concerned unless you establish an absolute standard and say once and for all that pollution is contrary to public policy.

Imagine back in 1905 passing a pure food and drug bill taking cognizance of the abuses that existed at that time but leaving the thing open so far as policy is concerned and saying, "If there are subsequent abuses in misbranding, and in adulteration of foods and drugs we will take care of them later." No; that is not what the Congress did. It said that misbranding and adulteration were wrong. Pollution is wrong and you cannot defend it by getting up on this floor and talking about bureaucratic control of administrative power lodged in some individual in Washington. Somewhere you have got to have a standard. Certainly you cannot have an enforcement of a standard unless it applies to all the States alike. It is the only way that the matter can be properly dealt with in the field of interstate commerce.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RAMSPECK. If that is the gentleman's view why does he not just advocate the passage of a criminal statute for the pollution of streams and be done with it?

Mr. DIRKSEN. Let me say to my friend, the gentleman from the Labor Committee, that when they passed the Fair Labor Standards Act the first thing they did was to set out the policy. They did not pass a criminal statute and say they would take care of other abuses as they came along, they set a very definite standard and then started to make sure of its enforcement and administration by the presence of an absolute standard.

Mr. RAMSPECK. Where are the standards in this bill?

Mr. DIRKSEN. There are no standards, but we are faced with the necessity for some kind of basic standard. That is precisely what the Mundt amendment does. Without it the bill is not worth the paper it is written on, and we will not have a policy unless the Mundt amendment is adopted. The idea of making Federal funds available to one polluter in order to get rid of pollution and then letting other people who are establishing new industries continue to pollute presents a ridiculous situation. There must be an absolute standard first, then we can deal with it intelligently and reasonably.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. COCHRAN. The gentleman has taken a very prominent part in the last few weeks in reducing expenditures.

Mr. DIRKSEN. Yes.

Mr. COCHRAN. Does not the gentleman realize that this bill opens the door of the Treasury to a new raid, the extent of which no one can foresee?

Mr. DIRKSEN. I know just what the gentleman is going to say. Knowing the attitude of my friend from Missouri as he pointed out the weaknesses in the bill, I propose, if he does not, to offer an amendment to strike out subsection (c) of section 8. Let us make the thing administratively possible rather than throw it into the discard. Let us correct it by amendment.

Mr. COCHRAN. The only amendment the gentleman from Missouri would offer would be an amendment to strike out the enacting clause.

[Here the gavel fell.]

Mr. BLAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. In the event the Mundt amendment is adopted, it being an amendment to an amendment, no separate vote could be obtained in the House. Is that correct?

The CHAIRMAN. That is the understanding of the Chair.

Mr. BLAND. In other words, if the Mundt amendment is voted into the bill, no motion to recommit may be made in the House whereby it could be stricken out because it is an amendment adopted in the Committee of the Whole. Is that correct?

The CHAIRMAN. That is the understanding of the Chair.

The Chair recognizes the gentleman from Pennsylvania [Mr. FADDIS] for 5 minutes.

Mr. FADDIS. Mr. Chairman, it seems to me that in the past few years Congress should have had plenty of experience in the granting of unlimited and undefined powers to bureaus. It seems to me that we have established in the past several years enough of these agencies to run wild throughout the United States and exercise bureaucratic powers to the *n*th degree and oppress the people through unreasonable laws, unreasonable rules, unreasonable decisions, unreasonable judgments that they in possession of bureaucratic power presume to make and enforce upon the people.

There is pending before us, Mr. Chairman, an amendment which is designed to give the bill a sort of window dressing, which is designed to give it favor in the eyes of some who believe we should have legislation with teeth in it to prevent stream pollution. I have been opposed to the pollution of streams for many, many years—in fact, ever since I can remember—and I have been constantly working in favor of legislation of this kind. But here we have what I am very much afraid is an attempt upon the part of those who pretend they are working in the interest of an anti-stream-pollution bill to sabotage their own work, especially when they try to graft into legislation of this kind an amendment which will make it unacceptable in the eyes of so many members of this Committee.

Under this amendment if a farmer were to butcher his hogs and scald them in the old-fashioned oak barrel, with a little wood ash in it, and would empty that water into a stream, he could be prosecuted under the terms of this amendment. If a farmer down in the South somewhere should open up a little sorghum mill to make some sorghum for his own private use, and would empty the rinsings and leavings into the stream, he could be prosecuted under the terms of this amendment. If a farmer up in Pennsylvania or Ohio should open up a little coal mine on his own land to dig coal to keep himself warm during the winter and some of that sulfur water should drain into the stream, he could be prosecuted. If any man, drilling an oil or gas well, put the pumpings of that oil or gas well where they might run into a stream, causing lime, salt water, or some other substance to flow into that stream, then he could be prosecuted under the terms of this bill. If a man set up a little sawmill and the sawdust should fall in a place where it might be washed into a stream, he could be prosecuted under the terms of this bill unless he

had previously come down to Washington and secured a permit to operate his own private business on his own private land.

If we are going to do anything about stream pollution, in the name of common sense, let us do something that is reasonable in the matter and not attempt to fasten on the people of the United States another superbureau with bureaucratic powers to go out and oppress the people of this country with any more autocratic rulings, such as some of the bureaus in existence are handing out at the present time.

Let us vote down the Mundt amendment and show the people of the United States that sanity is returning to the House of Representatives. [Applause.]

[Here the gavel fell.]

Mr. MOTT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, when the distinguished gentleman from Virginia [Mr. BLAND] said that the Mundt amendment smacked of Hitlerism, I rather discounted the observation, because I thought it was one of those exaggerations in which we all indulge at times; but when this very able and sincere Democratic colleague of ours declared that this amendment, proposed by a Republican, was typical New Deal legislation, then I did become concerned and I wondered whether I had read the amendment right. I read it again and I am reassured. I do not concur in the opinion of the gentleman from Virginia that the Mundt amendment smacks of Hitlerism or that it is typical New Deal legislation.

I do not believe there is anything in the Mundt amendment that should concern those people who, like myself, are opposed to granting broad discretionary powers to executives. The Mundt amendment has only to do with the pollution of navigable streams and navigable streams have always been under the jurisdiction of the Federal Government. Also, in the exercise of that jurisdiction Federal officers have always and of necessity been given a certain amount of discretionary authority.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Colorado for a question.

Mr. LEWIS of Colorado. The gentleman evidently has not read the amendment.

Mr. MOTT. I yielded to the gentleman for a question.

Mr. LEWIS of Colorado. It says "navigable streams and their tributaries."

Mr. MOTT. Certainly. It affects navigable streams and their tributaries.

Mr. COCHRAN. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does the gentleman know that every stream in the United States, no matter how small, is a navigable stream under the terms of existing law unless the Congress of the United States specifically by act of Congress declares it a nonnavigable stream?

Mr. MOTT. I think the gentleman is correct. A navigable stream is defined by statute. Now, when anyone in the United States wants to do anything in connection with a navigable stream he must get permission to do it from the Federal Government. If you want to build a bridge across a stream, you cannot do it without getting a permit from the War Department. If you are a farmer who lives on the bank of a navigable stream and you want to build a pier or wharf out into that stream, you must get a permit from the War Department. If you live on the Columbia River, for example, or on any other fishing stream, and you want to install a fish trap, you must apply for a permit from the Federal Government in order to put in that fish trap. The Federal Government will allow that installation to be made only if it does not interfere with navigation, and the question of whether it does or does not interfere with navigation is decided by the War Department. There is discretionary authority there, but no one would contend that it is dangerous.

The Mundt amendment undertakes to prevent, insofar as possible, the pollution of these navigable streams. It does not go into exhaustive detail in its definition of what stream pollution is any more than existing law goes into detail as to what constitutes interference with navigation. But it requires that the permission of an appropriate agency of the Government shall be obtained before anyone may make a special use of that stream which may result in its pollution.

It is perfectly proper that such a person should make application to the proper Federal agency for a permit to do that, and the agency should have authority to decide whether the thing he contemplates doing will in fact pollute the stream or not. If in the opinion of this agency the thing contemplated to be done will pollute the stream, the permit will not and should not be granted. That is all the discretion there is in this bill. There is sound precedent for it, and I think it is not dangerous. It does not smack of Hitlerism, and, in my opinion, it is not even typical of the general run of New Deal legislation.

Mr. Chairman, I think this bill is a step in the direction we must take eventually, and I believe we ought to do it now. The elimination of stream pollution is essential to the health of the country; I believe everyone will admit that. It is essential to the fish life of the country, and that is a very important thing also. The pollution of streams is fast ruining the fish life of the country. It is destroying sports fishing, to the detriment of everyone. It is destroying commercial fishing, to the detriment of a great industry and to thousands who are dependent upon that industry for their livelihood. The pollution in the Willamette River near its confluence with the Columbia River, where it passes the city of Portland, Oreg., is now so great that a young fingerling salmon 4 or 5 inches long can survive only 10 minutes after being taken from pure water and placed in the polluted water there. The Willamette is the principal tributary of the Columbia, which is the most important and valuable salmon-fishing stream in the world, and which brings to the people of our State an annual revenue of $10,000,000 from its fisheries. We in Oregon would like to see something started that will clean up this situation. I believe the pending bill takes a step in the direction that will accomplish this, and that does it without granting too much discretion to the Federal Government. It is an opportunity that should not be passed over by the Congress at this time. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have read carefully the debate that occurred here on yesterday. I should be very glad to vote for the committee bill, but I am very much confused about the Mundt amendment. I represent a large industry, and I might mention to you that it is the cranberry interests. The cranberry farms, so-called, are generally on a lake or a stream, because flowage is by far the most important feature of that industry. During these latter days all sorts of insects, and constantly new varieties, seem to be found, and many, many kinds of poisons have to be used. There must be constant drainage of those swamps, and they are generally drained into some stream or back into a lake.

I realize the terrific blow that could be administered to that industry. I want to preserve the fishes in the ponds and streams. I fish a good deal in the lakes, but none of those streams or lakes I can think of are used for drinking-water purposes, but some of the poisons would unquestionably be regarded as detrimental to fish life, and, in fact, we know they are.

I want to support the committee bill, but if you force me to vote for something that might jeopardize an industry, I must be well informed before I do so. If this legislation affects that industry, it must apply to other such industries.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from South Dakota.

Mr. MUNDT. I should like to assure the gentleman that his cranberry industry and all other existing industries are perfectly safe within the confines of the so-called Mundt amendment, because it applies only to new sources of pollution, so the new sources of pollution will not affect navigable streams. The amendment will not apply to ponds or lakes or swamps or bogs in any regard or in any way.

Mr. GIFFORD. We are finding new sources of poison all the time and new insects.

Mr. MUNDT. If you find a new insect and a new source of poison, you may still continue to poison the insects by securing the permission of the Public Health Service, exactly as you would get permission if you were going to build a dam or a bridge on a navigable stream.

Mr. GIFFORD. Do not put anything over on me, young man. [Laughter and applause.]

Mr. DONDERO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, yesterday while on the floor I called attention to the fact that the question of stream pollution was not a new one in this country. It goes back more than 20 years. It goes back almost 50 years. Since 1920 the Committee on Rivers and Harbors has had presented to it 65 different bills concerning stream pollution, and in those 20 years how many bills have you passed to solve this problem? One bill, in 1924, known as the oil-pollution bill, which had to do only with oil pollution of coastal waters, was passed. Therefore, in 20 years, out of 65 bills, you have enacted 1 and have not touched the problem as far as our inland waters, rivers, and streams are concerned. We have merely talked about the problem in this country, and in the meantime it has grown steadily worse.

Much has been said about the Mundt amendment. I can visualize a river in the State of Tennessee where there is one industry near the mouth of the river and another one about to be started farther up the river. We abate the nuisance of pollution by the old-established industry near the mouth of the river, and even lend it money in order to stop its pollution of the stream. How inconsistent it would be to permit a new industry farther up the river to start operations and begin the pollution all over again, thus nullifying completely what we have done for the industry near the mouth of the river.

In its broader aspects, all the Mundt amendment does is to prevent new sources of pollution in the future and from undoing all the work we have done through a cooperative attitude by the Federal Government; that is all this amendment does. It simply means that the Federal Government will cooperate with the States because all the police powers of the States are left intact and the States are to control the situation to a very large extent. How futile it would be not to endorse and include the Mundt amendment.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. KELLER. Did I correctly understand the gentleman to say just now that the condition has been getting worse? I have been hearing a lot of testimony here that we have been making a great improvement.

Mr. DONDERO. I am glad to have the correction. What I meant to say was that in the last few years since we have grappled with the problem we have made strides and progress, but in the years back of that the problem grew steadily worse and we did nothing about it.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from California.

Mr. CARTER. The gentleman is assuming that the old offender will be abated. What assurance has the gentleman of that? Would not the Mundt amendment compel the new industry to discharge its sewage properly or process it before discharging it, and thus militate against that industry as compared with the old industry if the old offender was not abated?

Mr. DONDERO. As to the old, established industry's being abated, let me say to the gentleman that if he will look at the record and see the strides that have been made, particularly in the Ohio River Valley in the last few years, with 428 cities correcting the problem and doing so in a cooperative way with the Federal Government, he will see that we certainly have a right to expect that it will be abated.

Mr. CARTER. Then why not go on with that process? What is the necessity of setting up this bureau?

Mr. DONDERO. The answer to that question is that under this bill the cooperative encouragement of the Federal Government is given to the States, cities, municipalities, and industries in aiding them to solve their problem more effectively and expediently.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it not argued by those who say that we cannot use direct control in eliminating existing pollution that it will cost too much, that you are interfering with a situation that now exists and that the cost cannot be met? If this argument be true, does it not necessarily follow that the best time to begin to exercise reasonable control of pollution is before it occurs?

Mr. DONDERO. Certainly.

Mr. HALLECK. And the thing to do is to prevent, wherever feasible, and proper, new occuring pollutions coming along, consistent with a program which seeks, so far as possible and practicable, to do away with the unreasonable pollution that now exists.

Mr. DONDERO. The gentleman is correct, and I might say that in the world of medicine much of the progress that has been made has been in preventive medicine. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. MUNDT].

The question was taken; and on a division (demanded by Mr. MUNDT) there were—ayes 79, noes 51.

Mr. BLAND and Mr. FADDIS demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. MUNDT and Mr. BLAND.

The Committee again divided; and the tellers reported that there were—ayes 121, noes 65.

So the amendment was agreed to.

Mr. TOLAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLAN to the committee amendment: After section 5, insert subsection 5 (a), as follows:

"5. (a) Any State, municipality, or other public body which is discharging untreated or inadequately treated sewage or wastes into navigable waters of the United States or streams tributary thereto is hereby declared to be eligible to Federal aid in the form of grants-in-aid and/or loans for the construction of necessary treatment works, in accordance with plans approved by the respective State health authority and the Surgeon General. Such loans and grants-in-aid shall be made upon such terms and conditions as the President, upon the recommendation of the Federal Security Administrator, may prescribe, subject to the following limitations: (1) Grants-in-aid or loans shall be made only upon the certification of the State health authority having jurisdiction and upon approval and recommendation of the Surgeon General; (2) no grant-in-aid shall be made in respect of any project of an amount in excess of 33⅓ percent of the cost of the labor and materials employed upon such project, including the cost of preparation of plans and the carrying of same into execution."

Mr. CULKIN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. TOLAN. Mr. Chairman, my amendment simply restores to the Senate bill certain provisions that were contained in that bill. The language of the amendment is in the pending bill, but under the amendment of the committee it is stricken out.

Mr. Chairman, this bill, as set out in the amendments attached to the committee's supplemental report is so innocuous that it might be termed the most feeble legislative gesture at solving a national problem that ever has been proposed to the United States Congress.

We are faced with an extremely vexing problem in my district. According to the California State Department of Public Health, we have 60 percent of California's pollution problem on the eastern shore of San Francisco Bay. When you add the flow of industrial sewage to the problem already created by the discharge of sewage from over a half million homes, the flow of refuse upon the shallow shore line of San Francisco Bay totals the equivalent of a discharge from a 1,200,000 population.

The Federal Government has a direct interest in this pollution, not only because the sludge is clogging up Oakland's inner harbor which has been dredged at Federal expense, nor because two of the largest Pacific Coast shore stations of

the Navy are situated in this area, but because of its control over the navigable waters of the San Francisco Bay, it has the common-law interest in the purity of these waters.

Without entering into the merits of the various work projects now being financed by the Federal Government in northern California, I would like to bring to the attention of the House the fact that we have, in the instance of this pollution project, a necessity for an expenditure of $13,000,000, for which we cannot obtain Federal assistance. There is such a necessity for this project that I would put it ahead of our need for school buildings and hospital facilities. We can have Federal funds for hundreds of types of municipal developments, but today the House will deny us direct aid for the most meritorious of all our needed projects.

Our six principal cities have put their heads and their funds together and are presently conducting a $60,000 survey of this project. They are doing their level best to qualify for an allocation of funds under this act as it passed the Senate. They want to rid northern California of a deplorable pollution problem which Dr. Parran of the United States Public Health Service has termed "a filthy mess."

Mr. Chairman, this amendment is absolutely necessary to perfect this bill. What good is an act for water-pollution control that provides for no control, nor does it extend any material inducement for control. That the appropriation authorized for surveys is negligible is apparent when our small San Francisco Bay project would require one-fifth of the amount which is to be allocated to all the States. Finally, no one can maintain that an R. F. C. loan is an inducement at its present rate of interest on loans to municipalities. I hope this amendment is adopted in the interest of a sound program of water-pollution control. [Applause.]

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to make a personal statement, but I feel that under the circumstances I am justified in telling you what I now intend to communicate to you. Because of the interest my people had in the elimination of stream pollution and because the measure was making no progress before the House, I took it upon myself to call upon the President and tell him how much we needed this relief. He said that he did not approve of the bill that was before Congress because it contained the provisions that have just been offered by the gentleman from California [Mr. TOLAN]. He said that they did not meet his approval and that they would unbalance the Budget. He stated he wanted the relief given to the people of the United States, but he did not feel he could approve direct grants, and the committee amendment that is before us was the result of a conference with Jesse Jones, who controls the organization that will make the loans; Surgeon General Parran, of the Public Health Service; Mr. Mansfield; Senator Barkley; and myself. The President said at that time he wanted the relief granted in the manner provided by the committee amendment.

Now, it may be that we are supreme in our legislative functions, but it would be a futile thing to pass legislation that we know will be vetoed by the President. I am hopeful that some remedial legislation will be passed at the present time and I am hopeful that the President will approve that legislation. I feel confident that if you place this amendment in the bill he will veto it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. TOLAN].

The amendment was rejected.

Mr. KELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLER to the committee amendment: Section 2, after subsection (c), insert a new subsection (d) as follows:

"(d) *Provided, however,* That any such compact or agreement shall not be binding or obligatory upon the signatory States unless it has been approved by the legislatures of such States and by the Congress of the United States subsequent to the approval of the various State legislatures."

Mr. PARSONS. Mr. Chairman, the committee is willing to accept the amendment offered by the gentleman from Illinois [Mr. KELLER].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. KELLER. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLER. I do this to state to the House that the amendment that I have just offered is the amendment which the gentleman from Virginia [Mr. BLAND] wrote, and which took the place of an amendment which I should have offered, in view of the position that I felt was necessary under the law; that is to say, that unless we put in this provision the bill would certainly be vetoed by the President; and when the gentleman from Virginia [Mr. BLAND] called my attention to that and himself refused to present the amendment, I took the privilege of doing so myself.

Mr. GAVAGAN. While the committee has agreed to accept the gentleman's amendment, so far as I am concerned, I do not agree to it with any understanding that Congress has no constitutional power to pass this as it is. Congress has control of navigable waters and tributaries thereto, and it has control of treaties made by the States, and it may in advance of those treaties give its consent. The only objection the President had was to the matter of procedure. Congress has all power.

Mr. KELLER. But if the Congress in advance agrees to those compacts, it ties the hands of Congress thereafter; and I fear with that, no matter what the States agree to, it would have been a foolish thing to put in the bill.

Yesterday I called attention to the fact that in the bill that has just been substituted for the Senate bill that in section 2, subsection B, on the line at the top of page 3, we should cut out the words "encourage compacts between the several States for the prevention and abatement of water pollution," and all of subsection C which I quote here:

The consent of the Congress is hereby given to two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative effort and mutual assistance for the prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

Pointing out that if the Congress should in advance consent to the compacts by the States, the Congress would thereby tie its own hands from interfering with whatever the States may see fit to do under these compacts and I gave notice that I would present an amendment eliminating that provision. I was pleased to find that the distinguished gentleman from Virginia [Mr. BLAND] had taken exactly the same view of it as I, and I have been advised by a number of other first-class lawyers in the House that this is the correct view, but the gentleman from Virginia [Mr. BLAND] fortunately went further in the study of the matter than I had been able to do, and he proposed an amendment which, as I stated above, I presented in lieu of the elimination of the above provision.

The gentleman from Virginia [Mr. BLAND] quoted a veto message of President Roosevelt on the subject and which I also here quote from the CONGRESSIONAL RECORD, August 14, 1939, page 15805:

THE WHITE HOUSE, *August 11, 1939.*

I have withheld my approval of Senate Joint Resolution 139, "To authorize compacts or agreements between or among the States bordering on the Atlantic Ocean with respect to fishing in the territorial waters and the bays and inlets of the Atlantic Ocean on which such States border, and for other purposes."

This joint resolution is not in conformity with the usual and accepted method of granting the consent of the Congress to the execution of interstate compacts or agreements, in that it lacks a provision requiring the approval of the Congress of such compact or agreement as may be entered into before it shall become effective. I believe that it would be unwise to establish the policy of granting in advance the consent of the Congress to interstate compacts or agreements in connection with subjects described only in broad outline as in the Senate Joint Resolution 139.

FRANKLIN D. ROOSEVELT.

It was and is my idea that not only is the question of stream pollution one in which the Government has full control but of which the Government certainly ought to keep control for

all time to come. I accepted the Bland amendment instead of my own only on assurance by the committee that the Bland amendment would be accepted by the committee and thus prevented a long-drawn-out discussion. I believe frankly that the States will hardly be able to arrive at any conclusions in the compacts that cannot be better achieved by the Federal Government, and I repeat that I only accepted the Bland amendment instead of my own to prevent a long discussion over it. No harm can come from it because, as it will be observed, after any compacts should be approved by the State legislatures, they would in no way be binding on the Federal Government until they had received the endorsement of the Congress and the signature of the President, and if and when any such compacts should come before the Congress, abundant opportunity will be given to point out the advisability or inadvisability of accepting it. I here want to repeat that, in my judgment, no compacts can be written by any convention of States which would be so effective or so desirable as action which may be taken by the Federal Government.

I do not feel that it is necessary to make the following statement but for the information of the gentlemen who are uninformed of my training along legal lines that while I have not held myself out as being a good lawyer and I have not indulged in the practice of the profession in years, I, nevertheless, doubt whether any man in this House had greater opportunity of growing up in the study of the law, the scholastic training in the law, and the university extension work, and the admittance to the bar in the State of Illinois at the head of a class of 73 in both written and oral examinations. I therefore feel entirely competent to pass on the fundamentals taught in the profession, notwithstanding my lack of recent practice in the profession.

Mr. DIRKSEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 9, line 16, strike out the word "not."

Mr. DIRKSEN. Mr. Chairman, a year or two ago one of the agencies downtown appeared before a subcommittee of the Committee on Appropriations and secured what funds it needed for a half dozen different functions. When it came back the following year we learned that they had taken some of the money which had been appropriated for specific purposes, and used much of it to pay for personnel that was later loaned to a Senate committee. We made it plain to them at that time that when Congress appropriated money for a certain function, it ought to be used for that function. The language in the bill at the present time provides that the Public Health Division can use funds out of any appropriation and divert them to that purpose. Obviously that flies in the face of such good appropriation practice, and should not be in the bill. By striking out the word "not" in line 16, it merely means, and it is obvious, that they can use the funds appropriated for the purpose of antistream pollution and for that only, and that they cannot dip into a fund appropriated, say, for some restriction against typhoid fever, and use it for antistream pollution.

Mr. CULKIN. The gentleman does not mean to imply that a part of the Public Health Service should be prevented from collaborating with another part of it?

Mr. DIRKSEN. Oh, no.

Mr. CULKIN. The gentleman regards that as one of its functions, does he not?

Mr. DIRKSEN. Yes; but if they are given $250,000 say for antistream pollution, that should be used for that purpose.

Mr. CULKIN. But they can exchange ideas and collaborate.

Mr. DIRKSEN. Very definitely; and that is not stopped by this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN]?

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 29, noes 53.

So the amendment was rejected.

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to extend the remarks I made earlier in the day.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question now recurs on the committee amendment offered by the gentleman from New York, as amended by the gentleman from South Dakota.

Mr. CARTER. Mr. Chairman, as I understand it, we are about to vote on the amendment offered by the gentleman from New York [Mr. GAVAGAN] as amended by the gentleman from South Dakota [Mr. MUNDT], which, in effect, is whether or not the bill will pass.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from New York [Mr. GAVAGAN] as amended by the amendment of the gentleman from South Dakota [Mr. MUNDT].

The question was taken; and on a division (demanded by Mr. CARTER) there were—ayes 86, noes 21.

So the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. O'NEAL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, pursuant to House Resolution 249, he reported the same back to the House with an amendment agreed to in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

STOPPAGE OF AMERICAN MERCHANT SHIPS AND AIRPLANES BY BELLIGERENTS

Mr. BLOOM. Mr. Speaker, I present a privileged report on House Resolution 391 from the Committee on Foreign Affairs.

The Clerk read as follows:

House Resolution 391

Resolved, That the Secretary of State is hereby directed to transmit to the House of Representatives at the earliest practicable moment all information as to the American merchant ships and airplanes, by name, that have been stopped by belligerents since September 1, 1939; this information to include in each case the nationality of the belligerent stopping the American ship, the port or ports which the American ship was compelled by the belligerent to enter, the length of time spent in each such port, and the action the belligerent took by way of removal of cargo or mails.

Mr. BLOOM. Mr. Speaker, the information asked for in the resolution is on file in the Committee on Foreign Affairs. I therefore ask that the resolution be laid on the table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REPLACEMENT OF CERTAIN BRIDGES ON RIO GRANDE

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7809) authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. VORYS of Ohio. Mr. Speaker, reserving the right to object, will the gentleman from New Mexico permit the inclusion of the amendment which we have discussed if the bill is now considered?

Mr. DEMPSEY. I will be very glad to; yes.

Mr. VORYS of Ohio. I have no objection.

Mr. MICHENER. Reserving the right to object, will the gentleman state generally what the bill is about? Is this the bill for which a rule has been granted?

Mr. DEMPSEY. Yes, it is.

Mr. MICHENER. Will the gentleman just state briefly what it is about?

Mr. DEMPSEY. The canalization work on the Rio Grande being performed by the State Department through the International Boundary Commission, United States and Mexico, is almost complete. During the canalization work certain of the county bridges have been rendered useless because of a change in the channel of the river. Authority was granted originally under previous law to replace and repair any privately owned or municipally owned structures damaged by this work. They did not give authority to repair county owned bridges, which was just an oversight. The municipally owned bridges have been repaired, and these are county owned bridges, which are in the same category.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. LUTHER A. JOHNSON. This legislation is made necessary by reason of the fact that the original act provided that privately owned bridges and municipally owned bridges should be replaced, but it omitted to designate county bridges, and they have held that "municipal" does not include "county." There are a number of county bridges which it is necessary to repair or replace in order to carry out the intention of Congress in the original act.

Mr. DEMPSEY. That is correct. The bill is recommended by the Department of State and has the approval of the Director of the Bureau of the Budget and the approval of the Committee on Foreign Affairs.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. THOMASON. Is it not a fact that the intention of the framers of the bill and of the State Department, and also of the Congress, was that county bridges should be included just the same as private and municipally owned bridges?

Mr. DEMPSEY. Yes. It was intended that any damage done to any bridges would be repaired and structures rendered unusable would be replaced as a matter of public convenience and necessity.

Mr. THOMASON. And it was a technical oversight, was it not? This is a meritorious bill and I very much hope no objection is made to its present consideration.

Mr. DEMPSEY. Yes; that is right.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of State, acting through the American Section, International Boundary Commission, United States and Mexico, is authorized to reconstruct or replace certain bridges over the Rio Grande within the Rio Grande canalization project known as the Courchesne, Country Club, Borderland, and Vinton Bridges in El Paso County, Tex., and the Berino, Vado, Mesquite, Shalem, and Hatch-Rincon Bridges in Dona Ana County, N. Mex., and such other bridges within said project as the Secretary of State may determine to include.

SEC. 2. That notwithstanding the limitation imposed on the total cost of construction of the Rio Grande canalization project by section 2 of the act entitled "An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose," approved June 4, 1936, there is authorized to be appropriated the sum of $350,000, which shall be in addition to appropriations heretofore authorized for such project, for the purposes of carrying out the provisions of section 1 hereof, other than for operation and maintenance, including salaries and wages, fees for professional services; rents, travel expenses; per diem in lieu of actual subsistence; printing and binding, lawbooks, and books of reference; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; hire, with or without personal services, of work animals and animal-drawn and motor-propelled vehicles and equipment; acquisition by donation, condemnation, or purchase of real and personal property; transportation (including drayage) of personal effects of employees upon change of station; telephone, telegraphic, and air-mail communications; rubber boots for official use by employees; ice; equipment, services, supplies, and materials and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the provisions of the act: *Provided*, That the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not apply to any purchase made or service procured when the aggregate amount involved is $100 or less: *Provided further*, That no part of the appropriation herein authorized shall be expended for the construction of any of the bridges to be located within any county until the governing body of such county has given assurance satisfactory to the Secretary of State—

(a) That it will cause to be furnished, without cost to the United States, evidence satisfactory to the American Commissioner, International Boundary Commission, United States and Mexico, that title to all lands or easements in lands which may be designated by the said American Commissioner as necessary for the construction, operation, and maintenance of the bridges and approaches, the title to which is not vested in the United States, is vested in the county;

(b) That it will perform without cost to the United States all work involved in any required changes, including changes in pavements or other road surfaces, in the approaches or approach roads to the bridges to be located within such county;

(c) That it will, upon notification by the said American Commissioner that any bridge has been completed, take over and operate and maintain such bridge; and

(d) That it will hold the United States harmless on account of any damage or claim of damage arising out of or in any way connected with the construction, operation, or maintenance, or failure to operate and maintain, any bridge or bridges or any part thereof located within such county;

And provided further, That no part of the appropriation herein authorized shall be expended for the construction of any of the bridges to be located in Dona Ana County, N. Mex., until the governing body of said county has given assurance satisfactory to the Secretary of State that it will remove or rebuild, in accordance with plans and specifications to be approved by the American Commissioner, the bridges known as Old Anthony Bridge and Salem Bridge.

With the following committee amendment:

Page 3, line 8, after the word "bridges", insert "county."

The amendment was agreed to.

Mr. VORYS of Ohio. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: Page 3, line 6, after the word "less", insert "and provided that not more than $3,500 shall be expended for the purchase of real property and expenses incidental thereto."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, House Resolution 399 will be laid on the table.

There was no objection.

ADJOURNMENT OVER

Mr. WARREN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. HARTER of Ohio, Mr. MILLS of Louisiana, Mr. BRADLEY of Michigan, and Mr. DEMPSEY asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. WEST. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by the gentleman from Texas [Mr. KLEBERG] on the subject of the pink bollworm.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some articles on the question of freight rates in Oklahoma.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article by I. J. Kent.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein

an address made by Senator BRIDGES at Casper, Wyo., on the 17th of February.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by the gentleman from Wisconsin [Mr. BOLLES] in Buffalo, N. Y., on February 24.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made by Senator BRIDGES in Enid, Okla.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter which I have received from the Minneapolis Junior Association of Commerce regarding the report of the conferees on the Wheeler-Lea bill, and also a resolution from the city of Minneapolis opposing the Wheeler-Lea bill and asking 30 days' time in which to consider the conference report when it is brought up.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Texas [Mr. GARRETT] may be excused on account of important business.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Monday next after the legislative program for the day and the special order that I may address the House for 20 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE LATE HONORABLE WILLIAM A. DICKSON

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGEHEE. Mr. Speaker, I take this opportunity to announce to the membership of this body the death of a former Member, the Honorable William A. Dickson, of Centreville, Miss., who served during the Sixty-first and Sixty-second Congresses.

Mr. Dickson was a grandson of Dr. William Winans, a pioneer Methodist minister, who immigrated from Pennsylvania to Mississippi territory and established his home near Centreville, and whose grave is a shrine of Southern Methodist.

Mr. Dickson served his county and State in many capacities prior to his election to Congress. He received his degree in law but never practiced his profession, spending his entire life when not actively engaged in performing the duties of the office he held following his greatest love, that is, agricultural pursuits. He was one of the greatest orators it has been my privilege to hear; he was a statesman of the years-ago type. He was respected, loved, and was a great factor in the progress and upbuilding of his section.

The SPEAKER. Under the special order of the House heretofore made, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

LABOR LEGISLATION

Mr. HOFFMAN. Mr. Speaker, as long as there are a very large number of Republicans here, I ask their attention for a minute or two.

Mr. Speaker, I have learned in one way and another that there is an insistent demand throughout the country to amend the National Labor Relations Act. I have learned that many of the Republicans, as well as a few Democrats and new dealers, want that act amended. I have been wondering why it was that we did not get about the business of doing what the people wanted us to do.

The Smith committee has disclosed enough of a situation which does not appeal to very many of us, so that we have information justifying the abolition of the Board. If I read the signs correctly, some day Congress will get rid of that Board; and as long as we are going to do it, we might just as well do it now as to wait until additional industries have been closed.

Not only that but the Smith committee has disclosed weaknesses in the law itself. There is no question about it. I know that Mr. Pressman, before the House Committee on Labor, stated there was no demand throughout the country for the amendment of this law. There is not, of course, any demand among the Communists; and Mr. Pressman, counsel for the C. I. O., has been engaged in activities which have done a great deal to further the interests of the Communists.

It being true that a majority of the House wants this law amended, there is no reason why we should not start now. The chairman of the Committee on Labor the other day said out here in the corridor that the House Labor Committee was going to wait until the Smith committee finished its investigation.

The Smith committee, we are told, next week or the week after, will make a report; then the matter will go to the House Labor Committee. But that report of the Smith committee is to be a preliminary report; it is not to be the final report.

The chairman of the House Committee on Labor controls that committee; there is no question about that. If the chairman of that committee is going to wait for the final report of the Smith committee, it will be along toward the last of March or the first of April before we will get anywhere at all with the House Committee on Labor. The only way we will ever get out a bill to amend the national labor relations law and take care of and discipline that Board the way you want it to be disciplined and taken care of will be by discharge petition. If we wait 2 or 3 weeks for the Smith committee to come along and make a preliminary report, then if the chairman of the House Committee on Labor holds up that report, waiting for the Smith committee to make its final report, where are we going to get? We will be doing just the same as we have been doing for more than a year—just nothing at all, except hold hearings. You might as well put an old hen to setting on a nest full of doorknobs and expect a hatching of Plymouth Rock chicks as to proceed as we have been doing for more than a year.

There are two or three members of the House Labor Committee present, and if I am not correct, I would like to hear from them. We will continue to have the situation of getting nowhere at all unless we can get a discharge petition signed. That is the reason I put petition No. 23 on the desk. It does not make any difference whether you like the bill I introduced a year ago in March or not. Let us bring out some bill under an open rule, then amend it on the floor as you wish to have it amended; otherwise we will not get any action during this present session.

Republicans have been acting in good faith, and I can see no reason why we should not do something now to bring this matter before the House at this time or as soon as we can get it up for consideration? Why wait and let the Labor Committee fool along and the session come to an end with nothing done? There is only one good reason I can think of for that course, and that is that the failure to amend the N. L. R. A. is some of the best campaign material we can get; but that is a poor reason if we have in mind the interest of our country as a whole. That is why I am speaking to you today. That is why I have spoken so often before. Let us show our good faith by doing our utmost to bring before the House a bill under an open rule, debate it, then act, and let responsibility for refusing to abolish the Board and amend rest upon the majority side.

Mr. HOOK. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Michigan.

Mr. HOOK. The gentleman is an attorney. He would not want a case to go before a jury with only half of the evidence

in? Does he not believe that the House Labor Committee should have all the evidence before it decides?

Mr. HOFFMAN. The House Labor Committee has had 10 months. I am an attorney, but if I were on a jury trying a man for robbery, when I had evidence enough to know that the man was guilty of robbery I would not care much about other evidence. I would convict him of the offense of which he was charged and shown to be guilty and disregard evidence of other alleged offenses.

Mr. HOOK. The gentleman would not care about what defense was put in?

Mr. HOFFMAN. I did not say that at all. I said when the evidence showed conclusively guilt of the offense charged I would act after the one accused had been heard in his own defense. The gentleman does not defend the activities of this Labor Board, does he?

Mr. HOOK. Well, I want to know what the facts are before I make my decision.

Mr. HOFFMAN. Does not the gentleman know now?

Mr. HOOK. I do not want to decide on half facts.

Mr. HOFFMAN. Does not the gentleman know now?

Mr. HOOK. I certainly do not know.

Mr. HOFFMAN. Does not the gentleman know the Labor Board has had full opportunity before the Smith committee to present its case, that the Labor Board has been in charge of the time for almost a week, and does not the gentleman know that over before the House committee the C. I. O. attorney, Pressman, has had 3 hours on one occasion and that he put in 300 pages of typewritten statement, refusing absolutely to answer simple questions directly? Does not the gentleman know that the Board took up days before the Senate committee and before the House committee, last year and again this year, in presenting their view?

Mr. HOOK. If the gentleman is correct, why does not the Smith committee close its hearings?

(At this point certain words used in debate were, by unanimous consent of the House, withdrawn from the RECORD.)

Mr. HOOK. Mr. Speaker, I would like to have the gentleman's words taken down. I ask that the gentleman's words be taken down.

The SPEAKER. The Clerk will report the words taken down.

The Clerk read as follows:

I presume they want to pile up such a mountain of damaging testimony against that Board and the unfairness of the law so that even the gentleman from Michigan, who never can tell whether a document has been forged or whether it has not——

The SPEAKER. The Chair is of the opinion that the reference made in the words taken down of the gentleman from Michigan relate to his colleague the gentleman from Michigan [Mr. HOOK], who the Chair understands is the gentleman that requested that the words be taken down.

Mr. HOFFMAN. In answer to a question.

The SPEAKER. The gentleman was referring to the gentleman from Michigan [Mr. HOOK], as the Chair understands it?

Mr. HOFFMAN. I was answering a question the gentleman asked me, and I did not complete the sentence, which I should like to do.

The SPEAKER. The rule on the conduct of Members in debate is that a Member, on being recognized, may address the House from any place on the floor or from the Clerk's desk, and shall confine himself to the question under debate, avoiding personality. The Chair is of the opinion that the phrase used by the gentleman in connection with the statement in reference to his colleague the gentleman from Michigan [Mr. HOOK], "who never can tell whether a document has been forged or whether it has not," transgresses the rule and is a personality.

Mr. HOFFMAN. Will the Chair permit me to submit a parliamentary inquiry?

The SPEAKER. Yes.

Mr. HOFFMAN. When I am asked a question by the gentleman from Michigan [Mr. HOOK], then how can I make reply without referring to him personally?

The SPEAKER. In reply to the question, the Chair suggests that the gentleman might say, "In response to the inquiry of my colleague from Michigan."

The gentleman from Michigan himself has invoked this rule regarding personalities on several occasions and the gentleman is very familiar with the rule. The Chair has sustained the attitude of the gentleman from Michigan on most of those occasions. The Chair thinks the gentleman should withdraw the words in question; at least, the Chair holds that they transgress the rule.

Mr. HOFFMAN. Mr. Speaker, may I submit a unanimous-consent request?

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that I may be permitted to withdraw those words, and to substitute in their place the statement that I presume the Smith committee wanted to pile up a mountain of evidence showing the maladministration carried on by the Board, and the serious defects in the law itself, so that any gentleman in or out of the House might know for a certainty that we should amend the law at this time.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. HOOK. I object, Mr. Speaker.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. Is the present status of this matter that everything that has been said will appear in the RECORD?

The SPEAKER. The words have not been withdrawn or expunged, therefore they will appear in the RECORD. The Chair has ruled with reference to their propriety.

Mr. HOOK. Mr. Speaker, I move that the words be expunged from the RECORD.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I move to lay that motion on the table.

The SPEAKER. The gentleman from Wisconsin moves to table the motion of the gentleman from Michigan.

Mr. HOOK. Mr. Speaker, I make the point of order that a quorum is not present.

I withdraw the point of order, Mr. Speaker.

Mr. SCHAFER of Wisconsin. I object to his withdrawing the point of order, Mr. Speaker.

The SPEAKER. The point of order is withdrawn.

The question is on the motion of the gentleman from Wisconsin to table the motion of the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 27, noes 35.

So the motion was rejected.

The SPEAKER. The question is on the motion of the gentleman from Michigan.

Mr. HOFFMAN. Mr. Speaker, I wish to submit a unanimous-consent request.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Two of them, in fact. The first is that I may be permitted to withdraw the words, and the other is that my special order for next Monday may stand.

The SPEAKER. Is there objection to the first request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The gentleman already has his special order for next Monday.

The SPEAKER. Under a special order of the House heretofore entered, the gentleman from Pennsylvania [Mr. SNYDER] is recognized for 30 minutes.

TRANSCONTINENTAL HIGHWAYS

Mr. SNYDER. Mr. Speaker, this is the fifth consecutive year that I have had the pleasure and privilege of calling the attention of the House to the advisability of building a system of transcontinental and north-and-south highways across the United States.

As you will recall, I said last year in presenting this measure to the House that when I first presented it it seemed the major element of importance in building such a system of highways was transportation of commodities of all kinds. This would not only save time but money.

After further study it was brought out that inasmuch as industry was not absorbing the hundreds of thousands of unemployed, the building of such a system of highways over a space of years would give worth-while employment to a large group of men.

Then, about 2 years ago, when the wars across the waters created certain international problems, it was almost unanimously agreed that such a system of highways completed would be a major factor in national defense, in that we would have greater flexibility and thus greater economy.

During these recent years the problem of slum clearance of our cities has been talked of, and in some respects different Government agencies have taken steps toward solving this problem. From many parts of the United States people have written me and called my attention to the fact that such a system of highways as I propose would be a real major procedure in helping to solve the overcrowded city population problem.

You recall that I propose these highways should not run through the cities, that they shall bypass the cities at a safe distance.

I hold in my hand a copy of the message from the President of the United States transmitting a letter from the Secretary of Agriculture, concurred in by the Secretary of War, inclosing a report of the Bureau of Public Roads, United States Department of Agriculture, on the feasibility of a system of transcontinental toll roads and a master plan for free highway development. This House Document No. 272, transmitted by the President April 27, 1939, is a most commendable document indeed. The Bureau of Public Roads and other agencies that had to do with gathering the data, compiling it, and furnishing Congress with the information, deserve much credit. It is only from such data, statistics, and findings that we can formulate plans that will eventually crystallize into a reality.

As you will observe on the map here, my plan calls for three highways running east and west and six running north and south. These highways are spoken of sometimes as superhighways, transcontinental highways, and so forth. I believe this report refers to them as intersectional highways. I believe their plan calls for running these highways right into the cities. I think it would be a mistake in building highways of this magnitude to run them into the large cities.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I will be very glad to yield.

Mr. SCHAFER of Wisconsin. Why do you end one of these north and south highways at the lower end of Lake Michigan instead of going on through to the end of Wisconsin?

Mr. SNYDER. I am sorry that was not done. I was going to do that, but I did not have the time to take it back. It should go right along here [indicating].

Mr. SCHAFER of Wisconsin. The gentleman does not intend then, under his program, to have this highway end at the Illinois State line but end at the Canadian-Wisconsin border?

Mr. SNYDER. That is exactly it and that is what is called for in my speech, but I did not have the red tape to put it on the map here.

Mr. MACIEJEWSKI. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. MACIEJEWSKI. Did I understand correctly that the gentleman intends to stay out of the big cities entirely and just go around them, under this highway plan?

Mr. SNYDER. Yes, I do. Further on I would like for your comment on what I am about to say in that respect. I believe, however, that their plans call for running these highways into the cities. I think it would be a great mistake to build highways of this magnitude and run them into our cities, and if you will follow me for a moment I will be glad to have your comments, either pro or con, on that phase of this great and important question, because I believe, I may say by way of parenthesis before taking up the next paragraph here, that we are all agreed that such a system is going to be built. It may be it will not run along the same lines as I have suggested, but such a general system of highways is going to be built, whether you think so or I think so, because, as the Nation is being built up, they have got to build such a system of highways for our transportation, and when we build them, we might as well build them for a thousand years as to build them for 10 or 15 or 20 years, and you cannot build them for a thousand years by running them into the cities, as I will show you in a moment.

In these days we are interested in decentralizing the population of our cities—not adding to it. We are spending money through various Government agencies, such as Federal Housing, United States Housing, to clear up slum districts in the cities. Slum districts in certain of our large cities have been materially helped during the last few years all of which is commendable.

But, Mr. Speaker, if we are thinking in terms of community-building and Nation-building construction that is to be handed down through the generations to come, it seems to me the one big thing that we could do at this time would be to build such highways as my bill calls for that would pass close to the cities but not directly through them.

For instance, if we were to build a highway from Baltimore to Columbus, St. Louis, Salt Lake City, and San Francisco, it should not pass through any of these cities. It should be made as straight as possible, and if it happens to be 10 or 20 miles from a large city, all the better. We can have byroads leading from such highways into the large cities.

We have all observed that when a permanent road is built from one city to another the people in those cities will buy acreage out along the road and move from the city out there.

We also find that things have changed from a standpoint of manufacture. These days much of the manufacturing is done by electricity and much of the transportation is done by truck. If we had these highways, hundreds of manufacturing concerns would move their manufacturing plants away from the congested parts of the city, down by the water front or railroad front, out along these highways, and thus be able to not only manufacture their commodities cheaper, but they would be on the highways they were going to use in distributing their products.

Our cities sprung up in our valleys, at the junction of rivers, at certain appropriate coastal fronts and harbors, largely because the railroads had to seek as level a surface as possible in building the railroads, and they found that to be along the river-bed levels.

Instead of taking these commodities by truck and rail into the cities, as they are largely doing now, and thus creating a more congested population, my plan would draw the people out along these highways to build their factories, build their homes, and distribute their manufactured products much more economically.

Furthermore, the land values along these highways for miles and miles back of each of them would be increased. The farm-truck growers would have facilities that would enable them to distribute their commodities at less cost than they are now being distributed.

My friends, if these highways were completed today as set forth in my bill—some 16,000 miles—in less than 20 years we would have at least 10,000,000 of our population living along these highways; and most of them, I believe, would be in homes that they owned.

The more home owners you have in a democracy the easier it is to perpetuate a democracy in any nation. If home owners in a nation drop below 40 percent of the population it is not only extra expensive but extraordinarily difficult to perpetuate a democracy.

I have been informed by the fruit growers associations, from the East and West, as an example, that if such highways were completed today they could distribute their commodities to the consumers at from 12 to 15 percent less than they now distribute them. That could be said also of manufactured products from our manufacturing centers that must be distributed through the Nation.

I hear some of you asking, "What about the cost of such a system of highways?" Well, as set forth in my bill, it would cost approximately one-half million dollars a mile.

Up in Pennsylvania today we are building a turnpike highway from Pittsburgh to Harrisburg. The present distance you are obliged to travel between these two cities is about 206 miles. The distance on the new highway, when completed, will be approximately 161 miles. This highway will have four lanes, and the grade will not be more than 3 percent at any one point, and no sharp curves will be on it.

This highway is being built by a grant from the Federal Government and a loan from the Reconstruction Finance Corporation at a cost of approximately $61,000,000. It will be completed about July 1, 1940, according to contracts. This will be a great highway, and before construction was started much research and study was given to the possibility of travel on this highway. They found that all types of business favored its construction. The big truckers favored it especially.

For instance, it is figured that large trucks, that will be charged $10 toll on this road from one end to the other, will willingly pay this because they will be saving more than $10 a trip by using this road instead of the up-and-down mountain highway.

Instead of taking 12 or 15 hours to make the trip, it will take only about 5 hours for such a truck to make the trip, and that will be a saving of about two-thirds in time the driver will consume—to say nothing of gas, oil, and wear on the truck.

This turnpike was started under the Earle administration about 2½ years ago. When the present administration came into power, Governor James had expressed opposition to going on with the highway; but after he gave it thorough study he decided to cooperate and has cooperated toward its completion. Now, instead of opposing it, he advocated that it be extended from Harrisburg toward Philadelphia and New York.

Another group met in Chicago recently and advocated the extension of this highway from Pittsburgh on west through Ohio and Illinois.

So you see the day of such highways is here, and I think that the Congress of the United States should take action that will result in seeing to it that these highways are built so they will last not only 50 years but 1,000 years, and that they will be built to serve all the people instead of certain communities.

During the last few years we have strengthened our national-defense set-up from every angle. We are going to continue to do that, but I believe that my colleagues will all agree with me when I say that a system of highways such as I propose would be a greater contribution to national defense in case of an emergency than any other one item.

Our national-defense installations are not for aggression. We are preparing so that in case any foreign foe would choose to disturb our institutions, either on our shores or inland, that we could prevent them from doing so. Such a system of highways would enable us to put on rubber wheels practically all of our Army equipment—such as guns, antiaircraft material, trucks, tanks, and what not—and move them in a short space of hours from any one point of the United States to another point.

Another feature of these roads as set forth in my bill is that they will be 100 feet wide, thus providing 8 lanes of traffic with a 500-foot right-of-way. No obstruction would be allowed on such rights-of-way, such as telephone poles, light poles, signs, and so forth. That would mean that the long stretches across the continent—take for instance the middle highway as I have set forth to run from Baltimore to San Francisco—could be used as an emergency landing field. Of course we would have the 18 airports at the intersections as the bill calls for. In other words, we would have a main street across the Nation. At night it would be lit up as any main street in our large cities today.

Our air service would always be safe from the standpoint of having safe-landing facilities. We would have radio stations at intervals along these highways and if a plane would be in trouble, all the pilot would have to do would be to radio down that he was going to land in section 17 or 18 in 2 or 3 minutes. The radio operator would then stop traffic and enable a mile or two of the highways to be a landing field for that emergency.

In reading this report I notice they have counted traffic on certain highways and have based their conclusion on certain types of roads to be construted to take care of that amount of traffic. If the traffic load seemed to be heavy they would build a highway to take care of more traffic at that particular point.

I doubt the wisdom of such a procedure—that is, if we are looking forward 100 years from now as to taking care of our traffic problem, population, and farmers.

In other words, I think we should build these highways so it will give opportunity for expansion of business, industry, and manufacturing, to come out along these highways instead of trying to crowd men into the same areas that we now have, and thus add to the congestion and more difficult living conditions.

We have made wonderful progress in the last few years in stabilizing our economic and social forces. We have put several million more men to work, but we still have other millions to put to work. We find we are now turning out as many tons of steel as we did in certain months 20 years ago when things were at a peak—yet we are not employing one-third as many men to turn out this commodity. In other words, machinery has replaced the men. So it is in every industry—not only the steel industry.

Therefore, we should put these men to work on worth-while projects—and no project that I can think of would be more worth while than this highway program. We could put a million or more men to work for the next 8 years on this system of highways, and their children would have something to point to with pride as an accomplishment in years to come.

I have included in my bill the language:

> There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $8,000,000,000 to carry out the provisions of this act. * * *

However, I am not tied to that. I would prefer to see the roads built with private capital given out by contract to the lowest bidder.

For the last 25 years our people have drifted into a piecemeal financial procedure along all lines. A number of States have a sales tax. They take a few pennies from everybody for most of the things they use in everyday life. Business concerns are educating our people to pay so much a week on this or that article. Insurance companies have taught our people to pay so much a week on insurance policies. Business concerns as well as the Government have resorted to paying employees once a week or every 2 weeks—making everything piecemeal.

So you have a people educated to doing things in little dribbs. That being the case, the toll highways would be in keeping with the other practices. I have always favored gasoline tax. The fellow who does not have a car or does not use his car does not have to pay the tax. The same would be true of toll highways. You say he would pay indirectly. Of course, he would pay indirectly. We pay indirectly for everything that we use and the other fellow uses.

I am going to give this one instance as a citation, with your kind permission. When I first came to Washington 8 years ago, my wife and I, coming from the country, we would drive out in the country, and on one occasion we went out to Soldiers' Home and then drove down Blair Road. I think you know where that road is. I thought they had a planning commission here in the city of Washington that would not allow them to do certain things, and maybe it is all right and maybe I am all wrong about it, coming from the country as I do, but when I went out there this spring I was really, I might say, chagrined, because I found that they had allowed them to go out there and build a whole row of houses along an entire block, just like one solid house. We would call it a shed out on the farm. Perhaps it was five or six hundred

feet long. They put porches and steps and a door here and call that a home. Then they would put a porch and a door at another point and call it a home, and then sell a slice of it to some fellow for a home.

That is the way we used to do in the mining towns in western Pennsylvania, because they would usually be temporary. In my own county we built mining towns like that, and we would just build long strings of houses and divide them with partitions and put people in there as an emergency for the mining work, because, perhaps, the mine would be worked out in 8 or 10 or 15 years, but here in the city of Washington that same general plan is being followed right in the Capital of the United States. You have noticed around Philadelphia, if you were ever over there, and around Baltimore, where they did this kind of building 30 or 40 years ago, the slum clearance has now reached out to them and they are trying to do away with that sort of building; but right here in the Nation's Capital they have built a lot of them of that same type within the last 2 or 3 years. My comment, from what little I know about preparing for generations yet to come, is that they should not be allowed to build such strings of houses in this day and age and divide them up into coops to shove people in and then allow them to invest their money in one slice of such a house, when they do not know who is going to move to the right of them or who is going to move to the left of them in the next 5 or 10 years, or whether its value will jump up or jump down because of what might be shoved onto the right or left of them.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. Yes.

Mr. DOUGHTON. Unfortunately, I was not in the Hall when the gentleman began his address, but about what would be the construction cost of the gentleman's program, including the rights-of-way?

Mr. SNYDER. About $8,000,000,000.

Mr. DOUGHTON. How long does the gentleman think it would take to construct them?

Mr. SNYDER. Eight or sixteen years.

Mr. DOUGHTON. Would the roads be free roads or toll roads?

Mr. SNYDER. I have left that question open as to whether they should be toll roads or free roads. I have a comment I want to make on that.

Mr. DOUGHTON. Would they be for general-traffic roads—that is, commercial roads—or just tourists' roads? Would large, heavy busses and trucks and things of that kind that push people off the highways be permitted to travel on these roads?

Mr. SNYDER. I thank the gentleman for that inquiry. I am pleased to say to the distinguished gentleman from North Carolina that these roads, running 16,000 miles, approximately, would be 100 feet wide, with eight lanes of traffic, with a clearance of 200 feet on either side, making a 500-foot highway the whole distance across the Nation. Certain lanes of traffic would be for heavy trucks and certain lanes for lighter trucks. There would be certain lanes for speed trucks, up to 90 or over 100 miles an hour.

Mr. DOUGHTON. The trucks and busses would be separated from the ordinary lanes?

Mr. SNYDER. They would have their own lanes of travel, and I might go ahead and say in connection with that that there are two aspects of this project. I took the matter up with the California Fruit Growers' Association and also with the Southern Fruit Growers' Association and certain textile people. They tell me that if these highways were completed now, they could distribute their fruit products from the West to the East at a 12 to 15 percent less cost to the consumer than they can now distribute such products.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. Yes.

Mr. MICHENER. And that would mean that they could do that because of the subsidy furnished by the Federal Government in providing a roadbed, and that would be the beginning of a proposition to put out of business and destroy the railroads.

Mr. SNYDER. And may I answer the gentleman there in respect to the subsidy and say that while my bill calls for $8,000,000,000 out of the Treasury, I would rather that private industry build the roads, which would be perhaps toll roads. Let me say this about the toll roads: I know everyone will be interested in what I am about to speak of. Some of you have heard about it, but you have not had the opportunity to know about it as I have. In Pennsylvania we are building what they call a turnpike highway from Pittsburgh to Harrisburg. Already there are two highways there—the Lincoln Highway and the William Penn Highway, two to four lanes wide. The distance over those two highways are approximately 206 miles. This new turnpike was begun by a grant when we had the P. W. A., plus a loan from the Reconstruction Finance Corporation, to be built at a cost of $61,000,000. It will shorten the route from Pittsburgh to Harrisburg from 206 to 160 miles, with four lanes of travel, with no grade over 3 percent, and no curves on it where you cannot see about 2,000 feet ahead. The comment is this: They expected that it would take 16 years to liquidate this loan from the Government, but now, as it is nearing completion—and they expect to throw it open July 1—the trucking companies and all kinds of companies are coming in for rates; and they find in the estimate now that in 10 years this will be liquidated because of the use that is going to be made of it. For instance, it now costs a 10-ton truck loaded to capacity $37 to go up and down those mountains to move that load from Pittsburgh to Harrisburg. When the new road is constructed, instead of its taking from 12 to 15 hours to do that, they expect to do it in 5 hours; and the cost, instead of being $37, they expect will be $17 to move that load from Pittsburgh to Harrisburg, a saving of $20. The way it is set up now is that they will charge $10 toll for a truck of that kind and $1.25 for an ordinary automobile for use of the road over those 160 miles.

Now, if you were in Pittsburgh and you were going to Harrisburg, you would have a choice of one of these routes. It is 206 miles by the present roads, and it is up and down at least seven mountains. Or you could go over this new highway. There will be no compulsion about it. The people do not have to use this road, because there are two splendid highways paralleling this. They cross over and under at least several times. But we people in America, the greatest people on earth, have been trained to do things by bits. Personally, I have never supported what we call the sales tax, but I have been in the State of Alabama and in the State of California and in the State of Ohio on some army inspection tours, and I drop in to buy this or that or to buy some food, and I find that they will tax me for even my food a few cents extra. These high-powered salesmen come around to our homes and they will sell a sweeper, or this, that, or the other, and we pay in dribs. Even the Government got down to the practice of paying in dribs, paying every week. Personally, I am opposed to that. I think the much better practice would be to pay every month, so that they would get something in their hands that would look worth while. But the point I am trying to build up is that we have educated our people through all of these different processes to little dribs of payments, and they do not mind paying the toll now as they did 20 years ago. They pay their tolls without any question. I would say that 90 percent of the people if they were in Pittsburgh and wanted to go to Harrisburg, no special reason for them to get there, would inquire about the highways. They would be told, "You can go over the Lincoln Highway. It is a two-lane road, very beautiful, 206 miles, over the mountains. You can go over the William Penn Highway." And they would tell them about that. Or they would say, "You can go over the new turnpike and you can make 60 to 90 miles per hour. There are no curves on it to speak of," and so forth.

I say 90 percent of them would pay the $1.25 and go on the new highway and buzz their way to Harrisburg.

The point I want to make in connection with all that is, it does not matter which procedure we go through to build these highways, whether by private contract or whether the Gov-

ernment loans the money to certain corporations with certain specific regulations, or how we do it.

One of those regulations, before I forget it, is that all those who are above 50 years of age would be employed first. That is, it would give employment to those men that industry has set aside and will no longer take back. That would give employment to that large group. We might even go down to 45 years of age on such a proposition.

Mr. THILL. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. THILL. There are a lot of young boys between the ages of 18 and 22 or 24 who are unemployed.

Mr. SNYDER. Yes.

Mr. THILL. Would you give them work, too?

Mr. SNYDER. I am glad you mentioned that. The group of older men that would take these places first, if they could not fill all the places the young men would be given the next chance. One of the greatest dangers to this Nation is that we have too many young men whose minds and hearts are not employed and their footsteps are not being guided in the right direction at this particular time.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. SCHAFER of Wisconsin. The gentleman indicated that the program would cost about $8,000,000,000.

Mr. SNYDER. Yes.

Mr. SCHAFER of Wisconsin. In the words of another distinguished Member of the House from Pennsylvania [Mr. RICH], "Where are you going to get the money?"

Mr. SNYDER. As I say, my friend, if we build it under contract authorization, like we are building this turnpike, we would liquidate it in so many years; the money would all come back.

Mr. SCHAFER of Wisconsin. Under your program you do not intend to commence the building of all of the roads at once, do you?

Mr. SNYDER. Well, that would be a matter that would have to be decided. If I were to do it I would build No. 2 highway first across the Nation. Then I would build this one second and I would build that one third, that is, if we built them piecemeal. If I would start this one I would start it over here where the population is great, and where we need a lot of employment.

Mr. SCHAFER of Wisconsin. Has the gentleman thought of using W. P. A. labor? If you start construction of one of these highways, will not the employment on such highway be far more beneficial to America than producing burlesque shows such as Up in Mabel's Room, Swing Mikado, and many similar activities of the W. P. A.?

Mr. SNYDER. Very much more so. I thank the gentleman for his contribution.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. PARSONS. I wonder if the gentleman has enumerated in his tables and statistics here how much concrete, stone, sand, and gravel, and building materials, man-hours and man-days of work on such a project as this would be provided for people, directly and indirectly, in this country?

Mr. SNYDER. I thank the gentleman for that suggestion. The cost of building the highway per mile in Pennsylvania is $350,000 a mile. Now we go through seven mountains. There will be seven tunnels on this road. Some of them are short. I think one of them is a mile and a half long.

To buy a right-of-way 500 feet wide would cost approximately $500,000 a mile. In some rocky, swampy places it would cost more, and that through level land would cost less. Following out the suggestion made by the gentleman, in addition to putting a million men a year directly to work, the building of this system would put another million men to work in collateral lines preparing and furnishing the materials entering into this great Nation-building structure; and if I had my way, I would build it like the Appian Way was built, to last 1,000 years.

Mr. THILL. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. THILL. I notice on the map the gentleman is using there are indicated six north-and-south highways, three in the eastern half of the United States and three in the western half. Does not the gentleman think it would be more advisable to put more highways in the more populous East than in the less populous West?

Mr. SNYDER. I thank the gentleman for his contribution. I might say in answer to the gentleman's inquiry that a study of the eastern half of the country showed that there were a great many parallel highways of the type I spoke of in the case of the new turnpike running between Pittsburgh and Harrisburg; and that is why this adjustment was reached.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. PARSONS. How wide did the gentleman say the right-of-way for the highway would be?

Mr. SNYDER. Five hundred feet.

Mr. PARSONS. Has the gentleman figured how much productive land that would take out of cultivation in the agricultural areas?

Mr. SNYDER. Yes; but I have not the figures with me. I will insert them at this point. I think that would not be objectionable because we are taking a lot out of cultivation by law anyhow.

Mr. PARSONS. The gentleman thinks it might be a step in the right direction looking to the relief of the farm problem.

Mr. SNYDER. I think so, and a step in the direction of putting men to work.

Mr. PARSONS. I notice that on the map the gentleman has indicated a highway running, I believe, from Chicago directly south.

Mr. SNYDER. Yes.

Mr. PARSONS. Does that go to New Orleans or does it stay east of the Mississippi River?

Mr. SNYDER. It goes to Baton Rouge.

Mr. PARSONS. It crosses, then, the Illinois, the Ohio, and the Mississippi on its way to Baton Rouge.

Mr. SNYDER. That is it exactly.

Mr. PARSONS. And then goes on down to New Orleans.

Mr. SNYDER. Yes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield for a brief question?

Mr. PARSONS. I yield.

Mr. SCHAFER of Wisconsin. It has developed during the course of the gentleman's talk that the construction of these highways would greatly relieve unemployment and would relieve the farm problem in the manner just related by our distinguished colleague from Illinois [Mr. PARSONS]. Would not the building of at least one or two of these highways greatly increase the effectiveness of our national defense and enable us thereby to reduce many of the excessive expenditures we are now making for national defense?

Mr. SNYDER. I had intended to comment on that later in my speech, but I will do it right now since the gentleman has raised the question. That is one of three important objectives to be achieved by the building of this system of highways. The first is general transportation, the second is relief of unemployment, and the third is a strengthening of our national defense.

Mr. MACIEJEWSKI. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. MACIEJEWSKI. Another thought that occurs to me in connection with the building of this system of highways would be that it would enable people to move from congested areas out into the country where they might have little farms to help them eke out a living.

Mr. SNYDER. I am coming to that. Speaking for the moment about national defense, if these roads were in existence today, or on April 1, 1941, with the advances we have made in motorized rubber-wheel equipment in the Army, we could cut $100,000,000 from our national-defense program that year and still have greater efficiency in national defense than we have ever had; and in 3 years we could jump the saving to $200,000,000, for by that time all our equipment will be motorized and on rubber wheels, even the 12-inch guns.

The rest is on wings. In 72 hours we could have any of our equipment at any place where there might be an emergency, if we had a sort of concentration area in the middle of the country. In making these statements I draw on my experience of having visited practically every military establishment in continental United States and our possessions. Not only would we save money in case of a real emergency but we would save money on every one of our big Army maneuvers. That is not all. We know that in 12 hours we can go with airplanes from any place in the United States to any other place. In 72 hours we could go any place on rubber wheels with everything we have except above 12-inch guns. In keeping with what the gentleman from Wisconsin [Mr. SCHAFER] said, over a period of years, in connection with national defense alone—say, in 40 or 50 years—these roads would pay for themselves by reduction in national-defense installations.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Montana.

Mr. O'CONNOR. If we constructed a system of roads of that kind, what would eventually become of our railroads that apparently the Government is going to have to take over ultimately?

Mr. SNYDER. May I say this before answering the gentleman's question: In building these highways, we built Route 40. We call this Route 40.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 10 minutes.

The SPEAKER pro tempore (Mr. HARRINGTON). Is there objection to the request of the gentleman from Wisconsin [Mr. SCHAFER]?

There was no objection.

Mr. SNYDER. Mr. Speaker, we would have a main street clear across the Nation. It would be lit up at night. You would not put in any lights higher than the curb at the side. You may say that I am an extremist in this thing, and perhaps I may be, but you can visualize airplane traffic in 10, 15, or 20 years going from East to West. Now, there would be a main street clear across the Nation, lit up all the time and no longer would we have crashes in the Rocky Mountains. How would we do that? This is not new. It is just the same as they are doing in Germany today. They have a route over there running from Brussels to Berlin.

Now, we would have radio stations all along the line and we would divide it up like the railroads did into sections. I do not know whether a section would be 5 or 10 miles, but there would be a radio station at each of these sections. A pilot gets into trouble. He radios that he will land in section 17, 16, or 87, if he is out here, in 3 minutes. They close the traffic on either side and he has an emergency landing field clear across the Nation.

My bill also calls for 18 big air bases, one at each of these crossroads. Now this is just exactly what the railroads did. The railroads built their main lines, then they run branch lines out from the main line. What would happen here? The shuttle air lines will run out to these main air lines, there they will pick up passengers and commodities on the main-line routes across the Nation. That is happening already. In 15 or 20 years from now you will be amazed to see what will take place along the lines of such procedure.

I am glad the gentleman from Montana brought up that question.

Mr. O'CONNOR. Will the gentleman include in his answer to the question just what will become of the millions of men employed by railroads if we substitute the gentleman's road system for the railroads?

Mr. SNYDER. I have been conducting hearings on the Army bill.

Mr. RANKIN. They would drive automobiles.

Mr. SNYDER. I thank the gentleman. I have been conducting hearings on the Army bill today. We are doing away with a certain number of horses. The question was asked of the general who was sitting across the table, "What are you going to do with these men who have been doing this work with horses, trucks, and so forth?" The general had an answer, and he had them all classified. He stated: "We have taken so many men, and we are having them as truck drivers. We are taking so many men, and we are making them caretakers at the places where we fix the trucks." They had it all figured out how they were going to take care of the men.

May I make another statement right here? I happen to be a very personal friend of the president of one of our railroads, one of the finest men the Nation ever produced. I said to him in a little conference in connection with the Army engineers: "You people by your action did this to my father." I was born and raised along the Baltimore & Ohio Railroad, and we looked upon that railroad with as big eyes as the youngster who goes down here and looks at an airplane now. We would go down on Sunday evenings to watch No. 49 come in. We would watch those big trains go by. They would not stop. This was when I was a boy. We would get carloads of lime and phosphate. We would haul our ties down there and put them on cars, and they would take them away. Later on, about 1920–30, the railroads themselves said, "We don't want that business." How did they do that? There was a distance of about 25 miles between a place called Rockwood, a small town, and another town called Confluence, and in that distance there were about seven stops and two flag stops, and these were little towns that got their goods by railroad.

The railroad had agents there to wait on them. The railroad took the agents away and took the service away. They stopped running the local freight that brought in the goods, the train that used to come down there every day. The local freight would come in and take a carload out, leave an empty car, and take away a carload of lime or phosphate or some other commodity. That was all done away with. They said by their action, "If you, Jeremiah Snyder"—my father's name—"if you want to get your phosphates, come up to Rockwood, 4 miles away, or to Confluence, 15 miles away. If you want to haul your pit props, since there are no sidetracks, haul them up to Rockwood or wherever you want." In other words, the railroads themselves took away the facilities.

I am strong for the railroads. I wanted to be an engineer when I was a boy. But when the trucks and the concrete ribbons got to taking away the business, then they began to cry and say, "My goodness, help us, help us lest we perish."

Sure; but they did not try to help themselves. As I said, for 25 years I did not see a single improvement in railroad equipment, except that they built bigger cars and bigger engines, more splendid ones. What I have reference to, however, is better service to serve these people. They were producing more commodities and more tonnage of all kinds in the farm district to which I have reference in 1930 than they were back in 1903–4–5–6, when I was a young fellow, but still they had much better facilities for transportation then by railroad, three, four, five, six times over, than they had in 1930. The railroads took away the facilities. I remember they got these boxes that they put cranes on and they put them on flat cars, and they would come to your town and drive up a truck and distribute the equipment.

Well, that does not serve. In other words, the railroads—and I am for them—are here to stay for a long, continuous haul for certain kinds of service, and we have to take care of these men. I am not for turning the railroads out now. I will vote for any bill which provides that if they do away with or consolidate the railroads, the railroad men above 50 years will have to be provided for by pension or in some other way. We dare not turn them out.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. I am a former railroad man myself.

Mr. SYNDER. Good.

Mr. SCHAFER of Wisconsin. Is it not a fact that if some of the men were transferred to truck-driving service it would furnish a great deal of additional employment?

Mr. SNYDER. It would take care of a lot of them.

Mr. SCHAFER of Wisconsin. This is so because a railroad with its big power uses a crew of five men to move a train of 110 cars, but to move the same amount by truck you would need more than 110 truck drivers.

Mr. SNYDER. A very good point.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Mississippi.

Mr. RANKIN. In response to the inquiry of the gentleman from Wisconsin may I say that I have been told by railroad men who have engaged in the operation that it would take about 5 trucks to haul 1 carload of freight, so that instead of having 110 men it would take about 500 men.

Mr. SCHAFER of Wisconsin. I agree that it would take that many, but I aim to be conservative in my statements.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Montana.

Mr. O'CONNOR. I can say that I railroaded also. Let us assume, now, that we substitute the gentleman's road scheme for the railroads, and we will say that, as our distinguished friend from Wisconsin has said, it would increase employment. Does the gentleman believe a man who has served until he is 50, 55, 60, or 65 years of age as a conductor on a railroad or as an engineer, a brakeman, a flagman, or in any other different line of mechanical work, would be competent to learn a new method of transportation and take over new methods of transporting goods?

Mr. SNYDER. Above a certain age, I would pension him. I would not ask him to do that.

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SNYDER. I may say to the gentleman from Montana that I know a man above 50, a railroad conductor or engineer, and so forth, could not apply himself to a new kind of work, and I would make special provision when I voted for such a bill in the Congress that he be pensioned in a certain way or taken care of in some other way. If they are below that age, they can drive trucks and they can do other work along the highways. They can be watchmen or they can do a lot of things.

Mr. O'CONNOR. But the gentleman would not want to take a man out of employment when he was only 50 years old and give him a pension, because men dry up if they have nothing to do, and die as a result of idleness.

Mr. MACIEJEWSKI. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Illinois.

Mr. MACIEJEWSKI. I do not believe we can stop the progress of this country. We are way behind now in building our superhighways, as the gentleman calls them, and I believe nothing can stop them. Conditions will adjust themselves; there is no question about it.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield on this very point?

Mr. SNYDER. Yes.

Mr. SCHAFER of Wisconsin. The gentleman correctly stated that if we do develop superhighways there are certain long-haul and heavy materials which will have to be hauled by the railroads.

Mr. SNYDER. That is it.

Mr. SCHAFER of Wisconsin. And you will need these older men whom the gentleman talks about. If you can furnish jobs for the younger men under your program, if it is found feasible and we can find out where we are going to get the $8,000,000,000, you might furnish jobs for many former railroad men who cannot get a job at present. Men with 20 years' firing rights cannot even get a job on the firemen's extra list on most of the railroads today, even though they have been promoted as engineers for 18 years.

Mr. SNYDER. Yes.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Alabama.

Mr. HOBBS. I am tremendously interested in the gentleman's remarks and in the program that he is fostering, and I notice on the map which the gentleman is exhibiting to us that the gentleman starts his southernmost east and west transcontinental route at about the north line of the State of Florida, and it runs parallel with the coast and very close to it until you strike Texas. I am wondering if it would not be a wiser plan and serve more people if you would raise that line, say, 100 miles or some such distance, so as to make your three east-and-west routes more nearly synchronous.

Mr. SNYDER. I think the gentleman's suggestion is very appropriate, and since I first drew this I have changed it, as the gentleman knows, several times, because I saw that the possibilities and the suggestions, such as the gentleman has made, may add to the fruitfulness of the program.

Mr. HOBBS. In other words, there is no one now living south of that line and, therefore, if you put it up 100 miles you would serve double the number of people.

Mr. SNYDER. Yes; but I do want to answer this one question and that is about building roads through the cities. When you stop to think, you realize that our railroads were built where they are for only two or three reasons. First, they had to go along the stream level so they will be level enough to build, and then the towns sprung up because of the junction of some rivers coming into the valley or at some seaport, and that is why the cities sprung up where they are now. If you go to Baltimore or Boston or Philadelphia or New York or Pittsburgh or down in the valleys along these railroads, you will find they had to put their manufacturing establishments there in order to get their commodities on the railroads. Now, 60 or more percent of all these commodities are transported by trucks, and they have to get down into the cities and get these trucks out and, of course, at that time steam was the power that was used. Now, 70 percent of all the manufacturing that is carried on now is done with electricity. Therefore, if we build a road from here to Boston and do not go to Baltimore; do not go to Philadelphia; do not go to New York, but stay out of such places 10, 20, or 30 miles, factories that use electricity would spring up and be established along the roads and the home owners would multiply along these roads. Thousands that we are trying to take care of and get out of slum districts would go out along these routes and get homes somewhere near these factories, and that is not all.

Trucks that transport their goods would be right on the roads instead of coming up out of the hollows and getting on the roads. If these roads were completed today and put into operation, within 20 to 25 years there would be 10,000,000 of our people who would have built and be living on these highways.

Mr. O'CONNOR.. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. Yes.

Mr. O'CONNOR. Did the gentleman have any particular purpose in mind in omitting the State of Montana in connection with his plan?

Mr. SNYDER. No; I did not.

Mr. O'CONNOR. The plan does not, however, include roads across the State of Montana.

Mr. SNYDER. We will have to look into that.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. Yes.

Mr. LUDLOW. The gentleman has demonstrated a very interesting plan of highway construction by Federal funds.

Mr. SNYDER. Perhaps Federal funds and perhaps not.

Mr. LUDLOW. Did the gentleman contemplate cooperation by the States and to what extent the States would benefit by these highways?

Mr. SNYDER. The best plan, I think, they could use in building would be the plan used by the Pennsylvania Turnpike Association. We could perhaps get $8,000,000,000 of gold out in Kentucky and build the roads on a toll plan and pay it back in from 40 to 50 years.

Mr. LUDLOW. Has the gentleman thought of the percentage of contribution by the States and the apportionment of the costs so that the States would share in the cost?

Mr. SNYDER. My present thought during the last 2 years, as I said in the beginning, is to have the roads built so that they would be self-liquidating in from 20 to 30 to 40 years.

Mr. KELLER. But as a matter of fact, the plan the gentleman is suggesting is necessarily merely suggestive rather than real, and it will be necessary to have the whole matter carefully surveyed before there could be a real plan?

Mr. SNYDER. Yes; and I am very glad the gentleman has made that observation.

Mr. KELLER. Oh, I had done this work 20 years ago.

Mr. SNYDER. Yes; I was about to comment upon the fact that the distinguished gentleman from Illinois put in a somewhat similar plan about 20 years ago.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. WHITE of Idaho. As a matter of building these separate highways, would they not effect great economies in lifting loads over those hills and mountains, and would it not be a great saving in gasoline, and might we not need to save gasoline for future generations?

Mr. SNYDER. I think the gentleman was not in the room when I explained before about the situation in Pennsylvania where, by the construction of the turnpike from Pittsburgh to Harrisburg, we will be able to save money and time.

Mr. WHITE of Idaho. And it would increase employment of people now engaged in the railroad business. In the railroads they have a slogan of 1,000 tons per man. I used to be a conductor myself. In a truck this would mean five men and 5,000 tons, and with the trucks now it is impossible to move those loads.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has again expired. [Applause.]

EXTENSION OF REMARKS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon in relation to an amendment which I offered, which was adopted, to the stream-pollution bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PERMITTING UNITED STATES MARITIME COMMISSION TO ACQUIRE CERTAIN LANDS AT ST. PETERSBURG, FLA.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 424, to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla., with a Senate amendment thereto, and concur in the Senate amendment.

Mr. MICHENER. Mr. Speaker, I reserve the right to object. As I understand it, the gentleman has taken this matter up with the minority members of the committee?

Mr. PETERSON of Florida. Yes; with the ranking minority member. I have permission to bring it up. The committee is familiar with it. I explained the amendment to him. I have his permission to bring it up, likewise the permission of the chairman of the committee. The amendment is just a technical amendment. It is a purely technical description to take care of a typographical error.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. SCHAFER of Wisconsin. How much money will this cost our almost bankrupt Federal Treasury?

Mr. PETERSON of Florida. This is one case in which we are actually making the Government a gift. It is to correct the description of the property which we are to give.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 2, line 1, strike out "4" and insert "6."

The Senate amendment was agreed to.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include a very brief editorial.

The SPEAKER pro tempore (Mr. HARRINGTON). Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Minnesota [Mr. ALEXANDER] I may be permitted to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE WHEELER-LEA BILL

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes regarding the transportation bill, known as the Wheeler-Lea bill, S. 2009.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I am greatly interested in the railroad problem and the welfare of our great rail transportation system, as all Members are.

I am also interested, of course, in the welfare of the employees of the railroads and, of course, the welfare of our other transportation systems and the Nation in general.

A few days ago I made some remarks in the House regarding the effect which the adoption of S. 2009 by the Congress will have on the Railroad Retirement Act. In that statement I called attention to the fact that unless we retain the Harrington amendment in this transportation bill it is very likely to completely bankrupt or badly disrupt the Railroad Retirement Act because of the fact that under that act when originally put on the statute books it was presumed we would have an annual pay roll of approximately $2,200,000,000 for about 1,000,000 railroad employees on the pay roll, which was approximately the number on the pay roll at the time of the adoption of the act.

Along that line I want to read two paragraphs from some testimony of Mr. George M. Harrison, chairman of the Railway Labor Executives Association, who appeared on behalf of the Committee of Six appointed September 20, 1938, by the President of the United States to submit recommendations upon the general transportation system. These are taken from volume 1 of the hearings before the Committee on Interstate and Foreign Commerce in the House of Representatives, Seventy-sixth Congress, first session, on the bill H. R. 2531, in January, February, and March 1939.

The question was asked by Mr. Martin:

When reorganizations or consolidations are effected, does it have the same effect of reduction in the management itself, officials, or supervisory personnel as it does with the employees? How is that taken care of?

I might point out here that in connection with my remarks the other day I also mentioned that if we let out 350,000 railroad employees, as is predicted by President Whitney, of the Brotherhood of Railroad Trainmen, as will happen if we adopt S. 2009 without the Harrington amendment, it would not only bring down the number of employees and thus cut down the annual pay roll but that it will leave in employment the older employees, who will thus be in a greater percentage as to the whole, and would thus make a still greater drain on the funds of the railroad retirement pension, as there would be more retiring, proportionately speaking.

The answer which Mr. Harrison gives to this question by Mr. Martin is as follows, and proves exactly the point which I made the other day. Here is Mr. Harrison's answer:

Well, here is about the way it generally works: Most of our supervisory and management staff members have been promoted from the ranks. They retain their rights to the classified service while they are so occupied; and should they discontinue a position of one of those persons, they would then slide back, or go back, I should say, to the classified service. Generally, however, they find some other employment in the managerial staff; and there is not, generally speaking, the same reduction in the official family—as we workers call it—as there is in the classified service when those changes take place. They generally put them out to doing something else. If you merge two freight stations and they only need one agent, they would probably give the other agent a job as a traffic solicitor or something like that. If you merge two offices and you had two superintendents, they will probably give the other superintendent a job as an assistant superintendent. If they do not have one, they probably would create one for him. That is about the way it works out. Now there are exceptions to every rule, but that has been my experience.

It bears out the point which I made—that there will be a still greater drain than the mere reduction in numbers in employment and pay roll on the Railroad Retirement Act.

Now, there is also another interesting item arising at this time in this connection which I wish to call attention to this afternoon.

The opponents of the Harrington amendment, finding themselves without a logical argument against its inclusion in the omnibus transportation bill, are now resorting, among other things, to a distortion of the facts. They are endeavoring to becloud the real issue by seeking to prejudice the Congress against the amendment by attempting to lead the Members to believe that the labor organizations have broken faith with the railroad managements. They are calling attention to certain facts and basing their contention thereon, without giving you all of the facts, which, when known, must entirely change your conclusions. It is my desire to make the whole matter clear.

They are telling you of an agreement entered into in May 1936 between the 21 standard railroad labor organizations and representatives of a large number of the carriers. This agreement is generally referred to as the Washington jobs agreement, by which those railroads signatory thereto have agreed to pay to employees displaced because of coordinations, unifications, and consolidations, 60 percent of their wages for a limited time. Such compensation is for varying periods of time, starting with 60 percent of their salary for a period of 6 months for those employees with more than 1 year and less than 2 years' service, and graduating upward until all displaced employees with 15 or more years' service are to receive 60 percent of their wages for 60 months. Sixty months is the maximum, and, regardless of the length of service being more than 15 years, they are limited to 60 percent of their wages for 60 months.

The opponents of the Harrington amendment are contending that because of this agreement the railroad employees should not now ask Congress to incorporate such an amendment in the omnibus transportation bill. They are claiming that while this so-called Washington jobs agreement is in effect the representatives of the employees are honor bound to refrain from attempting to protect their membership to any greater extent than is embodied in the agreement.

For more than 50 years the railroad labor organizations have been entering into contracts with the various railroad managements; for almost as long they have been coming before the Congress and the various State legislatures asking for legislation affecting their employment; but now for the first time we find those speaking in behalf of the railroad interests contending that because of an agreement having been entered into they are now breaking faith when they are asking for legislation on the same subject matter; and notwithstanding the further fact that such a move is made necessary because of the railroad interests' own attempt to get new legislation on the statute books by passage of S. 2009.

You will understand that in none of these agreements, including the so-called Washington jobs agreement, is there any restriction on either party from exercising his rights as a citizen to endeavor to have enacted legislation which will be beneficial to those they represent.

Those speaking for the opponents of the Harrington amendment seem to have forgotten that Congress enacted the so-called 8-hour-day law at a time when practically every one of these railroad labor organizations had contracts with the carriers providing for a 10- or 12-hour day; and few, if any, had contracts providing for an 8-hour day.

Those of you who were in Congress at that time will recall that there was no contention then that the representatives of railroad labor were breaking faith and that the 8-hour law should not be passed because of those agreements providing for 10- and 12-hour days.

It is well known by most, if not all, of you that the railroad brotherhoods are, from year to year, having introduced in State legislatures bills which give greater advantage to their membership than the contracts which they have entered into with the managements. In more than half of the States there are full-crew laws of one type or another which were enacted providing for additional men on certain trains. These laws were enacted at a time when the railroad labor organizations had contracts with many railroads providing that a lesser number of men would be required on those particular trains.

We all know that contracts must of necessity only provide for those things upon which the minds of both parties meet and do not in any way indicate that the contract as signed is entirely satisfactory to either party or that the signing of a contract with reference to a certain matter is any indication that those signing the contract agree that the contingency to which a contract refers and controls is a necessity or even desirable. Because I contract with an insurance company to indemnify me in case of loss from a tornado does not mean that I favor tornadoes. The principle is plainly demonstrated by the statement of President A. F. Whitney, of the Brotherhood of Railroad Trainmen, in the July 1936 issue of the Railroad Trainmen, the official publication of that organization, in which he said with reference to the Washington jobs agreement of May 21, 1936, immediately following the signing of that agreement:

> I want to emphasize that so far as the Brotherhood of Railroad Trainmen is concerned, the agreement with the carriers relative to consolidation and coordination can in no sense be interpreted to mean that the way is clear for railroad consolidation and coordination. This brotherhood will continue to fight as vigorously as it always has such efforts to economize at the expense of humanity. * * * We have now entered into an agreement with the carriers, designed, not to improve the standards of living or working conditions of railroad workers, but to share with them a small portion of the booty that would come to the coupon clippers if Wall Street's demand for "economy" at the expense of humanity is carried out.

[Here the gavel fell.]

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Mississippi is entitled to recognition.

Mr. RANKIN. Mr. Speaker, I have no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALEXANDER. Until the so-called Washington jobs agreement was signed in May 1936, there was no general agreement between any of the railroads and the representatives of railroad labor which would in any way compensate displaced employees when consolidations, coordinations, and so forth, were brought about. Therefore, while the representatives of railroad labor realizing that this agreement fell far short of protecting the interests of those they represented, it was, after all, something, where heretofore, they had had nothing, and was signed by representatives of many, if not all of those organizations, only because it was the best agreement they could persuade the representatives of the railroads to sign. There was no thought that this agreement was any different than any previous agreement entered into between them and the railroad managements, with respect to seeking further protection for their members.

Certainly, had it been in the minds of either party that by signing this agreement they were obligating themselves not to seek desirable legislation on that or any other subject, that fact would have been set forth in the agreement. But even so, it would be unconstitutional for any group of citizens to attempt so to sign away their civic rights to petition their Government, and this Congress could not well respect such an undemocratic agreement. Therefore, I say to you, those who are now attempting to make such a preposterous interpretation of the so-called Washington jobs agreement are laboring under a delusion that has no foundation in fact, in justice, or in law, and are doing so only because they have no reasonable grounds for their opposition to the Harrington amendment, and because they well know that no argument they have so far advanced is sufficient reason for its elimination from the bill.

The opponents of the Harrington amendment are also contending that the provisions of the amendment are unenforceable and unworkable, and yet these are the same people,

mind you, who are calling your attention to the similar Washington jobs agreement.

If the Washington jobs agreement is workable and enforceable, why is not the Harrington amendment? They differ only in degree. Therefore the signing of the Washington jobs agreement by the representatives of the railroads indicates that the Harrington amendment is workable and enforceable, and that the principle of protecting jobs in railroad consolidations is just and reasonable.

President Daniel Willard, of the B. & O. Railroad, and others, have said that 80 percent of the savings from railroad consolidations come from savings in labor costs. Therefore, consolidations entered into under a law containing the provisions of the Harrington amendment will permit an immediate saving of 20 percent of the present cost of operation which is derived from sources other than labor. As the number of those employed upon the railroads at the time of consolidation is reduced from 7 to 10 percent, as it is, each year by men resigning, going on retirement, and so forth, the salary paid to that 7 to 10 percent will then divert to the holders of railroad securities. After a period of 10 or 12 years the full savings brought about by consolidation will be enjoyed by the holders of railroad securities. The railroad employees, whose ranks have already been depleted more than 50 percent since 1920 and who are in no way at fault for the present financial condition of our railroads, will not have taken from them their property rights to an opportunity to earn a livelihood which is rightly theirs because of many years' service upon the railroads. They will not be thrown into the bread lines of our country and be added to the millions who are now seeking employment. The solvency of the Railroad Retirement Act will not be jeopardized by having removed a large part of the pay rolls that sustain the act, thereby upsetting the basis upon which was based the present tax rate to provide for railroad retirement insurance as I explained at the start.

It is because of these reasons which I have pointed out that I call upon each and every one of you to insist upon the Harrington amendment being incorporated in any law enacted by this Congress which in any way changes the present law with regard to consolidations. [Applause.]

EXTENSION OF REMARKS

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a very scholarly address delivered by a former Member of this House and also a Member of the United States Senate, former Senator Hawes, of Missouri, at the one hundred and fiftieth anniversary celebration of the founding of Bourbon County, Ky., last September, and to include also an address delivered on the same occasion by Hon. Cassius M. Clay, counsel for the Reconstruction Finance Corporation.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Mississippi is recognized for 10 minutes.

S. E. C. SHOULD ENFORCE HOLDING COMPANY ACT—EVERY CITY SHOULD OWN ITS ELECTRIC LIGHT AND POWER SYSTEM

Mr. RANKIN. Mr. Speaker, I want to call upon the members of the Securities and Exchange Commission to exercise the authority under the laws which we passed several years ago giving them the power to break up the large utility holding companies that were then, and are now, making a veritable racket out of the electric light and power business.

The Associated Gas & Electric Co. is a fair sample. If the S. E. C. will squeeze the water out of these gigantic concerns, eliminate the waste, graft, and extravagance and break them up as the law provides, they can reduce electric light and power rates and save the consumers of electricity in this country hundreds of millions of dollars annually.

The time has come for the Securities and Exchange Commission to carry out the law passed by Congress and to break up these large holding companies that are now urging them to postpone the day of reckoning, while they continue to fleece the investing public and suck the economic lifeblood out of the electric consumers.

By breaking up these vast holding companies they can render their subsidiaries amenable to State laws. Then if they want them dissolved, as many of them should be, the various distribution systems can be sold back to the municipalities and cooperative associations throughout the areas involved. They can then reduce electric light and power rates to the T. V. A. level and in that way save the people millions, if not hundreds of millions, of dollars every year that rolls around. I know it has been charged that the rates in the Tennessee Valley area, or what we know as the T. V. A. rate, are too low. I want to show in the course of my remarks that municipalities throughout the whole country can produce and distribute electricity at rates below the T. V. A. yardstick levels.

T. V. A. GREAT BLESSING

The T. V. A. is the greatest blessing that ever came to the electric consumers of this country, the ones who pay the bills. It is teaching them what electricity is worth—what it should cost them. It has been the greatest force of all in compelling reductions in light and power rates throughout the country by $583,000,000 a year, and it will aid us still more in bringing rates down to their proper levels, which will mean a further reduction of $1,000,000,000 a year. I will prove to you that the T. V. A. rates are not too low.

ILLINOIS—SPRINGFIELD

Since there has been so much said about Abraham Lincoln recently, I am going to begin with Springfield, Ill., the home town of that illustrious man who lived there three-quarters of a century ago.

Springfield, Ill., owns a municipal plant and distribution system. Springfield is a city of 89,000 people. Its plant and distribution system are valued at $4,392,162, on which it owes $1,385,000—it has been paid down to that figure out of its revenues.

In 1938 that system generated and distributed 60,067,000 kilowatt-hours of electricity, at an average rate of 1.5 cents a kilowatt-hour, whereas the T. V. A. yardstick distributes power at an average of 1.4 cents a kilowatt-hour.

Springfield sold this electricity for $925,294, its operating expenses amounted to $546,279, and it made a gross annual profit of $379,015. If it had given this $379,000 back to the ultimate consumers in the way of reduced rates, it could have sold its electricity below the T. V. A. yardstick rates. The same thing could be done in every other community in Illinois.

OHIO

Let us now turn to the great State of Ohio, where we are threatened with an epidemic of Republican candidates for the nomination for President, and see what is taking place in that State. The city of Cleveland owns its electric plant and distribution system. Cleveland is one of the large cities of the country, with a population of 918,000 people. It owns a municipal plant valued at $18,367,000, which has been paid down to $2,138,000 out of its revenues. In 1938 they generated 185,201,000 kilowatt-hours of electricity, which was sold to the ultimate consumers in Cleveland at an average of 1.9 cents per kilowatt-hour. The operating expenses were $1,972,000, leaving a gross annual profit of $1,624,000. If this gross annual profit had been given back to the ultimate consumers in the way of reduced rates, their electricity would have cost them less than the consumers in the Tennessee Valley pay under the T. V. A. yardstick rates.

Let us take the city of Columbus, the capital of Ohio, with 325,000 people. Columbus has a public plant and system valued at $1,870,000, which it paid down to $442,000 out of its revenues. In 1938 that system generated and distributed 57,000,000 kilowatt-hours of electricity which it sold to the ultimate consumers for $695,268, or at an average rate of 1.2 cents per kilowatt-hour, which is 2 mills less than the average retail rate in the T. V. A. area; yet the city of Columbus, with an operating expense of $409,399, made a gross annual profit of $285,869. If this profit has gone back to the consumers in Columbus, as is done in the T. V. A. area, they could have reduced the electric rates to the ultimate consumers to around 7 or 8 mills per kilowatt hour, or far below the T. V. A. rates.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Is that electricity generated by the municipal plant in Columbus, Ohio, generated in a hydroelectric plant or steam plant?

Mr. RANKIN. In a steam plant.

Mr. SCHAFER of Wisconsin. Then the figures which the gentleman has presented clearly indicate that the local communities can operate electric generating plants far cheaper than the New Deal bureaucrats who are on the Federal Government pay roll in Washington.

Mr. RANKIN. No; but far cheaper than the Power Trust is charging the people of Wisconsin for electricity—in the gentleman's own State.

Mr. SCHAFER of Wisconsin. Due to that fact, the gentleman should be willing, I take it, to support legislation which will take Uncle Sam out of the electric-generating business and let the local interests generate electricity in accordance with the States' rights principles of government?

WISCONSIN

Mr. RANKIN. The Power Trust is not interested in States rights. That issue is not involved. The American people are being overcharged $1,000,000,000 a year for electric lights and power, and over $20,000,000 of that amount is being wrung from the helpless consumers of Wisconsin every year that rolls around.

Here is a city in Wisconsin that has a public power system, the city of Manitowoc. Let us examine it.

Manitowoc, which has a population of 26,000, owns and operates its electric light and power system.

It has a plant and system valued at $1,704,601, on which it owes nothing, having paid for it out of the revenues.

In 1938 it generated and sold 21,050,000 kilowatt-hours of electricity for $362,406, or an average of 1.7 cents a kilowatt-hour.

The total operating expenses were $169,672, which, taken from the total revenues, left a gross annual profit of $192,734.

If instead of collecting this overcharge and turning it into the city treasury it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Manitowoc was 3 cents a kilowatt-hour, which is about half the average maximum rates charged by private power companies throughout the State of Wisconsin. The average rate paid by a domestic consumer in the city of Manitowoc for all the electricity he used was only 2.4 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute bulletin.

If all the people of Wisconsin got their electricity at these Manitowoc rates, they would save anywhere from $10,000,000 to $20,000,000 a year.

WINNIPEG, CANADA

The firm of Burns & McDonald, consulting engineers, of Kansas City, Mo., has published a small book on municipal lighting plants that everyone who is interested in this subject ought to read. It contains reports on 717 municipal light and power systems.

Now, let us take a look at Winnipeg, Canada, just over the line, and see what their rates are under public ownership.

The city of Winnipeg, in the Province of Manitoba, Canada, which has a population of 222,454, owns and operates its electric light and power system.

It has a plant and system valued at $27,807,910, on which it owes $12,106,271.

In 1938 it generated and sold 580,274,805 kilowatt-hours of electricity for $3,160,061, or an average of 6 mills a kilowatt-hour.

The total operating expenses were $1,185,892, which, taken from the total revenues, left a gross annual profit of $1,974,169.

These rates are far below the T. V. A. yardstick rates.

The maximum retail rate to the domestic consumers in Winnipeg was 3 cents a kilowatt-hour, which is far below the average maximum rates charged by private power companies throughout the United States. The average rate paid by a domestic consumer in the city of Winnipeg for all the electricity he used was only 8 mills a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the United States for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

People in Winnipeg have been heating their houses with electricity for 25 years, just as many are now doing in Tupelo and Corinth, Miss., and just as they will be doing in every State if we can stop this racketeering on the part of the utilities.

ONTARIO

Now let us examine some of the rates in Ontario. Here are two splendid examples.

The city of Fort William, Ontario, with a population of 25,050, owns and operates its electric light and power system.

It has a plant and system valued at $855,694 on which it owes $184,760.

In 1938 it generated and sold 46,889,720 kilowatt-hours of electricity for $347,704, or an average of 7 mills a kilowatt-hour.

The total operating expenses were $312,762, which taken from the total revenues left a gross annual profit of $34,942.

These rates are far below the T. V. A. yardstick rates.

The maximum retail rate to the domestic consumer in Fort William was only 1.89 cents a kilowatt-hour, which is less than one-third the average maximum rate charged by private power companies throughout the United States. The average rate paid by a domestic consumer in the city of Fort William for all the electricity he used was only 6 mills a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the United States for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

Many people in Fort William are heating their houses with electricity. It is the best and cleanest heat to be had.

The city of Port Arthur, Ontario, Canada, which has a population of 21,449, owns and operates its electric light and power system.

It has a plant and system valued at $1,795,480, on which it owes $10,808.

In 1938 it generated and sold 169,675,791 kilowatt-hours of electricity for $822,682, or an average of 5 mills a kilowatt-hour.

The total operating expenses were $837,329, which taken from the total revenues left a gross annual profit of $14,647.

These rates are far below the T. V. A. yardstick rates.

The maximum retail rate to the domestic consumer in Port Arthur was only 1.8 cents a kilowatt-hour, which is less than one-third the average maximum rate charged by private power companies throughout the United States. And the average rate paid by a domestic consumer in the city of Port Arthur for all the electricity he used was only 9 mills a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the United States for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

Similar conditions and similar rates prevail throughout the entire Province of Ontario, just as they will throughout this country when the people wake up and demand them.

If the people of Wisconsin got their electricity at the Winnipeg rates, or the Ontario rates, they would save about $25,000,000 a year.

INDIANA

Now let us turn to the State of Indiana, and take the city of Richmond, where they have a public plant and system owned and operated by the municipality.

Richmond is a city of 33,000 people, and it has a plant valued at $4,000,000, which it has paid for out of the revenues. In 1938 it generated 42,150,000 kilowatt-hours of electricity, which were sold for $778,313, or at an average of 1.8

cents per kilowatt-hour. The operating expenses were $293,566, and it made a gross annual profit of $484,747.

If this overcharge, or gross annual profit, had gone back to the ultimate consumers in Richmond, their electric rates could have been reduced far below the T. V. A. yardstick levels.

Mr. SCHAFER of Wisconsin. Is that a steam plant?

Mr. RANKIN. It is a steam plant; yes. Let me say to the gentleman from Wisconsin that you can generate power anywhere in the United States with water power, with gas, with oil, or with coal, and sell it at the T. V. A. yardstick rates and yield a reasonable return on legitimate investments.

Yet, as I said, the people of Wisconsin are overcharged $20,000,000 for their electricity and the people of Indiana, outside of Richmond, are overcharged $24,000,000 a year.

KANSAS

In Kansas City, Kans., a city of 130,000 people, they have a public plant and system valued at a little more than $10,000,000. In 1938 they distributed and sold power to the amount of $2,266,000, at an average of 1.4 cents per kilowatt-hour, just exactly the average sale and distribution rates in the T. V. A. area; while at the same time their operating expenses were $1,323,000, giving them a gross annual profit of $943,000, which they could have turned back into the pockets of the consumers, reducing their rates far below the T. V. A. yardstick levels.

Yet the people of the State of Kansas, outside of Kansas City, are overcharged more than $10,000,000 a year for their electricity.

CALIFORNIA

I find here in the cities of Los Angeles and Pasadena, Calif., the same conditions prevail.

The city of Los Angeles, which has a population of 1,530,000, owns and operates its electric-light and power system.

It has a plant and system valued at $181,587,984 on which it owes $107,362,076.

It buys its power from Boulder Dam.

In 1938 it distributed and sold 1,294,611,632 kilowatt-hours of electricity for $25,555,032, or an average of 2 cents a kilowatt-hour.

The total operating expenses were $11,731,321, which, taken from the total revenues, left a gross annual profit of $13,823,711.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Los Angeles was 4.4 cents a kilowatt-hour, which is far below the average maximum rates charged by private power companies throughout the State of California. And the average rate paid by a domestic consumer in the city of Los Angeles for all the electricity he used was only 3.1 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

The people of California, outside of Los Angeles and Pasadena, are overcharged more than $32,000,000 a year for their electric lights and power.

Now let us look at Pasadena.

The city of Pasadena, Calif., which has a population of 80,000, owns and operates its electric light and power system.

It has a plant and system valued at $9,912,176, on which it owes $176,673.

In 1938 it generated and sold 83,084,573 kilowatt-hours of electricity for $1,580,023, or an average of 1.9 cents a kilowatt-hour.

The total operating expenses were $850,643, which, taken from the total revenues, left a gross annual profit of $729,380.

If instead of collecting this overcharge and turning it into the city treasury it had given it back to the consumers in rate reductions, these rates would have been reduced far below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

Yet the maximum retail rate to the domestic consumers in Pasadena was 4.5 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of California. And the average rate paid by a domestic consumer in the city of Pasadena for all the electricity he used was only 3.2 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from California.

Mr. HINSHAW. I should like to remark that the city of Pasadena has an amendment in its charter—and I refer to it because it is my home city—which provides for the payment into the general fund of the city of 8 percent of the gross revenues every year, which sum is used for paying the interest and principal on the city's bonded debt.

Mr. RANKIN. In lieu of taxes?

Mr. HINSHAW. Partially in lieu of taxes.

Mr. RANKIN. There was paid into the city treasury in lieu of taxes in 1938 the sum of $124,551, which carries out the gentleman's statement.

Mr. HINSHAW. That has been approved by the State legislature. I should like to remark also to the gentleman that the citizens of Pasadena, through their light bills, have paid for their plant themselves and they did not get a dime from anybody else.

Mr. RANKIN. That is exactly the point I am making, that if they will break these big holding companies up and sell these properties back to the people in those cities or to the cooperative associations in those areas, they can pay for them out of the revenues and at the same time get their electricity below the T. V. A. rates.

Mr. HINSHAW. Does the gentleman propose that the people of the Tennessee Valley shall repay the Government for the building of the T. V. A. facilities?

Mr. RANKIN. They are already doing it.

Mr. HINSHAW. To what extent?

Mr. RANKIN. Every dollar of it at the present rate we are paying for wholesale power. We are paying a great deal more for wholesale power than the city of Pasadena is paying for the wholesale power it buys from one of those irrigation projects.

Mr. HINSHAW. We do not buy any power from irrigation projects. We do not even have to buy it from Boulder Dam. We can generate it cheaper than we can buy it.

Mr. RANKIN. We are paying more than Los Angeles is paying for Boulder Dam power, and at the rate we are going at the present time, in 30 years we will pay every dollar that is charged to power and in 50 years we will get back every dollar spent on the T. V. A., including that spent for navigation and flood control.

Mr. HINSHAW. Would the gentleman be willing to support the bill, that we hope will come before the House a little later, to knock $25,000,000 off the cost of Boulder Dam, for flood-control purposes, in view of the fact that T. V. A. is very largely flood control?

Mr. RANKIN. Yes. I have supported it before. I see no reason why the power consumers should be required to pay for flood control, either on the Colorado River or the Tennessee.

What I am driving at is getting electricity to every human being in America at what it is worth, and I shall be pleased to support an amendment of that kind.

Mr. HINSHAW. May I answer the gentleman that every human being in the city of Pasadena and vicinity has electric lights?

Mr. RANKIN. I congratulate this city on the progress it is making.

Mr. HINSHAW. Also, all the farmers in my district have power available, if they want it, right at their front doors.

Mr. RANKIN. That is fine; I know they want it.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. SNYDER. Mr. Speaker, I am always interested in anything the gentleman from Mississippi has to say with reference to electric power, because I consider him the authority in this country on this important subject. I should like to know if the gentleman has any data that would show how much Pennsylvania is paying for power, compared with Mississippi, and whether the gentleman would insert that in the RECORD.

Mr. RANKIN. I thank the gentleman from Pennsylvania. I will come to Pennsylvania in just a moment.

FLORIDA

But first I want to refer to the city of Jacksonville, Fla. Jacksonville buys its fuel and hauls it long distances, probably from Oklahoma or Louisiana or Texas, or maybe from California. Jacksonville is a city of 140,000 people. They have a plant valued at $13,876,890, and it has been paid down to $4,439,500 out of the revenues. In 1938 they generated and distributed 138,415,000 kilowatt-hours of electricity for $3,494,608, or an average of 2½ cents a kilowatt hour. But out of that $3,494,608 they paid operating expenses of $1,266,527 and made a gross annual profit of $2,228,081. If they had given that $2,228,081 back to the consumers of electricity in reduced rates, they could have reduced them far below the T. V. A. yardstick levels. The same thing could be done all over the State. Yet the people of Florida are overcharged more than $15,000,000 for their electricity.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield for a further question?

Mr. RANKIN. I yield.

Mr. HINSHAW. Does the gentleman realize that it is a fact—which I can prove from my own experience in my own district—that it is cheaper to transmit power by hauling it in a railroad car or a steamboat than it is to transmit it by high-tension lines? We can haul power up from Long Beach in oil a lot cheaper than we can transmit it over the transmission lines.

Mr. RANKIN. No; the gentleman from California is wrong about that.

PENNSYLVANIA

Now, let me say to the gentleman from Pennsylvania [Mr. SNYDER] that I have here one of the outstanding municipal plants in the State of Pennsylvania—Chambersburg.

The city of Chambersburg, Pa., which has a population of 14,000, owns and operates its electric light and power system.

It has a plant and system valued at $509,540 on which it owes nothing. It has been paid for out of the revenues.

In 1938 it generated and sold 10,716,870 kilowatt-hours of electricity for $289,837, or an average of 2.7 cents a kilowatt-hour.

The total operating expenses were $76,701, which taken from the total revenues left a gross annual profit of $213,136.

If, instead of collecting this overcharge and turning it into the city treasury, it had given back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The same thing could be done all over Pennsylvania, yet the people of that State are overcharged more than $72,000,000 for their electricity.

NEW YORK

Now, Mr. Speaker, I want to call attention to a few more instances, and then I am going to close. I selected this time because I thought that I would not be greatly disturbed. I have not been disappointed.

Let us turn to the State of New York and take the city of Jamestown. The people of the State of New York pay overcharges of from $150,000,000 to $200,000,000 a year for electricity. We have seen the Power Trust gobble up the power on the Niagara River, and already we see them opposing the development of power on the St. Lawrence. Why? Because they are not only taking from the people of New York almost $200,000,000 a year in overcharges but they are holding their rates so high that the people in New York cannot use enough electricity to enjoy it. They are only using around 60 kilowatts a month. We have towns in my district that use an average of 193 kilowatts a month. In New York they only have a saturation of 48 percent of electric refrigerators, whereas in my home town of Tupelo, Miss., it is 90 percent; and the same thing is true in Corinth.

Jamestown, N. Y., has a population of 48,000 people. What can be done in Jamestown can be done in New York City and in all the other cities in the State of New York. Let us see what Jamestown has accomplished. They have a plant valued at $4,580,614. It has been in operation for 47 years. They owe only $70,000 for money that they borrowed at times for extensions. In 1938 they generated 51,085,000 kilowatt-hours of electricity and sold it for $842,000, or an average of 1.6 cents a kilowatt-hour, which is less than they sold it for in Pasadena. Operating expenses amounted to $615,000, and they made a gross annual profit of $227,545. If they had given the consumers in Jamestown the benefit of that reduction, they could have sold electricity much cheaper than we are selling it in the Tennessee Valley area or in Los Angeles, Calif., or in Tacoma, Wash.

Here are some other splendid examples of municipal ownership of electric facilities.

ALABAMA

The city of Florence, Ala., which has a population of 14,427, owns and operates its electric light and power system.

It has a plant and system valued at $284,489, on which it owes $188,917.

It buys its power wholesale from the T. V. A. at 4.33 mills per kilowatt-hour.

In 1938 it distributed 10,954,995 kilowatt-hours of electricity for $176,948, or an average of 1.6 cents a kilowatt-hour.

The total operating expenses were $88,693, which, taken from the total revenues, left a gross anual profit of $88,255.

The maximum retail rate to the domestic consumers in Florence was 3 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Alabama. And the average rate paid by a domestic consumer in the city of Florence for all the electricity he used was only 1.9 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

Remember that 7 years ago the Alabama Power Co. was buying this same power at Muscle Shoals at less than 2 mills a kilowatt-hour and was selling it to the domestic consumers in Florence at 10 cents a kilowatt-hour and taking all the profits.

If all the electric consumers in Alabama received their lights and power at the Florence rates, they would save more than $7,000,000 a year. That could be done in every community in that State if the people could own and control their electric facilities.

COLORADO

The city of Colorado Springs, Colo., which has a population of 40,500, owns and operates its electric light and power system.

It has a plant and system valued at $3,880,065, on which it owes nothing.

In 1938 it generated and sold 32,386,760 kilowatt-hours of electricity for $806,572, or an average of 2.5 cents a kilowatt-hour.

The total operating expenses were $275,617, which, taken from the total revenues, left a gross annual profit of $530,955.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rates to the domestic consumers in Colorado Springs were 5 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Colorado. And the average paid by a domestic consumer in the city of Colorado Springs for all the electricity he used was only 3.9 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

Remember the people of Colorado are overcharged more than $8,000,000 a year for their electricity.

GEORGIA

The city of Cordele, Ga., which has a population of 18,000, owns and operates its electric light and power system.

It has a plant and system valued at $2,000,000, on which it owes $1,008,000.

In 1938 it generated and sold 22,447,225 kilowatt-hours of electricity for $194,538, or an average of 0.9 cent a kilowatt-hour.

The total operating expenses were $52,623, which, taken from the total revenues, left a gross annual profit of $141,915.

If instead of collecting this overcharge and turning it in to the city treasury it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Cordele was 4.5 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Georgia. And the average rate paid by a domestic consumer in the city of Cordele for all the electricity he used was only 3.8 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

The people of Georgia are overcharged more than $11,000,000 a year for their electricity, which could be saved if they owned and controlled their electric facilities.

IDAHO

The city of Bonners Ferry, Idaho, which has a population of 1,500, owns and operates its electric light and power system.

It has a plant and system valued at $125,000, on which it owes nothing.

In 1938 it generated and sold 2,143,200 kilowatt-hours of electricity for $40,150, or an average of 1.9 cents a kilowatt-hour.

The total operating expenses were $20,130, which, taken from the total revenues, left a gross annual profit of $20,020.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Bonners Ferry was 5.85 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Idaho. And the average rate paid by a domestic consumer in the city of Bonners Ferry for all the electricity he used was only 2.1 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin, or about half the national average.

The people of Idaho could save their overcharges of $3,500,000 by owning and operating their electric facilities.

IOWA

The city of Atlantic, Iowa, which has a population of 6,000, owns and operates its electric light and power system.

It has a plant and system valued at $427,230, on which it owes nothing.

In 1938 it generated and sold 4,744,150 kilowatt-hours of electricity for $98,036, or an average of 2.1 cents a kilowatt-hour.

The total operating expenses were $67,472, which, taken from the total revenues, left a gross annual profit of $30,564.

If, instead of collecting this overcharge and turning it in to the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Atlantic was 5 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Iowa. And the average rate paid by a domestic consumer in the city of Atlantic for all the electricity he used was only 4.2 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

The city of Strawberry Point, Iowa, which has a population of 1,127, owns and operates its electric light and power system.

It has a plant and system valued at $50,000 on which it owes nothing.

In 1938 it generated and sold 654,390 kilowatt-hours of electricity for $17,718, or an average of 2.7 cents a kilowatt-hour.

The total operating expenses were $9,344, which taken from the total revenues left a gross annual profit of $8,374.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Strawberry Point was 5.4 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Iowa.

The people of Iowa are overcharged more than $14,000,000 a year for their electricity, which they could save by owning and operating their electric facilities.

MARYLAND

The city of Hagerstown, Md., which has a population of 33,280, owns and operates its electric light and power system.

It has a plant and system valued at $1,537,541, on which it owes $325,000.

In 1938 it generated and sold 17,472,600 kilowatt-hours of electricity for $455,863, or an average of 2.6 cents a kilowatt-hour.

The total operating expenses were $161,021, which, taken from the total revenues, left a gross annual profit of $294,842.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Hagerstown was 7 cents a kilowatt-hour, which is about the average maximum rates charged by private power companies throughout the State of Maryland. And the average rate paid by a domestic consumer in the city of Hagerstown for all the electricity he used was only 4.2 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

Although Maryland is rich in both coal and water power her people are overcharged more than $13,000,000 a year for their electricity, and yet much of the power used by them is generated at the Conowingo Dam and sold to private power interests for profit at 3.34 mills a kilowatt-hour, which is far below the T. V. A. wholesale rates. But by the time this power gets to the ultimate consumers in Maryland they pay overcharges to the amount of $13,000,000 a year.

MASSACHUSETTS

The city of Braintree, Mass., which has a population of 19,500, owns and operates its electric-light and power system.

It has a plant and system valued at $890,264, on which it owes nothing.

In 1938 it generated and sold 19,552,200 kilowatt-hours of electricity for $308,403, or an average of 1.6 cents a kilowatt-hour.

The total operating expenses were $247,589, which, taken from the total revenues, left a gross annual profit of $60,814.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below

the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Braintree was 4.5 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Massachusetts. And the average rate paid by a domestic consumer in the city of Braintree for all the electricity he used was only 2.8 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

The people of Massachusetts are overcharged more than $44,000,000 a year for their electricity. That is the tribute the helpless consumers of electricity in Massachusetts pay to the Power Trust every year.

MICHIGAN

The city of Lansing, Mich., which has a population of 112,000, owns and operates its electric light and power system.

It has a plant and system valued at $12,171,000 on which it owes $665,000.

In 1938 it generated and sold 115,392,818 kilowatt-hours of electricity for $2,240,484, or an average of 1.9 cents a kilowatt-hour.

The total operating expenses were $867,160, which taken from the total revenues left a gross annual profit of $1,373,324.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced far below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Lansing was 5 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Michigan. And, the average rate paid by a domestic consumer in the city of Lansing for all the electricity he used was only 3 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

The power consumers of Michigan are overcharged more than $40,000,000 for their electric lights and power according to the T. V. A. rates. Michigan adjoins the Province of Ontario and her people should enjoy the same electric rates as do the people of Ontario. If they did, they would save more than $47,000,000 a year. Ontario's rates are cheaper than those of the T. V. A.

MINNESOTA

The city of Moorhead, Minn., which has a population of 9,170, owns and operates its electric light and power system.

It has a plant and system valued at $420,623 on which it owes nothing.

In 1938 it generated and sold electricity amounting to $146,743, or an average of 1.5 cents a kilowatt-hour.

The total operating expenses were $104,462, which taken from the total revenues left a gross annual profit of $42,271.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Moorhead was 4.95 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Minnesota. And the average rate paid by a domestic consumer in the city of Moorhead for all the electricity he used was only 3.1 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

The people of Minnesota pay overcharges for electricity every year amounting to more than $16,000,000. Minnesota also joins Ontario, and her people should enjoy the Ontario rates; yet, according to the Ontario rates, the people of Minnesota are overcharged more than $19,000,000 a year.

MISSISSIPPI

Alcorn County (Miss.) Electric Power Association owns and operates its electric light and power system and buys its power wholesale from the T. V. A.

It has a distribution system valued at $328,000, on which it owes nothing, having paid for it out of the revenues in 5 years.

In 1938 it generated and sold 10,329 kilowatt-hours of electricity for $144,265, or an average of 1.4 cents a kilowatt-hour.

The total operating expenses were $87,719, which, taken from the total revenues, left a gross annual profit of $56,546.

The maximum retail rates to the domestic consumers in Alcorn County were 3 cents a kilowatt-hour, which is far below the average maximum rates charged by private power companies throughout the State of Mississippi. They have now been reduced to 2.5 cents. And the average paid by a domestic consumer in Alcorn County for all the electricity he used was only 1.7 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

This association paid $11,560 taxes, which is above the average paid by any private power company in Mississippi in a county the size of Alcorn.

The city of Greenwood, Miss., which has a population of 13,500, owns and operates its electric light and power system.

It has a plant and system valued at $806,182, on which it owes $120,000.

In 1938 it generated and sold 11,660,500 kilowatt-hours of electricity for $255,439, or an average of 2.2 cents a kilowatt-hour.

The total operating expenses were $95,734, which, taken from the total revenues, left a gross annual profit of $159,705.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Greenwood was 7 cents a kilowatt-hour, which is about the average maximum rates charged by private power companies throughout the State of Mississippi. And the average rate paid by a domestic consumer in the city of Greenwood for all the electricity he used was only 3.5 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

Greenwood has recently reduced her rates almost to the T. V. A. rates.

The city of Tupelo, Miss., which has a population of 7,500, owns and operates its electric light and power system.

It has a plant and system valued at $243,819, on which it owes $67,916. It buys its power wholesale from the T. V. A.

In 1938 it generated and sold 9,269,100 kilowatt-hours of electricity for $131,091, or an average of 1.4 cents a kilowatt-hour.

The total operating expenses were $81,073, which, taken from the total revenues, left a gross annual profit of $50,018.

It paid $10,015 taxes and still has $40,000 net profit left.

The maximum retail rate to the domestic consumers in Tupelo was 3 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Mississippi. They have since been reduced to 2.5 cents. And the average paid by a domestic consumer in the city of Tupelo for all the electricity he used was only 1.7 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

Tupelo has now reduced its rates to a maximum of 2½ cents a kilowatt-hour to domestic and commercial consumers.

While the people in northeastern and north central Mississippi enjoy the T. V. A. rates, the people in the rest of the

State are overcharged more than $4,000,000 for their lights and power—although private power companies buy their power wholesale delivered in Mississippi below the T. V. A. wholesale rates.

MISSOURI

The city of Hannibal, Mo., which has a population of 24,500, owns and operates its electric light and power system.

It has a plant and system valued at $1,063,463, on which it owes nothing.

In 1938 it generated and sold 20,320,100 kilowatt-hours of electricity for $373,110, or an average of 1.8 cents a kilowatt-hour.

The total operating expenses were $169,872, which taken from the total revenues left a gross annual profit of $203,238.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced far below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Hannibal was 5 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Missouri. And the average paid by a domestic consumer in the city of Hannibal for all the electricity he used was only 3.9 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to the domestic consumers.

Hannibal's electric system paid taxes to the amount of $8,979, gave the city cash donations amounting to $62,856, and free services to the amount of $23,251. Yet the people of Missouri are overcharged $21,000,000 a year for their electricity.

NEBRASKA

The city of Fremont, Nebr., which has a population of 12,300, owns and operates its electric light and power system.

It has a plant and system valued at $1,353,819, on which it owes nothing.

In 1938 it generated and sold 12,632,500 kilowatt-hours of electricity for $224,060, or an average of 1.8 cents a kilowatt-hour.

The total operating expenses were $196,246, which, taken from the total revenues, left a gross annual profit of $27,814.

The maximum retail rate to the domestic consumers in Fremont was 4.3 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Nebraska. And the average paid by a domestic consumer in the city of Fremont for all the electricity he used was only 2.9 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

The people of Nebraska pay overcharges for their electricity amounting to more than $7,000,000 a year.

OREGON

The city of Eugene, Oreg., which has a population of 22,000, owns and operates its electric light and power system.

It has a plant and system valued at $4,321,964, on which it owes $554,000.

In 1938 it generated and sold 37,100,115 kilowatt-hours of electricity for $551,938, or an average of 1.5 cents a kilowatt-hour.

The total operating expenses were $272,743, which, taken from the total revenues, left a gross annual profit of $279,195.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced below the T. V. A. yardstick rates, and the city would have made ample returns on its investment.

The maximum retail rate to the domestic consumers in Eugene was 6 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Oregon. And the average paid by a domestic consumer in the city of Eugene for all the electricity he used was only 3.1 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

The overcharges in Oregon amount to more than $6,000,000 a year.

TENNESSEE

The city of Knoxville, Tenn., which has a population of 150,000, owns and operates its electric light and power system. It buys its power wholesale from the T. V. A.

It has a plant and system valued at $6,575,000, which it purchased in 1938.

In the 4 months it operated this system in 1938 it sold 13,753,669 kilowatt-hours of electricity for $160,444, or an average of 1.2 cents a kilowatt-hour.

The total operating expenses were $100,494, which, taken from the total revenues, left a gross annual profit of $59,950.

The maximum retail rate to the domestic consumers in Knoxville was 3 cents a kilowatt-hour, which is far below the average maximum rates charged by private power companies throughout the State of Tennessee. And the average rate paid by a domestic consumer in the city of Knoxville for all the electricity he used was only 2.1 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

TEXAS

The city of Austin, Tex., which has a population of 78,000, owns and operates its electric light and power system.

It has a plant and system valued at $5,500,000 on which it owes nothing, having paid for it out of the revenues.

In 1938 it generated and sold 64,656,600 kilowatt-hours of electricity for $1,346,826, or an average of 2.1 cents a kilowatt-hour.

The total operating expenses were $427,542, which, taken from the total revenues, left a gross annual profit of $919,284.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced far below the T. V. A. yardstick rates, and the city would have made ample returns on its investments.

The maximum retail rate to the domestic consumers in Austin was 6 cents a kilowatt-hour, which is below the average maximum rates charged by private power companies throughout the State of Texas. The average rate paid by a domestic consumer in the city of Austin for all the electricity he used was 5.1 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

The people of Texas are overcharged more than $31,000,000 a year for electricity—in a State where there is enough natural gas going to waste to generate electricity enough to supply four or five States the size of Texas. It could be supplied to the people of Texas at less than the T. V. A. rates.

For instance, the Louisiana Power & Light Co. generates power, transmits it into Arkansas, and sells it wholesale to the Arkansas Power & Light Co. at 2.6 mills a kilowatt-hour, which is about half the T. V. A. wholesale rate. But by the time it gets to the people of Arkansas they pay overcharges that for the whole State amount to $5,600,000 a year; and the people of Louisiana are overcharged $9,000,000 a year.

VERMONT

Now, let us take a small town in far-away Vermont—one that has to get all its fuel from another State.

The town of Morrisville, Vt., which has a population of only 1,875, owns and operates its electric-light and power system.

It has a plant and system valued at $595,049, on which it owes $68,000.

In 1938 it generated and sold 5,840,097 kilowatt-hours of electricity for $73,631, or an average of 1.3 cents a kilowatt-hour, which is below the T. V. A. average rate.

The total operating expenses were $50,770, which, taken from the total revenues, left a gross annual profit of $22,861.

Yet the maximum retail rate to the domestic consumers in Morrisville was 6 cents a kilowatt-hour which is below the average maximum rates charged by private power companies throughout the State of Vermont. The average rate paid by a domestic consumer in the city of Morrisville for all the electricity he used was only 2.8 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers.

VIRGINIA

The city of Danville, Va., which has a population of 30,000 owns and operates its electric light and power system.

It has a plant and system valued at $5,337,781 which it has paid down to $2,086,000 out of its revenues.

In 1938 it generated and sold 20,464,130 kilowatt-hours of electricity for $654,600, or an average of 3.2 cents a kilowatt-hour.

The total operating expenses were only $206,873, which taken from the total revenues left a gross annual profit of $447,727, or more than two-thirds of the total revenues.

If, instead of collecting this overcharge and turning it into the city treasury, it had given it back to the consumers in rate reductions, these rates would have been reduced far below the T. V. A. yardstick rates, and the city would have made ample returns on its investments, and the consumers would have doubled their consumption and further increased the revenues and the profits.

Yet the maximum retail rate to the domestic consumers in Danville was 6 cents a kilowatt-hour, which is about the average maximum rates charged by private power companies throughout the State of Virginia, and is less than two-thirds the rates charged by private power companies 7 years ago, before the T. V. A. was created, and its yardstick rates published to the world. Thus it will be seen that the T. V. A. has helped to bring relief to the electric light and power consumers in every section of the country.

The people of Virginia are still overcharged $11,000,000 a year for their electric lights and power.

WASHINGTON

The city of Tacoma, Wash., which has a population of 112,000, owns and operates its electric light and power system.

It has a plant and system valued at $24,429,242, on which it owes $4,563,000.

In 1938 it generated and sold 348,119,000 kilowatt-hours of electricity for $2,473,735, or an average of 7 mills a kilowatt-hour.

The total operating expenses were $706,401, which, taken from the total revenues, left a gross annual profit of $1,767,334.

The maximum retail rate to the domestic consumers in Tacoma was 4.5 cents a kilowatt-hour, which is far, far below the average maximum rates charged by private power companies throughout the State of Washington. The average rate paid by a domestic consumer in the city of Tacoma for all the electricity he used was only 1.6 cents a kilowatt-hour, compared with an average of 4.06 cents a kilowatt-hour charged by the private power companies throughout the country for all electricity sold to domestic consumers, as shown by the Edison Electric Institute Bulletin.

If we could get power to all the American people at the Tacoma rates, they would save $1,130,000,000 a year.

CONCLUSION

I could fill the RECORD with illustrations of this kind, but I feel that these are sufficient to prove to any unbiased mind that electricity can be generated and distributed to the ultimate consumers anywhere in the United States at the T. V. A. yardstick rates, which would save the people of this country a billion dollars a year on their light and power bills alone. [Applause.]

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 643. An act authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington; and

S. 1935. An act to extend until March 4, 1944, the time during which petitions may be filed by farmers under section 75 of the Bankruptcy Act.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6505. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 7270. An act to amend the Bonneville Project Act.

ADJOURNMENT

Mr. RANKIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 56 minutes p. m.), in accordance to the order heretofore entered the House adjourned until Monday, March 4, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and naturalization Wednesday, March 6, 1940, at 10: 30 a. m., for the consideration of H. R. 2176, H. R. 7878, and H. R. 8236.

COMMITTEE ON THE JUDICIARY

On Monday, March 4, 1940, at 10 a. m., there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

On Monday, March 4, 1940, at 10 a. m., Subcommittee No. 4 of the Committee on the Judiciary will hold a hearing on the bill, H. R. 7737, to amend the Judicial Code by adding a new section thereto, designated as section 266a, to provide for intervention by States and direct appeals to the Supreme Court of the United States in certain cases involving the constitutional validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes.

The hearing will be held in room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Thursday, March 7, 1940:

H. R. 6321, to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

This bill was previously referred to the Committee on Ways and Means, but under date of February 26 it was rereferred to this committee.

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

H. R. 8612, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1420. A letter from the Clerk of the House of Representatives, transmitting a report of unofficial knowledge of the bringing of a contest growing out of the special election held September 13, 1939, to fill the vacancy in the Seventy-sixth Congress from the Third Congressional District of the State of Tennessee (H. Doc. No. 645); to the Committee on Elections No. 1 and ordered to be printed.

1421. A letter from the Chairman, Maritime Labor Board, transmitting the report of the Maritime Labor Board (H. Doc. No. 646); to the Committee on Merchant Marine and Fisheries and ordered to be printed.

1422. A letter from the Chairman, Federal Power Commission, transmitting the Nineteenth Annual Report and a statement showing the names, titles, and compensation of the members and employees of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

1423. A letter from the secretary, American Chemical Society, transmitting the Annual Report of the American Chemical Society for the Calendar Year 1939; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WARREN: Committee on Accounts. House resolution 355. Resolution to amend House resolution 199, Seventy-sixth Congress, providing compensation for a superintendent and messenger for the radio room of the House radio press gallery (Rept. No. 1701). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7084. A bill to amend the act entitled "An act to regulate proceedings in adoption in the District of Columbia," approved August 25, 1937; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7114. A bill to amend paragraph (c) of section 6 of the District of Columbia Traffic Act, as amended by act approved February 27, 1931; with amendment (Rept. No. 1704). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 8694. A bill to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928; without amendment (Rept. No. 1705). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. House Joint Resolution 466. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1941; without amendment (Rept. No. 1706). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. House Joint Resolution 465. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1941, and for other purposes; without amendment (Rept. No. 1707). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 7562. A bill for the relief of Rudolfo Kaufmann and his wife, Ellinor T. Kaufmann; without amendment (Rept. No. 1702). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. BLOOM: Committee on Foreign Affairs. House Resolution 391. Resolution directing the Secretary of State to submit all information concerning American merchant ships and airplanes, by name, that have been stopped by belligerents since September 1, 1939 (Rept. No. 1708). Laid on the table.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SMITH of Washington:

H. R. 8729. A bill to provide for exercising the right with respect to red cedar shingles reserved in the trade agreement concluded November 17, 1938, between the United States of America and Canada, and for other purposes; to the Committee on Ways and Means.

By Mr. KELLER:

H. R. 8730. A bill to provide for the general welfare by enabling the several States to make more adequate provisions for the control and prevention of industrial conditions hazardous to the health of employees; to the Committee on Labor.

By Mr. SABATH:

H. R. 8731. A bill to establish a permanent Industrial Loan Corporation to assist financing institutions in making credit available to commercial and industrial enterprises; to the Committee on Banking and Currency.

By Mr. DEROUEN:

H. R. 8732 (by request). A bill to promote the development of the Territory of Alaska and to authorize the Secretary of the Interior to lease public lands in Alaska; to the Committee on the Public Lands.

By Mr. DINGELL:

H. R. 8733. A bill to clarify the employment status of special-delivery messengers in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. COOLEY:

H. R. 8734. A bill to repeal the District of Columbia Income Tax Act; to the Committee on the District of Columbia.

By Mr. SABATH:

H. J. Res. 477. Joint resolution for the relief of the distressed and starving men, women, and children of Czechoslovakia; to the Committee on Foreign Affairs.

H. J. Res. 478. Joint resolution for the relief of the distressed and starving men, women, and children of Poland; to the Committee on Foreign Affairs.

By Mr. HINSHAW:

H. J. Res. 479. Joint resolution to amend the joint resolution entitled "The Neutrality Act of 1939," and for other purposes; to the Committee on Foreign Affairs.

By Mr. THILL:

H. Res. 410. Resolution to investigate war propaganda in the United States; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 6, with reference to Senate bill 2212, relative to the development of marketing and marketing services for farm commodities; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 8735. A bill granting an increase of pension to Mary Agnes Hill; to the Committee on Invalid Pensions.

H. R. 8736. A bill for the relief of Cascade Investment Co.; to the Committee on Claims.

By Mr. BLAND:

H. R. 8737. A bill for the relief of Frank E. Nichols; to the Committee on Claims.

By Mr. BUCKLEY of New York:

H. R. 8738. A bill for the relief of August Runge; to the Committee on Claims.

By Mr. DARDEN:

H. R. 8739. A bill for the relief of Charles L. Kee; to the Committee on Claims.

H. R. 8740. A bill for the relief of the heirs of William H. Peters and Washington Reed; to the Committee on Claims.

By Mr. DONDERO:

H. R. 8741. A bill for the relief of William A. Lowe; to the Committee on Military Affairs.

By Mr. PACE:

H. R. 8742. A bill for the relief of Eugene Bowman; to the Committee on Claims.

H. R. 8743. A bill for the relief of Luther Haden; to the Committee on Claims.

By Mr. YOUNGDAHL:

H. R. 8744. A bill for the relief of Ernest Lyle Greenwood and Phyllis Joy Greenwood; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6740. By Mr. ANDREWS: Resolution adopted by State Council No. 16 of the Polish Women's Alliance of America, of Niagara Falls, urging passage of the bill for the relief of Poland; to the Committee on Foreign Affairs.

6741. By Mr. BALL: Petition of sundry citizens of Willimantic, Conn., protesting against the levying of an excise or any other form of processing tax on bread; to the Committee on Agriculture.

6742. By Mr. COLLINS: Concurrent resolution of the House of Representatives of Mississippi, memorializing the Congress of the United States to continue the program of the Bankhead-Jones Farm Tenant Purchase Act; to the Committee on Agriculture.

6743. By Mr. CASE of South Dakota: Petition of A. T. Davis, of Hot Springs, and 73 other residents of the West River district of South Dakota, urging passage of the Patman chain-store tax bill; to the Committee on Ways and Means.

6744. Also, petition of C. R. Holtry, of Vale, and 57 other residents of the West River district of South Dakota, urging enactment of the Patman chain-store tax bill; to the Committee on Ways and Means.

6745. Also, petition of M. Estrup and 50 other residents of Rapid City, S. Dak., urging approval and enactment of the Patman chain-store tax bill; to the Committee on Ways and Means.

6746. Also, petition of the South Dakota State Highway Commission, urging authorization for an appropriation of $50,000,000 for each of the fiscal years 1942 and 1943 for the elimination of hazards to life at railroad highway grade crossings; to the Committee on Roads.

6747. Also, petition of William Williamson, of Owanka, S. Dak., and 56 other residents of the Second Congressional District of South Dakota, urging enactment of the Patman chain-store tax bill; to the Committee on Ways and Means.

6748. By Mr. HARTER of New York: Petition of the Citizens Committee of Buffalo and vicinity, Buffalo, N. Y., beseeching the Government of the United States to aid the stricken people of Poland; to the Committee on Foreign Affairs.

6749. By Mr. KEOGH: Petition of Mrs. Marian L. Juddson, representative for the committee for conservation of natural resources for Bay Ridge High School, Brooklyn, N. Y., concerning the Barkley bill (S. 685); to the Committee on Rivers and Harbors.

6750. Also, petition of the National Association of Tobacco Distributors, Inc., New York City, concerning repeal of the Tydings-Miller Act; to the Committee on the Judiciary.

6751. Also, petition of Lee & Simmons, Inc., New York City, opposing any legislation that will be detrimental to the sugar-refinery workers of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

6752. By Mr. PFEIFER: Petition of Marion L. Juddson, representative for the committee for conservation of natural resources for Bay Ridge High School, Brooklyn, N. Y., urging defeat of the Barkley bill and consideration of the Mundt bill; to the Committee on Rivers and Harbors.

6753. Also, petition of Lee & Simmons, Inc., New York City, opposing any change in the Sugar Act of 1937; to the Committee on Foreign Affairs.

6754. By Mr. RICH: Petition of sundry citizens of Williamsport, Pa., protesting against the sale of war materials to the Japanese Empire; to the Committee on Foreign Affairs.

6755. By Mr. RUTHERFORD: Petition of members of Local G-2076, of the Workers Alliance of America, Susquehanna County, Pa., favoring a revision of the 1940 Relief Act; to the Committee on Ways and Means.

6756. By Mr. SHAFER of Michigan: Resolution of the National Automobile Dealers Association, favoring revision of Wagner National Labor Relations Act; to the Committee on Labor.

6757. By Mr. SPRINGER: Resolution of the National Association of Tobacco Distributors, in convention assembled at Chicago, Ill., January 20, 1940, urging that the Congress of the United States take no steps to repeal the so-called Tydings-Miller law; to the Committee on the Judiciary.

6758. Also, resolution adopted by the executive committee, National Automobile Dealers Association, in session at the Hotel Netherland-Plaza, Cincinnati, Ohio, February 23-24, 1940, urging certain amendments to the National Labor Relations Act; to the Committee on Labor.

6759. By Mr. TENEROWICZ: Resolution of the United Polish Societies, of Jamaica, N. Y., urging the appropriation of financial aid to help ameliorate the sufferings and privations of the distressed people of Poland; to the Committee on Foreign Affairs.

6760. By Mr. WHITTINGTON: Petition of the State of Mississippi, requesting an appropriation of $250,000 for a General Samuel Dale National Shrine; to the Committee on the Library.

6761. Also, petition of the Legislature of the State of Mississippi, urging the establishment of a Regular Army or military post in the State of Mississippi; to the Committee on Military Affairs.

6762. By the SPEAKER: Petition of the United Electrical, Radio, and Machine Workers of America, Milwaukee, Wis., petitioning consideration of their resolution with reference to House bills 4905, 4907, 4909, 3030, 3031, 3032, 3033, 3392, 130, and 163, antialien bills; to the Committee on Immigration and Naturalization.

6763. Also, petition of the Perth Amboy Republican Club, Perth Amboy, N. J., petitioning consideration of their resolution with reference to the election of Presidents; to the Committee on the Judiciary.

6764. Also, petition of the National Association of Tobacco Distributors, Inc., New York, petitioning consideration of their resolution with reference to the so-called Tydings-Miller law; to the Committee on the Judiciary.

SENATE

MONDAY, MARCH 4, 1940

The Chaplain, Rev. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, whose love for us is so constant that it passeth understanding, whose justice is wider than our mercy and whose purpose is greater than our prayer: We commit ourselves and our Nation to Thy holy keeping, for Thou knowest our frame, Thou rememberest that we are but dust; help us therefore to trust only in that forgiveness which needs not to forget.

We pray especially today that Thy choicest blessings may rest upon our President, who once again before Thy sanctuary has renewed his pledge of fealty and devotion to his country and his God. May he cast upon Thee all his cares and the overheavy burdens of his high and holy office, and may he set before his eyes Thy watchful eye and Thine uncorrupted judgment, that the people of America may find Thy way to be the way of holiness which leads to everlasting peace for all mankind. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 29, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 424) to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla.

The message also announced that the House had passed the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7809. An act authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose; and

H. R. 8668. An act making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 643. An act authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington; and

S. 1935. An act to extend until March 4, 1944, the time during which petitions may be filed by farmers under section 75 of the Bankruptcy Act.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the 29th ultimo,

The VICE PRESIDENT announced his signature on February 29, 1940, after adjournment of the Senate, to the enrolled bill (S. 3069) to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes, which had been signed previously by the Speaker of the House of Representatives.

REPORT OF THE COMMISSION OF FINE ARTS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on the Library:

To the Congress of the United States:

I transmit herewith for the information of the Congress the report of the Commission of Fine Arts of their activities during the period January 1, 1935, to December 31, 1939.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1940.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

DISBURSEMENTS OF FUNDS UNDER "STATE ACCOUNT OF ADVANCES"

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to permit the Secretary of State to authorize disbursements of appropriated funds under a "State account of advances."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1940.*

[Enclosures: 1. Report of the Secretary of State. 2. Draft of proposed bill.]

TELEPHONES IN OFFICIAL RESIDENCES, FOREIGN SERVICE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States:

There are transmitted herewith a report of the Secretary of State and a draft of a proposed amendment to existing legislation designed primarily to provide for the installation and maintenance of telephones in the official residences of American Ambassadors, Ministers, and officers of the Foreign Service, which the Government is acquiring by purchase or lease, or constructing in various foreign countries under the provisions of the Foreign Service Buildings Act of May 7, 1926.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1940.*

[Enclosures: 1. Report of the Secretary of State. 2. Draft of a proposed amendment to the act of August 23, 1912, 37 Stat. 414.]

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 151)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting a proposed provision of legislation relating to a judgment

rendered by the Court of Claims, amounting to $4,233.65, in favor of William W. Brunswick, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 152)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting estimates of appropriations to pay claims for damages to privately owned property, amounting to $6,705.28, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM FOR DAMAGES—RIVER AND HARBOR WORK (S. DOC. NO. 153)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting an estimate of appropriation to pay a claim for damages under river and harbor work, War Department, amounting to $1,470.11, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES BY COLLISION WITH NAVAL VESSELS (S. DOC. NO. 154)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting an estimate of appropriation to pay a claim for damages by collision incident to the operation of vessels of the Navy, amounting to $251, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 155)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, a list of judgments rendered by the Court of Claims, amounting to $339,011.72, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENT RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURT (S. DOC. NO. 156)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, a record of judgment rendered against the Government by a United States district court, amounting to $8,093.68, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 157)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to $95,773.50, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURTS (S. DOC. NO. 158)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, records of judgments rendered against the Government by United States district courts, amounting to $2,031.52, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO 159)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, an estimate of appropriation for payment of certain claims allowed by the General Accounting Office, amounting to $45.60, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF MARITIME LABOR BOARD

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Maritime Labor Board, transmitting, pursuant to law, its report, dated March 1, 1940, which, with the accompanying report, was referred to the Committee on Commerce.

REPORT OF FEDERAL POWER COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, the Nineteenth Annual Report of the Commission, together with a statement showing the names, titles, and compensation of members and employees of the Commission, which, with the accompanying papers, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of California, which was referred to the Committee on Agriculture and Forestry:

Senate Joint Resolution 6

Relative to memorializing the President and the Congress of the United States to enact S. 2212, relating to the development of marketing and marketing services for farm commodities

Whereas the marketing of agricultural products is a matter of deep concern to the people of this State; and

Whereas there is now pending before the Congress of the United States a bill designated S. 2212, to provide for the development of marketing and marketing services for farm commodities; and

Whereas said bill proposes to appropriate $5,000,000 to be apportioned to the several States for the purpose of organizing, fostering, promoting, and developing marketing and marketing services for farm commodities in order to provide a steady flow of standardized farm commodities to centers of distribution; and

Whereas the purposes of said bill are in all respects desirable and the enactment of said bill would be highly beneficial to the agricultural industry of this State as well as other States: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California hereby respectfully urges and memorializes the President and the Congress of the United States to enact S. 2212 now pending in the Congress; and be it further

Resolved, That the secretary of the senate is hereby directed to send copies of this resolution to the President and the Vice President of the United States, the Speaker of the House of Representatives, and to each Member of the Senate and the House of Representatives in the Congress of the United States from California.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of New York, which was referred to the Committee on the Judiciary:

STATE OF NEW YORK, IN SENATE,
Albany, February 26, 1940.

Whereas on September 17, 1796, George Washington, first President of the United States, delivered his farewell address to the American people; and

Whereas on that day the Father of our Country set down certain suggestions for the guidance of the American people; and

Whereas by his refusal to seek election for the third time he established a tradition that to this day has remained unbroken; and

Whereas in his farewell address President Washington said, "Friends and citizens, the period for a new election of a citizen to administer the Executive Government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprize you of the resolution that I have formed, to decline being considered among the number of those out of whom a choice is to be made;" and

Whereas this tradition of a President of the United States of not seeking election for a third term forms the one remaining bulwark protecting the people of this Nation against the threat of the establishment of a dictatorship; and

Whereas with the establishment of a dictatorship the minorities now accorded their rights under our Constitution will be swept aside and accorded the same treatment now given them in certain countries of Europe: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be and hereby is memorialized to enact suitable legislation to prevent any President from seeking a third term, and that a copy of this resolution be transmitted to the Vice President, the Speaker of the House of Representatives, and each Member of Congress from New York State.

By order of the senate,

WILLIAM S. KING, *Clerk.*

IN ASSEMBLY, *February 27, 1940.*

Concurred in without amendment.

By order of the Assembly,

ANSLEY B. BORKOWSKI, *Clerk.*

The VICE PRESIDENT also laid before the Senate a resolution adopted at a meeting of the Perth Amboy Republicans, Perth Amboy, N. J., favoring the enactment of legislation to

prevent any President of the United States from seeking a third term in the Presidential office, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of the Port Isabel-San Benito Navigation District, of Cameron County, Tex., favoring the retention of river and harbor work under the Corps of Engineers of the Army, War Department, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by the Industrial Traffic Managers Conference, Los Angeles, Calif., representing 137 major industrial concerns in southern California, relative to the problem of water transportation from Los Angeles Harbor to the Panama Canal Zone, especially in connection with the matter of the construction of new locks, barracks, airports, etc., for purposes of national defense in the Canal Zone, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by the Young Democrats of San Diego, Calif., opposing loans to foreign powers either for their own wars or in aid of the wars of other powers, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Council of the City of Los Angeles, Calif., favoring the enactment of pending legislation to assist the States in the improvement of highways, and also to authorize the Federal Government to acquire rights-of-way for road projects so as to help cities solve the problem of traffic congestion, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate resolutions of the C. & R. National Farm Loan Association, of Crockett, and the Western National Farm Loan Association, of Muleshoe, both in the State of Texas, favoring restoration of the Farm Credit Administration to the status of an independent bureau and the placing of the operations of the Federal land banks, national farm-loan associations, and other units of the Administration under the supervision of a bipartisan board appointed by the President, by and with the advice and consent of the Senate, which were referred to the Select Committee on Government Organization.

Mr. CAPPER presented a petition of sundry citizens of Ulysses, Kans., praying for the enactment of the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was ordered to lie on the table.

Mr. HOLT presented a paper in the nature of a petition from the Marion County Medical Society of West Virginia, favoring the enactment of legislation to establish a national department of health, the executive officer of which shall be a physician holding the degree of doctor of medicine and who shall be a member of the President's Cabinet as the Secretary of Health, which was referred to the Select Committee on Government Organization.

Mr. WALSH presented a resolution of the Massachusetts Women's Political Club, protesting against the enforced 30-day furlough of relief workers, and favoring the appropriation of sufficient funds for work relief until a solution is found for the unemployment problem, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the League for Peace Action, of Stoneham, Mass., favoring further extension of the law providing for reciprocal-trade agreements with foreign nations, which was referred to the Committee on Finance.

Mr. BARBOUR. Mr. President, I present a concurrent resolution of the Legislature of New Jersey and ask that it may be incorporated in the RECORD at this point, under the rule, and referred to the appropriate committee.

The concurrent resolution was referred to the Committee on Foreign Relations, as follows:

Concurrent resolution memorializing the United States Senate not to ratify the pending treaty with the Dominion of Canada for building the St. Lawrence seaway

Whereas there is out-spoken opposition on the part of the people of this State with the proposed treaty, pursuant to which a ship canal will be constructed along the St. Lawrence River under the joint auspices and joint expense of the United States of America and the Dominion of Canada; and

Whereas the treaty provides that the United States is to expend for its share the sum of over $250,000,000, and it has been estimated by reliable authorities that the actual cost will be from $712,000,000 to $1,350,000,000, of which the United States should bear its proportionate share; and

Whereas the cost of this canal would represent an added burden to taxpayers and would create an unregulated and subsidized means of transportation; and

Whereas the principal advantages would accrue to Canada rather than to the United States in the development of more ports and shipping facilities; and

Whereas the use of the proposed canal, which would be closed to navigation for 5 months of the year, would in no way justify the cost, it would nevertheless tend to take some shipping from the port of New York in which the State of New Jersey has a large interest; and

Whereas the record distinctly shows that the completion of the St. Lawrence seaway is intended to decrease the movement of traffic via United States rail lines, and, if successful, would be detrimental to our transportation system, its employees, and the public in general; be it

Resolved by the Senate of the State of New Jersey (the house of assembly concurring): That the Senate of the United States, and particularly the Senators elected from New Jersey, be memorialized and requested to not ratify the treaty for the proposed St. Lawrence deep waterway; and be it further

Resolved, That a copy of this resolution be immediately transmitted to the Secretary of the United States Senate and to each Senator elected from the State of New Jersey.

The VICE PRESIDENT laid before the Senate a concurrent resolution identical with the foregoing, which was referred to the Committee on Foreign Relations.

Mr. BILBO. Mr. President, on behalf of my colleague [Mr. HARRISON] and myself, I present a resolution or memorial adopted unanimously by the Mississippi Legislature urging the Congress to restore the appropriation stricken out by the House of Representatives for the continuation of the program under the Bankhead-Jones Farm Tenant Purchase Act.

At the same time I present a resolution adopted by the Mississippi Farm Security Administration Advisory Committee to the same effect. I ask that both resolutions be printed in the RECORD as a part of my remarks, because today in American agriculture the problem of farm tenancy is a very live one. In Mississippi alone 70 percent of the farmers are tenants and in the United States as a whole 50 percent of the farmers are tenants. The Senate Committee on Agriculture and Forestry realizes, I think, the seriousness of the situation, and I believe the resolutions will be worth reading by Members of the Senate.

The VICE PRESIDENT. The resolutions will be received, printed in the RECORD, and referred to the Committee on Agriculture and Forestry.

The resolutions referred to are as follows:

House Concurrent Resolution 21

House concurrent resolution memorializing the Congress of the United States to continue the program of the Bankhead-Jones Farm Tenant Purchase Act

Whereas the Bankhead-Jones Tenant Purchase Act has resulted in great benefits to the State of Mississippi during the last 3 years, giving to approximately 1,400 farm families the privilege of acquiring farm homes; and

Whereas this legislation points to the solution of one of the major agricultural problems in this region; and

Whereas this is a self-liquidating program, the elimination of which would not substantially affect the national budgetary problem: Now, therefore, be it

Resolved by the House of Representatives of the State of Mississippi (the senate concurring therein), That the Congress of the United States be memorialized to make the appropriation recommended by the President to continue the program of the Bankhead-Jones Farm Tenant Purchase Act; and be it further

Resolved, That the program of rural habilitation now being conducted by the Farm Security Administration and under which 25,000 Mississippi farmers are being aided by small loans and technical guidance to become self-sufficient be encouraged by the Congress and measures adopted for its continuance on its present basis.

Whereas the House Committee on Appropriations removed from the agricultural appropriation bill the $25,000,000 proposed in the Budget for tenant purchase under the Bankhead-Jones Farm Tenant Act; and

Whereas the State of Mississippi has a large percentage of tenant farmers who are eager to become home owners, evidenced by the fact that 24,000 applications for tenant purchase loans have been presented to the committees in the respective counties; and

Whereas the administration of the tenant purchase program in Mississippi and the purchasing and building of homes for worthy tenants have aroused sympathetic interest on the part of the public. Our people are favorably impressed with the fact that these tenants can become successful landowners: Now, therefore, be it

Resolved by the Mississippi Farm Security Administration Advisory Committee, That in the interest of the thousands of worthy tenant farmers in the State, you use your influence and best efforts to have the $25,000,000 proposed in the Budget reinstated in the agricultural appropriation bill now pending in the Senate of the United States; be it further

Resolved, That the chairman of the Mississippi Farm Security Administration Advisory Committee, Mr. P. F. Williams, is hereby authorized and instructed to transmit copies of this resolution to the Senators and Congressmen from Mississippi.

REPORTS OF COMMITTEES

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 2455) to confer jurisdiction on the Court of Claims to hear and determine the claim of Mount Vernon, Alexandria & Washington Railway Co., a corporation, reported it adversely and submitted a report (No. 1261) thereon.

Mr. VAN NUYS, from the Committee on Expenditures in the Executive Departments, to which was referred the bill (H. R. 6693) to amend the provisions of law relating to the use of private vehicles for official travel in order to effect economy and better addministration, reported it with an amendment and submitted a report (No. 1262) thereon.

Mr. BANKHEAD, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 6379) to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), reported it without amendment and submitted a report (No. 1263) thereon.

Mr. NEELY, from the Committee on Rules, to which was referred the resolution (S. Res. 232) limiting debate on general appropriation bills (submitted by Mr. GLASS on February 8, 1940), reported it with an amendment.

REPORTS OF THE COMMITTEE ON PRINTING—PRINTING OF PROCEEDINGS AND HEARINGS

Mr. HAYDEN. From the Committee on Printing I report back favorably, without amendment, House Concurrent Resolutions 45 and 46, and ask unanimous consent for their present consideration.

There being no objection, the concurrent resolutions were severally read, considered by unanimous consent, and agreed to, as follows:

House Concurrent Resolution 45

Resolved by the House of Representatives (the Senate concurring), That the proceedings at the various ceremonies in commemoration of the one hundred and fiftieth anniversary of the commencement of the first session of the Supreme Court of the United States, together with such additional matter as the Joint Committee on Arrangements in charge of these ceremonies may deem fitting and appropriate, in connection with this historical event, be printed, with illustrations, as a document; and that 200,000 additional copies be printed, of which 50,000 shall be for the use of the Senate and 150,000 shall be for the use of the House of Representatives.

And—

House Concurrent Resolution 46

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed for its use 2,000 additional copies of the hearings held before said committee during the current session on the resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLMAN:

S. 3477. A bill for the relief of Edward Carpentier Mears; to the Committee on Military Affairs.

S. 3478. A bill to provide for punishment of persons who escape or attempt to escape from the custody of officers or employees of the Immigration and Naturalization Service; to the Committee on Immigration.

By Mr. MALONEY:

S. 3479. A bill authorizing appointments to the United States Military Academy and United States Naval Academy of sons of soldiers, sailors, and marines who were killed in action or have died of wounds or injuries received, or disease contracted, in line of duty during the World War; to the Committee on Military Affairs.

(Mr. GILLETTE (for himself, Mr. HATCH, Mr. MILLER, Mr. MEAD, and Mr. TRUMAN) introduced Senate bill 3480, which was referred to the Select Committee on Government Organization and appears under a separate heading.)

By Mr. McNARY:

S. 3481. A bill for the relief of Guy D. Martin; to the Committee on Finance.

S. 3482. A bill to provide for a national cemetery at the Veterans' Administration facility at Roseburg, Oreg.; to the Committee on Military Affairs.

By Mr. JOHNSON of Colorado:

S. 3483. A bill for the relief of Dr. Ninette G. Lumm; to the Committee on Claims.

By Mr. BULOW (for himself and Mr. GURNEY):

S. 3484. A bill for the relief of L. A. Johnson; to the Committee on Indian Affairs.

By Mr. McKELLAR:

S. 3485. A bill to amend section 226 of the act of March 4, 1909; to the Committee on Post Offices and Post Roads.

By Mr. NEELY:

S. 3486. A bill to amend section 24 of the Judicial Code, as amended, to permit citizens of the District of Columbia to bring suit in the district courts of the United States under the diversity-of-citizenship clause; to the Committee on the Judiciary.

By Mr. SCHWELLENBACH (for Mr. BURKE):

S. 3487. A bill for the relief of the heirs of Lt. William Lee Clemmer, Coast Guard; to the Committee on Claims.

By Mr. CHANDLER:

S. 3488. A bill for the relief of Arnold Blanton; and

S. 3489. A bill for the relief of the estate of Frank H. Lusse, deceased; to the Committee on Claims.

By Mr. BAILEY:

S. 3490. A bill to provide for a maximum interest rate of 4 percent on loans secured by United States Government life-insurance policies; to the Committee on Finance.

By Mr. McCARRAN:

S. 3491. A bill to provide that fines for failure to pay license taxes in Alaska shall be disposed of as provided for the disposition of such taxes; to the Committee on the Judiciary.

By Mr. TYDINGS (for himself and Mr. RADCLIFFE):

S. 3492. A bill to exempt from taxation certain property of the National Society of the Colonial Dames of America, in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SHEPPARD:

S. 3493. A bill for the relief of Elliott L. Hovel; to the Committee on Claims.

S. 3494. A bill relating to changes in the administration of the National Guard of the United States bearing on Federal recognition, pay, allotment of funds, drill, training, etc.;

S. 3495. A bill to provide for the retirement of any officer of the National Guard who has served as Chief of the Militia Bureau or Chief of the National Guard Bureau;

S. 3496. A bill to prevent retardation in promotion and in pay and allowances of permanent professors of the United States Military Academy appointed by the President from the commissioned officers of the Regular Army; and

S. 3497. A bill to require the issuance by the General Accounting Office of a quarterly certificate of settlement of money accounts to United States property and disbursing officers of the National Guard of the several States, Territories, and the District of Columbia; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

S. 3498. A bill directing the Secretary of War to issue Army discharge to Herbert Hodge, who was regularly inducted into the military service of the United States prior

to November 11, 1918, and was discharged from draft on November 12, 1918 (with accompanying papers); to the Committee on Military Affairs.

(Mr. THOMAS of Oklahoma also introduced Senate bill 3510, which was referred to the Committee on Banking and Currency and appears under a separate heading.)

By Mr. KING:

S. 3499. A bill to authorize and direct the Commissioners of the District of Columbia to accept and maintain a memorial fountain to the members of the Metropolitan Police Department; and

S. 3500. A bill to provide for the regulation of the business of fire, marine, casualty, and title insurance, and for other purposes; to the Committee on the District of Columbia.

By Mr. O'MAHONEY and Mr. HAYDEN:

S. 3501. A bill to provide for the disposition of certain moneys received by the United States in connection with proceedings against the Standard Oil Co. of California and others pursuant to the joint resolution resolution of February 21, 1924 (43 Stat. 15); to the Committee on Public Lands and Surveys.

By Mr. BYRD:

S. 3502. A bill for the relief of the Epes Transportation Corporation; to the Committee on Claims.

S. 3503. A bill for the relief of Charles L. Kee; to the Committee on Naval Affairs.

S. 3504. A bill to provide uniformity in designations of certain historic areas, sites, and buildings administered by the Secretary of the Interior, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. MEAD:

S. 3505. A bill to authorize cancelation of deportation in the case of Anthony Consola; to the Committee on Immigration.

By Mr. SMITH:

S. 3506. A bill granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Great Pee Dee River, at or near Cashua Ferry, S. C.; to the Committee on Commerce.

By Mr. BARBOUR:

S. 3507. A bill for the relief of Earl A. Smith; to the Committee on Naval Affairs.

By Mr. WHEELER:

S. 3508. A bill for the relief of the Missoula Mercantile Co.; to the Committee on Claims.

By Mr. WHEELER (for himself and Mr. BANKHEAD and Mr. LA FOLLETTE):

S. 3509. A bill to reduce permanently the interest rates on Federal land bank and Land Bank Commissioner loans; to relieve Federal land bank borrowers of stock liability; to place the Federal land banks on a self-supporting basis; to refund and guarantee the bonds of such banks; to increase the functions and responsibilities of national farm-loan associations and county committees of farmers; to provide for the adjustment and refinancing of farm-mortgage debts; to limit the institution of foreclosure proceedings and the taking of deficiency judgments; and for other purposes; to the Committee on Banking and Currency.

By Mr. PEPPER:

S. 3511. A bill to establish a permanent industrial loan corporation to assist financing institutions in making credit available to commercial and industrial enterprises; to the Committee on Banking and Currency.

S. 3512. A bill to provide for public hearings on applications for licenses under the Communications Act of 1934; to the Committee on Interstate Commerce.

By Mr. BARBOUR:

S. 3513. A bill authorizing the Reconstruction Finance Corporation to assist closed building and loan associations through loans and the purchase of assets; to the Committee on Banking and Currency.

By Mr. NEELY:

S. 3514. A bill to extend indefinitely the time before which valid applications may be filed for disabled emergency officers' retirement benefits, and for other purposes; to the Committee on Finance.

By Mr. MEAD:

S. J. Res. 217. Joint resolution to authorize the appropriation of an additional sum of $425,000 for Federal participation in the New York World's Fair, 1940; to the Committee on Foreign Relations.

By Mr. KING:

S. J. Res. 218. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies;

S. J. Res. 219. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1941; and

S. J. Res. 220. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1941, and for other purposes; to the Committee on the District of Columbia.

By Mr. REYNOLDS:

S. J. Res. 221. Joint resolution for the acquisition of British islands in the Caribbean and British Honduras; to the Committee on Foreign Relations.

THE FARM CREDIT ADMINISTRATION

Mr. GILLETTE. Mr. President, on behalf of the senior Senator from New Mexico [Mr. HATCH], the junior Senator from Arkansas [Mr. MILLER], the junior Senator from New York [Mr. MEAD], and the junior Senator from Missouri [Mr. TRUMAN], I introduce a bill.

In connection with the bill, Mr. President, I ask unanimous consent to have printed in the RECORD a letter with reference to the bill which is addressed to me, signed by Mr. O'Neal, president of the American Farm Bureau Federation, and concurred in by vice presidents of the federation from Illinois, New York, New Hampshire, Vermont, Maryland, Minnesota, Kansas, Iowa, Indiana, Wyoming, Nevada, California, Tennessee, Kentucky, Arkansas, and Mississippi; a letter received on the same subject signed by representatives of the National Grange, the National Council of Farm Cooperatives, the National Wool Growers' Association, and the American National Livestock Association; and copies of resolutions adopted by these organizations.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the matters submitted by the Senator from Iowa will be printed in the RECORD.

By Mr. GILLETTE (for himself, Mr. HATCH, Mr. MILLER, Mr. MEAD, and Mr. TRUMAN): The bill (S. 3480) to provide for the establishment of the Farm Credit Administration as an independent agency of the Government, and for other purposes, was read twice by its title and referred to the Select Committee on Government Organization.

The letters and resolutions presented by Mr. GILLETTE are as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 2, 1940.

Hon. GUY M. GILLETTE,
United States Senate, Washington, D. C.

DEAR SENATOR GILLETTE: Pursuant to a resolution of the twenty-first annual convention of the American Farm Bureau Federation, the board of directors has approved the following resolution with respect to the farm-credit system:

"For 25 years farmers have struggled to build up a sound, effective, permanent, and independent farm-credit system, including the Federal land banks, the intermediate credit banks, the banks for cooperatives, and the production credit system. The ultimate objective is complete farmer ownership and farmer control.

"This objective, we believe, can best be achieved by placing complete administrative responsibility in the hands of a board of governors, as an independent Government agency, members to be appointed by the President of the United States and confirmed by the Senate, with terms of members so staggered as to insure continuity of administration.

"The federation will aggressively support legislation directed toward this objective."

The attached bill carries out this resolution and has the approval of the American Farm Bureau Federation.

We hope this bill will meet with your approval. We respectfully urge your active support in obtaining its enactment into law at this session of Congress.

Respectfully yours,

EDW. A. O'NEAL, *President.*

P. S.—The foregoing communication has been concurred in by the following members of the board of directors and their names have been authorized to be appended to this letter:

Earl C. Smith, Illinois, vice president; H. P. King, New York; George M. Putnam, New Hampshire, Arthur Packard, Vermont; H. H. Nuttle, Maryland; Frank W. White, Minnesota; O. O. Wolf, Kansas; Francis Johnson, Iowa; Hassil E. Schenck, Indiana; H. J. King, Wyoming; George Ogilvie, Nevada; George H. Wilson, California; J. F. Porter, Tennessee; Ben Kilgore, Kentucky; R. E. Short, Arkansas; Ransom Aldrich, Mississippi; Mrs. H. W. Ahart, California; R. W. Blackburn, secretary and treasurer.

RESOLUTION OF THE NATIONAL GRANGE ON THE FARM CREDIT ADMINISTRATION ADOPTED AT PEORIA, ILL., NOVEMBER 15–23, 1939

Whereas the Grange has had a consistent policy of many years' standing favoring a cooperative credit system under an independent bipartisan board: Therefore be it

Resolved, First, that the National Grange favors the establishment of the Farm Credit Administration as an independent agency operating under the supervision of a bipartisan board appointed for staggered terms of office.

Second: That such agency have supervision of the Federal Farm Loan System, the Production Credit System, the banks for cooperatives, the Intermediate Credit Bank System, and the Federal Farm Mortgage Corporation.

Third: That the cooperative features of the Federal Land Bank System, the Production Credit System, and the banks for cooperatives be preserved and strengthened and means be devised for establishing the intermediate credit banks on a cooperative basis.

Fourth: That the Federal Farm Mortgage Corporation be continued as an emergency lending agency until agriculture can be established on such basis that emergency credit of this character is no longer needed.

Such a policy is important to agriculture for the following reasons:

(a) A dependable source of credit adapted to the borrowers' needs and paying capacity is essential to a successful agriculture.

(b) Consistent continuity of policy and sound management are necessary if funds are to be available on favorable interest rates and terms. This cannot be accomplished if the policy and management are subject to sudden changes. Borrowers, employees, and investors alike must be freed from political uncertainties or pressure if maximum safety and service are to be attained. This can be accomplished only by providing supervision by a bipartisan board serving for staggered terms if sufficient safety and service are to be attained. This can be accomplished only by providing supervision by a bipartisan board serving for staggered terms of sufficient length to prevent sudden changes in fundamental administrative policies.

(c) The credit service should provide not only long-term capital, short-term production credit, and cooperative marketing credit, as are now provided by the Federal land banks, the Production Credit System, the banks for cooperatives, and intermediate credit banks, but until agriculture has sufficiently recovered from the many years of depression to operate on a normal basis, emergency credit similar to that available through the Federal Farm Mortgage Corporation will be needed. Since the power of this Corporation to make loans expires on January 31, 1940, it is essential that it be extended for a reasonable period.

(d) The substantial progress made by the Federal land banks, Production Credit System, and banks for cooperatives operating on a cooperative basis has demonstrated the soundness of that form of organization. It protects the system against making unsound loans. It enhances the prompt collection of installments. It is felt that greater assurance of a completely well-rounded and sound credit system sympathetic to agriculture's needs would be accomplished if the Intermediate Credit System were owned and controlled on a sound cooperative basis by the Production Credit Association and cooperatives which they serve. Cooperative control could be strengthened by a more practical system of election of directors, thereby assuring the borrowers of a voice in the management of their credit affairs.

Adopted unanimously by the National Grange in Peoria, Ill., November 17, 1939.

NATIONAL COOPERATIVE COUNCIL,
Washington, D. C.

The following resolution was adopted at the annual delegate meeting of the National Council of Farmer Cooperatives, January 10–12, 1940:

"FARM CREDIT ADMINISTRATION

"Since its establishment under that name in 1933, the Farm Credit Administration has been an independent agency of the Federal Government. During the nearly 7 years of its existence as such, it has adhered steadfastly to sound business principles in its agricultural financing and has concerned itself with financing the permanent, and not temporary or emergency, needs of agriculture. It has also met in a constructive manner the credit needs of agricultural cooperatives.

"We regret the change in policy which has terminated the independent status of the Farm Credit Administration. In the past, when suggestions were made for transfer of the Farm Credit Administration to the Treasury Department, the council opposed such change. In conformity with its consistent policy on this point, the National Cooperative Council requests that Congress restore at an early date the independent status so long accorded to the Farm Credit Administration.

"President Roosevelt, the Secretary of Agriculture, and the newly appointed Governor of Farm Credit Administration have now given assurance that there will be no departure from sound credit policies which have made the position of Farm Credit Administration so secure. By reason of these announced policies the Farm Credit Administration and its present officials merit and will receive our continued loyal support.

"We also urge that the general policies of the Farm Credit Administration be continued as in the past, with progressive increases in the cooperative nature of its structure.

"The officers of the council are instructed to oppose vigorously the withdrawal of Federal capital funds from lending agencies serving agriculture in any cases where it is found that such withdrawal will injure the ability of such agencies to serve properly the needs of agriculture."

MARCH 1, 1940.

Hon. GUY M. GILLETTE,
Hon. CARL A. HATCH,
Hon. JAMES M. MEAD,
Hon. JOHN E. MILLER,
Hon. HARRY TRUMAN,
Members of United States Senate.

DEAR SENATORS: The following farm organizations have gone on record as favoring the enactment of legislation designed to reestablish the Farm Credit Administration as an independent agency of Government: The National Grange, the American Farm Bureau Federation, the National Council of Farmer Cooperatives (formerly the National Cooperative Council), the National Wool Growers' Association, and the American National Livestock Association.

These five organizations, representing a large majority of the organized farmers of the Nation, are in accord in this matter, and, after careful study and many conferences, have reached a unanimous agreement as to the suggestions we wish to make.

For sake of brevity and convenience, these suggestions are incorporated in the form of a bill, a copy of which is enclosed. We also enclose copies of resolutions approved by the delegate bodies of these farm organizations.

We wish to have it clearly understood that in advocating the restoration of independent status to the Farm Credit Administration we do not desire to cast any reflection whatever upon the Department of Agriculture. Nor is our advocacy of this proposal related in any way to the individual aims and ambitions of those charged with the present responsibility of carrying on the work of the Administration.

We are strongly of the opinion, however, that supervision of a comprehensive credit system for farmers should be separate and apart from an executive department charged with the execution of any national program not directly related to the actual extension of credits.

Congress has recognized the need for two types of credit agencies for agriculture, each of which is necessary. The Farm Credit Administration was established to supply the sound long-time credit needs of farmers and farmers' cooperatives, while the Department of Agriculture, under various laws, has been designated as the agency through which the emergency credit needs of agriculture are supplied.

When the National Farm Loan System, which was the forerunner of the Farm Credit Administration, was established, it was intended to be a cooperative credit system, controlled by the farmers themselves under Government supervision. It has been and is the hope of farmers that in due time they may become the complete owners of the various agencies included under the Farm Credit Administration, some of which are now self-supporting. Because of this hope, approximately 2,000,000 farmers have invested $130,000,000 of their own money in the various units of the Farm Credit Administration. When all of these units can be placed on a self-sustaining basis, they can be entirely eliminated from the Federal Budget.

It is needless for us to remind you that those engaged in or directly dependent upon agriculture for a livelihood represent more than 40 percent of the population of the country. We believe that this great body of our people is as much entitled to an independent credit organization as are those engaged in industrial, commercial, and financial enterprises.

We hope that our proposal will meet with your approval, and that you will introduce and give your best efforts in behalf of the enactment of the necessary legislation to bring this about. In so doing, we sincerely believe that you will be rendering a service of the utmost importance to agriculture, making it possible, in due time, for the farmer to gain full control of the credit agencies which serve him.

Sincerely and respectfully yours,

THE NATIONAL GRANGE,
By FRED BRENCKMAN, *Washington Representative.*
THE NATIONAL COUNCIL OF FARMER COOPERATIVES,
(Formerly the National Cooperative Council),
By EZRA BENSON, *Executive Secretary.*
NATIONAL WOOL GROWERS' ASSOCIATION,
By F. R. MARSHALL, *Secretary.*
AMERICAN NATIONAL LIVESTOCK ASSOCIATION,
By F. E. MOLLIN, *Secretary.*

Resolution adopted at annual meeting of National Wool Growers' Association, January 23–25, 1940:

"FARM CREDIT

"The Farm Credit Administration has for the past 6 years served agriculture well and has been largely responsible for adequate credit at the lowest rate of interest ever enjoyed by the livestock industry. We question if it can continue the present efficiency and sound lending policies unless its independent status is restored.

We urge Congress to take such action as is necessary to establish this agency on an independent basis, void of the influence of any other bureau or department of Government."

Resolution adopted at annual meeting of American National Livestock Producers, January 11–13, 1940:

"FARM CREDIT ADMINISTRATION

"Whereas the Farm Credit Administration has, by adhering to sound financial policies, provided a dependable source of credit to those engaged in agricultural pursuits, and thereby won the confidence and loyalty of its borrowers; and

"Whereas through its various agencies, reaching into every rural community of the Nation, it has attained a dominent position in agricultural credit; and

"Whereas if the farm-credit system is to continue adequately to serve agriculture, it is essential that extension of credit should not be tied in with any other agricultural program, and that it retain its cooperative features and independence of departmental control: Therefore be it

"*Resolved*, That we urge that the Farm Credit Administration be immediately restored by Congress to its former status as an independent agency and that we authorize and direct our officers and legislative committee to do their utmost to attain that end."

The following resolution was adopted by the executive committee of the American Farm Bureau Federation, January 11, 1940:

"IV. FARM CREDIT ADMINISTRATION

"For 25 years farmers have struggled to build up a sound, effective, permanent, and independent farm-credit system, including the Federal land banks, the intermediate credit banks, the banks for cooperatives, and the production credit system. The ultimate objective is complete farmer ownership and farmer control.

"This objective, we believe, can best be achieved by placing complete administrative responsibility in the hands of a board of governors, as an independent Government agency, members to be appointed by the President of the United States and confirmed by the Senate, with terms of members so staggered as to insure continuity of administration.

"The federation will aggressively support legislation directed toward this objective."

INTEREST RATES ON FEDERAL LAND BANK AND COMMISSIONER LOANS, ETC.

Mr. LA FOLLETTE. Mr. President, the Senator from Montana [Mr. WHEELER] has introduced a bill today for himself and for the senior Senator from Alabama [Mr. BANKHEAD] and myself, being Senate bill 3509. In connection with that bill, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement by the Senators mentioned, and by Representative JONES of Texas, who is introducing a companion bill in the House of Representatives.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATORS WHEELER, BANKHEAD, LA FOLLETTE, AND REPRESENTATIVE JONES OF TEXAS

The bill we are today introducing has four objectives:

(1) To make the Federal land-bank system self-supporting, and thereby eliminate the annual subsidies from the Federal Treasury now required; (2) to reduce interest rates on land bank and Land Bank Commissioner loans to 3 percent; (3) to provide a fair and practical method for refinancing farm mortgages, where the farm debt exceeds the fair value of the farm, or where the annual payments on the mortgage exceed the normal farm income; and (4) to decentralize the administration of the land-bank system by increasing the duties and responsibilities of local farm-loan associations.

In addition to these basic changes, the bill also abolishes foreclosure proceedings and deficiency judgments except in cases of willful or negligent damage to the mortgaged property; authorizes the collection of loans on a variable payment system, under which amounts in addition to required payments can be collected in periods of above-normal production or prices and employed to reduce the required payments in periods of subnormal production or prices; and provides for the reamortization of existing Land Bank Commissioner loans on the same terms as are now made available to land-bank borrowers.

It should be emphasized that the bill in no way affects the intermediate credit banks, the production credit corporations or associations, or the banks for cooperatives, but deals solely with the land-bank system.

The following is a statement covering the major provisions of the bill:

1. The present average contract rate on outstanding land-bank loans, and the contract rate on all Land Bank Commissioner loans is 5 percent. By act of Congress, the effective interest rate has been reduced to 3½ percent on land-bank loans and 4 percent on Land Bank Commissioner loans. However, this reduction is temporary and can only be continued so long as Congress appropriates the difference between these effective rates and the contract rates. Approximately $38,000,000 a year must now be appropriated to make up this difference.

Furthermore, land-bank borrowers are now required to subscribe 5 percent of the amount of their loans to capital stock. The result of this requirement is to increase the total interest charge now paid by land-bank borrowers, since interest is charged on the full amount of the borrower's loan, even though 5 percent of the face amount of such loan has been deducted for the purchase of the stock. Besides paying this additional interest, the borrower runs the risk of permanently losing the value of his stock, because such stock must now be pledged as collateral, not only for the borrower's own loan but also for the loans of all other borrowers through his association. In addition, on any defaulted payments, or on amounts advanced for the payment of taxes, liens, judgments, or assessments, borrowers are required to pay interest at the rate of 8 percent per annum.

Under this bill, the present complicated system of varying interest rates, deductions for capital-stock subscriptions, and annual subsidies from the Federal Treasury would be eliminated. The interest rate on all outstanding loans, both from the land banks and the Land Bank Commissioner, would be fixed at 3 percent. New borrowers would no longer be required to subscribe to capital stock, and all present borrowers whose loans are in good standing, and all borrowers who have repaid their loans in full since June 16, 1933, would be immediately credited with the full value of their capital stock, without deduction for losses resulting from the defaults of other borrowers. Future issues of land-bank bonds would be guaranteed by the United States both as to principal and interest, thus enabling the land banks to obtain money at lower rates of interest. All land-bank bonds now held by the Federal Farm Mortgage Corporation would be immediately refinanced. Through such guaranty, the annual subsidies now required would be immediately reduced and entirely eliminated by 1946, by which time all of the present land-bank bonds would have become subject to call. After 1946, the interest rate on new loans would be fixed at 1 percent above the yield borne by the fully guaranteed obligations then issued by the land banks.

2. The refinancing provisions of the bill are no less important than the interest provisions.

At the present time, there is no adequate machinery for the refinancing of farm owners burdened with excessive farm mortgages. As a result, large numbers of diligent farmers, whose mortgages were executed in periods of very high prices, are now struggling under impossible debt burdens, with no avenue of escape except foreclosure or abandonment of their farms. To meet this problem, the bill provides a broad refinancing program which will provide immediate and effective relief for deserving farm mortgagors, without opening the door to abuse by unscrupulous borrowers who are actually able to meet their mortgage payments, or by shiftless farmers whose failure has been due to their own fault.

The first safeguard is the provision that no mortgagor can obtain refinancing unless the board of directors of his local farm-loan association or a local county committee of farmers certifies that his application has been filed in good faith; that the mortgage indebtedness is in excess of the productive value of the farm or the annual payments are in excess of the normal farm income; and that the applicant, by reason of his character, ability, and experience, is likely successfully to carry out the undertakings required of him.

As a second safeguard against abuse, the amount of scale-down is not determined immediately. Instead, the mortgagor must convey title to the Federal Farm Mortgage Corporation in exchange for a lease for not more than 5 years. At the end of the 5-year lease, or sooner, if circumstances justify, the farmer is given the right to repurchase the property at a price to be fixed on the basis of the actual income value of the farm. In other words, the debt is adjusted not on the basis of an immediate appraisal, which may not reveal the real value of the farm, but on the basis of the actual productive capacity of the farm as disclosed during the lease period.

3. The provisions for increasing the responsibilities and functions of farm-loan associations are urgently needed.

There has been a general impression that the land-bank system is now farmer owned and controlled. The truth is that, except for participation in elections, neither the individual land-bank borrower nor his national farm-loan association has been given an adequate opportunity to participate in the administration of the system.

To assure genuine farmer participation the bill contains the following provisions:

First, the right of the individual borrower to participate in the election of the directors of his association and to vote at membership meetings is no longer made dependent on his subscribing to 5 percent of the amount of his loan in the capital stock of the association. Similarly, the right of the association to participate in the election of the directors of the land banks is no longer dependent on the association's subscribing to stock in the land bank or endorsing loans made through it. The farmer has been told that such stock subscription makes him a part owner in the land-bank system. Nothing could be further from the truth. The stock subscription is not an asset to the borrower, but a liability. Not only is the purchase price of the stock deducted from the loan

which he receives, but the stock is pledged as security for the loans of all other borrowers through the association. This feature of the land-bank system, which was borrowed in 1916 from the German landschaft system, was never justified and should be abolished in the same way that the double liability of land-bank borrowers was abolished in 1933.

Second, the bill vests in the local farm-loan association or other local committee of farmers the responsibility for approving all applications for the refinancing and repurchase benefits provided under sections 11 to 14 of the bill.

Third, the Governor is directed to delegate to the associations, wherever feasible, responsibility for the reamortization of Commissioner loans, the establishment of variable-payment plans, and determinations as to whether foreclosure proceedings and deficiency judgments are justified against defaulted borrowers.

(d) The Governor is directed to determine the extent to which farmer participation can be increased by delegating to the associations functions now exercised by the Federal land banks, and to provide for such delegation through appropriate rules and regulations.

(e) The Governor is authorized to require the land banks to compensate the associations through service payments to be deducted from interest payments on all loans or mortgages serviced by the associations.

4. The effect of the bill on the general taxpayer has already been referred to. At present the land-bank system is heavily subsidized by the Federal Government. It has been necessary for the Government to invest over $300,000,000 in capital stock and paid-in surplus to purchase through the Federal Farm Mortgage Corporation and the production credit corporations over $800,000,000 of the presently unguaranteed land-bank bonds, and to appropriate annually over $38,000,000 for temporary interest reductions.

This is not our conception of a self-supporting farm-credit system. It is high time that the system was made really self-supporting by completely guaranteeing all future issues of land-bank bonds, in the same manner that the Federal Government now guarantees the obligations of the Reconstruction Finance Corporation and the Home Owners' Loan Corporation, and the mortgages insured by the Federal Housing Administration. Through such guaranty the interest rate payable by land-bank borrowers can be permanently reduced, and the present subsidies out of the Federal Treasury entirely eliminated as soon as the new outstanding bonds have been refunded. The American farmer and the American taxpayer are both entitled to these benefits.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 7809. An act authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose; to the Committee on Foreign Relations.

H. R. 8668. An act making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes; to the Committee on Appropriations.

REGULATION OF COMMERCE IN AGRICULTURAL PRODUCTS—AMENDMENT

Mr. FRAZIER submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 570) to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

IMPROVEMENT OF ARROWROCK DAM—AMENDMENT

Mr. CLARK of Idaho submitted an amendment intended to be proposed by him to the bill (S. 1498) to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes, which was referred to the Committee on Irrigation and Reclamation and ordered to be printed.

AMENDMENT TO RIVER AND HARBOR AUTHORIZATION BILL—MARUMSCO CREEK, MD.

Mr. TYDINGS submitted an amendment intended to be proposed by him to House bill 6264, the river and harbor authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL—FOREST LAND IN LINCOLN COUNTY, OREG.

Mr. McNARY submitted an amendment intended to be proposed by him to House bill 8641, the first deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 8, after line 25, to insert the following:

"Report on forest land in Lincoln County, Oreg.: For a study of and report on a tract of 12,731 acres of forest land in Lincoln County, Oreg., in accordance with Senate Resolution No. 225, Seventy-sixth Congress, agreed to February 1, 1940, fiscal year 1940, $3,000, to remain available until December 31, 1940."

AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. GURNEY submitted an amendment intended to be proposed by him to House bill 8202, the Agricultural Department appropriation bill, 1941, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 74, line 11, to insert the following:

"Provided, That expenditures for the production or procurement of nursery stock by any Federal agency, or funds appropriated to any Federal agency for allocation to cooperating States for the production or procurement of nursery stock, be available until expended."

Mr. WILEY submitted amendments intended to be proposed by him to House bill 8202, the Agricultural Department appropriation bill, 1941, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 42, line 12, strike out "$600,000" and insert in lieu thereof "$1,000,000."

On page 46, line 5, strike out "$16,366,000" and insert in lieu thereof "$16,766,000."

Mr. PEPPER submitted an amendment intended to be proposed by him to House bill 8202, the Agricultural Department appropriation bill, 1941, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill, insert the following:

"Experiment station for cassava: To enable the Secretary of Agriculture to establish and maintain an experiment station in the State of Florida for conducting experiments with respect to the growth and utilization of cassava, $50,000."

RECIPROCAL-TRADE AGREEMENTS—AMENDMENTS

Mr. McCARRAN submitted amendments intended to be proposed by him to the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 1 line 8, to strike out the period, substitute a comma and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade-agreement negotiations excise taxes imposed under the provisions of paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932, as amended, which are now a part of the Internal Revenue Code, subtitle (c), chapter 29, subchapter (b), part 1, sections 3420, 3422, 3423, 3424, 3425."

On page 1, line 8, to strike out the period, substitute a colon and the following: *"Provided,* That no commodity or article shall be included in any foreign-trade agreement entered into which permits the entry into American markets of products of workers, farmers, or miners of foreign countries at total landed costs, all tariff duties paid, which total costs are less than the cost of production or wholesale selling price of competitive products of American workers, miners, or farmers where such American products are commercially available."

At the end of the bill, strike out the period and insert in lieu thereof a semicolon and the following: "except that no foreign-trade agreement entered into after the date of enactment of this joint resolution under such section 350 shall be effective unless concluded by and with the advice and consent of the Senate, two-thirds of the Senators present concurring therein as in the case of other treaties."

JOINT COMMITTEE ON FORESTRY

Mr. BANKHEAD submitted the following concurrent resolution (S. Con. Res. 39), which was referred to the Committee on Agriculture and Forestry:

Resolved by the Senate (the House of Representatives concurring), That the time for making the report of the Joint Committee on Forestry (establishment pursuant to S. Con. Res. No. 31, 75th Cong.) is hereby extended to February 1, 1941, and any amounts available for the expenses of such committee shall be available for expenditure until such date.

HARRY J. TUCKER—WITHDRAWAL OF PAPERS

On motion by Mr. BULOW (at the request of Mr. BONE), it was

Ordered, That the papers and exhibits (submitted by Mr. BONE) accompanying the bill (S. 1486) for the relief of Harry J. Tucker

(75th Cong., 1st sess.; introduced by Mr. BONE) be withdrawn from the files of the Senate, no adverse report having been made thereon.

REVIEW BY SENATOR M'NARY OF NEW DEAL ADMINISTRATION

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD a radio address delivered by Senator MCNARY over the American Forum of the Air on March 3, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR TAFT AT SPRINGFIELD, ILL.

[Mr. MCNARY asked and obtained leave to have printed in the RECORD an address delivered by Senator TAFT at Springfield, Ill., on February 24, 1940, on the subject of the farmer and America's future, which appears in the Appendix.]

1940 CENSUS QUESTIONNAIRE

[Mr. TOBEY asked and obtained leave to have printed in the RECORD a brief filed by him with the Commerce Committee of the Senate in support of Senate Resolution 231, which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS—STATEMENT BY SECRETARY CORDELL HULL BEFORE FINANCE COMMITTEE

[Mr. HERRING asked and obtained leave to have printed in the RECORD the statement made by Hon. Cordell Hull, Secretary of State, before the Senate Finance Committee on February 26, 1940, which appears in the Appendix.]

EMBARGO ON SHIPMENT OF WAR MATERIALS TO JAPAN—CORRESPONDENCE WITH ADMIRAL YARNELL

[Mr. SCHWELLENBACH asked and obtained leave to have inserted in the RECORD a letter written by him to Rear Admiral Harry E. Yarnell regarding the embargo on shipments to Japan, and the reply of Admiral Yarnell, which appear in the Appendix.]

ARTICLE ON ABRAHAM LINCOLN BY GOVERNOR HORNER

[Mr. SLATTERY asked and obtained leave to have printed in the RECORD an article entitled "What Would Lincoln Think?" written by Gov. Henry Horner, of Illinois, and published in the Christian Science Monitor weekly magazine section of February 10, 1940, which appears in the Appendix.]

STATEMENT BY GOVERNOR LONG, OF LOUISIANA

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD a statement by Gov. Earl K. Long, of Louisiana, published in the American Progress, of Hammond, La., on Friday, March 1, 1940, which appears in the Appendix.]

ADDRESS BY DR. E. W. BRANDES ON RESEARCH ON SUGAR PLANTS

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an address on the subject Research on Sugar Plants and Some Practical Adaptations, delivered by Dr. E. W. Brandes before the second general meeting, American Society of Sugar Beet Technologists, at Denver, Colo., on January 5, 1940, which appears in the Appendix.]

PRODUCTION OF ELECTRIC POWER—ARTICLE BY SAMUEL A. CARLSON

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article by Samuel A. Carlson, published in the Jamestown (N. Y.) Tri-County Herald, of the issue of February 16, 1940, which appears in the Appendix.]

ADDRESS BY COL. R. A. WHEELER ON INLAND WATERWAYS

[Mr. MILLER asked and obtained leave to have printed in the RECORD an address delivered on January 25, 1940, by Col. R. A. Wheeler, resident member of the Board of Engineers for Rivers and Harbors, at Raleigh, N. C., before the Engineers' Institute, on the subject of contribution of inland waterways to transportation, which appears in the Appendix.]

ADDRESS BY RAYMOND H. COMBS BEFORE AMERICAN ROAD BUILDERS' ASSOCIATION

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Raymond H. Combs, president of the National Rural Letter Carriers' Association, before the American Road Builders' Association on January 30, 1940, which appears in the Appendix.]

LETTER FROM JOHN THOMAS TAYLOR, ETC., ON NATIONAL EMPLOYMENT PROGRAM

[Mr. MEAD asked and obtained leave to have printed in the RECORD excerpts from a letter addressed to him by John Thomas Taylor, director of the national legislative committee of the American Legion, and a national employment program set forth in the report of the committee on employment adopted by the American Legion national convention at Chicago in September 1939, which appear in the Appendix.]

ARTICLE BY CLARK PORTEOUS ON HUMANE SHELTER AT MEMPHIS, TENN.

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD an article published in the Memphis Press-Scimitar of February 28, 1940, relative to the humane shelter at Memphis, Tenn.; which appears in the Appendix.]

ARTICLE BY DAVID LAWRENCE ON PROPOSED LOAN TO FINLAND

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article by David Lawrence published in the Washington Evening Star of March 1, 1940, relative to the proposed loan to Finland, which appears in the Appendix.]

PEACE OR PARTICIPATION

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Peace or Participation" written by Jonathan Daniels, editor of the News and Observer, of Raleigh, N. C., which appears in the Appendix.]

ARTICLES ON GOLD- AND SILVER-PURCHASE PROGRAMS

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an article by Leon Pearson published in the Washington Times-Herald of February 19, 1940, on the silver-purchase program, and an article from the Washington Evening Star of February 20, 1940, on the gold-purchase program, which appear in the Appendix.]

SILVER-PURCHASE PROGRAM

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an editorial from the Reno Evening Gazette of February 15, 1940, on the silver-purchase program, which appears in the Appendix.]

MONEY DISBURSEMENTS OF WAGE EARNERS, ETC.

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial from the Washington Daily News of February 28, 1940, entitled "In One Easy Lesson," relative to the money disbursements of wage earners and clerical workers, which appears in the Appendix.]

ORDER DISPENSING WITH CALL OF CALENDAR

The VICE PRESIDENT. The routine morning business is closed. The calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the calling of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Downey	King	Reynolds
Andrews	Ellender	La Follette	Russell
Ashurst	Frazier	Lee	Schwartz
Austin	George	Lodge	Schwellenbach
Bailey	Gerry	Lucas	Sheppard
Bankhead	Gibson	Lundeen	Shipstead
Barbour	Gillette	McCarran	Slattery
Barkley	Glass	McKellar	Smith
Bilbo	Green	McNary	Stewart
Brown	Guffey	Maloney	Taft
Bulow	Gurney	Mead	Thomas, Idaho
Byrd	Hale	Miller	Thomas, Okla.
Byrnes	Harrison	Minton	Thomas, Utah
Capper	Hatch	Murray	Tobey
Caraway	Hayden	Neely	Townsend
Chandler	Herring	Norris	Truman
Chavez	Hill	Nye	Tydings
Clark, Idaho	Holman	O'Mahoney	Vandenberg
Clark, Mo.	Holt	Overton	Van Nuys
Danaher	Hughes	Pepper	Wheeler
Davis	Johnson, Calif.	Radcliffe	White
Donahey	Johnson, Colo.	Reed	Wiley

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from New Jersey [Mr. SMATHERS] are absent from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE] is detained on important public business.

The Senator from Nevada [Mr. PITTMAN] is absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senator from New York [Mr. WAGNER], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

RELIEF OF PEOPLE OF POLAND

Mr. MALONEY. Mr. President, I desire to call the attention of Members of the Senate to Senate Joint Resolution 207, which I introduced on February 1. This resolution would provide an appropriation of $10,000,000 for the relief of the saddened and stricken people of Poland.

I am hopeful that this proposal will be given early consideration by the committee to which it has been referred. It is a deserving measure, and a modest one, and will not do so much as I should like to see done to protect the lives of people who, for the moment, are completely denied an opportunity to do much, if anything, for themselves.

My proposal to provide Federal funds for the relief of the people of Poland is not the start of an entirely new thing in Congress. For more than 100 years Congress has been providing money to furnish relief for the peoples of other countries who have been overcome by calamity.

As early as 1812 Congress appropriated money to bring relief to earthquake sufferers in Venezuela; and since that time, on different occasions, we have provided assistance and money and relief to the people of Ireland and Scotland and France and Germany and India and Cuba and Costa Rica and China and Armenia and Turkey and Russia and Japan.

I shall not discuss the matter at great length today; but I do want to bring to the attention of the Senate, and the commitee to which the bill has been referred, the fact that this kind of proposal is not new. I want to emphasize the fact that there has probably never been a more distressing situation or a greater need. Our fellow human beings are actually starving.

A few weeks ago I asked the Legislative Reference Service of the Library of Congress to help me compile a list of the acts of Congress relating to the relief of suffering or distressed people of other countries. I ask unanimous consent that there may be published in the RECORD, as a part of my remarks, the material given to me by the Library's Legislative Reference Service.

The VICE PRESIDENT. Without objection, the material will be printed in the RECORD.

The matter referred to is as follows:

Act of May 8, 1812 (2 Stat. 730, ch. 79), authorized the President to purchase and tender "such provisions as he shall deem advisable" to the Government of Venezuela "for the relief of the citizens who have suffered by the late earthquake"; and appropriated $50,000 for the purpose.

Resolution of March 3, 1847 (9 Stat. 207, No. 10), authorized the Secretary of the Navy to dispatch two ships to carry contributions "to the famishing poor of Ireland and Scotland."

Resolution of February 10, 1871 (16 Stat. 596, No. 28), authorized the President to station naval vessels at ports of New York City, Boston, and Philadelphia "to receive on board for transportation such supplies as may be furnished by the people of the United States for the destitute and suffering people of France and Germany."

Joint resolution of April 1, 1880 (21 Stat. 303, No. 16), authorized the Secretary of the Navy to employ any vessel of the Navy, or to charter a suitable ship, to carry contributions "to the famishing poor of Ireland"; and appropriated any necessary sum of money therefor.

Joint resolution of February 19, 1897 (29 Stat. 701–702), as amended June 1, 1897 (30 Stat. 220, No. 12) authorized the Secretary of the Navy to charter not over two vessels to transport contributions for the relief of "the famishing poor of India"; and appropriated any necessary sum of money therefor.

Joint resolution of April 7, 1897 (30 Stat. 219, No. 8), authorized the Secretary of the Navy to charter an American vessel of 2,400 tons capacity to transport contributions "to the famishing poor of India"; and appropriated any necessary sum of money therefor.

Act of May 18, 1898 (30 Stat. 419, ch. 345), authorized Army officers during the Spanish War to issue supplies and otherwise render aid to "inhabitants of the island of Cuba who are destitute and in imminent danger of perishing unless they receive the same."

Act of March 3, 1899 (30 Stat. 1069), appropriated $100,000 for Army subsistence supplies "to be issued to inhabitants of the island of Cuba who are destitute and in imminent danger of perishing unless they receive the same."

Act of May 13, 1902 (32 Stat. 198, ch. 787), appropriated $200,000 to enable the President to distribute provisions, clothing, medicines, etc., and "take such other steps as he shall deem advisable for the purpose of rescuing and succoring the people who are in peril and threatened with starvation" after the eruption of Mont Pelee in the French West Indies; and requested the President to obtain the approval of the French Government.

Act of January 18, 1907 (34 Stat. 850, ch. 154), authorized the President to distribute any necessary naval stores "among the suffering and destitute people of the island of Jamaica," suffering in consequence of an earthquake and conflagration.

Act of May 27, 1908 (35 Stat. 387, sec. 7), relieved officers of Isthmian Canal Commission from liability for $11,205.53 for "materials and supplies furnished to the sufferers by the Jamaican earthquake" of January 14, 1907.

Act of January 9, 1909 (35 Stat. 584, ch. 7), appropriated $800,000 to enable the President to distribute "provisions, clothing, medicines, and other necessary articles" among the "suffering and destitute people of Italy," suffering in consequence of an earthquake; and authorized the employment of any vessels of the Navy or other vessels for this purpose.

Act of May 13, 1910 (36 Stat. 367, ch. 232), authorized the President to distribute "tents, blankets, and other necessary articles" among the "suffering and destitute people of Costa Rica," suffering in consequence of an earthquake.

Act of February 18, 1911 (36 Stat. 919, ch. 114), authorized the Secretary of War to use an Army transport for carriage to China, under supervision of American Red Cross, of "supplies donated by the people of the United States for the relief of the sufferers from famine in China"; and appropriated $50,000 for expenses.

Joint resolution of August 20, 1914 (38 Stat. 777), authorized the American Red Cross "during the continuance of the present war" to charter vessels of foreign registry, to carry the American flag, "for all uses in connection with the work of said society." The purposes of the society enumerated in the act of January 5, 1905 (33 Stat. 600, sec. 3), include carrying on a system of international relief in time of peace and applying it in mitigating sufferings caused by pestilence, famine, etc.

Joint resolution of September 11, 1914 (38 Stat. 778, No. 40), appropriated $1,000,000 to enable the United States to fulfill the obligations devolving upon it in connection with its representation of the interests of foreign Governments and their nationals, to "extend temporary assistance to other governments and their nationals made necessary by hostilities" in Europe and elsewhere, and "for the care or benefit of citizens or subjects of foreign nations." (The acts of March 4, 1915 (33 Stat. 1138), and September 8, 1916 (39 Stat. 802), reappropriated the unexpended balance of this appropriation for the same purposes.)

Act of May 22, 1918 (40 Stat. 558, ch. 80), authorized national banks to contribute to the American Red Cross and provided that all money so contributed should be used in furnishing aid to wounded soldiers, etc., and "the relief and mitigation of the suffering caused by the war to the people of the United States and their allied nations." (Such contributions were presumably outside the scope of the ordinary corporate powers of national banks; see 24 U. S. C. 12.)

The Naval Appropriation Act of July 1, 1918 (40 Stat. 705), authorized the Secretary of the Navy to ascertain and pay "all claims for damages to and loss of private property of inhabitants of any European country not an enemy or ally of an enemy" caused by "men in the naval service during the period of the present war," provided any such claim does not exceed $1,000.

Act of February 25, 1919 (40 Stat. 1161, ch. 38), appropriated $100,000,000 for purchase, transportation, and distribution of "foodstuffs and other urgent supplies" to populations in Europe outside of Germany, German Austria, Hungary, Bulgaria, and Turkey (but including Armenians and other Christian and Jewish subjects of Turkey); expenditures to be reimbursed as far as possible by the peoples thereby relieved.

Act of July 11, 1919 (41 Stat. 130, ch. IV), authorized the Secretary of War to place at the disposal of the American Red Cross any "medical and surgical supplies and supplementary and dietary foodstuffs" no longer necessary for the United States Army, to be used "to relieve and supply the pressing needs of the peoples of countries involved in the late war."

Act of March 30, 1920 (41 Stat. 548, ch. 113), authorized the United States Grain Corporation to dispose of flour in its possession up to 5,000,000 barrels "to relieve populations in the countries of Europe or countries contiguous thereto suffering from the want of food."

Act of December 22, 1921 (42 Stat. 351, ch. 15), authorized the President to expend $20,000,000 of funds of the United States Grain Corporation for corn, seed grain, and preserved milk to be distributed "for the relief of the distressed and starving people of Russia and for spring planting in areas where seed grains have been exhausted."

Act of January 20, 1922 (42 Stat. 357, ch. 30), authorized the President to transfer up to $4,000,000 worth of surplus medical, etc., supplies to American relief organizations without charge "for the relief of the distressed and famine-stricken people of Russia."

Deficiency Appropriation Act of March 20, 1922 (42 Stat. 460), appropriated $107,746.17 for European food relief.

Act of May 28, 1924 (43 Stat. 195), authorized the Navy Postmaster General to expend from the naval supply account issues ordered by the Secretary of the Navy "for the relief of sufferers in Japan following the earthquake which occurred September 1, 1923."

Act of February 24, 1925 (43 Stat. 963, ch. 297), approved issuance of Army supplies up to $6,017,069.03 "for the relief of sufferers from the earthquake in Japan on September 1, 1923."

NOTE.—The act of February 12, 1794 (6 Stat. 13, ch. 2), appropriated $15,000 for the support of inhabitants of Santo Domingo resident within the United States in want of such support. The account of the moneys so expended was to be lodged in the Treasury Department and charged to the debit of the French Republic.

The President, by a proclamation of August 25, 1906 (34 Stat. 3227), asked for contributions through the National Red Cross Association for relief in connection with earthquake at Valparaiso, Chile.

REGULATION OF MODES OF TRANSPORTATION

Mr. BAILEY. Mr. President, some weeks ago I made inquiries of the Secretary of War, the Secretary of Agriculture, and the Chairman of the United States Maritime Commission on the subject of Senate bill 2009, which is now in conference. They wrote to me a letter which by some means got into the press. I did not give it out. Since then I have received an answer to this communication from the committee known as the President's Committee.

Without intending to influence the conferees in any way, I now ask leave to have the original letter, with the answer, printed in the RECORD for the information of Senators, with a view to the hour when the conference report shall come before the Senate. May I have that consent?

The VICE PRESIDENT. Is there objection? The Chair hears none.

The letters are as follows:

FEBRUARY 16, 1940.

Hon. JOSIAH W. BAILEY,
Chairman, Committee on Commerce, United States Senate.

MY DEAR MR. CHAIRMAN: The Secretary of War, the Secretary of Agriculture, and the Chairman of the United States Maritime Commission submit, in accordance with your request by letter of January 11, 1940, this joint statement as to the probable effects on water transportation and the national economy of the regulatory legislation proposed in the bill S. 2009 as it passed the Senate, together with the House amendments thereto. On separate occasions during the first session of the Seventy-sixth Congress the War Department, the Department of Agriculture, and the United States Maritime Commission presented their views either on individual bills or on all of the bills (S. 2009; H. R. 2531 and H. R. 4862) relating to the regulation of transportation. This statement, however, limits the comments to the provisions of S. 2009 as it passed the Senate and the House.

Such legislation would seriously affect the national defense, agriculture, and shipping, as well as other industry and commerce generally. The Departments of War and Agriculture, and the Maritime Commission, are vitally concerned with measures designed to develop and maintain adequate and efficient transportation for the basic needs of the country. In addition to its general interest, the Department of War is charged with a particular responsibility in the protection, preservation, and enhancement of the value of the country's investment in its Great Lakes system and its system of rivers, harbors, and canals. The Secretary of Agriculture, because of the responsibility which the Department has in affairs affecting the welfare of agriculture, is authorized by the Agricultural Adjustment Act of 1938 (sec. 201 of title II) to make complaints to the Interstate Commerce Commission with respect to the transportation of farm products. The concern of the Maritime Commission is that of fostering and encouraging, as authorized by law, the development and maintenance of an adequate and well-balanced American merchant marine in the interest of the national defense and the foreign and domestic commerce of the United States.

The prompt passage of various transportation bills introduced in the first session of the Seventy-sixth Congress was urged in order to meet an emergency in railroad transportation requiring quick remedial legislation on the part of the Government. There is no longer the same emergency condition. Indeed, if there is an emergency, it is in the water-borne commerce. In general, the net operating income of the railroads has risen with great rapidity in the last few months. However, the basic problems of transportation still persist. The war conditions and the enactment of neutrality legislation have given rise to sharp dislocations in our foreign commerce and shipping. The war now raging may have profound effects upon our domestic commerce and transportation, and should give us pause before finally adopting legislation providing for extended and possibly inflexible regulation of water transportation. Such legislation would require a long-continued and difficult process of readjustment of shipping operations, and might disturb our national economy in many ways, and affect the availability of merchant shipping for national-defense purposes. Unless the proposed legislation is clearly required in the interest of the public and of the shippers and consumers, existing rates and services of water carriers should not be subjected to such a burdensome thing as a radical change in regulative policy at a time when the disorganizing, destructive, and confusing effects of war are being felt.

While there are important differences between the bill as passed by the Senate and the House amendments, both provide for comprehensive regulation by the Interstate Commerce Commission of all common and contract carriers by water in interstate commerce in three ways:

(a) By transferring from the Maritime Commission to the Interstate Commerce Commission regulatory functions over domestic water carriers (the Maritime Commission's jurisdiction over foreign commerce would not be touched).

(b) By subjecting to the Interstate Commerce Commission's jurisdiction certain water carriers not presently regulated; and

(c) By extending regulation to new subject matters.

THE THEORY OF THE PENDING LEGISLATION

The Senate bill or the House amendments, if enacted, would bring all the important agencies of interstate transportation, excepting air carriers, under the control of the Interstate Commerce Commission. Proponents of this development in regulation justify it largely upon an assumption of "keen and close" competition of these agencies with each other. By means of certificates of public convenience and necessity and permits, as well as through the use of minimum rate control, it is proposed to curb so-called cutthroat or destructive competition. Stress is also laid in the general declaration of policy upon the need for fair and equal regulation of all agencies of transportation, but with care to recognize and preserve the inherent advantages of each. The omission of air transportation, however, destroys the basis of the argument for unification of regulation. Specific provisions tend to render ineffective the general declaration of policy in the pending bill.

The basic purpose of railroad regulation, as embodied in the granger legislation of the 1870's and in the act of 1887 to regulate commerce, was to protect the public against extortionate rail rates, unjust discriminations, and undue preferences. With the passage of the Transportation Act of 1920, however, the public began to assume responsibility for the financial condition of the railroads. An endeavor was made to restrict competition of railroads with each other and with other types of carriers. Minimum rate provisions were adopted for the purpose of limiting price competition.

The body of this statement is divided into three parts corresponding generally, though not exactly, to the interest of the different agencies of the Government joining herein. Part I discusses a primary concern of the Department of Agriculture, that is, the probable effect of the proposed water-carrier regulation on the national transportation rate level and structure, both from the standpoint of the producer and the consumer. Part II is devoted to a consideration of the existing regulatory power of the Maritime Commission over water carriers, the undesirable effects of extending the railroad regulation plan to water transportation, and the need for careful adjustment of water-carrier regulation to the diverse types of water transportation involved. Part III considers the national policy for the improvement of inland waterways, the place of such waterways in the national transportation system, and its cost and its value to the Nation and to the shippers and consumers.

PART I. THE PROPOSED REGULATION OF WATER TRANSPORTATION AND THE EFFECT ON DISTRIBUTION AND PRICES OF COMMODITIES

When motor carriers were brought under Federal regulation in 1935, minimum-rate control was applied to both common and contract operations. While the proposals with respect to water carriers may be in the same direction, they are not justified unless such control is in the public interest. So far as we are aware, however, there has not been convincing evidence that shippers and consumers have benefited, or are likely to benefit, from this method of regulating motor and water carriers. On the contrary, both the Senate bill and the House amendments would expand and change the method of regulation of water transportation on the theory that the present economic situation of the railroads requires the form of regulation of water carriers provided for in the Senate bill and the House amendments in direct conflict with the general declaration of policy. As a matter of fact, many farm organizations, shippers, and their trade associations are alarmed at the proposals which they contain and sincerely believe that enactment of measures embodied therein would be detrimental to their interests. The farmers and other shippers in particular are convinced that the effect of the present bills would be to force water-transportation rates to levels closely approximating those of rail rates and higher than necessary to reflect the reasonable cost of water transportation, and that they, the users of water transportation, would be footing the bill for the sole benefit of the railroads.

Rail and water transportation have different economic characteristics

The commonly accepted justification given for the extension of the regulation now applied to railroads to other forms of transport than the railroads fails to distinguish between the distinct economic features of each agency of transport in relation to public policy. Unrestrained competition between railroads or between railroads and other forms of transport may be, and often is, destructive in character. The public interest would be better served by confining the movement of traffic to carriers or routes able to handle it profitably at low rates. There is real danger that the proposed legislation would result in an arrangement whereby rates would go high enough to yield profits to carriers or routes incurring the highest expense. The rail carriers have large, expensive plants, and a substantial proportion of their costs does not vary with traffic. They are operating considerably below an optimum level of traffic. Hence, the railroads not only have an incentive to lower their competitive rates to a level often little, if any, above out-of-pocket costs, but because of size and financial strength they have the ability to engage in vigorous destructive competition for a considerable period of time. They place high rates on noncompetitive traffic, of which a significant proportion consists of agricultural

products, to make up their revenue deficiencies on the competition-compelled reduced rates. The railroads' power in this manner to destroy or injure competing carriers thus injures also the main body of rail traffic, and is not fully controlled by the long-and-short-haul clause, minimum-rate regulation, and other statutory measures.

Wholly different conditions prevail in the water and truck industries. The investment in trucks, and frequently in water equipment, is relatively small, and most of the costs of these carriers, especially of the motor carriers, vary directly with traffic. Variations in motor or water traffic can be taken care of by appropriate additions to or deductions from equipment, since each vehicle or small combination is a complete carrying unit. Rates for different carriers providing these services tend toward a common level, for the operations are essentially small scale and competitive in nature. In these competitive industries the opportunity to discriminate is curtailed by the shipper's ability to transfer his custom to another firm. The water lines and trucks are more dependent for recovery of their expenses on rates that yield the operator's cost of particular services than are the railroads. This means that they, more than the railroads, are under a natural restraint not to practice destructive competition, and that there is less need in their cases for the imposition of statutory and artificial controls. That this has been recognized by Congress for more than half a century is evidenced by the long-and-short-haul clause, which imposed a necessary restraint on railroad power to destroy water competition and left the water carriers the larger freedom which the public interest required that they should have.

Thus, while maintenance of the controls now exercised over railroad rates is justified by economic considerations, we have grave doubts that identical rate regulation is required of the rail competitors. Regulation of safety and the requirement of public responsibility are without doubt justified. But failure to make proper economic distinctions between these industries only postpones the sound solution of the transportation problem in terms of the public interest.

Transportation problem a segment of the national problems of industrial depression, domestic and foreign trade barriers, and unemployment

What then are the remedies for the so-called transportation problem? In the first place, it should be recognized that the transportation problem is only a part of a larger problem. In reality the country faces an economic problem which largely consists of finding ways and means of increasing employment, production, and consumption to the end that our economic system can operate at reasonably full capacity under democratic controls.

The railroads and other agencies of transport are significantly affected by and can contribute measurably to the solution to this all-important social and economic problem. Unfortunately, the railroads seem determined to find a solution for the admittedly difficult financial situation of certain rail carriers without regard for the more general solution; in fact, from their public statements it would seem that they are seeking to solve their difficulties at the expense of agricultural and other shippers, consumers, and taxpayers.

Farmers and other shippers should not be required to pay rates based on transportation costs of properties improvidently built, wastefully operated, or partially obsolete. The advocacy of thorough regulation of the minimum rates of motor and water carriers by a centralized agency appears to represent an attempt to use Government power to bring competing transportation agencies into a cartel, and in this manner to share traffic and adjust rates in such a way as to earn a return upon all transportation capital of these agencies. The present high rail-rate level would be protected from the impact of vigorous competition. Undoubtedly such a policy would also result in more rigid rates in times of depression, since the motor carrier and the boat line would no longer play their role as an effective competitive force in bringing down rail rates on commodities susceptible to rail or truck, and rail or water movement.

Flexible rate structure to promote distribution

As stated above, the transportation problem is usually presented as an emergency requiring quick action on the part of the Government, which is requested to take action which will inevitably raise rates and throttle competitors in order to save the railroads. The suggestion that the railroads effect a rationalization of the railroad plan to eliminate uneconomic transportation services and adjust their charges in line with the lessened ability of shippers to pay goes unheeded.

The primary purpose of the Congress is to foster our domestic commerce by endeavoring to have transportation services supplied at reasonable costs, to be fair to the carriers in the trade, but not to favor them at the expense of the shipping public. It is particularly important that this congressional purpose be adhered to at the present time in the interest of our national economy in order to promote the use of these facilities in the solution of one of our major economic problems; that is, the greater distribution of farm products and other basic commodities.

The Department of Agriculture, for some years, has been advocating greater flexibility in rail rates, and lower rather than higher unit rates especially, as an aid in marketing surpluses of farm products and as vital prerequisites to the restoration of economic health to agriculture, to industry, and to transportation itself. As a means of improving the purchasing power of industrial labor and the urban population for surplus farm products, and that of the farmers for industrial, employment-giving products, the Department of Agriculture is working vigorously on plans and programs to obtain a larger distribution of such surplus farm products. The transportation factor is a large element in the cost of distributing farm products. Lower rail rates to reduce the great barrier of distance is an essential condition to the success of this effort to bring about a more effective functioning of our economy. Any improvement in the way of lowering distribution costs is likely to go to the farmer, the industrial worker, and the consumer.

The proposal to extend minimum-rate regulation to water carriers is not the solution for railroad and other transportation problems. This proposal involves the very real danger of advancing one more step toward the formation of a transportation cartel with restricted transportation services and a rate level sufficient to pay a return upon all sunk capital, whether or not it is needed by the public. This gives no promise of a solution of transportation problems in the public interest.

The land-grant railroads

A further provision of the bill as amended in the House of Representatives is of considerable consequence. Section 321 of part II, title III, page 301 of the printed bill, would relieve the land-grant railroads from the obligation of transporting employees or property of the Federal Government at less than the commercial rates. The preferential rates which the Government has enjoyed as a contractual right and which the Government would relinquish by the terms of this section are a specific condition of the large grants of land made to the railroads in earlier times. Almost 20,000,000 acres of these lands are still owned by six of the roads, but are not used in connection with their operation. The character, location, and use of much of this land are such that the existing maladjustments in land use occasioned by their present ownership would be greatly aggravated by their sale or transfer to numerous private operators. It is anticipated that over the next decade or two much of this land will, in fact, need to be reacquired by the Federal Government. The lands remaining in the ownership of the grantee railroads or their subsidiaries, of course, are the residue of the original grants, the parts for which there has been no demand by purchasers and only limited demand at low rates by renters. By and large, the lands which continue in the ownership of the land-grant railroads are, in very large part, the types of land for which public responsibility and management seem to be an almost inevitable and imperative requirement. Between 3,000,000 and 4,000,000 acres of these lands are within existing boundaries of national forests in large part checkerboarded with Federal lands and influencing their use. Other undetermined acreages are within the boundaries of Taylor grazing districts, national parks, reclamation withdrawals, and so forth. If these reservations are to be made effective it will be necessary in time for the United States to regain ownership of such of the lands within their boundaries as are now in private ownership. The normal expectation is that the owner of such lands will demand payment of considerations in cash or kind to induce them to part with the title.

The section of S. 2009 under discussion proposes to release the railroads from the obligation of transporting employees and property of the Federal Government at reduced rates.

If it is fair and equitable for the United States now to surrender its legal rights under these contracts, it would seem to be fair and equitable for the railroads involved similarly to surrender their residual rights under the same contracts; in other words to restore to the United States such parts of the granted lands as have not passed out of the ownership and control of the railroads and are not needed or used in the operation of the railroads.

Under such an arrangement the rights relinquished by the United States would be large and positive; those which would be relinquished by the railroads relatively small and of nebulous value.

PART II.—THE EXISTING REGULATION OF WATER CARRIERS AND ITS RELATION TO REGULATION OF RAILROADS

The Maritime Commission now has extensive jurisdiction over the rates and practices of common and contract carriers by water in the intercoastal trade and in particular may prescribe the maximum and minimum rates which they may charge. Similar jurisdiction is also exercised over the coastwise common carriers, except that as to those operating on the Great Lakes maximum rates only may be prescribed. All such regulatory power is by S. 2009 and the House amendments transferred to the Interstate Commerce Commission. It is to be noted in this connection that Congress in 1938, by withholding authority to the Maritime Commission to prescribe minimum rates for the Great Lakes common carriers, recognized that this particular form of regulation was not necessary or desirable in the interests of the carriers and the shippers using their facilities. The bill would authorize the Interstate Commerce Commission to prescribe minimum rates for this class of carriers.

The Senate bill and the House amendments not only greatly expand the scope of regulation of the rates and related practices of the water carriers but give to the Interstate Commerce Commission entirely new jurisdiction in other respects. The most important extensions of jurisdiction are the requirement of certificates of public convenience and necessity for the common carriers by water, the requirement of permits for contract carriers by water, and the regulation of the issuance of securities by the Interstate Commerce Commission in the case of both classes of carriers.

Regulation of water transportation and trade differences

Congress so far has not seen fit to subject to Federal regulation the rates and practices of contract carriers in the coastwise trade nor common (except as to joint rail and water rates) or contract carriers plying on the inland waters. Congress has taken particular care in the past to give full consideration to essential differences not only in the type of water carriers subjected to regulation but

also in the various trades in which they may operate. Under the bill the regulatory provisions affecting contract and common water carriers are made applicable without sufficient consideration being given to the basic differences arising from the character of the trade in which they may be engaged. One striking example is that, by prescribing the same general form of regulation for all contract carriers, the existing power to prescribe maximum rates for the intercoastal contract carriers would be destroyed. Congress in enacting the Intercoastal Shipping Act, 1933, considered it important to grant the power to prescribe maximum rates of contract carriers for the protection of shippers in this particular trade.

Intercoastal water traffic not important to railroads

The problems of the intercoastal carriers are mainly problems existing as between themselves, as Congress recognized in passing the Intercoastal Shipping Act, 1933, which gave the Maritime Commission a more extended jurisdiction over this class of carriers at that time than in the case of coastwise carriers. Much of the traffic in the intercoastal trade consists of bulk commodities which the railroads could carry only at rates unremunerative to them, making up the losses on other traffic. Even if all of the intercoastal traffic were carried by rail, it would not add substantially to the total tonnage of the railroads which are competitive. A fair comparison of the relative importance of the rail and water movements may be drawn from the fact that the seven principal western railroads carried 208,000,000 short tons of revenue freight in 1936, whereas both the common and the contract intercoastal carriers by water together carried 7,500,000 short tons. If this water traffic had moved by these western railroads, it would have increased their revenue tonnage by only 3.6 percent, and by reason of the low rates applicable to most of the commodities, their revenues would have been increased by an even smaller percentage.

Coastwise water traffic not generally competitive with rail traffic

As to the coastwise trade including the Great Lakes, the portion of the cargo carried by these water lines as bulk cargo, such as petroleum, ore, coal, phosphate rock, and sulfur, which, owing to the low cost at which it can be moved by water, is not generally competitive as between the water carriers and the railroads, is even greater than in the intercoastal trade. In the general cargo which moves in the coastwise trade there is included a substantial amount of transshipment cargo originating in or destined for foreign ports. The real problems relating to transshipment cargo are, first, to prevent its diversion to direct ocean carriers, most of which are foreign-owned foreign-flag lines, and, second, to further the development of this type of traffic. The Senate bill, which makes transshipment cargo subject to the Interstate Commerce Commission as to that part of the movement which is between ports in the United States, would in practice preclude domestic carriers from entering into transshipment arrangements with carriers in foreign commerce, and therefore would force existing traffic to these direct lines and prevent any further development of transshipment business.

Common carriers in the coastwise trade are now regulated by the Maritime Commission. Competition between contract carriers in the coastwise trade and the railroads is negligible. Both those operating on the high seas and those operating on the Great Lakes compete, if at all, only with the common carriers by water in those trades. It is these common carriers by water which desire, and would possibly be benefited by, the regulation of the contract carriers in these trades to the same extent as the common carriers. Suffice it to say that these problems primarily concern domestic water transportation and have little relationship to the problems of the rail carriers.

Problems of inland trade carriers considered in the light of historical national policy of low-cost water transportation

The extensive improvement of our inland-waterway system, which the United States Government has financed, indicates the clear purpose of Congress to provide for transportation, particularly of our basic commodities, at rates which reflect economies of water transportation. Commissioner Splawn, of the Interstate Commerce Commission, stated during the hearings on the Lea bill (H. R. 2531) before the Interstate and Foreign Commerce Committee of the House that the strengthening of the Interstate Commerce Act in 1920 was for the purpose of regulating the railroads on the theory that they had a substantial monopoly of domestic transportation. In addition to more rigid regulation of this monopoly, Congress decided to provide for the extensive development of inland rivers and canals, the coastwise water facilities. Waterways were developed and improvements made in order to meet the requirements of shippers and the general public for low-cost transportation and to escape from the virtual monopoly of the railroads.

Railroads monopolistic agencies with large fixed investments—water carriers competitive, with easy expansion or contraction of services

The railroad carriers may be considered as inherent monopolies in certain fields of transportation, while the water carriers have no natural monopoly in respect to water transportation. Every effort of the Maritime Commission with respect to the water carriers has been to prevent them from becoming monopolies and to retain the greatest freedom of competition consistent with service to the public. A railroad represents a huge investment in fixed properties, and the communities it serves would, in many instances, be greatly injured by its discontinuance. In the case of water carriage, the problem is in maintaining the transportation service, but not necessarily, however, by the particular carrier then in the trade. Consequently, the Maritime Commission, in viewing regulatory matters, stresses the adequacy of the service as a whole to the persons employing it and the reasonableness of the carriers' rates with relation to the needs of both the shippers and the consumers. The maintenance of a particular carrier in trade, although not neglected, is not given controlling weight. It is felt that of necessity the Interstate Commerce Commission would have to use as a measure in all of its determinations involving the competitive efforts of the railroads and the water carriers to get business the railroads' struggle for existence.

Certificates of public convenience and necessity foster monopoly and destroy flexibility of service

The Senate bill and the House amendments provide for the issuance to all common carriers by water of certificates of public convenience and necessity by the Interstate Commerce Commission before such carriers may engage in water transportation. At present only those common carriers joining with railroads in publishing joint rates are required to obtain such certificates. Certificates of public convenience and necessity originated in the monopolistic character of railroads and serve a wholly justifiable purpose in preventing the creation of permanent uneconomic competition in that industry. On the other hand, domestic water carriers can compete among themselves without the withdrawal of any particular carrier being disastrous to the public and without the necessity for any carrier to continue to operate under circumstances which would ruin it. If for any reason one of the water carriers in the trade ceases operations, the transportation service which it offers can, in most instances, be taken care of through expansion of the facilities of the other carriers or through a new carrier entering the trade. Certificates of public convenience and necessity should not be used to create a monopoly in the branch of transportation industry where monopoly is presently nonexistent and where the public interest requires that competition, although it should be regulated to prevent abuses, should not be limited or discouraged. The great advantage of water transportation to shippers is the flexibility and variety of service it can offer. Certificates of public convenience and permits would destroy this advantage and stifle competition. The same effect of stifling competition is discernible in the provisions of the bills, that except with the permission of the Interstate Commerce Commission, no carrier can operate both as a common carrier and a contract carrier. While there may be some objections to this dual form of operation under particular circumstances, in general it is desirable to have that flexibility.

Applicable statutes now protect investors in water transportation securities

As to the control of issuance of securities by domestic water carriers, it must be borne in mind that whenever there is a public issue or distribution of such securities the Securities and Exchange Commission presently has the regulatory powers necessary to protect the investing public. As to Government loans under title V of the Merchant Marine Act, 1936, and insurances of preferred mortgages under title XI, the Maritime Commission's jurisdiction thereover is entirely adequate, because of definite and detailed legislative requirements in connection with such loans and insurance. Since the matter is covered by applicable statutes, the only reason that could be given for vesting control of the issuance of securities in the Interstate Commerce Commission is that the credit opportunities of the water carrier should be limited for the benefit of the railroads.

Transportation regulation in connection with governmental promotion of domestic and foreign shipping

One of the reasons advanced for the transfer of jurisdiction over the water carriers from the Maritime Commission to the Interstate Commerce Commission is the supposed existence of some conflict between the regulatory functions of the Maritime Commission and its so-called promotional functions. These so-called promotional functions are not carte blanche delegations, but are express statutory powers given by Congress in order that the Maritime Commission may promote domestic and foreign shipping in the interest of our commerce and our national defense. As far as domestic water carriers are concerned, the only powers which the Maritime Commission has apart from regulation are to assist them in the construction of new vessels, through loans for such construction under title V of the Merchant Marine Act, 1936, and to aid in the financing of new construction, reconstruction, or reconditioning through the insurance of ship mortgages under title XI of the act, as amended in 1938. In exercising these functions the Maritime Commission acts in very much the same manner as the Interstate Commerce Commission does in passing upon applications of the railroads for approval of the issuance of securities. Furthermore, the Senate bill inconsistently provides that the Interstate Commerce Commission in the case of water carriers pass upon their credit needs both in the case of public and private financing while at the same time regulating them.

Difficulties and uncertainties arising from attempt to place all transportation agencies under a uniform code

As Commissioner Eastman pointed out in his testimony on S. 2009, from the point of view of rail regulation the Senate bill is a codification, with many changes in language, of the Interstate Commerce Act, and these changes in language would make the task of interpreting and applying the Senate bill to the railroads extremely difficult. The bill makes an even greater change in language and intent from the portions of the shipping acts, the subject of which is incorporated therein, particularly because language used is made equally applicable to all classes of carriers. The attempt to apply terms and definitions heretofore used with particular reference to specific types of carriers by way of omnibus legislation for both the

railroad industry and the shipping industry will entail serious difficulties in interpretation and administration.

Recent congressional policy with respect to unification of rail and water carrier regulation

Congress has previously rejected all requests of the railroads or the Interstate Commerce Commission to place the regulation of water carriers under that Federal agency. The Merchant Marine Act, 1936, as it was originally enacted, contained a provision authorizing the President after 2 years to transfer the regulatory powers of the Maritime Commission over water carriers to the Interstate Commerce Commission. On the basis of a careful study of this problem by the Maritime Commission, the Congress saw fit in the Seventy-fifth Congress, second session, to withdraw this authority for transfer by Executive action.

Cooperation in regulation as a means of archieving desirable objectives of unified administration

Coordination is a very desirable objective, but it is best obtained by a proper spirit of cooperation between various agencies of the Government, each of which is expert as to the several problems involved and not through subordination either in theory or in practice of one phase of the problem to the other. The Maritime Commission has always cooperated very closely with the Interstate Commerce Commission as to water rates which in any way affect rail rates. It has recognized the gravity of the railroad problem and in practice given most careful consideration to the effect of any regulatory action which it has taken upon the railroad rate structure. More than this cannot justifiably be asked.

PART III. THE PUBLIC INVESTMENT IN, AND THE NATIONAL BENEFITS OF, THE INLAND WATERWAYS SYSTEM

Inherent differences in the character and functions of the several modes of transport require altogether different treatment. Inland water service, for instance, is slow, limited of access, unadapted to high-class commodity movements, and subject to occasional interruptions from fog, ice, low water, and flood conditions. To offset these disadvantages it enjoys flexibility of routes and schedules to meet the varying demands of consumers and the operator's cost is usually very low. It plays an essential part in certain basic industries of the country. In particular, it neither occupies nor needs exclusive right-of-way in order to function. The pending legislation, however, threatens to nullify these inherent advantages by imposing restrictions which will, in our opinion, unwarrantably sacrifice the public investment in low-cost transportation without any compensating benefits whatever.

On the face of it there could be no valid grounds for objection to the regulation of waterways and water carriers "so administered as to recognize and preserve their inherent advantages." If these objectives were faithfully carried out by an agency of the Federal Government familiar with their special limitations and potentialities, a far greater volume of water-borne tonnage would develop than has been permitted to seek the waterways under the present competitive system. The question which causes us deep concern is whether "equal" regulation as proposed in the pending legislation will recognize and allow for these inherent differences. Under the guise of equality it is quite possible that rules and restrictions applicable to railroads could be given literal application to waterways with completely destructive effect.

Railroad practices in meeting water competition

The large preponderance of rail freight, by reason of its character or location, is not open to water competition, and this noncompetitive traffic can be and is taxed by the railroads under the existing system by means of high rail rates in order to maintain low rail rates between river ports. In many cases these water competitive rates do not bear a full share of the cost of rail service. These low rates are defended and sanctioned on the much abused out-of-pocket-cost theory. Such rates, even when they yield no profit, serve the carriers' purpose in that they deprive competing waterways of tonnage which they might profitably handle. The water carriers have no backlog of noncompetitive tonnage upon which to shift the burden of competitive rate reductions, all of their traffic being equally adapted to rail transport except in the ability to bear high rates. The water carriers' only salvation lies in their genuinely low operating costs. Even so, if the campaign could be continued long enough by the rail carriers, without bankrupting themselves or their shippers, the water lines could eventually be starved out of business and the rail monopoly restored. Apparently the intent of the Congress to protect legitimate water traffic from unfair competition was expressed in the long-and-short-haul clause of the existing law, but relief from its restrictions is now frequently granted by existing regulatory agencies, wherever waterways enter the picture. The shipping public is thus led to forego the real economic benefits provided by the waterways at public expense and to accept in lieu thereof rail rate reductions which work injury to the railroads themselves. The very questionable advantages which the rail carriers derive from the practice are a depletion of waterway tonnage, a consequently misleading rise in waterway costs per ton-mile, and the discrediting of the sound policy of river improvement by the Federal Government.

We are convinced that the above-described practices, and not the comparatively small volume of tonnage actually moved by water, are largely responsible for the plight of the railroad industry. Commissioner Eastman summed up the situation last year in his concurring opinion in the Fifteen Percent case, as follows:

"Since 1922, however, there have been no general changes in rates, except for the emergency charges. We have made many readjustments of particular kinds or classes of rates, some upward and some downward. Possibly the latter have somewhat predominated, but certainly nothing that we have done has accounted for the drop in average ton-mile revenue from 1.116 cents in 1923 to 0.974 cent in 1936. Without doubt that has been caused in very large part by reductions in rates made voluntarily by the railroads to meet motortruck or water-carrier competition, and to a lesser degree by an increase in average length of haul and changes in the relative amounts of the various kinds of traffic, likewise the result of competition."

The Interstate Commerce Commission also very aptly described the situation thus in Ex Parte 115 some 2 years ago:

"In their need for increased revenues, applicants (the railroads) have been careful to avoid proposing any increases in rates which have been published to meet the competition of other forms of transportation, although these are the depressed rates which are so largely responsible for their financial troubles."

No public complaints as to water-transportation policies

As far as we are aware, there is no dissatisfaction on the part of the public with the transportation service afforded on the inland waterways; charges are of necessity fully compensatory, and there is no destructive rate warfare as between carriers. It seems to be generally accepted that the need for rehabilitation of the insolvent railroads has been brought about in large part by certain wasteful fiscal and operating practices and conditions within that industry itself, and it would naturally be expected that remedial legislation would direct itself in the main toward the correction of those unwholesome conditions. Much, undoubtedly, could be done in the way of reducing unnecessary and wasteful duplication of rail terminal and interchange facilities and operations, which the Federal Coordinator of Transportation found to be "one of the greatest items of railroad expense and probably accounting for more than 50 percent of the total expense."

All the provisions of the bills seem designed to free the railroads from restraints and obligations, while imposing restrictions on their water competitors and making it more expensive for the public to move freight. Under these provisions inland water carriers can easily be regulated out of existence without the recapture of enough tonnage to affect railroad earnings appreciably. At best the provisions would tend to discourage the development of water-borne tonnage on important links of the inland system now nearing completion or but recently completed and opened to pioneer traffic. In fact, surveys by the War Department indicate that the consequent rise in the cost of service would be calculated to discourage the movement of freight which requires cheap transportation.

Inland-waterway improvements based on careful transportation planning

For many years the Chief of Engineers of the War Department has built up and maintained a technical staff of transportation and traffic specialists familiar with all types of carriers, whose function includes not only the thorough study of the economic phases of each proposed river and harbor improvement and the effect on existing transportation agencies, but also the conduct of economic analyses of going waterway projects and their effect on the movement of traffic. They have gathered representative data and have developed satisfactorily consistent unit costs covering the movement of freight by rail and water under a wide variety of conditions. It would otherwise be impossible for the War Department to render efficiently the detailed and comprehensive reports on river and harbor improvements required by the Congress. It would also be impossible to render sound and balanced reports as to the merits of proposed improvements without coordinating these economic studies with field surveys showing the physical limitations as to size, type, capacity, and cost of navigation facilities in their relation to the comprehensive plan of development. No difficulty is encountered by the War Department in cooperating with other Government departments in the public interest wherever responsibilities or jurisdiction overlap, and it is at a loss to account for the theory that the grouping of all transportation investigations exclusively under one agency or board would guarantee more complete impartiality or efficiency, or would compensate for divorcing cost estimates from the corresponding appraisals of benefits. Economic studies are an essential part of engineering surveys.

Public benefits from low-cost water transportation

The overwhelming preponderance of testimony on these questions is partisan in character, and while there is nothing unnatural in the antagonism of rail and water operators or rail and water shippers toward each other, their interests being primarily involved in their own profitable operations, it is recognized that these interests cannot be expected to coincide with each other nor with the interests of the country at large. For that reason it requires long practice and familiarity with the problem to sift the testimony for facts bearing on the distribution of savings in transportation charges. The War Department's findings indicate clearly that savings on inland-waterway transportation are sufficiently general and widely enough distributed to be counted as public benefits. The War Department's endeavor has been concentrated on determining in each case whether there is an actual net economic benefit to be distributed.

Regulation of joint rail and water rates and its effect on the public interest

In the hearings before congressional committees there were repeated assurances, both official and otherwise, that regulation of

all forms of transportation by the same agency would insure equal treatment, and that the natural advantages of each form would not be nullified. It is felt that the committee is entitled to the experience of the War Department with respect to such regulation as applies under existing statutes. Although the War Department has recommended unfavorably on the majority of proposed improvements, the district officers and the Board of Engineers, after thorough study of the engineering and economic aspects of certain waterway projects, have frequently found and so reported that the prospective savings to the public in cost of transportation so far outweighed the cost of improvements that the improvements were justified. In many such cases it has happened that after the completion of a project the prospective water-borne tonnage has not developed or its development has been unduly retarded because the competing rail carriers have been granted relief from the long-and-short-haul clause. Also, where the anticipated traffic has been of the combined rail-water character, thus putting the joint rates directly under rail regulation, the water portion of the rates have been set by the regulatory commission, not on a basis related to the water carriers' operating cost or the distance by water, but on a fixed differential of from 10 to 20 percent below the rail rate between ports. This manner of regulation has apparently prevented the formation of common-carrier barge lines and has prevented the interior shippers from realizing the full economies for which the waterways were provided. It has also undoubtedly prevented a large volume of tonnage from seeking the waterways, which could use them to the real profit and advantage of both shipper and carrier. This experience with regulation by agencies not historically closely identified with waterway problems causes apprehension on our part that the further extension of regulatory powers in the bills passed by the House and Senate would not be in the public interest.

Independent regulation of water transportation

It is fully realized that the need for improving the transportation situation is acute and that there is no simple solution for the problem ready at hand. It is essential to realize that water transportation is unlike all other forms of carriage. It is the aggregate of thousands of small independent operators on the inland waterways which gives the character, furnishes the natural regulation, and automatically enforces the fair practices required in this type of transport. But it cannot sustain for long destructive competition. The remarkable fact is not that there is so little waterborne tonnage but that so large a volume actually seeks the waterways in the face of the most determined efforts to prevent it. The fact seems to be that maintenance of competitive rates below cost by the railroads has proved more disastrous for them than for their competitors, and now they seek to have such unsound business judgment transformed into wisdom by legislation. The regulation provided in the bills could be employed so as to paralyze inland waterways and the industries dependent upon them. Testimony before the House Committee on Interstate and Foreign Commerce stressed the unsoundness of relating water rates to the present rail rate structure and thus depriving the public of such economies as are made possible through the use of waterways. It insisted on the soundness of regulating water rates with a view to the needs and the potentialities of water transportation. The free flow of specially adapted tonnage should be permitted to reach and use the waterways unhampered to the end that commerce may move in increased volume at the lowest possible cost. It is believed that such steps would be in the interests of the taxpayers, the shippers, and the carriers themselves.

Respectfully submitted.

HARRY H. WOODRING,
Secretary of War.
H. A. WALLACE,
Secretary of Agriculture.
E. S. LAND,
Chairman, United States Maritime Commission.

WASHINGTON, D. C., *February 28, 1940.*

The Honorable JOSIAH W. BAILEY,
United States Senate, Washington, D. C.

DEAR SENATOR BAILEY: Under date of February 16, 1940, in response to a request from you, the Secretary of War, the Secretary of Agriculture, and the Chairman of the Maritime Commission addressed to you, as chairman of the Senate Committee on Commerce, a joint letter, in which these Government officials express their disapproval of so much of S. 2009, now in conference, as relates to the regulation of the rates and services of common and contract carriers by water.

The views of these gentlemen are well known since, as pointed out in the opening paragraph of their letter, they have previously favored the Congress with their opinion. Under date of June 20, 1939, Secretary Woodring, in a letter to Chairman LEA of the House Committee on Interstate and Foreign Commerce, which letter fills five columns of fine print in the CONGRESSIONAL RECORD, went fully into his reasons for disapproving the regulation of water carriers. On July 17, 1939, Secretary Wallace, in a lengthy letter to Speaker BANKHEAD, advanced the views which he reiterates in his letter to you of February 16, 1940. In the CONGRESSIONAL RECORD of May 24, 1939, at page 8596, et seq., appears a statement from Admiral Land which, with the accompanying tables, covers seven columns of the RECORD. In these letters and statements will be found substantially all the arguments that are now advanced against water-carrier regulation.

In spite of these arguments, the Senate, on May 25, 1939, passed S. 2009, with the water-carrier regulation feature therein, by a vote of 70 to 6, with 20 Senators recorded as not voting. On July 26, 1939, this bill, with water-carrier regulating provisions similar to the Senate bill, passed the House by a vote of 273 to 99, with 10 Members paired and 44 Members recorded as not voting. Now, after both Senate and House have overwhelmingly recorded their support of this feature of the bill, these high Government officials come forward with a renewed assault upon sections of the bill that present no serious differences to the conferees.

On September 20, 1938, the President of the United States, mindful of the serious nature of the railroad problem, appointed a committee of three railroad executives and three railroad labor executives to consider and make recommendations as to what could be done, by way of legislation, to improve the situation of the railroads, recognized by everyone as essential to the public welfare.

After careful consideration, on December 23, 1938, the committee made an extended report, embodying its conclusions and recommendations. The keynote of the report was the necessity for equality of opportunity. Among other things, the committeemen unanimously suggested that all forms of transportation should be subjected to regulation by the Interstate Commerce Commission, a body which for 50 years has enjoyed the utmost of public confidence. This letter is presented on behalf of the surviving members of this committee by a representative of each of the groups.

We respectfully submit that, in opposing this legislation, the distinguished gentlemen who signed the letter of February 16, 1940, are not in accord with the most enlightened public opinion.

In his message to the Congress bearing date of June 7, 1935, President Roosevelt said:

"Another bill for the regulation of intercoastal and coastwise trade and of some of the inland-waterway carriers prepared by the Coordinator has been introduced and is before the Congress for action. I recommend that this bill be considered by the appropriate committees and pressed to early passage. I can see no reason why the responsibility for the regulation of intercoastal, coastwise, and inland waterways should not be vested in the Interstate Commerce Commission."

In a radio address from the White House on April 28, 1935, President Roosevelt said, among other things:

"There is need for legislation providing for the regulation of interstate transportation by bus and trucks, to regulate transportation by water, new provisions for strengthening our merchant marine and air transport, measures for the strengthening of the Interstate Commerce Commission to enable it to carry out a rounded conception of the Nation's transportation system in which the benefits of private ownership are retained while the public stake in these important services is protected by the public's Government."

These views of the Chief Executive of the Nation are supported by repeated utterances of the Interstate Commerce Commission, one as late as January 29, 1940, and by the Federal Coordinator of Transportation, who is chiefly responsible for the provisions of S. 2009 dealing with this subject.

At a time when the Inland Waterways Corporation was subject to the control of the War Department, its then president, Maj. Gen. T. Q. Ashburn, testifying before the Senate committee on April 11, 1939, when this very bill was under consideration, said:

"So far as Senate bill 2009 is concerned, I have read it over very carefully. I think it will accomplish all that it is intended to accomplish, and I think it is a good bill."

Again, at the same hearing, there occurred the following colloquy:

"The CHAIRMAN. * * * There has been testimony before this committee that if this bill passes, regulating water carriers on the Mississippi River, it will put the water carriers out of business. Do you have any such fears of that, or do you think that will be the result?

"General ASHBURN. I have no fear at all of that; and I think they ought to be regulated."

At this same hearing before the Senate committee, Mr. Harry C. Ames, representing the Mississippi Valley Barge Line Co., a privately owned carrier on the Mississippi, on April 12, 1939, used this language:

"And on behalf of that company I desire to go on record as saying that we are not opposed to regulation; in fact, we favor regulation which will bear equally and protect equally all forms of transportation."

Many other similar expressions from representatives of substantial water carriers could be cited. Their view is well expressed by Mr. Edward P. Farley, chairman of the executive committee of the American-Hawaiian Steamship Co. and former chairman of the United States Shipping Board, who, in a statement bearing date of February 14, 1940, advocated the passage of this bill. In that statement he points out that 12 years ago there appeared on behalf of the owners of nine domestic fleets, representing the great preponderance of tonnage in domestic common-carrier service, a brief in support of unified regulation. Near the end of his illuminating statement, Mr. Farley says:

"The claim that regulation of water rates by the I. C. C. would result in favoritism to the railroads is an unfair indictment of the intellectual integrity of the members of the Commission. No charges of unfairness or discrimination have been sustained in all the long life of the Commission."

In that part of the letter of February 16, 1940, obviously prepared by the Secretary of Agriculture, language is used that may convey the impression that the farmers of the country are united in their opposition to the bill. But if such is the belief of the Secretary, he is misinformed. In a speech delivered in the House of Representatives on July 14, 1939, the Honorable JAMES E. VAN ZANDT, of Pennsylvania, enumerated numerous important farm organizations throughout the country that support the bill. With great deference, we respectfully submit that the Secretary of Agriculture does not speak for the best interests of the farmers when he opposes the regulation of water carriers. Indeed, his argument reads like a special pleading strained to support a view adopted before the subject had been carefully examined.

His argument is far more potent as against the regulation of truck rates than water rates, particularly when he says:

"The investment in trucks, and frequently in water equipment, is relatively small, and most of the costs of these carriers, especially of the motor carriers, vary directly with traffic."

And yet commercial transport on the highways has been regulated by the Interstate Commerce Commission since 1935, and no one seriously proposes the repeal of the Motor Carrier Act.

The Secretary does not assert that water transport directly benefits the farmer, since it is well established that his products do not move by water until he has parted with their ownership, and equally well established that he gets little or no benefit from low water rates paid by those who sell to him his necessary oil, machinery, and other supplies. As has been pointed out more than once in the debates on this bill, most of those who use the waterways add the rail rate to the selling price, whatever may be the undisclosed rate which they pay for water transportation.

As Senator REED emphatically stated on the floor of the Senate on May 22, 1939, when the bill was under discussion:

"I am saying that nobody has ever been able to point out how any benefit has been derived by a farmer in the State of Kansas from the water rate."

The Secretary of Agriculture insists that rail rates on agricultural products should be reduced. Yet he points out that under the present system the railroad tendency is to lower competitive rates and make up their losses by placing "high rates on noncompetitive traffic, of which a significant proportion consists of agricultural products, to make up their revenue deficiencies on the competition-compelled reduced rates." It does not seem to have occurred to the Secretary that when all rates, rail and water, are under regulation, such a practice can be controlled by the regulating body.

In that part of the letter of February 16 manifestly attributable to the Maritime Commission, it is said that measured by revenue tonnage, the intercoastal water carriers transported only 3.6 percent of the total tonnage of seven principal Western railroads. Such a statement is very misleading. The average rail haul is about 350 miles and the haul of the traffic moved by these intercoastal water carriers, if moved by rail, would be probably eight times as great as the average rail haul. Instead of 3.6 percent representing the relative importance of rail and water carriers, the figure would be nearer eight times the precentage stated in the letter.

The Maritime Commission is concededly a promotional organization. That by its very nature it is a partisan body no one can successfully deny. Its efforts to retain control over the rates and services of the water carriers grows out of its obvious purpose to encourage water transport, without regard to the interest of other agencies of transportation equally essential to the public welfare. This Commission, if we may say so without offense, loses sight of the transportation picture as a whole, and unintentionally disregards the welfare of those millions of our citizens who must depend upon land transportation for their very existence.

It is a little difficult to appreciate the interest of the Secretary of War in this matter. The bill does not deal with waterway extensions or the amount of money which shall be expended thereon.

Some complaint is made because the railroads upon occasion lower their rates to meet water competition, a tendency which would obviously be checked by regulating both types of transportation. The Secretary of War quotes from the decisions of the Interstate Commerce Commission to show that the rail carriers have reduced their rates voluntarily since 1922. One may well inquire, So what? If this is a disorderly process, should it not be corrected? And will not full regulation help to correct it?

The Secretary speaks with commendable pride of the work of his traffic specialists. But these gentlemen often lose sight of the larger aspects of the question, as the recent report of the Interstate Commerce Commission on the proposed Lake Erie-Ohio River Canal conclusively demonstrates. This report, it should be stated, was made in response to a request by the President of the United States.

The letter, viewed as a whole, is based on various unsound assumptions. As an example, on page 17 occurs the statement: "All the provisions of the bills seem designed to free the railroads from restraints and obligations while imposing restrictions on their water competitors and making it more expensive for the public to move freight." It is only by the exercise of restraint that one can treat such a statement without display of impatience.

Surely the author of this paragraph has never read the bill. Nowhere are the railroads freed of restraint and obligations. If the eminent authors of this letter are really anxious to bring about equality, and if they favor accomplishing this end by leaving water rates unregulated, while at the same time relaxing rail regulation, why not repeal the long-and-short-haul clause, the prohibition in the law against ownership and control of water lines by railroads, and that section of the act that compels railroads to join in joint rates with the water lines?

Certain fundamental propositions are perfectly clear. The country must have a transportation system that can function in an orderly manner. The public is entitled to select that system that is most convenient and economical. Each mode of transportation has certain inherent advantages. These natural advantages should not be enhanced by artificial Government favoritism.

All forms should be equally regulated, equally taxed, and treated equally in the matter of subsidies. This bill is a step in the right direction, so far as regulation is concerned. The railroads and their employees are asking only for equality; they seek to destroy no one; they invoke the principle of fair dealing and common justice.

If the proprieties will permit, we respectfully ask that this letter be placed in the CONGRESSIONAL RECORD.

Very respectfully,

E. E. NORRIS,
President, Southern Railway.
B. M. JEWELL,
President, Railway Employees' Department, A. F. of L.,
Members, Committee appointed by the President.

SEVEN YEARS UNDER ROOSEVELT

Mr. BARKLEY. Mr. President, this day marks the seventh anniversary of the inauguration of Franklin D. Roosevelt as President of the United States.

Throughout the Nation today millions of Americans who are not interested in or agitated primarily by political controversies but who nevertheless entertain a consuming interest in the welfare of our people and our institutions, will be surveying in their minds these 7 years and attempting to assess their contribution to the political, moral, social, and economic development of our generation.

In common with them, and in pursuance of both my inclination and my duty, I have been attempting to survey and assess these years in the light of the incontrovertible conditions which produced them, and the measure of success with which these conditions were met and mastered.

In doing this I have sought, insofar as my limitations and my acknowledged partiality would permit, to insulate myself from the type of narrow partisanship which claims all virtue for itself and denies it to all others.

The 7 years through which we have been living have been unique years for our country and for the world. Problems so baffling and stupendous, so intimately interwoven with our individual and collective lives, and yet so far-reaching in their effect upon our present and future outlook as a people, have arisen at every turn of the road and at every step we have taken that the wonder is not so much that we have traveled so far and accomplished so much but that we did not surrender to the inexorable fate which all pessimists announced had overtaken us.

We live in a world that refuses to be stationary. We live in a world that is peopled by seething billions of human souls, who, if possessed of normal instincts, are striving for a better world and for a better place in that world for themselves and for their children.

In the effort to obtain that goal, clashes of personal interests, of group interests, of racial interests, of national and international interests, are inevitable; and these clashes leave their scars upon the face and upon the heart of humanity in our day, just as they have done in all the ages of man's history.

In the effort to bring some form of order out of the resulting chaos, to clear away the debris which has choked the channels of progress, and to coordinate the moral and intellectual strength of the masses whose faces were set toward the goal of their aspirations, governments have been ordained. Sometimes they have been imposed upon the people by brutal and ruthless methods. Sometimes they have been set up by the people themselves, based upon the inalienable right of every human being who submits to authority to have a voice in its creation.

It is my purpose today to speak, in brief but comprehensive outline, of this 7-year period carved from the history of the latter type of government to which I have referred, the United States of America.

Any commentator, no matter how experienced, confronts a difficult task when he seeks to measure the stature of a contemporary. The task becomes doubly difficult when he seeks to appraise a contemporary whose greatest test is still before him.

Recently I reread some lines written by a distinguished journalist. He was appraising a man on the eve of his inauguration as President of the United States. I quote his appraisal:

> A man of good heart and good intention, he is not firm. The times demand a Jackson.

The name of the journalist was Henry Villard, and the name of the man thus appraised was Abraham Lincoln.

Remembering our own repeated failures in the art of accurate appraisal, we may temper our judgments concerning any man who has failed at prophecy concerning the ability and achievements of another. But if we are fair, which connotes the element of justice, we should be able to recognize, and admit, the greatness of a man on the basis of a record of undisputed achievement, even though that man be our contemporary, and even though some of those who indulge in the appraisement may differ from him on some or many proposals or positions. So today I feel that we are justified in pausing here for a brief period to pay tribute to a man who will be honored by countless generations of Americans yet unborn, and to a record made by him and those who have labored with him in behalf of the American people.

No President since, or save, Lincoln has faced so grave a crisis in our poltical life as did President Roosevelt on that gray day of March 4, 1933, when he took the oath of office as President of the United States. Because we are prone to forget dangers when they have disappeared, let me briefly recall the conditions which faced him and the country on that historic day.

During a period of depression which had existed for nearly 3 years, the industrial machinery of the Nation had been slowing down until it had practically reached a standstill. To use a quotation which is rolled as a sweet morsel under the tongues of Republican candidates for President, "The economic system had stalled on dead center."

Millions of wage earners—estimated at between thirteen and fifteen millions—dismissed because their employers had no work for them to do, were in a state of despair over the question of reemployment. Those who were fortunate enough to have any left were living on their savings. Then came the final disaster—the epidemic of bank failures. Slowly at first—one here, one yonder, scarcely noticed by those who were vainly seeking jobs, banks had been failing throughout the country.

Then more and more of them collapsed, each weakened link in the chain dragging down still others. Suddenly the whole Nation awoke to the danger. A great wave of panic swept across the country. Men and women beat against bank doors, fought each other and fought those stationed there as guards, in a fruitless effort to enter those closed banks and withdraw their precious savings. When they were turned away, they went, with white faces and dazed expressions, to stand in bread lines. And in those lengthening bread lines there was muttering and omnious threats and imprecations.

This was the picture which confronted Franklin D. Roosevelt when he took the oath of office on March 4, 1933. These were the problems which he was called upon to face and solve, if possible, to prevent Americans from starving, and to prevent the possible destruction of all for which our forefathers had so earnestly striven.

There were able and honorable men and women who doubted the ability of Mr. Roosevelt to deal with this situation. As in the preinaugural appraisal of Lincoln, to which I have referred, Roosevelt was given credit for good intentions, but he, too, was believed to lack firmness. "He does not possess sufficient experience or decision" chanted the soothsayers.

The manner in which he confounded these gloomy predictions is now as definite and important a part of our national history as are the acts of Lincoln.

THE BANKING SITUATION

Roosevelt's first official act as President was to close the banks in order to preserve them from hysterical runs which threatened even the strongest institutions, and in order to provide a period of examination and reorganization. The promptness and decisiveness with which this action was taken is generally conceded to have saved the banking structure, if not indeed the entire financial structure of the Nation. But this emergency action was not sufficient. The President had not forgotten the plight of millions of panic-stricken depositors. It was essential that this tragedy be not repeated, and in order to make sure that it should not be repeated, the Federal Deposit Insurance Corporation was created.

In the 4 years preceding the inauguration of President Roosevelt, there were 6,035 bank suspensions in the United States. This figure does not include 3,413 banks which could not reopen following the bank holiday. Since the Federal Deposit Insurance Corporation has been in operation the number of bank failures has been reduced to an average of 51 per year. When a member bank fails, under this law the Federal Deposit Insurance Corporation takes charge of the bank and takes charge of its reorganization, if it is to be reorganized, and attempts to salvage as much as possible of its assets for the stockholders and depositors. All deposits not in excess of $5,000 are guaranteed, as we all know.

When the record of the Roosevelt administration is finally appraised in the cool but penetrating light of history, it is my opinion that special emphasis will be placed upon his efforts to follow emergency action with long-range planning, and that the creation of the Federal Deposit Insurance Corporation will be regarded as typical of this characteristic.

RELIEF

However, back in 1933, before any movement could be made toward long-range planning for future protection and conservation, there were many emergencies which had to be coped with, first of which was relief for the hungry unemployed. The President had promised in his inaugural address that none should starve, and in order that this pledge be kept he asked Congress for an appropriation of $3,300,000,000, which was promptly granted. This first Emergency Relief Act was approved on March 31, 1933, less than 1 month after President Roosevelt had been inaugurated. It provided not only direct relief, through grants-in-aid to the States, but for such other emergency measures as were deemed necessary.

By the summer of 1933 the Federal Emergency Relief Administration was employing a million and a half persons on local relief projects.

THE CIVILIAN CONSERVATION CORPS

In the meantime, on April 5, 1933, just 1 month after he assumed office, the President created the Civilian Conservation Corps, to provide for the employment of thousands of young men between the ages of 17 and 23 who found themselves without employment and without prospects, and who were in imminent danger of yielding to the temptations of crime in the absence of jobs. Since that date more than 2,500,000 young men have been enrolled in the Civilian Conservation Corps. While this organization was created to meet an emergency situation, the work which has been done by the enrollees has proven to be, and will continue to be, of such lasting value to the country that there is almost universal demand that this activity be made permanent.

Notable among their accomplishments has been the planting of one and a half billion trees on waste lands throughout the country, the development of recreational facilities in National and State forests and parks, the planning and construction of wildlife sanctuaries, the conservation of soil resources on 13,000,000 acres of farm and grazing lands, and the spectacular aid which they have rendered to the Nation in fighting floods and forest fires.

In terms of human values, which cannot be ignored in any appraisal of these past 7 years, it is impossible to estimate the benefit derived from the Civilian Conservation Corps. These young men, many of whom might have become enemies of organized society, were returned to private life stronger and better physically and mentally, and with the aid of useful

training they had received were able to take their places as valuable, self-respecting, and self-supporting citizens.

RELIEF FOR INDUSTRY

Having kept his pledge to provide immediate relief for the destitute, the President turned his attention and directed the attention of Congress and the country to ailing industry. Hungry men and women and children must have food, but men wanted and sought jobs, and until industry began again to function he realized and the country realized that there could be no genuine recovery. The first step in this direction was the creation of the Public Works Administration, approved on June 16, 1933.

In the first half of 1933 factories producing durable goods of all kinds had employed only 44 percent as many men as in 1929, lumber mills about 45 percent of their 1929 crews, cement mills about 44 percent, and steel mills about 54 percent; and many of those still employed were working on shorter hours.

The President realized, and all of us realized, that the Federal Government could not hope to reemploy on public works the six and one-half million skilled workmen who had from 1922 to 1930 participated in the largest construction boom the country had ever known. The objective sought to be accomplished by the creation of the Public Works Administration was the building of projects that would not compete with the products of private industry, but would stimulate additional purchases, and thus further the employment of labor.

These Public Works Administration projects have called for more than $2,000,000,000 worth of materials. Some of these have been basic; some have been finished products. The orders for these materials were placed in and filled from every State in the Union. It has been determined that for every 2 hours of employment given at the site of construction 5 hours have been generated in factories, industrial plants, mills manufacturing materials, and on transportation lines shipping the supplies to the site of construction. All of these men employed as a result of Public Works Administration contract awards have worked, not for the Government but for private enterprises, at prevailing wages and under working conditions common to American workingmen. In other words, the purpose for which the Public Works Administration was created has been fulfilled. It has done its part in reducing unemployment and in reviving private industry.

At the same time and as a complementary effort to stimulate industry the National Industrial Recovery Administration was launched. Whatever may have been said about this venture, even its bitterest foes, if they are fair men who remember that tragic period, should admit the tremendous psychological lift which the creation of this organization gave to a nation still under the spell of consuming fear. At last something was being done to relieve the situation. There was a great upsurge of hope, which found expression in triumphal parades down every Main Street in the land. And after the parades were over there was a revival of buying, which stimulated employment in a widening circle from stores to factories. Though this organization was stricken down by a decision of the courts, this great upsurge of hope, this revival of buying, and stimulation of employment cannot be said to have been in vain. And it is possible that when the historians come to consider the National Recovery Administration they may give it a place among the more important acts of the Roosevelt administration, because it constituted our first effective national attempt to control child labor.

RELIEF FOR AGRICULTURE

While considering the most pressing problems confronting the Nation during those early months of his administration, the President and his coworkers did not forget the farmer, whose plight had become desperate. The loss of farm purchasing power was forcing thousands of farmers to default on short-term, high-rate mortgages, as well as on their long-term obligations. From various sections of the country had come reports of embattled farmers, usually the most law-abiding of citizens, banding together to use shotguns to stop foreclosures on their homes.

To meet this situation the Federal Government provided emergency resources which enabled the national farm-loan associations and the Federal land banks to undertake a farm-debt refinancing program. In 3 years a total of more than $3,000,000,000 was loaned by the land banks and the Land Bank Commissioner.

This farm-debt refinancing not only helped to arrest Nation-wide farm-mortgage foreclosures and leave the farmer on his land, without which he is totally at sea, but provided mortgage funds at interest rates and on terms of payment more in line with the farmer's ability to pay. As a result, the rate of farm foreclosures dropped from 38.8 per thousand farms in 1933 to 20.3 per thousand farms in 1936, and to 13.4 in 1939, which is the lowest rate on record. Furthermore, most of the farmers with Federal land bank and Commissioner loans have reduced substantially the principal of their indebtedness in the past few years, and in some instances have repaid their mortgages in full.

The mortgage-debt refinancing program was but one of three farm programs inaugurated in the early months of 1933. All those interested in the permanent solution of the agricultural problem realized that such a program as I have described would relieve the situation for only a brief span of years unless some measure of adjustment were made to reduce the disparity between the prices farmers were receiving for farm products and the prices that were being paid for goods purchased.

The Agricultural Adjustment Act of 1933 sought to aid, if not to accomplish, this adjustment. The immediate aim was to adjust production of those agricultural products for which foreign markets no longer existed. By limiting production of market demands, farm prices rose, and the national industrial recovery was hastened through increased farm purchases of factory products. To aid such adjustment, payments were made to farmers who cooperated in the curtailment of crops which were being overproduced from the standpoint of satisfactory markets.

Realizing, however, that farmers whose barns and granaries were already filled with surplus crops could not benefit immediately from such a program, and that market prices would still be affected by such surpluses, the third of the emergency farm programs was inaugurated. By Executive order, the Commodity Credit Corporation was formed. This agency, through loans to producers, finances the carrying and orderly marketing of such crops as wheat, cotton, corn, and tobacco. This temporary measure has enabled farmers to hold their crops until both consumer and industrial demands have created and stimulated profitable markets.

FURTHER AIDS TO BUSINESS

While setting up new machinery to function in fields where it had been entirely lacking, the President also acted promptly in taking advantage of machinery already in existence, and, by providing adequate funds and organization, increasing its scope and usefulness. This was true in the case of both the Reconstruction Finance Corporation and the Federal Home Loan Bank System, which were created in the latter days of the Hoover administration.

Beginning with an act of Congress, approved March 9, 1933, the powers of the Reconstruction Finance Corporation have been increased from time to time and the scope of its operations extended to provide necessary emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, to purchase preferred stock, capital notes, or debentures of banks, trust companies, and insurance companies, and to make loans as prescribed by law.

AIDS TO HOME OWNERSHIP

In order to cope with the plight of urban home owners, who were losing their homes through foreclosure of mortgages at the rate of a thousand per day, the Home Owners' Loan Corporation was created June 13, 1933. This organization provided long-term, low-rate interest loans for the first time in the history of the home mortgage field. The refinancing opportunities it offered saved both home owners and mortgage holders. When the Home Owners' Loan Corporation terminated its loaning operations in 1936 it had made 1,017,827 loans in the amount of $3,093,450,641. More than $200,000,000 have been saved by home owners through

concessions obtained through the Home Owners' Loan Corporation from the holders of mortgages. In addition, these same home owners have saved approximately $175,000,000 in interest charges as a result of the lower rate at which their obligations were refinanced. And, most important of all, their homes were saved, their hearthstones, and their firesides were preserved for them and their stake in our form of organized society was vouchsafed to them and to us.

The Federal Home Loan Bank Act, as amended by the Home Owners' Loan Act of 1933, and subsequent amendments, has continued in operation the Federal Home Loan Bank Board, an administrative and regulatory body whose duties are to establish and regulate the 12 Federal Home Loan banks, to charter and regulate Federal savings and loan associations, to administer the Home Owners' Loan Corporation, and to operate the Federal Savings and Loan Corporation.

These acts, to which I have just referred, constitute the answer of the Roosevelt administration to the demand for immediate action in the emergency which confronted the Nation on March 4, 1933. These were the acts of the man who, like Lincoln, was said to lack firmness and decision. And how long did it take to get these emergency measures, with their immediate, constructive, and long-range benefits into operation? It required less than 6 months.

On September 6, 1933, Oswald Garrison Villard, son of Henry Villard, who doubted Lincoln's firmness, wrote that "even the first 6 months of Wilson's war administration were not so momentous, so far as legislation is concerned as the first 6 months of President Roosevelt's tenure of office." Villard commended the President for "his unbounded courage and self-confidence" which have "helped to ease the national stress and to change American mentality." But Villard, like various other commentators, was still haunted by doubts and fears. He concluded with the warning that the President's severest tests were yet before him. Even with this fine record, it appeared that Roosevelt had not yet proved himself. Let us see, therefore, how he met the tests which were to come.

BROADER MEASURES FOR THE FUTURE

He had kept his pledge to provide immediate relief for the needy, had set up instruments to save homes, farms, banks, businesses, large and small, to stimulate employment and production, and to speed recovery. While attending to the emergency needs of the Nation he was concentrating on laying the firm foundation for a sound and lasting recovery. But he and his advisers and coworkers were looking even beyond immediate recovery. He did not feel that it was enough to save a man from drowning and leave him on the bank, weak and exhausted, with a lively chance that tides beyond his control might again roll in and engulf him. He had in mind certain safeguards which needed to be established for the good of the whole people. He realized, as we all realize, that there were certain abuses which should be wiped out, and that the only agency which could bring about these needed reforms was the Federal Government.

And so we find him moving from that first emergency phase of his administration into a new phase with a double and determined purpose, namely, not only to bring about recovery but to effect long-needed reforms. There were still, however, pressing matters which required attention, which related to emergency and were essential to recovery. First on the list in this category was a decision in relation to the gold standard.

GOLD-STANDARD LEGISLATION

In 1933 more than 30 foreign nations had abandoned the gold standard or taken other steps to reduce the foreign exchange value of their currencies. As foreign currencies declined in value the prices of American products rose in foreign markets. As a result our foreign trade was rapidly disappearing. The effects of this loss were being felt throughout the country and had contributed materially to prolonging the depression.

Our own currency was out of line with the new world level. We were faced with the alternative of adjusting our own price level, by reducing the gold content of the dollar, or losing the remainder of our world trade. It would have been the height of folly, if not economic suicide, for us to have taken any course other than that which we took. So, in January 1934, we reduced the gold content of the dollar to 59.06, but the gold dollar is still the standard of value under the laws of the United States, not only within the United States but it has come to be the standard of value in almost all the markets of the world.

The wisdom of this step and its immediate benefits are demonstrated by the fact that in 1934 our exports of finished manufactured products increased 37 percent, and exports of semifinished products increased 47 percent, compared with 1932, before the change of the gold content of the dollar. In domestic trade the 59.06 dollar purchased practically as much as before. The soundness of our money has in no wise been affected; and the shouts of the alarmists that this step would lead to further devaluation and eventually inflation have, like so many other alarms, turned out to be entirely unfounded.

The adjustment of our currency to meet world conditions paved the way for the launching of the Federal trade-agreements program in June 1934. I shall refer later to these agreements and their effect in reviving our vanishing export trade and recovery generally, but I desire now to mention two of the major safeguards sponsored and accomplished by the Roosevelt administration during the first half of his first term.

CORPORATE SECURITIES AND THE STOCK MARKET

With the 1929 stock-market crash still ringing in the ears of the people, and with stricken investors left with volumes of worthless papers called securities, afraid to invest again even when they had the money for investment, it was deemed essential to establish an agency which would not only prevent a recurrence of this disaster, but would restore confidence to the people. For this purpose the Securities and Exchange Commission was established in June 1934. The authority and duties of the Commission have since been increased by the Public Utility Holding Company Act of 1935 and the Bankruptcy Act, as amended in 1938. The value of this Commission and the service which it has rendered are now generally admitted by those who most fiercely fought its creation at the beginning.

SOCIAL SECURITY

In the matter of safeguards sponsored by the President and by Congress, the one which undoubtedly provides the greatest good for the greatest number of our people is the Social Security Act of 1935. At his unrelenting insistence we have at last made provision for old-age insurance and unemployment compensation, in addition to which, under this act, the Federal Government now joins with the States in providing care for the aged, for dependent children, and for the blind. The United States is one of the last great nations to inaugurate such a program.

If the record of the Roosevelt administration had included no other acts beyond the two measures just cited, Franklin D. Roosevelt would be entitled to take his place among our greatest Presidents. But these are only two among a multiplied number of constructive and beneficial measures. These two, among many others, were accomplished before his first term had run little more than half its course.

During this same brief period the Federal Housing Administration had been created, to stimulate the construction of better housing facilities, as well as the construction industry and all its allied branches, by encouraging and helping to finance renovation and new home building through the insurance of loans and mortgages. In another important industrial field the Federal Communications Commission had been established to bring some order out of the chaotic conditions surrounding the various means of communication.

In the accomplishment of these tasks, Mr. Roosevelt and his administration had not been able to please everybody in the United States. Before the half-way point in his first term had been reached, on March 4, 1935, signs of recovery were to be seen on every hand. Within these 2 years the index of

business activity had risen from 60 to 87 percent of an estimated normal. But with signs of returning prosperity there came also criticism. Ironically, but perhaps inevitably, this criticism was led by some of the very men who had come to Roosevelt in the early days of March 1933 imploring him to rescue business even if it were necessary for the Government to take it over and operate it. They had received assistance when on the flat of their backs, but when business was improving and they thought they needed the doctor no longer, they demanded to be let alone, forgetful of those who still needed help; forgetful of the necessary reforms to avoid recurring disasters. Their position was that what had been done was all that was necessary for a quick recovery, and that the future might take care of itself. They were joined in their outcry by some of the newspapers. Here are two typical excerpts from editorials of that period:

The New York Herald Tribune of March 4, 1935, said:

> The country cannot stand and, in our opinion, is resolved against any more hasty experiments or destructive reforms. It asks for an end to threats to business, to investors, to the taxpayer, to the dollar. * * * President Roosevelt captured the affection of his fellow citizens in the early months of his term. Can he now regain their confidence by displaying restraint, fairness, and good judgment in the real test that lies ahead?

The Detroit (Mich.) Free Press, of February 24, 1935, said:

> The biggest single cause of apprehension, among informed and careful people with a knowledge of governmental and economic laws, at present is uncertainty about the leadership of the President. Not about his intention, but about his wisdom and capacity as a pilot.

Some of the headlines were:

> Magic touch gone—Criticism piles high.
> F. D. R.'s second year finds him slipping, after first triumphs of his office.
> Let-down in morale of official Washington, with corresponding loss of popularity throughout Nation.
> Crisis faces President at half-way mark.

Mr. Franklyn Waltman, Jr., who is now busy trying to revive confidence in a certain national political party which shall be nameless, wrote in the Washington Post on March 3, 1935:

> Completing his second year in the White House today, President Roosevelt is confronted with the task of getting the New Deal off a dead center and reviving the confidence of the country in it and him.

Further on in the article Mr. Waltman magnanimously admits that:

> Mr. Roosevelt * * * can take comfort in much that he has achieved—stabilization of the banking structure; an increase in farm income; a higher price level generally; improvement of working conditions in many industries; industrial production which approximates 90 percent of the 1923–25 average; increased wages on the whole for those working and, in comparative proportion, an even greater increase in corporation profits.

Once again we quote Mr. Oswald Garrison Villard in an article in which he appraised the President under the heading "Roosevelt in midchannel." This comment occurred on March 2, 1935:

> So there the President is: A gallant, fine-spirited, philanthropically minded gentleman, eager to do what is right, achieving much that is good, and, it is to be hoped, lasting, but still slipping steadily.

AIDS TO YOUTH

All of these threats, warnings, and dire predictions failed to deter the President in his determination to consummate a program which he believed beneficial to the country as a whole. Within a month after these criticisms were published the Emergency Relief Appropriation Act of 1935 was approved, providing relief and work relief, and increasing employment throughout the country by providing for useful projects. Two months later, by Executive order, the President created the National Youth Administration to assist students in continuing their education, to provide work for needy unemployed young people, and to establish a program of guidance and placement to assist young people in finding regular employment. In July 1935 the Wagner Labor Relations Act was enacted and the National Labor Relations Board was created, guaranteeing to all employees the right to full freedom in self-organization and in the designation of representatives of their own choosing for the purpose of collective bargaining.

LEGISLATION FOR LABOR

It is probable that Roosevelt's continued demand for the consideration of the rights of labor has brought upon him more violent criticism than any of his other policies. In this great program, however, the President has been a pioneer and has not only been compelled, but has been willing, to take the consequences. That he did not receive as complete cooperation as might have been desired from the groups whose rights he championed is regrettable. But it should not be forgotten by us, and will not be overlooked by later students of this period, that labor has gone through a particularly difficult phase of its development.

In one sense of the word, and in the light of history, this period may be properly compared to the reconstruction era following the Civil War, when the righting of old wrongs through emancipation led to a period of turmoil before the ultimate adjustment was accomplished under our American way of life. That a satisfactory and beneficial adjustment of these situations will be effected, I have the utmost confidence.

In the meantime, the machinery for orderly collective bargaining has been established, and as time moves on this machinery will undoubtedly be perfected so as to function more adequately and effectively. In addition to the National Labor Relations Board, safeguards for labor have been provided in the Wage and Hour Division of the Labor Department under the Fair Labor Standards Act of 1938; in the Social Security Administration; in the Maritime Labor Board; and in the Railroad Retirement Board, as well as the Board of Mediation and Conciliation, in the adjustment of controversies upon our great transportation systems.

As President Roosevelt continued to advance this program along the paths which seemed to be best, and as the 1936 election drew closer, the chant of criticism—led by some of those who had been unable to remove their yachts from drydocks and reopen their country homes—rose to a veritable roar. If Roosevelt were reelected, we were solemnly assured that our constitutional system would collapse and all that we had gained in a century and a half of national history would be lost. But the great masses of American people had not been blind nor deaf nor dumb. They knew what was going on in this country and in the world. From the taxi driver and the ditch digger to the most powerful industrialist and professional adviser, the people had begun to realize a new relationship between them and their Government. For them the President had met all the tenets which had disturbed the soothsayers, as they proved in unmistakable fashion on the third day of November 1936.

What happened? What is the truth about the so-called Roosevelt ruin, with stories of which we were regaled? I quote from a few newspaper clippings which appeared in various newspapers shortly after the election in 1936.

The first is from the Baltimore Sun which, though traditionally Democratic, had refused to support Mr. Roosevelt for reelection. The date is November 8, 1936, and the headline reads:

> Roosevelt sweep unleashes buying; clearing of political uncertainties starts dividend flood; approval of policies at polls boosts commodities and Government bonds.

The Philadelphia Record of the same date carried the following statement issued by the brokerage firm of Weingarten & Co., New York:

> A broad uptrend in the market has developed since the Presidential election of Tuesday last. Looked at calmly, this is not surprising. For the reelection of President Roosevelt means that no readjustment is to occur and that his policies, which brought about business recovery, are not to be interrupted. As a matter of fact, the market's strength is best explained by pondering what would have occurred if the Republicans had triumphed on Tuesday.

And the New York Evening Post of November 7, 1936, ran a Washington dispatch under the somewhat surprising headline:

Chamber of commerce shakes off New Deal bogey, admits progress; bitter foe of Roosevelt policies discovers that business is better and the outlook bright.

So it transpired that after all this country had not been ruined and Roosevelt moved into his second term. But his critics, though overwhelmingly defeated at the polls, did not give up the fight. Their fangs were still poisonous and active. The subsequent months proved to be among the most trying of his administration since they included the business recession of the summer of 1937.

This recession resulted primarily from an effort on the part of the President to test the soundness of the claim being made by certain elements of the business community that a sharp reduction in Government expenditures for relief would stimulate private industry and business. We know now that this theory was exploded by the results.

It is but fair to give the President credit for the fact that, although this business recession came much more swiftly than the major depression of the early 1930's, his foresight in recommending and the foresight of Congress in setting up the Federal Deposit Insurance Corporation prevented a repetition of the epidemic of bank failures and the inevitable panic which would have followed 1937 as it followed 1929.

AMERICAN SOLIDARITY

Notwithstanding the recession of 1937, which has long since given way to a renewed recovery, President Roosevelt went steadily on in the pursuit of his program.

With world conditions growing progressively ominous, with all Europe forming into a series of armed camps, and with the fear of daily clash in conflict constantly increasing, he turned his attention to strengthening the bonds of peace of the Western Hemisphere. Immediately after the 1936 election he journeyed to Buenos Aires to emphasize by his presence the importance of the Pan American Peace Conference which he had sponsored. His efforts to establish and maintain a true "good neighbor" policy with the Latin American Republics constitute a major accomplishment in his career. The truth of this statement, in a material as well as a spiritual sense, is being demonstrated with the opening of new Latin-American markets as our European markets are lost to us and in the cooperation for the preservation of western democracy among all the republics of the western world.

While the President has always, as was his duty, shown an intense interest in our foreign policy, during these first months of his administration he found pressing matters confronting us at home. And, to use his own expression, he turned his attention to "first things first." In Oswald Garrison Villard's appraisal of September 6, 1933, he complains that Roosevelt's record in the matter of foreign relations was "bad, almost disastrous." But as international crisis after crisis has arisen, the President and those who have advised with him have proved themselves abundantly able to cope with them. Evidence of the satisfaction of the American people with the administration's foreign policy was shown in the Gallup poll of October 26, 1939, and has been more emphatically demonstrated since that date.

Interviews with a cross section of voters in every State in the Union found 64.9 percent of the people approving of President Roosevelt and his policies, which was a rise of 8 points in the period since the outbreak of the war in Europe. This brought the President's popularity and the popularity of his policies to a peak even higher than that which existed when he was reelected President in 1936, with 62.5 percent of the major party vote. In his accompanying analysis, Dr. George Gallup states:

The President's largest gains in popularity have come in those groups of voters who were least favorable to him before the war broke out in Europe. Thus the survey finds an 11-point increase in his popularity since August among the upper income group, and a nearly comparable rise among voters of 50 years of age and over, who were previously Republican in their leanings. The chief reason for this increase appears to be the popularity of the President's foreign policy. Institute polls on various phases of the President's program, including revision of the Neutrality Act, shows majorities in favor of his course and indicate substantial agreement over foreign policy among Democrats and Republicans.

During the latter part of 1939, and before the beginning of the European war, the President had recommended a change in our neutrality laws. For reasons which I need not here discuss, Congress failed to take any action until the war had swooped down upon the nations of Europe and the President had called Congress into extraordinary session to carry out his original recommendations. At this extraordinary session, Congress repealed the Embargo Act and wrote a new chapter in the history of American neutrality, which was designed in a spirit of justice to the belligerents, but primarily to avoid the incidents and causes which might drag us into another European war. Notwithstanding the bitterness and acrimony with which this legislation was enacted, the American people have almost universally come to the conviction that it was a wise policy, and it has their unquestioned approval. While, under this law, we endure the greatest sacrifices ever before made by a great nation to avoid war, we are satisfied the American people are prepared to accept these sacrifices and to preserve the peace of this Republic.

Before leaving the subject of our foreign policy, to advance to the final phase of the 7-year Roosevelt record, I desire to return to a very practical phase of our foreign policy, which is involved in our reciprocal-trade agreements. The Trade Agreements Act of June 12, 1934, and its effect upon our commerce was discussed by Roger W. Babson, economist, in an article which appeared on February 12, 1940. The headline under which this article appeared read as follows:

Babson declares trade pacts the bright spot of the New Deal; threatened G. O. P. attack on agreements called poor strategy; cites 60-percent increase in United States exports to favored nations.

In the body of the article Mr. Babson goes on to state—

When the New Deal first stumped for this policy, world trade had dried up to a mere trickle. Commerce among nations had shrunk to 35 percent of the 1929 level. * * * Most able economists agreed that the choking off of foreign commerce was a prime cause of joblessness, hunger, and suffering in all nations. The importance of world trade has never been fully realized by most people. Foreign commerce is the keystone of world prosperity and peace. Our overseas markets in good times absorbed only 10 percent of our total output; but that 10 percent was a vital 10 percent. Half of our cotton crop, for instance, was sold abroad. * * * Over 20 reciprocal-trade agreements have been negotiated since 1934. Secretary Hull and his experts have done a painstakingly conscientious job. * * * For every concession they have made to foreign nations they have wrung from them an equally good one for Uncle Sam. Moreover, due to the so-called most-favored-nation rule, these pacts have lowered tariffs, helped business, given jobs all over the world. The reciprocal-trade program has been a truly bright spot of the New Deal * * * has increased our exports to countries with whom we have completed agreements by 60 percent, while our exports to those countries with which we have not bargained have expanded less than 40 percent. Moreover, our imports from treaty nations have not increased any faster than with nontreaty nations. This, in a nutshell, tells the effectivenss of the program, its aid to jobs and business. * * * The Republican heavy artillery is laying down the battle's opening barrage. What the outcome will be, no one knows. * * * As a statistician, I believe that the * * * trade pacts shou'd be backed to the limit by every straight-thinking, unselfish, and honest American.

In addition to these matters which I have been able to mention only in outline for lack of time and space, the progress of aviation as a part of our transportation and economic system was greatly advanced by the creation of the Civil Aeronautics Authority in 1938; and the development and progress of our long-neglected merchant marine was materially improved and strengthened by the creation of the United States Maritime Commission in 1936.

I desire here to mention one more milestone in the Roosevelt record—a milestone and accomplishment which had been recommended by previous Presidents for a period of more than 40 years.

During his years in office, with the necessary tasks involved with governmental machinery, the President had become increasingly convinced that certain departmental reorganizations were highly desirable. He recommended these reorganizations to the Congress. Hence, under the Reorganization Act of 1939, he received authority to investigate all agencies of the Government and to determine such changes as

would be calculated to reduce expenditures, increase efficiency, and eliminate overlapping and duplication of effort in various departments, bureaus, and agencies of the Government.

Plans No. I and II, submitted by the President to Congress in the spring of 1939 and put into operation shortly thereafter, provided for the consolidation, under three new agencies, of the major Federal agencies dealing with public works, public assistance, and public loans. Further provisions placed the independent agricultural agencies under the Secretary of Agriculture. From an administrative standpoint a total of 27 independent agencies were consolidated under 10 agency heads. All 51 agencies, or divisions of agencies, were affected by these plans. Even in the short time which has elapsed since these changes were made it is evident on all sides that they represent practical and sensible changes too long delayed in the framework of our Federal bureaus and departments.

Here I desire to quote some comparative statistics to show the gains which have been made in these 7 years of Roosevelt's administrations in the economic, industrial, and financial set-up of the United States:

	Calendar year 1932	Calendar year 1939	Percentage change
National income [1]	$40,089,000,000	$68,500,000,000	+71
	December 1932	*December 1939*	
Wages and salaries [1]	$2,403,000,000	$3,888,000,000	+62
Weekly pay rolls of factory workers [2]	$80,384,000	$197,089,000	+145
	Calendar year 1932	*Calendar year 1939*	
Cash farm income [3]			
From sale of products	$4,682,000,000	$7,712,000,000	
From benefit payments		$807,000,000	
Total		$8,519,000,000	+82
Interest received by individuals [1]	$5,277,000,000	$4,828,000,000	−9
Dividends received by individuals [1]	$2,745,000,000	$4,253,000,000	+55
	December 1932	*December 1939*	
Total nonagricultural employment [2]	27,245,000	[4] 34,940,000	+28
Exports [1]	$1,611,000,000	$3,179,000,000	+97
Federal Reserve Board index of production [3]	64	105	+64

[1] Source: Department of Commerce.
[2] Source: Department of Labor.
[3] Source: Department of Agriculture.
[4] Board of Governors, Federal Reserve System.
[5] This figure does not include the 2,727,000 persons who had work on Work Projects Administration, National Youth Administration, and Civilian Conservation Corps projects.

In discussing the Roosevelt record, involving the multiplicity of activities in which it has engaged for the welfare of the American people, it is inevitable that the question should have been raised concerning the cost of this program to the American people. Some of our people have been heard to say, "From an idealistic and objective standpoint, these things are all very well, but what about the bill which must ultimately be paid as a result of their accomplishment?" This is a legitimate question, and I shall undertake to answer it in a constructive manner.

It is quite true that Federal expenditures rose from approximately $4,000,000,000 in 1933 to approximately $9,000,000,000 in 1939. Recovery and relief expenditures account for 65 percent of this increase. The extraordinary expenditures of the Federal Government, which are directly attributable to the emergency, have raised the gross Federal debt by about $21,000,000,000 during the past 7 years. In order to disburse this sum efficiently, it was necessary to create additional spending and lending agencies. The money used to set up these agencies appears on the books of the Treasury as a direct expenditure. Actually, such disbursements in many instances are repayable to the Treasury, and are not legitimate accounts of the net increase of the Treasury's indebtedness, which, in an appraisal of its financial conditions, not only considers property values but considers all that may be due to it by those to whom it has loaned or advanced money, as well as that which it owes to those who have accommodated it.

It should be remembered that the Federal Treasury possesses reserve funds which constitute real assets. These assets, which are a legitimate offset to the total of American indebtedness from the Treasury standpoint, amounted to $7,715,000,000 as of December 31, 1939. On that date there was a cash balance in the general fund of the Treasury of $2,476,000,000; $2,000,000,000 in the exchange-stabilization fund which represents the value of the gold accruing to the United States from the devaluation of the dollar, representing the proprietary interest of the Government in the corporations and credit agencies it has created. If we subtract these assets from the liabilities or gross debt of the Federal Government, which amounted to $41,942,000,000 on December 31, 1939, we have a net debt of $34,227,000,000.

It should be remembered further that one large item included in this debt was an expenditure not approved by the President, but authorized by the Congress of its own volition, for which most of us voted. While I neither apologize for nor regret this vote, it is fair to the President to say that as the result of this vote an amount is included in the net debt of the Treasury which should not be charged to him or to anything that he has done. This was the payment of the soldiers' bonus. It has been estimated that this payment, or, as it is called by some, this prepayment of the soldiers' bonus, has added thus far slightly more than $2,000,000,000 to the net debt of the Federal Government since 1936. If this amount is subtracted from the net Federal debt, it leaves a balance of only $11,290,000,000 as the amount added to the national debt by this administration.

But it may be pointed out by some of our critics that these figures do not include the contingent liabilities of the Federal Government; that is to say, the amounts borrowed by the Federal lending agencies from sources other than the United States Treasury, some of which have been guaranteed by acts of Congress and which constitute contingent liabilities against the Treasury both as to principal and interest in the event of losses incurred by these agencies. Such contingent liabilities amount to approximately $5,702,000,000. The major agencies which have been permitted by law to increase the funds at their disposal for lending purposes by borrowing from the public are the Reconstruction Finance Corporation, the Federal Farm Mortgage Corporation, and the Home Owners' Loan Corporation. While these amounts constitute a contingent liability against the Treasury, not a dime of the money will ever be paid out by the Treasury unless a loss is incurred by the agencies which have made these loans under the authority of Congress.

Since March 4, 1933, these agencies had made loans totaling $11,521,000,000. The total amount of such loans outstanding on the same date was $4,467,000,000. This represents only 39 percent of the original outlay, the remainder having been already repaid by the respective borrowers. The loans and amounts outstanding of these respective agencies are as follows:

Agency	Loans	Amount outstanding
Reconstruction Finance Corporation	$7,063,000,000	$1,756,000,000
Federal Farm Mortgage Corporation	994,000,000	673,000,000
Home Owners' Loan Corporation	3,464,000,000	2,038,000,000
Total	11,521,000,000	4,467,000,000

In my judgment, all fair-minded men will admit that this is truly a remarkable record, particularly in view of the fact that these were distress loans, the majority of them made on long terms at low rates of interest, which need not have been repaid so promptly. These loans have been made in practically every county in the Nation. These loans were made necessary because the ordinary lending agencies, such as commercial banks, were not in a position to supply the capital needed for these activities. The need for these loans during the past 7 years is reflected in the total amount disbursed, and the soundness of the loans is likewise reflected in the high percentage of repayments which have been made in so short a time.

The loans of the Federal Farm Mortgage Corporation run for a period of 10 to 20 years, those of the Home Owners'

Loan Corporation for from 15 to 25 years, and those of the Reconstruction Finance Corporation for shorter periods of time, as the principal borrowers were organizations whose capital was only temporarily impaired. The effect of these loans on the national economy has been reflected in the increased national income, the increased stability of the banks, the decreased number of business failures, and the improved well-being and financial security of the individual property owner.

The satisfactory record of repayment to date leaves no justifiable reason for fear that the Treasury will ever be required to call upon Congress for additional funds with which to pay the final creditors. And on the credit side of the ledger it should not be overlooked that the method used to obtain money for these agencies has constituted a double benefit. It has both relieved the business and mortgage credit stringency and permitted individuals having money to invest to invest that money in Government-guaranteed bonds.

In this connection I desire to mention an item which is frequently overlooked, to wit, the interest rate paid on Federal bonds at this time compared with the interest rate paid before the advent of the Roosevelt administration. Although it is true that the gross national debt has shown a yearly increase since 1933—and, I might add, since 1930—the interest rate on which this debt has been carried has been substantially reduced. On March 31, 1933, the computed rate of interest upon the public debt was 3.426 percent. On December 31, 1939, the computed rate was 2.60 percent. The estimated savings in carrying charges experienced by the Government during this 6½-year period by virtue of this interest reduction amounted to $1,654,527,000. The amount thus saved paid for 28.5 percent of all interest payments made during this period. In other words, without this interest-rate reduction the gross public debt today would be $43,596,000,000 instead of $41,942,000,000.

This plan of interest-rate reduction was an integral part of the Roosevelt monetary program.

Now, let us consider for a moment that $11,290,000,000 net increase in the debt that is charged to extraordinary expenditures made by this administration. Since the bulk of it was appropriated in the form of emergency relief measures, there is a tendency on the part of the thoughtless or the willfully prejudiced to look upon it as money thrown down a sinkhole. Let us take a look at the record for a moment and ascertain what this money was expended for.

With the exception of the Federal emergency relief program, which distributed direct relief through the Governors of the States, and the distribution of surplus commodities through the Federal Surplus Commodities Corporation, the entire Federal relief program has been a work-relief program. These work programs, whether sponsored entirely with relief appropriations or with a combination of regular and relief appropriations, have had a common goal: To relieve unemployment distress and to energize the wheels of industry through the purchase of supplies and materials to be used on the work projects.

During the past 5 years Federal expenditures for work relief supplied by the yearly emergency relief appropriation acts have exceeded $11,000,000,000. The sum about equals the net increase in the public debt during the entire 7-year period. The Work Projects Administration, which accounted for seven of the eleven billion dollar relief bill, has estimated that 34 percent of its money has gone into durable projects, such as public buildings, dams, highways, sewers, and waterworks. This sizable percentage is all the more remarkable when it is remembered that the Work Projects Administration alone, of all the work agencies, has been concerned primarily with providing employment for those able to work but unable to find places in private industry. Other agencies operating programs designed to stimulate industry have shown higher percentages of physical returns in comparison with total expenditures.

However, the fact remains that, whether created to relieve unemployment or to aid industry, which was another way of fostering employment, these agencies have made vast contributions to the durable wealth of the Nation.

It is quite true that in 7 years Federal expenditures on various types of public works have exceeded $18,000,000,000. A break-down shows the expenditures in the following classifications:

Highways and streets	$4,173,000,000
Sewers, waterworks, and other public utilities	1,328,000,000
Educational buildings	921,000,000
Public buildings	951,000,000
Engineering structures	269,000,000
Conservation, flood control, reclamation, rivers and harbors, T. V. A.	4,308,000,000
Aviation facilities	145,000,000
Parks, playgrounds, gymnasiums, and other recreational facilities	972,000,000
Public housing	364,000,000
Rural electrification	124,000,000
National defense	4,688,000,000
Total	18,233,000,000

These figures do not include $550,000,000 appropriated by the States to match Federal road funds and almost $2,000,000,000 supplied by State and local bodies as their portion of the Public Works Administration program. Also excluded is an additional $500,000,000 which is under loan contract with the United States Housing Authority, and $3,050,000,000 worth of construction generated by the Federal Housing Authority.

Well, $11,000,000,000 on work-relief projects and a total of $18,000,000,000 on public works generally represents a lot of money. What did we get for our money?

Here are just a few of the things we got: 80,000 miles of new highways, 265,000 miles of city streets and country roads repaired; 9,600 new educational buildings; 770 new hospitals; 1,600 new courthouses; 1,500 new sewer systems; 2,400 new water systems; 282 new city electric systems; 3,400 new playgrounds and athletic fields; 380 new large bridges; 29,000 new small bridges; 4 T. V. A. dams; 220,000 miles of new rural electric lines; 1,200 new post offices, customhouses, and quarantine stations; 27,700 new low-rent dwelling units completed, and 58,000 units under construction; and the planting of 1,750,000,000 trees.

The expenditure of $18,000,000,000 for such projects is estimated to account for one-third of all Federal expenditures during the past 7 years. In no other 7-year period in the history of our Nation has so high a percentage of Federal expenditures been utilized to construct such lasting National improvements.

It may well be that when the Roosevelt record is finally appraised it will be remembered best for the lasting benefits which were the fruits of its work-relief program, which seemed so costly to contemporaries. And in any appraisal, now or later, we should not lose sight of the fact that these improvements, so important in themselves, have served to increase materially property values throughout the country.

In bringing to a conclusion this résumé of the 7-year record of Franklin D. Roosevelt, I think it only fitting, in view of the dire predictions made in 1936 concerning what would happen to the country if "that man" were allowed to continue in office, to take stock of the state of the Nation at the end of 3 years of his second term.

Raymond Clapper, in a syndicated article appearing in the Scripps-Howard newspapers on December 20, 1939, said:

> Western Republicans who have been out on pasture held a conference in Salt Lake City the other day and press reports of that meeting quote the keynoter, Representative FRANK O. HORTON, of Wyoming, as calling the New Deal "a snake that has risen to strike down American initiative."
>
> That has been said many times before, in less repulsive language, and it has been said so persistently and by such expert sayers that it is almost American folklore. Even men who are once more rolling in dividends are known to turn wearily from a hard day at endorsing dividend checks to curse this administration as the love-child of communism, sworn to end the American profits system.
>
> Unfortunately, the figures spoil the picture. My bank sends out a weekly digest of business conditions prepared by the Wall Street Journal. It is something the Republican National Committee ought to suppress. These business statistics are messing up the horrendous metaphors of Republican keynoters like Representative HORTON.
>
> From these figures, it looks as if considerable initiative is at work in the good old American way. Automobile output is 14 percent above the same week in 1938. Some salesmen must be out

looking for prospects and finding them. Barron's business index is 90 percent now, against 78 a year ago. Somebody must have gone after orders to push up the figures that much. Electric power output and freight-car loadings each rose 11 percent above the figures of a year ago. Somewhere behind these figures businessmen are getting orders. Cotton consumption, department-store sales, variety-store sales, rubber consumption, postal receipts, life-insurance investments, are all up. The British have placed a $20,000,000 order for bombers with one American manufacturer, but leave that out. Steel production is more than 90 percent of capacity, as against 58 percent a year ago. Part of that is war business, but not all of it. The war does not account for the general rise all along the line.

Federal Reserve Board figures show that in November the industrial production index was 124, with the 1923–25 average as 100. Durable-goods manufactures were up to 130.

Discount the effect of the war, and still, somewhere in these figures must be represented an enormous amount of sales activity, scrambling for orders, fighting for business. Du Pont has just put its new silk substitute, Nylon, on the market, one of the most enormous examples of initiative in the present period.

If this administration has been trying to strike down American initiative, it has failed dismally. For after 7 years in office, it is confronted with more private initiative by far than existed when Herbert Hoover handed over the Government to the Roosevelt crew, which was almost none at all. If this administration had intended to finish off private initiative, that was the time to have done the job, for it was down on its knees and was taking the count. In fact, even some of our Republicans wondered if it could be saved and called for a dictator.

The New York Herald Tribune of January 2, 1940, carried a statement by Myron F. Converse, vice president of the National Association of Mutual Savings Banks, under the headline, "savings point to more sound business in United States; 15,000,000 bank clients with growing balances seen recovery factor."

And here are only a few of the many encouraging items to be found on the financial pages of your newspapers any day. These were taken from the Washington Post of February 15 and 16:

JANUARY BANNER MONTH FOR COTTON

Government reports disclosed yesterday that January was one of the best marketing months for American cotton in recent years. A total of 1,756,771 bales moved into export markets and into domestic consumption channels. * * * Exports amounted to 1,026,628 bales or the largest monthly total since November 1935, while domestic consumption totaled 730,143 bales, or the largest monthly total since March 1937, when 776,942 were consumed.

Dun & Bradstreet report a rise of 10.4 percent in January building permit valuations over December. This report was based on figures from 215 cities and, the agency pointed out, the improvement from December to January was against the seasonal trend.

The railroads of the Nation, faced with such a grave situation a few years ago, appear to be having their share of prosperity. Preliminary reports from 87 class I railroads showed a net in January of 12.4 percent over the same month of 1939, according to the Association of American Railroads. The New York Central reported a 1939 net of $4,509,236, as against a deficit of $20,154,357 in 1938, with the final month of 1939 being overwhelmingly the best. Paul G. Hoffman, president of the Studebaker Corporation, announced that their January sales were "the largest for that month since 1925 and were 80 percent larger than 1939." This covered the factory sales of both passenger cars and trucks. Domestic retail deliveries showed a gain of 91 percent over January 1939.

Heading a list of reports of the 1939 earnings of eight large corporations, each of which showed a substantial increase in net profits over the preceding year, we find General Foods Corporation with a net income for 1939 of $15,118,063—the greatest in 8 years. The profit, equal to $2.75 a common share, compares with $13,577,075, or $2.50 a share in 1938, according to the Associated Press dispatch.

Colby M. Chester, president of the board, is quoted as announcing:

Sales in every quarter during 1939 exceeded the volume of any similar quarter of previous years. Total case sales volume for the year was the largest in the history of the company.

If this be "Roosevelt ruin," let the President's critics make the most of it!

In further cumulative evidence of the decided improvement in our national economic situation, I might mention the fact that exports of American products to the markets of the world in January 1940 amounted to $368,550,000, compared with $212,911,000 in January 1939, an increase of 75 percent. Imports during the same months in 1940 were $241,961,000, compared to $178,246,000 in January 1939. Exports over imports in January 1940 amounted to $120,000,000. The net profits of Commonwealth & Southern Co. in 1938 were $10,586,000, while for 1939 they were $13,499,000.

The net profits of the Ohio Bell Telephone Co. in 1938 were $9,968,000, while for 1939 they were $10,764,000.

Mr. President, in 1938 the net profits of Brooklyn-Edison Co. were $10,442,000, while for 1939 they were $11,669,000.

In 1938 the net profits of the Eton Manufacturing Co. were $2,568,000, while in 1939 they were $2,707,000, the largest in the history of the company.

In 1938 the profits of the Anchor, Hocking Glass Corporation were $752,000, while for 1939 they were $1,445,000.

In 1938 the profits of the Ex-Cell-O Corporation were $437,000, while in 1939 they were $872,000.

In 1938 the profits of the Florence Stove Co. were $876,000, while for 1939 they were $1,233,000.

In 1938 the net profits of the "Fruit of the Loom," Inc., were $25,000, and in 1939 they were $142,000.

In 1938 the profits of the Standard Oil Co. of Kentucky were $2,604,000, while in 1939 they were $3,979,000.

In 1938 the net profits of the Veedor-Root, Inc., were $553,000, while in 1939 they were $900,000.

In the January quarter of 1938 the net profits of the West Virginia Pulp & Paper Co. were $389,000, while in the same quarter of 1939 they were $754,000.

In the January quarter of 1938 the profits of Servel Co. were $278,000, while in the same quarter of 1939 they were $354,000.

In 1938 the profits of Penick & Ford were $1,139,000, while in 1939 they were $1,456,000.

The total operating revenue of the Seaboard Railroad in January 1939 was $530,000, while in January 1940 it was $4,575,000.

In 1938 the net profits of the Mohawk Carpet Co. were $1,580,000, while in 1939 they were $1,798,000, constituting the best year since 1930.

In 1938 the net profits of the Industrial Rayon Corporation were $184,000, as compared to $262,000 in 1937, while their profits for 1939 increased to $1,348,000.

On February 6, 1940, the General Motors Corporation ordered a distribution of $34,501,000 to its stockholders.

Retail sales throughout the country for the first quarter of 1940 are estimated at 9 percent above the same period in 1939.

The sales of Woolworth Co. in January 1940 were 4.3 percent above the same period for 1939.

The Kroger Grocery Co. sales in January 1940 were 6 percent over the same period for 1939.

Sales in January 1940 of the Lerner Stores were 10⅔ percent over the same period for 1939.

Sales in January 1940 of the Newbury Co. were 7.2 percent over the same period for 1939.

The McCrory's Stores sales during this period in 1940 were 7.2 percent over 1939.

While in 1938 the American Woolen Co. had a deficiency of $4,911,000, in 1939 it had a net profit of $2,311,000.

In 1938 the Flint-Kote Co. had profits of $811,000, while in 1939 their profits were $1,432,000.

While in 1938 the New York Central Railroad had a deficit of $20,154,357, in 1939 it had a profit of $4,509,236.

In January 1939 class I railroads in the United States had a net operating income of $32,947,172. In January 1940 their net operating income was $45,566,633.

In 1938 the New York Telephone Co. had a net income of $29,377,181, while in 1939 it had a net income of $35,370,799.

In 1938 the United States Pipe & Foundry Co. had a net income of $1,654,238 while in 1939 it had a net income of $2,570,279.

In 1938 the Pennsylvania Railroad had a net income of $11,046,100, while in 1939 its net income was $32,032,525.

In 1938 the Abbott Laboratories had a net income of $1,648,326, while in 1939 its net profit was $2,048,094.

In 1938 the Lehigh Portland Cement Co. had net profits of $704,000, while in 1939 its net profits were $2,257,221.

In 1938 Stone & Webster, Inc., had a net profit of $761,000, while in 1939 its net profits were $1,024,000.

In 1938 Commonwealth-Edison Co. had a net income of $19,701,000, while in 1939 its net income was $25,414,000.

In 1938 the Calumet & Hecla Consolidated Copper Co. had net profits of $2,442, while in 1939 its profits were $779,000.

In 1938 the Simmons Co. had a net profit of $1,644,867, while in 1939 its net profit was $2,446,681.

In 1938 the profits of the Colgate-Palmolive-Peet Co. were $4,921,921, while in 1939 they were $6,632,654, the highest for any year during the past 8 years.

In January 1940 individual incomes in the United States amounted to $6,051,000,000, which, although below the December individual income, was $651,000,000 more than in January 1939.

The January 1940 farm incomes in the United States amounted to $733,000,000, which is $99,000,000 above farm incomes for January 1939.

In 1939 the net profits of all banks in the second Federal Reserve district were 16.1 percent of the total bank earnings in 1939, compared with 9.9 percent of the total earnings in 1938.

In 1932–34 residential construction in the United States amounted to practically nothing, but since 1934, and including 1939, it has increased to about $500,000,000 per annum, and it is estimated, according to the same rate of increase, that for 1940 the figure will approach $600,000,000.

These are but a few of the encouraging signs of Nation-wide improvements in our industrial, financial, and economic structure as compared to previous years, and especially as compared with 1932 and 1933.

In 1932 the average price of American bonds of industrial corporations was 69.5 percent of normal, while in 1939 the average price was 81.6 percent of normal.

In 1932 the average price of common stock of American corporations was 48.6 percent of normal, while in 1937 the average price of the same stock was 111.8 percent, and in 1938, 89.2 percent.

These figures are only a small portion of the accumulating evidence of returning prosperity to the people of the United States and belie all the moanings and wailings and gnashings of teeth that are being indulged in now by those who are seeking some political advantage through the creation of disdain among the American people.

While the Department of Commerce has stated that the net income of all the American people for 1939 was $68,500,000,000, the Alexander Hamilton Institute, on February 19, 1940, announced that our national income was $71,704,000,000, compared with $63,993,000,000 for 1938, and that, with the exception of 1937, when the national income was $71,853,000,000, the 1939 figures were the largest since the year 1929; and this same Alexander Hamilton Institute predicted that our national income for 1940 would be larger than that in 1939.

In spite of these advances all along the line of industrial and economic development, our critics complain that we have not completely solved the unemployment problem and that there are still from seven to nine million unemployed workers in the United States.

It is a regrettable fact that in spite of all the efforts we have made there are still too many millions of our people on the unemployed rolls. But I have searched in vain among any of our critics, including Presidential candidates, whose common theme song is now the alleged failure of the New Deal, to offer any constructive suggestions that contribute to a solution of the unemployment problem.

I think it is fair to say that without regard to party affiliations, nobody as yet has the last word in the solution of this tragic and compelling situation. Seven years ago there were between thirteen and fifteen million unemployed workers in the United States. Today, it is said there are between seven and nine millions. In my opinion, there is no accurate information existing as to the precise number of those who are able and willing to work who are yet unemployed. But, in considering this problem, it must be remembered that prior to 1933 there were undoubtedly hidden lists of names of those millions of men and women who were unemployed but whose existence was unknown from a national standpoint and who were not taken into account even in the earlier estimates, because their existence had not been recognized as a national problem, because their needs were administered to by local governments and charitable organizations.

In comparing the number of employed in the Nation today with the number in 1933, it must be remembered that in 1939 our total production of commodities equalled that of 1929. In other words, after 10 years of depression, the output of the American people in 1939 was as great as that of 1929, but it required 1,500,000 fewer men to produce this output in 1939 than were required in 1929; showing that during that decade the development of machinery had so advanced as to increase the output per man to such an extent as to require one and one-half million men less to produce the same amount of goods than were required at the beginning of the decade.

In addition to this, there were 5,000,000 more workers available in 1939 than there were in 1929. This is a net increase in the number of workers available, after deducting all those who had died or had ceased to be qualified for work in the same line of work as that previously engaged in. The reduction of one and one-half million men in the number of men required to do the same work and the addition of 5,000,000 qualified workers who had come on the scene since 1929 accounts for approximately 6,500,000 of the 9,000,000 who are said yet to be unemployed throughout the United States.

In other words, considering the 13,000,000 who were unemployed in 1933 and the 5,000,000 by which the number of available employees has increased since then, the practical result is that we have been compelled to deal with a margin of more than 18,000,000 men who were potentially unemployed throughout the past 7 years. And it cannot be denied that even taking these stupendous figures, we have reduced the total unemployed by 50 percent, while as now compared, the 9,000,000 men said to be unemployed, with the more than 13,000,000 unemployed in 1933, we have reduced the total by nearly three-fourths.

If it be true, that there are still 9,000,000 unemployed, then we are entitled to subtract from that number the six and one-half millions accounted for by the improvements in machinery and the natural increase in the number of available workers so that the net result is that only about two and one-half millions of unemployed workers are left as a net deficiency or failure in securing jobs for the people.

It may be said that if the population has increased enough to add 5,000,000 workers to the total list the consumptive power of the people should have increased so as to absorb this number of increased workers. But it must be remembered that we have had only 7 years to climb the hill from the depths of the depression as it existed in 1933. If it took 12 years of political and economic folly to throw 13,000,000 men out of work, we claim to have attained a miraculous success if we have been able to put three-fourths of them back to work in 7 years in addition to the absorption of those who have newly come upon the scene and those who have been displaced by mechanical improvements.

Neither I nor any other fair-minded man claim that we have completely solved the problem of unemployment, but if our industrial and social and economic system could improve over the next 4 years at the same rate at which it has improved during the last 7 years, unemployment would be almost completely eliminated in the United States.

But there are other equations that enter into the gains that we have made in these last 7 years. In making this appraisal we must distinguish between two kinds of results. Into one category fall those concrete, material things which enter into our daily lives and are readily recognizable by the senses, such as those which I have been discussing, and into the other category fall those things of mind and spirit

which penetrate our consciousness gradually, without our being aware of it, until it has become a part of our attitude and viewpoint with reference to the problems of human society.

Among the splendid accomplishments of the Roosevelt administration those which have been counted in the latter field are in my belief of even greater importance and more lasting in their effects than all the varied financial or economic improvements of a material nature that have been made in the condition of our country.

The evolution which has been wrought by the New Deal in our social and economic thinking has been a development which is bound to reflect itself in immeasurable good in all our domestic affairs, as well as our international relations, as long as our Government shall exist.

For nearly a century before 1933 the citizens of the Nation, partly by precept and partly by their own smugness, had come to regard the Government of the United States as something aloof and apart from their daily lives, a sort of abstract, remote agency which could have no concern over their personal affairs beyond the collection of taxes and the drawing of salaries by those who held public office. The people had become so accustomed to being told that they were rugged individuals, that it was a matter of the survival of the fittest, that when they lost their savings in bank failures, or were swindled by the peddlers of worthless stocks, or were oppressed by usurious rates of interest, or were thrown out of their jobs arbitrarily to suffer hunger and privation, that they accepted with resignation their condition as the common fate of mankind.

Whatever may be charged against it in point of failure, whatever may be said of it as representing too much governmental activity in behalf of the people, the Roosevelt administration has now convinced the American people that their grievances and the injustices which they have suffered and may suffer are matters over which the Government has a right to be concerned. The Roosevelt administration accepted the general-welfare clause of the Constitution as a solemn obligation, and it proceeded by swift and enlightened legislation to correct, as far as possible, the ills which bedevelled our people. Not all of them, to be true, for it would be a miraculous performance for the Government to uproot all these evils and injustices in the short period of 7 years. But so indelibly stamped upon the minds and hearts of the people is the picture of these Herculean efforts put forth by the Government to aid them in the solution of their problems that no administration hereafter will be able to find an alibi in the doctrine of laissez faire.

I have perused the fulminations of those of an opposing political faith who would fain succeed Franklin Roosevelt as President of the United States. It is natural for them to seek to arouse their own partisans by condemning the record of the Roosevelt administration. I have read that part of the report of the committee of 200, headed by Dr. Glenn Frank, who have spent 2 years with every form of magnifying instruments to find knotholes in the Democratic fence. While some of these documents put forth by candidates and committees contain constructive suggestions, none of them recommend the repeal or substantial modification of a single major legislative act which has been passed under the Roosevelt administration. The most that they claim is that they need improvement, and that those who have had nothing to do with their fabrication are better qualified to improve them than are their sponsors. I take this as a genuine compliment to the administration of President Roosevelt, and it is also, in a sense, a compliment to the political judgment of those who want to come into office because they are out.

These are the facts of accomplishments. They are not idealizations or promises. And I reiterate that never in the history of civilization, from the Magna Carta, the Bill of Rights, or the Declaration of Independence of the United States and the signing of the Constitution, with its subsequent amendments, has there been a period in any existing government that has contributed more by legislative enactment and administrative activity than the Democratic administration of the past 7 years. Never has there been a time when laws were made of greater benefit to the people at large, laws for the encouragement of youth, laws to permit the freer possession of land, ownership of homes, the protection of health, the preservation of the life of the aged and helpless and the underprivileged. I say that the past 7 years will go down in history as a great humanitarian contribution, when a great leader, endowed with the passionate and patriotic resolve to salvage a nation, pulled us out of despair and set us on the road to national rehabilitation, renewing our faith in the American way of life and our own spiritual resources.

This imperfect résumé of these outstanding 7 years may not satisfy the intellectual processes of those who see no good in any era that expands the participation of the people in the benefits of the government which they support. It may not satisfy the vision of those whose eyes can see nothing from any angle except the rear, but these 7 years in the minds and hearts of the American people are in the annals of our recorded history and take their place in that history as not only tragic and crucial years, but years which have marked an immeasurable advance in the relationship between a great people and a great government. These advances and accomplishments have not been made in derogation of our form of government or the ideals concerning it which are embedded in the hearts of our people, but these advances have been made and these accomplishments have been recorded in order that we might the better preserve our Government by preserving the respect and affection in which the people hold it.

Mr. President, I do not expect every Member of the Senate, nor everyone in the country to agree with my analysis of the last 7 years. It would not be prudent for our opponents, who are now on the verge of a contest to wrest from the Democratic Party the administration of the affairs of this country, to make any admissions that might handicap them in the approaching campaign. But I think it is fair to say, without regard to party affiliations, that no period of 7 years in American history has seen any man or any group of men try more earnestly or faithfully to understand the problems that beset the American people and try more faithfully and earnestly to solve those problems.

Not only have we done these things which have added to the material value of our economic life in every community, in the building of highways, streets and sidewalks, courthouses and schoolhouses and hospitals, of waterworks and sewer systems, and various other forms of expenditure that have given to every American citizen, without regard to politics, a pride in his Government; but we have demonstrated, Mr. President, as has never been demonstrated before, that the Government of the United States is not a far-off institution sitting on the crest of some Olympian mountain, where dwell the gods of political power, taking no heed of the ordinary affairs of mortal men. We have demonstrated that ours is the Government that was described by Lincoln: "Of the people, by the people, and for the people." We have demonstrated that it is not a Government organized and sustained merely for the purpose of levying taxes and holding office. We have demonstrated that it is a Government with a heart; that it can sit down by the fireside of the humblest man and woman in America and make its experience and its power and its intelligence available to these humble homes in the effort to solve their economic and social and political problems.

As a fair and honorable man, I do not claim that our political organization, our political administration, possesses all the virtue in the political, economic, moral, or intellectual life of this Nation. I recognize that there exists in our opponents here in the Senate and in millions of them scattered throughout the Nation, as earnest and as faithful a desire to aid the American people as we have a right to claim for ourselves. I have always maintained, and I now maintain, that beneath the political labels, beneath the superficial partisan feeling that we sometimes manifest in our discussion of the best way in which we may accomplish the common good to our country, we are all fundamentally and soundly American.

And I would lose faith in America and in American democracy if I did not believe that fundamentally we are all Americans first before we are partisans.

But I am equally convinced that when the impartial historian shall write the history of these 7 years he will say that never since the days of Lincoln has any man faced such tremendous problems, which might have bid fair to uproot and destroy the very foundations of our faith in democracy, and never has any man since Lincoln undertaken more unselfishly and more wisely to meet those problems and to master them.

Not only have we undertaken to increase the income of all branches of our people, to increase employment, and to increase the output of industry, but we have undertaken to add a moral and spiritual tone to our political institutions, without which no government anywhere in the world can long endure.

We look around in the world today, and we see everywhere chaos and contest; we see that the flags of battle have been unfurled; we see ruthless autocracy taking charge of the rights and liberties of the people; we see men, women, and children, regardless of their merits and their ancestry, and frequently because of their ancestry, and because of their religious beliefs, being murdered or driven from their homes, and all the things which they have held dear from generation to generation destroyed in their very faces.

We have seen the theory of democracy under attack on a broader field than at any time in the last 100 years. And yet here in America, and in the Western Hemisphere, we have drawn closer together, we have preserved the theory and the practices of democracy, we have preserved the peace of our Nation, though we have made some sacrifices in order to do it. We have preserved and protected the peace and the dignity of the western world. And when, after a while, all the nations shall awake to the fact that war brings no victory, no laurels to any man, any nation, or to any tribe, I pray Almighty God that our Nation, without regard to partisanship, race, or religion, may offer its services to a benighted and distressed mankind to bring again peace to the world and the universal enthronement of democracy.

We have not only tried to improve our material well being, but we have tried to do those things which appeal to the heart and the spirit of mankind. When the bitterness, narrowness, and prejudice of this era have passed away, and the impartial, cool-headed historian shall write the story of this period, he will accord Franklin D. Roosevelt one of the highest places in the history of American statesmanship.

Mrs. CARAWAY. Mr. President, the Senator from Kentucky [Mr. BARKLEY], the majority leader, has well outlined the achievements of the Democratic administration, but I wish to add the review as made by The Democratic Digest under the title of "Promise and Performance."

I ask that there may be incorporated in the RECORD an article from The Democratic Digest, published by the Women's Division of the Democratic National Committee, showing the actual performance of the administration of President Roosevelt as compared with the promises made in the platforms of 1932 and 1936.

There being no objection, the article was ordered to be printed in the RECORD as follows:

(Reprint from the Democratic Digest, published by the women's division of the Democratic National Committee)

PROMISE AND PERFORMANCE

Now opens another election year—1940. It is the year when Democrats must conserve and consolidate the great reforms of the past 8 years. Today, tomorrow, and in all the weeks and months until the November election, the energy and enthusiasm generated by the New Deal must be turned to the all-important work of assuring for the Democratic Party another 4 years of national administration in order that these social and economic gains may be permanent.

The Democratic Party proudly stands on the performance of the history-changing platform pledges it made in 1932, and to the continuing and more specific promises of 1936. These commitments have been abundantly fulfilled.

Two excerpts from the 1932 platform summarize the New Deal story: "The only hope for improving present conditions * * * lies in a drastic change in economic governmental policies" to assure "equal rights to all, special privileges to none," and "We believe that a party platform is a covenant with the people to be faithfully kept." The 1936 platform carried forward those principles and declared for (1) protection of family and home, (2) establishment of democracy of opportunity, and (3) aid to those overtaken by disaster.

Facts citing how these principles have been carried out and how the Democratic Party has fulfilled its pledges to the people are set forth in the following platform check-ups:

PLATFORM CHECK-UP NO. 1

Protection of family and home

The party pledged itself, first, to the protection of the family and the home. Faithfully this promise has been carried out through such measures as the Social Security Act, the housing program, measures which safeguard family investments and protection against crime and exploitation.

1. Protection Against Underworld Crime and Upperworld Exploitation

(a) "We have begun, and shall continue, the successful drive to rid our land of kidnapers and bandits."

In 1933 the States were, in many instances, without facilities or power to reach interstate criminals, who roamed at large.

The Seventy-third Congress (1934) passed 22 laws as part of the Attorney General's program to aid law-enforcement authorities in the suppression of crime. Results: In 1939 alone 9,823 fugitives from justice were located through the facilities of the F. B. I.; since enactment of the Federal kidnaping law (June 1932), the F. B. I. has investigated 156 cases, of which 154 were solved; as a result of the National Motor Vehicle Theft Act, 51,991 stolen motor vehicles, valued at $30,399,054, have been recovered through F. B. I. Bank robberies, which reached their peak in 1932, have declined over 80 percent.

(b) "We shall continue to use the powers of government to end the activities of the malefactors of great wealth, to defraud and exploit the people."

The New Deal moved in on monopoly. To ascertain the true state of affairs with regard to concentration of economic power and financial control over production and distribution of goods, the Temporary National Economic Committee (antimonopoly committee) held extended public hearings and also collected and collaborated facts assembled in various Federal departments. This study will make possible the passage of laws to meet the pressing problems of a changing economy. The S. E. C. curbed holding companies. The antitrust laws, which had lain fairly quiescent for years, were dusted off and put to work. Since 1932, 84 cases against unfair business practices have been instituted by the Federal Government.

2. Savings and Investment

"We have safeguarded the thrift of our citizens by restraining those who would gamble with other people's savings."

The S. E. C. protects the public by outlawing dishonest dealing, prohibiting the sale of fraudulent securities, giving the investor full information about issues and issuers. One billion dollars' worth of proposed issues were abandoned, the sale of $150,000,000 worth of security prevented, thus saving citizens millions of dollars.

Between 1921 and 1933 bank failures averaged 900 a year, involving an annual average of more than $400,000,000 of deposits. Depositors are now insured against loss by the Federal Deposit Insurance Corporation, which has eliminated such losses. In the same way, the Federal Savings and Loan Insurance Corporation insures investors in home-financing institutions. There are 2,350,000 insured investors in 2,188 member institutions.

3. Old Age and Social Security

"On the foundation of the Social Security Act, we are determined to erect a structure of economic security for all our people."

The year 1939, which brought the extension of social security through amendment and the governmental reorganization for a more concerted attack on all forms of insecurity, marked a milestone as important as the 1935 passage of the Social Security Act, most comprehensive program for social welfare ever undertaken through direct legislation. Some 45,000,000 workers have applied for old-age insurance accounts; more than twenty-seven and one-half million wage earners are covered by job-insurance laws operating in every State; about two and one-half million of the needy—the old, the blind, the dependent children—are getting cash allowances from Federal-State assistance funds. Aid has been provided for crippled and dependent children, and public-health programs have been fostered.

4. Consumer

"We will act to secure to the consumer fair value, honest sales, and a decreased spread between the price he pays and the price the producer receives."

More honest sales have been assured by the Federal Food, Drug, and Cosmetic Act of 1938, which also protects the life and health of the Nation by drastic restriction on sale of adulterated, misbranded, and dangerous foods, drugs, and cosmetics. Vital protection to the milk and meat consumer is afforded by the emergency animal-disease eradication program of the Jones-Connally Act, which has wiped out bovine tuberculosis. False advertising and bad business practices were curbed by amendments to the Federal Trade Commission Act. The Consumers' Council Division, A. A. A., gives information on economic buying of farm commodi-

ties, reports on developments of the consumer cooperative movement; publishes the helpful "Consumers' Guide."

5. Rural Electrification

"We will continue to promote plans for rural electrification and for cheap power by means of the yardstick method."

Before the Rural Electrification Administration was established in May 1935 only 1 farm home in 10 had electricity. Now 1 farm home in 5 benefits by it. R. E. A. projects are bringing new conveniences and lightening the drudgery of farm work for 1,500,000 people on 300,000 farms.

Lower rates and greater use of electricity, in both private and public utilities, have been brought about by the operation of the Tennessee Valley Authority, New Deal yardstick which proved beyond doubt that this universal servant could be put to better use, and brought to all the people.

The T. V. A. average retail rate was 1.99 per kilowatt hour through 1938, when the rest of the country averaged paying 4.40 per kilowatt-hour. The T. V. A. customer consumption was 58 percent above the average for the Nation. Rates were lowered the country over. The 1934 urban price for 100 kilowatt hours was $4.65; the 1939 price $3.96.

6. Housing

"We maintain that our people are entitled to decent, adequate housing at a price which they can afford. We believe every encouragement should be given to the building of new homes by private enterprise; and that the Government should steadily extend housing programs toward the goal of adequate housing for those forced, through economic necessities, to live in unhealthy and slum conditions."

A Nation-wide program of home building and modernization has been accomplished through three New Deal agencies, the Federal Housing Administration, which is concerned with adequate housing for every pocketbook; the United States Housing Authority, providing homes instead of slums; and the Farm Security Administration, through which farm tenants become home owners.

By stimulating private enterprise in the construction industry, F. H. A. has created the equal of 1 year's work for more than 2,000,000 men. More than 2,000,000 people are living in houses built or financed under the F. H. A.'s home-ownership program. Almost 100,000 more are living in large-scale housing projects which private companies have built for rent under F. H. A. The U. S. H. A. has financed 121,000 modern, low-rent dwellings now complete or to be completed by the late spring of 1940. An equal amount of slum dwellings will be cleared; 640,000 persons will have moved from substandard living quarters to these new homes. The F. S. A. has made possible the building of more than 12,000 houses by former renters who now are purchasing farms through F. S. A. Average cost of these homes is but $1,313.

7. Veterans

"We shall continue just treatment to our war veterans and their dependents."

The greatest benefit given veterans by the Federal Government is that of hospitalization in up-to-date, scientific hospitals. Hospitalization has gone forward not only in the number of facilities and available beds, but also by the introduction of new diagnostic and treatment methods and the training of medical personnel. Since 1933, facilities have increased from 71 to 84; hospital and domiciliary beds from 60,707 to 72,090. Present plans will mean 100,000 beds within the next 10 years.

The policy of consolidating field activities, for economy and effectiveness, has been consistently followed where possible without impairing service to the veterans. Since March 1933, 21 consolidations have been effected.

Continuous study has been given to the subject of monetary benefits payable to veterans and their dependents in the form of pension or compensation. Far-reaching changes have been made in the laws and regulations governing the granting of such benefits, the principal objective being to provide the greatest relief to those veterans who were disabled as a result of active services in the armed forces in time of war, and to their dependents to eliminate inequalities.

PLATFORM CHECK-UP NO. 2

A democracy of opportunity

Second major objective was the establishment of a democracy of opportunity through specific measures to aid agriculture, labor, and business. Also important to democracy of opportunity were measures to overcome the handicaps of youth resulting from the depression. To get at fundamental causes of economic inequalities, the Democratic Party promised to deal with monopoly and concentration of economic power.

1. Agriculture

(a) "We have taken farmers off the road to ruin. We have kept our pledge to agriculture to use all available means to raise farm income."

In 1932, the farm cash income was $4,682,000,000. In 1939, farm cash income was approximately $8,300,000,000. The actual purchasing power of the 1938 farm income was 95 percent of its 1929 level.

(b) "The farmer is no longer suffering from 15-cent corn, 3-cent hogs, 2½-cent beef at the farm, 5-cent wool, 30-cent wheat, 5-cent cotton, and 3-cent sugar."

As of late 1939, the low depression prices thus quoted in the 1936 platform had been raised to the following figures: 50.3-cent corn, 5-cent hogs, 7-cent beef, 27½-cent wool, 82.4-cent wheat, and 9.7-cent cotton. In 1939, sugar beet growers received an income of $6.52 per ton, compared with $5.26 in 1932. Cane growers received an average of $3.93 per ton in 1939, compared with $3.06 in 1932.

(c) "By Federal legislation we have reduced the farmer's indebtedness."

Farm mortgage indebtedness on January 1, 1939, was $7,070,986,000, the lowest since 1918. The number of forced sales resulting from foreclosures declined 68 percent from March 1933 to 1939, and farm bankruptcies declined 70 percent in the same period.

(d) "In cooperation with the States and through the farmers' own committees, we are restoring the fertility of the land and checking the erosion of its soil. We will continue to improve the soil conservation and domestic allotment program with payments to farmers."

The Agricultural Adjustment Act of 1938 provides for soil-conservation payments and price-adjustment payments to farmers. It provides for commodity loans on wheat, corn, cotton, tobacco, and rice. The scope of this program is shown by the fact that in 1939 nearly 6,000,000 farmers were participating in the agricultural conservation program. Eighty percent of the total crop land was covered by applications for Government payments.

(e) "We are bringing electricity and good roads to the farm home."

Before the start of the Rural Electrification Administration, only 10 percent of American farm homes had electricity; now 25 percent have. There are R. E. A. projects in 45 of the 48 States, embracing 250,000 miles of rural lines to serve more than 600,000 farm families. The W. P. A. alone has built or improved 325,000 miles of rural roads since July 1935.

(f) "We recognize the gravity of the evils of farm tenancy and we pledge the full cooperation of the Government in the refinancing of farm indebtedness at the lowest possible rates of interest and over a long term of years."

Since October 1, 1935, the Farm Credit Administration has enabled between eighty and ninety thousand farmers to buy their own farms with assistance of mortgage loans extended by institutions under supervision of the Farm Credit Administration and other Government credit. Under the Farm Tenancy Act, 6,180 tenants have been granted long-time loans with which to purchase farms, under appropriations totaling $35,000,000. An additional appropriation of $40,000,000 has been made for this year which will enable 7,000 more tenant farmers to become owners.

(g) "We favor the production of all the market will absorb, both at home and abroad, plus a reserve supply sufficient to insure fair prices to consumers."

The ever-normal-granary program provides for acreage allotments that normally will produce all the domestic market will absorb, plus all the export market will take, plus 30 percent for a reserve supply, thus insuring consumers an abundance in years of scarcity. It provides for adjusting production to demand and encourages sound, practical, farm cooperatives.

2. Labor

(a) "We have increased the worker's pay and shortened his hours."

This was written into law by the Fair Labor Standards Act of 1938, which set a 6-year period in which to achieve a 40-hour maximum week and a minimum wage of 40 cents an hour. Some 900,000 workers have had pay-rate increases since the law went into effect.

(b) "We have undertaken to put an end to the sweat of labor of the worker's wife and children."

The Fair Labor Standards Act banned child labor from industries operating in interstate commerce and took first steps toward elimination of industrial homework.

(c) "We have written into the law of the land his right to collective bargaining and self-organization free from the interference of employers; we have provided Federal machinery for the peaceful settlement of labor disputes."

The National Labor Relations Act protects the worker's right to organize, to bargain collectively, and other civil liberties. From October 1935 to March 1938 the Board which administers this act handled 12,485 cases involving 3,247,678 workers. Out of 9,150 cases closed, 5,081 (55 percent) were closed by agreement of both parties; 1,444 cases involved strikes, 77 percent of which the Board settled, averting 519 strikes.

(d) "We will continue to protect the worker and we will guard his rights."

Weekly factory pay rolls rose from $72,697,000 in March 1933 to $164,089,000 by June 1939, a gain of $91,392,000, and total nonagricultural private employment in the same period rose from 26,100,000 to 33,500,000, a gain of 7,400,000. Non-farm residential building which stimulates employment in many other lines amounted to $1,700,000,000 last year, an advance of $1,500,000,000 over 1933.

3. Business

(a) "We have taken the American businessman out of the red."

President Roosevelt, in his 1940 Budget message, said: "As the Budget is being prepared we are achieving the highest levels of production and consumption in our history." In the 4 years following 1933, the national income rose 69 percent, from forty-two billions to seventy-two billions, the largest absolute rise for any similar period in our history. The recession decline of 1937–38 was

a temporary set-back in the upward trend. The estimated national income for 1939 was sixty-eight and one-half billion dollars.

From 1932 to 1939 industrial production had increased 64 percent; employment 22 percent; retail trade 49 percent, from $25,597,000,000 to an estimated $38,072,000,000; wholesale trade 56 percent, from $13,274,000,000 to an estimated $20,700,000,000.

(b) "We have saved the banks and given them a sounder foundation."

Through the insurance of deposits by the Federal Deposit Insurance Corporation and the revision of the national banking laws, administered by the Comptroller of the Currency, we have immeasurably increased the stability of the Nation's banking system, completely restoring the confidence of depositors. Of the 15,131 banks in the country on June 30, 1939, a total of 13,620 were insured by the F. D. I. C. In the 3 years previous to the establishment of the F. D. I. C. in 1934, 8,725 banks were suspended. In the period from 1934 to June 30, 1939, only 303 insured banks have been closed. Of the total deposits in these banks, 97.1 were made available promptly without loss to depositors. Of the 840,277 depositors, only 1,528, or less than one-quarter of 1 percent, held accounts in excess of $5,000, which were not fully protected.

(c) "We have extended credit; we have lowered interest rates."

The R. F. C. has authorized loans to date totaling more than $13,669,514,319, the Commodity Credit Corporation $1,292,312,753, and the H. O. L. C. $3,930,000,000. The F. H. A. has insured loans totaling $2,045,600,000. In all Federal-guaranteed financing, loans are on a long-term, low-interest basis.

(d) "We have undertaken to free the businessman from the ravages of cutthroat competition."

The Federal Trade Commission was given new powers by Congress in 1938 to enforce orders against practices which damage trade competitors.

4. Youth

"We have aided youth to stay in school; given them constructive occupation; opened the door to opportunity which 12 years of Republican neglect had closed."

Under the N. Y. A. student-work program, 500,000 needy students are working in approximately 26,500 schools and 1,697 colleges. The out-of-school work program of N. Y. A. employs 286,000 young people on public-work projects. N. Y. A. also conducts a guidance and placement program to assist young people in obtaining suitable jobs in private employment.

Each year the Civilian Conservation Corps is offering an opportunity for security, work training, and gainful employment to about 325,000 idle young men. An aggregate of some 2,505,000 had been given employment in C. C. C. camps from April 1933 to November 1939.

5. Monopoly

"We pledge vigorously and fearlessly to enforce the criminal and civil provisions of the existing antitrust laws."

This pledge is not only being carried out by increased activities in the Antitrust Division of the Department of Justice but a sweeping monopoly investigation has also been launched and is now being carried forward through the Temporary National Economic Committee. Since 1932, 84 cases against unfair business practices have been instituted by the Federal Government.

PLATFORM CHECK-UP NO. 3

Basic Democratic principles

The third outstanding Democratic pledge—aid to those overtaken by disaster—has also been fulfilled in accordance with the other fundamental Democratic principles incorporated in the 1936 Democratic platform.

1. Aid to Those Overtaken by Disaster

(a) "We have aided and will continue to aid those who have been visited by widespread drought and floods."

Under the New Deal, the Government assumed responsibility for alleviating the intense human suffering which followed in the wake of widespread floods, droughts, and dust storms. This relief included food, clothing and shelter to the sufferers, provision of relief jobs through the Work Projects Administration where such calamities had thrown hundreds out of work, and a continuing rehabilitation program through the Farm Security Administration. Disasters thus handled since 1933 include the California flood, the Ohio River Basin flood, Connecticut River Valley flood, the New England hurricane disaster, the Florida hurricane, the Georgia cyclone, and the Dust Bowl drought, for which rehabilitation has been continuous since 1933. Individual loans from the Disaster Loan Corporation totaled $17,000,000.

(b) "We have adopted a Nation-wide flood-control policy."

Under this administration, the National Resources Board has carried on a continuous basic study of flood control and drought prevention for the country as a whole. Great projects chiefly for drought prevention include Boulder Dam, Grand Coulee Dam, Fort Peck Dam, and Bonneville Dam. Projects primarily for flood control include the 10-dam system of the Tennessee Valley Authority, the Marshal Ford Dam, and the great flood-control works constructed by Army engineers. W. P. A. expenditures for conservation and flood control, forestation, and land utilization have totaled more than $1,000,000,000. P. W. A. allotted $160,000,000 for non-Federal flood control, water power, and reclamation projects. The Omnibus Flood Control Act of 1936 for the first time covered the improvement of large streams with Federal and local governments sharing costs, authorizing some 270 flood-control projects with an estimated cost of about $300,000,000 in 31 States.

(c) "We believe that unemployment is a national problem and that it is the inescapable obligation of our Government to meet it in a national way. * * * We shall continue to maintain that the first objective of a program of economic security is maximum employment in private industry at adequate wages. * * *"

Here is the record of what the New Deal has done in increasing employment and earnings from March 1933 to December 1939: Total nonagricultural employment rose from 26,086,000 to 34,940,000. Income from wages and salaries rose from $2,217,000,000 to $3,883,000,000. Weekly factory pay rolls rose from $72,697,000 to $197,069,000.

(d) "Where business fails to supply such employment we believe that work at prevailing wages should be provided in cooperation with State and local governments on useful public projects."

During the past 6½ years, the Public Works Administration has allotted funds for the construction of 34,468 projects, costing $5,981,653,077, which have meant employment to skilled, semiskilled, and unskilled labor in practically every branch of American industry.

Since the beginning of the W. P. A. program in the late summer of 1935, almost 7,500,000 different persons have been employed at one time or another on W. P. A. projects alone. The work program of the National Youth Administration has given part-time employment to approximately 767,000 youths. An average of 272,000 young men who would otherwise be idle have been employed by the Civilian Conservation Corps.

The New Deal has taken two outstanding steps toward genuine job security: (1) Providing a Nation-wide employment service which placed more than 28,000,000 men and women in jobs; (2) creation of a Nation-wide unemployment insurance system through the Social Security Act, under which in 1938 and 1939 approximately 8,800,000 persons received benefit payments of approximately $825,233,000.

2. Federal-State Cooperation

"Transactions and activities which inevitably overflow State boundaries call for both State and Federal treatment. We have sought and will continue to seek to meet these problems through legislation within the Constitution."

Illustrative of this principle is the whole sweep of New Deal legislation to regulate interstate commerce, protect public health and safety, and safeguard economic security. Examples are the Social Security Act, the Fair Labor Standards Act, the work-relief acts.

3. The Merit System

"For the protection of government itself and for promotion of its efficiency we pledge the immediate extension of the merit system through the classified civil service to all non-policy-making positions in the Federal service."

Outstanding have been civil-service gains in the present administration. The Social Security Board was the largest agency ever placed from its beginning under civil-service rules. The Postmaster Act of June 1938 included under civil service first, second, and third-class postmasters, a total of 14,886 postmaster positions which previously had been patronage appointments. By Executive order effective February 1, 1939, the first complete revision of civil-service rules since 1903, all non-policy-determining positions not specifically exempted by law were placed under civil service, and modern personnel divisions were set up in 23 departments and agencies. The Ramspeck bill, which has passed the House, would give the President authority to include such positions now excluded by statute and also to include 350,000 positions in field service.

These merit system gains are in keeping with the statement of policy made by President Roosevelt: "Well-selected, well-trained, well-supervised personnel with opportunity to advance in the service on a basis of merit is the key to effective government administration."

4. Civil Liberties

"We shall continue to guard the freedom of speech, press, radio, religion, and assembly which our Constitution guarantees."

Years that parallel the New Deal years have seen the stifling of civil liberties in Europe, but their continuance and growth in this country, despite the fact of war in many parts of the world.

Specific instances of advance include two Supreme Court decisions, one declaring invalid city ordinances forbidding right of assembly to certain groups, the other declaring legal the distribution of circulars and handbills which had been forbidden in certain cities on the grounds that such circulars cluttered the streets. Important also is the 2½-year investigations of the Senate Civil Liberties Committee, which resulted in the introduction of a bill to make industrial espionage and strike-breaking violence unlawful.

5. Government Finance

"The administration has stopped deflation, restored values, and enabled business to go ahead with confidence. * * * In reviving national income we have fortified Government finance. We have raised the public credit to a position of unsurpassed security. * * * Our retrenchment, tax, and recovery programs reflect our firm determination to achieve a balanced Budget and reduction of the national debt at the earliest possible moment."

Government spending to increase purchasing power resulted in the largest absolute rise in national income for any 4-year period in our history, from 1933 to 1937, from $42,000,000,000 to $72,000,000,000—a 69 percent increase. Marked progress was made toward a balanced Budget. This was followed by a temporary recession, which has now been overcome. The increase in the national income over 1932 for the year 1939 alone was far in excess of the total increase in the national debt for the whole period since 1933.

That the small investor has complete confidence in our Government's financial condition was evidenced by the fact that January 1940 saw sales of United States savings bonds (baby bonds) mount to the unprecedented figure of $266,822,179, or more than was sold during the last 10 months of 1935 when the bonds were first offered.

6. Foreign Policy

(a) "In our relationship with other nations this Government will continue to extend the policy of the good neighbor."

From the good-neighbor ideal has sprung a spirit of continental solidarity, increasingly evident following a series of inter-American conferences, at Buenos Aires in December 1936; at Lima, Peru, December 1938; and the war emergency meeting of foreign ministers at Panama last September. A new and promising, yet logical, outgrowth of efforts to promote political harmony is the interest in cultural sharing between American peoples.

(b) "We reaffirm our opposition to war as an instrument of national policy. We shall continue to observe a true neutrality in the disputes of others; to guard against being drawn * * * into any war which may develop anywhere."

War has developed and, with it, closest adherence to the above declaration. This is shown by the fact that the United States is not being drawn into any foreign armed conflict; that the administration has steadily exerted itself to promote the cause of world peace and is resolute in endeavoring to bring about more peaceful conditions when existing hostilities cease.

The Neutrality Act of the special session of 1939 put commerce with belligerents on a "title and carry" basis, and made regulations which would minimize danger of incidents which lead to war.

(c) "We shall continue to foster the increase in our foreign trade which has been achieved by this administration; to seek by mutual agreement the lowering of those tariff barriers, quotas, and embargoes which have been raised against our exports of agricultural and industrial products; but continue as in the past to give adequate protection to our farmers and manufacturers against unfair competition or the dumping on our shores of commodities and goods produced abroad by cheap labor or subsidized by foreign governments."

Since the reciprocal trade agreements program was launched in 1934, 22 such agreements have been concluded, representing about 60 percent of this country's total foreign trade. In these agreements valuable concessions have been obtained for literally hundreds of agricultural and nonagricultural products. Since 1934 exports have been increased by a billion dollars, or 46 percent, a 61-percent increase to trade-agreement countries as against a 38-percent increase to other countries. Duties have been reduced only to countries agreeing to accord better treatment to American exports; and only to the extent in which such adjustments would not be prejudicial to any established branch of industry in this country.

The final pronouncement in the 1936 platform holds true for the Democratic Party today: "That the interests, the security, and the happiness of the people of the United States of America can be perpetuated only under democratic government as conceived by the founders of our Nation.

Mr. AUSTIN obtained the floor.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	King	Reynolds
Andrews	Ellender	La Follette	Russell
Ashurst	Frazier	Lee	Schwartz
Austin	George	Lodge	Schwellenbach
Bailey	Gerry	Lucas	Sheppard
Bankhead	Gibson	Lundeen	Shipstead
Barbour	Gillette	McCarran	Slattery
Barkley	Glass	McKellar	Smith
Bilbo	Green	McNary	Stewart
Brown	Guffey	Maloney	Taft
Bulow	Gurney	Mead	Thomas, Idaho
Byrd	Hale	Miller	Thomas, Okla.
Byrnes	Harrison	Minton	Thomas, Utah
Capper	Hatch	Murray	Tobey
Caraway	Hayden	Neely	Townsend
Chandler	Herring	Norris	Truman
Chavez	Hill	Nye	Tydings
Clark, Idaho	Holman	O'Mahoney	Vandenberg
Clark, Mo.	Holt	Overton	Van Nuys
Danaher	Hughes	Pepper	Wheeler
Davis	Johnson, Calif.	Radcliffe	White
Donahey	Johnson, Colo.	Reed	Wiley

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. AUSTIN. Mr. President, it is a rare coincidence that a Senator from Vermont should have the opportunity to express before the United States Senate his appreciation and gratitude to a Senator from Kentucky who is the floor leader of the majority of the Senate. The mere fact that the record which has been so eloquently set forth was made by a Kentucky Senator is a matter of pleasure to me.

Mr. President, Vermont owes Kentucky something which I take this public occasion to acknowledge. For 14 years Vermont was an independent republic, but her independence was not recognized either by the Continental Congress or by the Congress created by the Constitution, and she was not admitted into the Union until 1791. Indeed Vermont might have remained in a state of independence to this day had not Kentucky got ready to come into the Union. Thereupon it was seen by the statesmen of that time that it was well to have a northern State admitted into the Union; and so all opposition was withdrawn, and Vermont was admitted into the Union along with Kentucky. I believe Vermont was first in order, but that is not of great importance.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BARKLEY. I was about to suggest to my friend that I have always understood Vermont came in as the fourteenth State and Kentucky as the fifteenth, in part because Vermont was a little more rapid in getting here than Kentucky, although the Kentucky resolution was previously passed. I compliment my friend and his State by saying that ever since that time it has been extremely difficult for us to get ahead of or even to keep up with Vermont. [Laughter.]

Mr. AUSTIN. Mr. President, I appreciate those complimentary remarks, coming as they do from a Senator from a great horse State. Kentucky is famous for her thoroughbreds, and Vermont is famous for the Morgan horse.

There is a very sweet memory connected with the two States, and that is that two stripes were added to Old Glory, representing Kentucky and Vermont, and remained on the flag for a number of years, until it was seen that such procedure could not long be continued; and then they were taken from the flag, reducing the number of stripes to the original 13.

I was very much pleased at the reference to Abraham Lincoln in the RECORD of the past 7 years, because it seems to me that one from a State which gave birth to the founder of the Republican Party is chivalrous and fair when he publicly praises that great statesman, particularly in connection with the record of the New Deal. Here again we have the strange coincidence that Vermont contemporaneously produced Stephen A. Douglas, and the two great protagonists ultimately came together upon fundamental principles. It will be recalled that Douglas, a Democrat from Vermont, defeated Lincoln, a Republican from Kentucky, for the Senate, and subsequently, in 1860, Lincoln, the Republican of Kentucky, defeated Douglas, the Democrat from Vermont.

Mr. President, I do not need to recall these coincidences to justify what I am about to say, and that is that, from the point of view of a Senator, almost a freshman Senator, and from the point of view of a slight responsibility here as assistant minority leader, I have reason to be thankful, indeed, to the distinguished floor leader of the majority for his unfailing chivalry and courtesy, notwithstanding we have been bitterly opposed upon a great many issues in the short time I have been here.

I commend him for his service as leader of the majority in creating that record in which, I must confess, he seems to take some pleasure, and if it gives him pleasure, certainly I will not stand here and detract, unless properly, from any of the particular things he mentioned as justifying his gratitude for what has been done and perhaps for the termination of the service.

In any event, Mr. President, if this, indeed, is the valedictory of the New Deal, then I do not stand here and undertake to point out the cost in money and principles of such achievements as give the Senator from Kentucky the pleasure he has expressed. My principal purpose in rising is to say that if this is the valedictory of the New Deal, then let us have an administration that will accomplish some, at least, of the following things:

Let that administration assume that the Republic is competent to govern; let it increase faith in and devotion to fundamentals; and let it adapt and adjust legislation and the

performance of the executive duties to the slow tempo and to the checks and limitations of republican government.

Mr. President, I believe I heard a distinguished statesman say last night on a radio forum that the New Deal started out at a period when the people of this country had lost faith, and that the New Deal was necessary and was the product of a stimulus. To my mind that is exceedingly unfortunate. It is bad to propose such ideas. It is bad to coin such a phrase as "the forgotten man." It is bad to indoctrinate the youth of America with such an expression as "the more abundant life," to soften their character with extravagant promises of support by the Government, and to weaken their patriotism and their determination to support the Government. We have arrived at a time, at the end of 7 years of the New Deal, when we are confronted by legislation, not merely by the declaration of a new Secretary of the Navy which embodies this idea, but by legislation proposed here in the United States Senate that would concentrate in the great Government at Washington, and in the executive branch of that Government, control over all the resources of this Nation; require a census of all the wealth of the country as a whole; ascertain the net wealth of the United States of America, and compel, under the threat of compulsion, of imprisonment and fine, a return by the citizens of this country of their assets and liabilities. For what? For the purpose expressed in the bill, to make forced loans—a step backward in history to the days of Charles I.

Why do we contemplate such declarations by the members of the Cabinet of the New Deal and such legislation in the Congress? Is it not because there is a feeling in this administration, which has been propagated throughout the United States of America, that democracy will not work longer; that its processes are too slow; that there are so many checks and limitations upon democracy that they must be swept aside, and swept aside not by the means prescribed by the people; namely, an amendment of the fundamental law which creates this structure of government called our Republic, but swept aside by the simple act of adopting a proposed law in Congress by a majority of both Houses of the Congress and approved by the President of the United States?

So, Mr. President, the very first demand I would make of whatever administration shall succeed the New Deal is that it assume that this Republic is still competent to govern and that whatever progress it accomplishes, economically, socially, and politically, it proceed under the safeguards and protection afforded to the people by themselves in a written Constitution, in a declaration of rights. This is more important, in my opinion, than any other one objective as we go to the polls in a new election.

Mr. President, if we are to preserve the Republic, we must also find economic recovery. The financial welfare of our people is absolutely essential to the preservation of a free form of government. Further distress, greater depression, would force us still further to concentrate in Washington and in the Chief Executive of the United States powers over production and manufacturing and mining and merchandising, lowering the standard of living, reducing the diet of every citizen of this country, in order that we could get through without starvation. So I declare that the preservation of the Republic depends upon recovery economically.

Among the things that I would want the successor of the New Deal to do and, perhaps, do first, in order to bring about such a recovery would be to solve the monetary question that confronts us, not merely as that question is affected by the metallic content of the dollar; not merely as it involves the query whether our dollar has a redeemer that liveth; but as it comprehends a fair opportunity for business and for agriculture.

I have no doubt, after years of observing, that pending the time when we can solve our monetary question, pending the time when we can make the necessary tariff adjustments agriculture should be supported and aided, and, I say frankly, subsidized, in order that by furnishing a good opportunity for agriculture and business to get together, the value in our market of agricultural products may be brought to a parity with the value of the products of our factories.

Mr. President, I think the successor to the New Deal should proceed forthwith to put our economic house in condition to meet the inevitable strains of war and post-war days. It should free hoarded gold and silver so as to permit their use and ownership as money. It should provide unified management of credit and money; and, as a specific and early act of legislation, should create a monetary commission to study our current monetary problems. If I am correctly informed, it is 27 years—nearly 28 years—since we had a monetary commission go into this important economic question. Four days ago—namely, on February 29—the Congress passed, and 2 days ago, I am informed, the President approved by his signature, the bill increasing the capital of the Export-Import Bank by $100,000,000. There probably will be a credit of $20,000,000 to Finland, and $20,000,000 to China, to be spent in the United States for nonmilitary supplies. This, in my opinion, is but a straw on the surface of stream of world movement. The United States is the only place in the world where credit adequate to run world wars is available. I am appalled at the thought, but I cannot black it out of my mind, that we are victims to the extent of at least involuntary help of all belligerents, and voluntary help of the belligerents who appear to us to be oppressed by aggressors where war has not been declared. Moreover, we are forced into an attitude of self-defense. We fear the triumph of autocracy in Europe and Asia might result in the destruction of our own free institutions.

Money management by the United States is connected with war and domestic problems.

This war is being fought with checks and hindrances of commerce, not only in the nature of blockades but also in the nature of embargoes. The movement of trade may determine a war today. Money and machinery as well as food and clothing constitute the effective weapons now in greatest use. At all times hereafter they will also be vitally important. All money of the world is anchored on the dollar. Therefore, our responsibility extends beyond our own recovery from depression—which is enough to make us perform our trust well—to establish confidence in the stability and future value of money. Our management of money will react upon the whole world.

We now have managed money. It is somewhat disorganized, but management is in operation. On one hand the Federal Reserve Board, which has been in operation 25 years, controls rediscounting, conducts open-market operations, and makes changes in reserve requirements. These are the mechanisms of money management. Make no mistake about that. The doubling of reserve requirements in 1917, for example, nipped in the bud the upward turn of business and started deflation again. We are not able to say whether that rise was or was not the beginning of a real inflation. Perhaps their decision was right. Perhaps not. But we know that management then was substituted for automatic limitation.

On another hand, the President has managerial powers:

First, to fix the metallic content of the dollar; second, to issue unsecured greenbacks, and third, to buy silver and gold.

And again, fourth, there is the use of the stabilization fund to deal in gold or securities.

I am not certain that we could, if we would, return to the monetary system of the past, which depended on automatic checks to overexpansion, such as shortage of money. I do not believe, however, that elastic credit and currency is likely to be wisely and effectively managed if left, as it is now, subject to political pressures.

The machinery for management ought to be made as nearly ideal as humanly possible. Certainly management should be harmonized, unified, and made coherent. The existing confusion caused by division of authority between

different divisions and departments of government ought to be eliminated.

No section of the country, no private interests, no political or partisan power, should control it. Independence from the Executive should be aimed at, and might be attained to a similar degree as in the office of the Comptroller General.

This is as far as I can visualize changes in the mechanism which I think would improve our management of money.

There are other complexities in the situation, however, which suggest that management itself should be limited, simplified, and improved.

We have $5,000,000,000 of excess reserves—much more than required by the doubling order of 1937. This is partly the consequence of the influx of gold from abroad. Three billion dollars of these reserve deposits accrued this year. If business should develop and call for all of this in loans put into commercial bank deposits, we could have an expansion of bank credit by fifteen to twenty billion dollars, without the exercise of the managerial powers of government. Speculation, rising costs of living, succeeded by depression, would naturally result.

But picture the possibility of further inflation and subsequent deflation inherent in the existence of these powers:

First. Further devaluation of the gold dollar;

Second. Release of the gold in the stabilization fund;

Third. Maximum legal valuation of silver, $2.58 an ounce, now worth about 43 cents, and

Fourth. Issuance of greenbacks, $3,000,000,000.

Revival of business could be a fuse leading to the gunpowder stored here.

The stock in trade of money handlers is credit. Banks are vendors of credit. Self-interest and pressure from applicants would be adequate to ignite the fuse.

To the $17,600,000,000 of gold now in our control and management, additions are coming and will continue to come for some time after the war ends. This potential purchasing or losing power—depending upon events without control—also dictates that we should straighten out the problem of management as soon as practicable.

It seems clear to me that it is not in the interest of the United States especially, nor of the world, that this monstrous property should be scaled down in value. Such action would be expensive. It would increase our public debt.

To stop buying would have that effect.

To lower the price would have that effect.

Moreover, I object to raising the price, because that changes the value of the national currency, to the great damage of every payee of contracts, every holder of an insurance policy, and every owner of a savings account, and sends a tremor of fear through the entire country. Debasement of the dollar further is something to avoid if there is any better manner of performance of our trust.

It is safer for numerous people to hoard gold than for the Government to do so. I believe the idea involved is that, though out of sight, gold in the private holdings of the people forms a ready emergency reserve for future use and reduces proportionately the menace of excess reserves. To bring this about would necessitate removal of restrictions on private possession; it would require resumption of specie payments, coining gold, and putting coins into circulation. The plan would include negotiable gold certificates, and payments for new gold with such certificates or gold coin. In international relations it would establish a free gold market. These are my views regarding repeal of the monetary powers of the President and releasing gold as I have sketched, in relation to the valuation, with reference to the dollar, which it now has.

Mr. President, there is a story which I think is true, that when Cotton Mather died Ben Franklin wrote to Cotton Mather's son and said: "You probably know that your father and I did not get along very well together, and I have owed your father a debt for a long time and regret that he passed away before I paid it. So I now write you in order to relieve my remorse. One time I was calling on your father and he took me into his printing plant, underground, through a corridor which was very low, and I bumped my head on a beam. He turned to me and said, 'Ben, stoop a little going through life; it will save you many a bump.'"

Mr. President, I have stated my views with the distinct mental reservation which I now express, namely, that I have no special knowledge of the monetary subject, but the more I have studied it the more I have discovered that experts disagree among themselves about the solution of this problem. Therefore what I have said here today, and the hope I have expressed with reference to the administration which will succeed the New Deal, is for the purpose of stimulating thought and of bringing about this immediate action, namely, the creation of a Monetary Commission which will qualify itself, if it is not already qualified, to advise the Congress of the United States what to do with respect to our monetary problem.

Mr. President, I expect that one of the first acts of Congress under the administration which will succeed the New Deal will be to assert its power and perform its duty to regulate the value of money. That is a primary power. It belongs to sovereignty. Without it sovereignty could not defend itself in war; without it sovereignty could not maintain itself in peace. It is not a subsidiary power that is subject to delegation, and when we delegated that power to the Chief Executive we delegated the power to do something the obligation to do which had been placed upon us by the people. So I declare that I should want the successor of the New Deal among its very first acts to assert its power and perform its duty to regulate and control the value of the money of this country.

Mr. President, I have consumed more time than I had intended to originally. I shall now briefly, and rather categorically, set forth several other acts which I should like to see the successor of the New Deal perform.

First, I should like to see it create such conditions—political conditions, which are within the power of the Government to create—that each State may carry its own responsibility in confidence of enjoying self-determination and autonomy.

If there is any one thing I have discovered in returning home, it is that the people of my State, and those of other States which I have visited, look with great fear upon the aggression which Washington has already made upon the governments of the individual States, such as control of public policy through the use of the spending power, actual exercise of police power, and seizure of the natural resources of the several States. Many of the States of the Union I know favor the idea of accepting Federal money and surrendering natural resources. We have witnessed that. But my State does not; and other States of which I know have great apprehension that the control of their natural resources may go out of their hands by virtue of the exercise of the spending power of the Federal Government.

Next, I would have the administration which is to succeed the New Deal assure the people that their legislative power, the people's legislative power, exercised through their representatives in the Congress of the United States, shall henceforth be exercised without coercion from the Executive Department.

Next, I would have that administration give peace of mind, if it could, to anxious people, by assuring them that the Executive authority in conducting foreign relations will not be trespassed upon by the legislative department, and assure to them the continuance of peace between the United States and its neighbors by virtue of the legislative control of the purse strings and of the sword.

Next, I would have that administration, if it could, consolidate the moral defenses of freedom by the certainty that the judicial department will not be brought under subjection, intimidation, or dependence by either the executive or the legislative department.

The sanctuary of the citizen, when pursued by his government, must be kept inviolate.

Again, Mr. President, I would affirmatively and boldly promote the capitalistic system. In examining witnesses from time to time I have found distinguished leaders of

thought not merely expressing the suspicion that the capitalistic system was a failure, but some of them expressly asserting that the capitalistic system is a failure. It is time that we put a stop to the opprobrius shame which has been plastered over the words, "the capitalistic system," and hold it up before the world as the basis upon which the United States of America became and still is the leader of all the world, economically and socially, and, I think, under present conditions, spiritually.

Let that administration encourage the payment of wages to capital as well as to labor. Let it favor daring adventure, the taking of chances, on the sound foundation of a stable government which does not bend every energy to reform and change, and which tries to substitute something new, only because it is new, for the old with which we have succeeded in the past.

Let us improve, let us make progress; but let us give to those who are the starters of business, the initiators of the production of wealth, the people whose accounts are in our savings banks and in our insurance companies and other places where they are now hoarded and withheld from investment, encouragement to believe that a contract made tomorrow will be good a hundred years from tomorrow. Let them realize that their Government is not favoring one class against another, creating prejudices and hatreds and stirring up strife and disorder between employer and employee.

If these things are done, Mr. President, we will see the vaults of the banks open and the wheels of the factories begin to turn, and we will see unemployment decrease at a rate which will be astonishing. We will not need to wait 5 long years for it, nor will we have to plunge this country $20,000,000,000 more into debt to accomplish it. We will substitute for public spending the private investment of capital, which is the great reservoir of capital and the stimulus of the production of wealth in every country on earth.

Mr. President, reverting to the subject of unemployment, I ask Senators if they do not think it is about time that we got onto a sound, fundamental basis? Does anyone think that, given recovery, given a stimulation of investment, we can have restoration and reequalization of employment if we do not have good will between employer and employee? There is nothing more important for the preservation of the Republic, through restoration of prosperity, than the reestablishment of relations between employer and employee upon a good spiritual basis. The Golden Rule is as good a rule as I know of for the solution of our unemployment problem. I believe I see signs of a trend in that direction. As I have returned to my neighbors who are engaged in business and employ labor on farms and in factories, I begin to see a disposition to recognize the social aspects of business and production. Men have really changed in their attitude in recent years. If that is a part of the stimulus of the New Deal, let us give the New Deal praise for it. I would not withhold it.

Let me say, Mr. President, that when I speak of the future and of that administration which will in all probability succeed the New Deal, I do not denounce everything the New Deal has done. There are many things about it which I praise. I would frankly subsidize agriculture, as I have already said. I think the soil-conservation program, which has in it a detail of control of waters at their sources and the reproduction of forests for the creation of great reservoirs which will check and hold back and keep the water as a supply for farm production through the valleys and the intervening land, is a technique for agriculture which should be carried on with prudence, but with hearty good will by the successor of the New Deal.

But, in passing, I ask whose idea is this matter of conservation, anyway? Let no man here credit the New Deal with the idea of conservation of natural resources. It has been the object of the United States Government for many years. Some distinguished Senators whom I am honored by having the opportunity to address today have been advocates of it for a long life in the Congress of the United States.

There is another suggestion I may make. I should hope that the successor of the New Deal would maintain, improve if possible, and broaden the benefits of social security and the assurance of a fair chance of every living being to provide against want in old age through his own thrift, made effective, made possible, by Government cooperation.

Mr. President, I am about to close. If the remarkably excellent résumé of the record of the New Deal by the distinguished leader of the majority is the valedictory of the New Deal, let the administration that succeeds it have an attitude of friendliness toward all the lawful activities of our people. Let it not frown upon, let it not compete with, let it not regulate to the point of control and management the activities of our people.

Our republican institutions were designed to give freedom of contract and freedom of action, and, under the blessings of such institutions, we have prospered. It is true that we have had recurrent depressions. We ought to have acquired sufficient information about them to know the causes and, if possible, to overcome them. In any event, I believe that we can minimize the depths and lower the heights and thus level off, perchance, the road of progress of the American people economically, but we can never accomplish such an objective if we continue the New Deal theory of picking out organized groups and holding them up before the world as paragons and as the forgotten group and giving them special advantages over other groups.

Let the administration which succeeds the New Deal be fair and just to all enterprise. Let the word go out among the 130,000,000 people in this country that they have an administration in Washington which will regulate commerce only to that minimum degree that is consistent with the maximum of fair competition and we will see a recovery in the United States of America that will not merely preserve the Republic but will put the United States in the proper position to meet the impact and the burdens that must inevitably face it as a consequence of the destruction of property, life, economy, and social relations all over the world.

We have a great trust, and I have no doubt at all of our ability to perform it. I have no fear that a republic such as ours cannot continue many hundred years in the future to progress as it has in the past, without revolutionizing and overturning and subverting the very principles on which we have acquired all that we have and made all the advance that has marked our national life.

Mr. President, I wish to conclude by referring to the constitution of that little garden 200 miles long and 75 miles wide, called the State of Vermont one article of which contains language something like this:

> A frequent recurrence to fundamental principles and a firm adherence to justice, moderation, temperance, frugality, and industry, are absolutely necessary for the preservation of liberty and to keep government free.

Mr. HILL. Mr. President, as we recall conditions in our Nation on March 4, 1933, after 12 years of Republican administration, and survey conditions in the United States today after 7 years of Democratic administration, we see that the country is infinitely better off today than it was on March 4, 1933. The majority leader, the Senator from Kentucky [Mr. BARKLEY], has admirably reviewed the achievements of this administration.

I have before me a short article from the New York Times of March 3, 1940, written by Turner Catledge, giving a description of conditions in this country 7 years ago. It is not my description, but a description published by the New York Times, entitled "A Memorable Day," which I read:

> Few people who lived in Washington will ever forget the New Deal's natal day. That day dawned a dark one in every respect. The great depression hung over the country like a darkening cloud. Banks were closing literally by the hundreds. Life savings in bank accounts and securities were being blown away like so much dust. Homes and farms were going on the auction block in ever-increasing numbers. In certain sections citizens were beginning to grow desperate. Word reached Washington that morning of hungry people raiding a food store in one community in the Southwest. In another State, only a few days before, irate citizens had forcibly stopped a foreclosure sale, and in another they had actually dragged a judge from the bench and threatened to tar and feather him for carrying out the State law in declaring the forfeit on a farmer's mortgage.

As I have said this is not my description but the description of that memorable day as told by the New York Times in its issue of yesterday.

Mr. President, speeches are now being made from the stump, in the forum, and on the air by those of the political faith which espouses the policies which brought about the economic paralysis which existed on March 4, 1933, pleading that we return to the governmental policies responsible for the desperate economic conditions with which we are familiar. I ask those who hear such speeches and words going out over the radio to stop and think, and to harken to the admonition that a plague once suffered has its own warnings.

When we recall the bread lines of hungry, desperate men, the burning of grain for fuel, business in bankruptcy, banks failing, and desolation and despair everywhere, we today should give thanks to an administration which has relieved us of those conditions and given us days of prosperity and contentment.

Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

EXTENSION OF ANTIPERNICIOUS POLITICAL ACTIVITIES ACT

Mr. HATCH and Mr. THOMAS of Oklahoma addressed the Chair.

Mr. HILL. Mr. President, I have not yielded the floor. I yield to the Senator from New Mexico.

Mr. HATCH. I will say to the Senator from Oklahoma that my only purpose in rising at this time is to ask that Senate bill 3046 be made the unfinished business. It is not my intention to speak now. I understood that the Senator from Oklahoma intended to speak at this time. I wish to take only a moment to ask that Senate bill 3046 be made the unfinished business.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. HILL. I yield first to the Senator from New Mexico [Mr. HATCH].

Mr. HATCH. Mr. President, it was understood on Thursday that Senate bill 3046 was to be made the unfinished business of the Senate. I do not think that has actually been done as yet.

The PRESIDING OFFICER. It has not been done.

Mr. HATCH. I ask unanimous consent that the Senate proceed to consider Senate bill 3046.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS of Oklahoma. Mr. President, on that question, I desire to be heard.

The PRESIDING OFFICER. The Senator from New Mexico asks unanimous consent that the Senate proceed to consider Senate bill 3046. Is there objection?

Mr. THOMAS of Oklahoma. I object.

Mr. HATCH. Mr. President, I move that the Senate proceed to consider Senate bill 3046.

The PRESIDING OFFICER. The motion is debatable. Does the Senator from Oklahoma desire to be heard?

Mr. THOMAS of Oklahoma. Mr. President, I desire to beg the pardon of the distinguished Senator from Alabama [Mr. Hill]. At the conclusion of his eloquent preoration I thought he was taking his seat, and with that understanding I addressed the Chair. I in no sense desire to take him from the floor or to embarrass him. I merely desire to preserve my right to obtain the floor at the conclusion of his remarks.

Mr. HILL. Mr. President, I thoroughly understand the Senator's position. To be perfectly frank with the Senator from Oklahoma, and with the Senate, I had concluded all the remarks I had in mind to address to the Senate.

Mr. THOMAS of Oklahoma. Mr. President, it is not within the power of any Senator to yield to another Senator when he desires to relinquish the floor. For that reason I addressed the Chair.

Let me now say to the distinguished Senator from New Mexico that I have no objection whatever to his motion, but I do desire to be heard at this time upon another matter. That is the reason why I have made my suggestion that I desire to be heard upon his motion.

Mr. HATCH. Mr. President——

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. What is the question pending before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico that the Senate proceed to consider Senate bill 3046.

Mr. THOMAS of Oklahoma. When was that motion made?

The PRESIDING OFFICER. When the Senator from New Mexico was recognized by the Chair, following the remarks of the Senator from Alabama [Mr. HILL].

Mr. THOMAS of Oklahoma. I think I addressed the Chair and was recognized when the Senator from Alabama [Mr. HILL] announced that he had not concluded. I desire to keep the RECORD straight.

The PRESIDING OFFICER. The question before the Senate is on agreeing to the motion of the Senator from New Mexico.

Mr. THOMAS of Oklahoma. Mr. President, is that motion debatable?

The PRESIDING OFFICER. That motion is debatable.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I now yield to the Senator from New Mexico.

Mr. HATCH. I merely wish to say to the Senator from Oklahoma that there is no intention on my part to take the floor from the Senator from Oklahoma, or to deprive him of his opportunity to be heard. If my motion in any way interferes with what the Senator has in mind, I am perfectly willing to withdraw it and renew my request for unanimous consent.

Mr. THOMAS of Oklahoma. I had served notice on the Presiding Officer that I desired recognition following the conclusion of the remarks made by the distinguished Senator from Alabama.

The PRESIDING OFFICER. That is a correct statement.

Mr. THOMAS of Oklahoma. I desire to keep the RECORD straight. I have no objection to the motion of the distinguished Senator from New Mexico, and at the conclusion of my remarks I shall have no objection to having his motion put.

Mr. HATCH. I have no objection to that course.

The PRESIDING OFFICER. The Senator from New Mexico first asked unanimous consent that the Senate proceed to consider Senate bill 3046, and objection was heard to that request.

The Senator from Oklahoma has the floor.

PROPOSAL FOR WORLD BANK

Mr. THOMAS of Oklahoma. Mr. President, a few days ago I had something to say relative to our present gold policy. At that time I admitted that the present rate of gold acquisition by the United States was not in the best interests of either our country or the other countries of the world.

In my remarks in the Senate on February 15, I suggested some possible remedies. One was to coin our gold and place it in circulation; another was to organize a world bank for the special purpose of securing a redistribution of our surplus gold among the solvent nations and governments of the world.

Gold is the one and only commodity which is universally recognized and accepted as basic and primary money by all central banks and governments; hence, gold is money, and the only real money in the world.

There is and can be no disagreement over the formula that the best interests of peoples, governments, and nations demand that the gold of the world be fairly distributed among the several nations and governments, to be used by them as a basis for their exchange and for the stabilization of their monetary units in the monetary system of the world.

Nations trade with each other, in the main, by an exchange of goods and services, but unless nations are to be forced upon a purely barter basis they must have or be able to secure gold to adjust balances between and among such countries as presume to trade in the markets of the world.

Mr. President, what are the facts which seem to make such statements not only appropriate but in my opinion absolutely necessary at this time?

The Board of Governors of the Federal Reserve System reported in their bulletin of date January 1940 that the known monetary gold in the world was some $27,798,000,000; and that of this amount on February 28 of this year the United States owned and had in its possession the sum of $18,166,000,000.

If the foregoing figures are approximately correct, they show that one country, the United States, possesses $18,166,000,000, while the other 52 governments together own and possess only some $9,632,000,000.

The issue of the Federal Reserve bulletin which I have mentioned likewise discloses the fact that as we increase our monetary stock of gold a corresponding decrease is being made in the holdings of most if not all of the other nations of the world.

For example, in December of 1934 France owned some $5,445,000,000 in gold, while in November of 1939 France had remaining only some $3,191,000,000, thus showing a loss of French gold holdings in the sum of $2,254,000,000.

In December of 1934 Italy was reported to have held $518,000,000 in gold, while in November of 1939 this amount had been reduced to $193,000,000.

On the same dates Japan had $394,000,000 in gold, later reduced to $164,000,000.

The report further shows that on the former date Germany had $32,000,000 in gold and on the latter date only $29,000,000.

On the former date Spain had $740,000,000 and on the latter date only $525,000,000.

For the RECORD I ask unanimous consent to have printed at this point a statement showing the gold reserves of central banks and governments as of date November 1939.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement referred to is as follows:

Gold reserves of central banks and governments, as of November 1939

	Banks	Governments
United States	$85,000,000	$17,358,000,000
United Kingdom	1,732,000,000	1,162,000,000
France	477,000,000	2,714,000,000
Belgium	17,000,000	611,000,000
Netherlands		700,000,000
Switzerland:		
National Bank		559,000,000
B. I. S.		7,000,000
Argentina		449,000,000
Brazil		36,000,000
British India		274,000,000
Bulgaria		24,000,000
Canada		213,000,000
Chile		30,000,000
China		21,000,000
Colombia		21,000,000
Czechoslovakia		57,000,000
Denmark		53,000,000
Egypt		55,000,000
Germany		29,000,000
Greece		28,000,000
Hungary		24,000,000
Italy		193,000,000
Japan		164,000,000
Java		88,000,000
Mexico		34,000,000
New Zealand		23,000,000
Norway		103,000,000
Peru		20,000,000
Poland		84,000,000
Portugal		69,000,000
Rumaina		150,000,000
South Africa		234,000,000
Spain		525,000,000
Sweden		333,000,000
Turkey		29,000,000
Uruguay		68,000,000
Yugoslavia		59,000,000
16 other countries		131,000,000
	2,311,000,000	25,487,000,000
		2,311,000,000
Total		27,798,000,000

Mr. THOMAS of Oklahoma. Mr. President, the report submitted by the Federal Reserve System shows that during the past 12 months we have received a total of $3,278,000,000 in gold, and, of course, this gold came from the other nations of the earth, save perhaps the comparatively small amount which was mined in the United States and in our possessions.

This shows that during the past year we have been receiving gold at the rate of approximately $280,000,000 a month, or some $70,000,000 a week.

During the week ending February 28, our receipts were $58,000,000.

During the week ending February 21, our receipts were $45,000,000.

The same Federal Reserve report shows that the production of gold throughout the world, outside of Russia, is as follows:

1929	$352,000,000
1930	365,000,000
1931	386,000,000
1932	413,000,000
1933	411,000,000

The foregoing figures are based upon the former gold dollar containing a weight of 25.8 grains of gold, nine-tenths fine.

In 1933 the United States authorized the devaluation of the gold dollar, and in 1934 the weight of such dollar was reduced from its former gold content to 15 5/21 grains of gold, nine-tenths fine; hence, on the basis of the devalued dollar, the world production in:

1934	$707,000,000
1935	751,000,000
1936	833,000,000
1937	892,000,000
1938	957,000,000
1939 (estimated)	1,000,000,000

From the foregoing figures it is seen that world gold production is increasing at an approximate rate of some 3½ percent per annum.

With the increase of population, the increase of taxes, and the increase of debt, it is estimated that it is necessary to have gold produced at the rate of approximately 3 percent per annum in order to take care of the added demands for gold.

If the figures herein given are approximately correct—namely, a total world supply of monetary gold at this time in the sum of $28,000,000,000; second, gold produced annually in the sum of $1,000,000,000; and, third, the amount coming to the United States in the sum of $3,290,000,000 annually, then within approximately 3 years all the monetary gold in the world will have been sent to and will be in the custody of the Treasury of the United States. If this should happen, the other nations would be without gold and would be unable to secure gold with which either to measure property values or to be used in the adjustment of international balances.

Further, if this should happen, the following results would be obvious:

First, that the demand for gold among the other nations would be so great that what little gold could be secured would be so valuable in terms of property that prices of such property in such countries as measured in gold would be reduced to unthinkable and impossible prices.

Second, if nations could not get gold with which to support their exchange, then such nations would be forced either to adopt some other commodity as the basis of their exchange, or would be forced to a complete barter basis.

When the effects of the present trend are considered it should be obvious to those in responsible positions that something not only should but must be done to avert a calamity if not chaos among the trading nations of the world.

The coining of our gold and placing it in circulation either in the payment of governmental expenses or the retiring of governmental obligations will, in my opinion, be too slow to afford the relief that must be provided. A plan must be devised and placed in force to provide procedure for the other nations of the world to secure on fair and equitable conditions the necessary gold to support their necessary exchange in order to enable such nations to continue on a trading world-wide basis.

BILL PROPOSING WORLD BANK

In order to bring this question before the Congress and to suggest a possible plan, I have prepared and now ask permission to introduce a bill entitled "A bill to provide for the expansion of the foreign trade of the United States and the stabilization of currencies through the redistribution of gold, and for other purposes."

The PRESIDING OFFICER. Without objection, the bill introduced by the Senator from Oklahoma will be received and appropriately referred.

The bill (S. 3510) to provide for the expansion of the foreign trade of the United States and the stabilization of currencies through the redistribution of gold, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

Mr. THOMAS of Oklahoma. In brief, the bill just introduced by me proposes to expand the power and functions of the existing Export-Import Bank of Washington to the end that such bank may either sell or loan any portion of our surplus gold to approved central banks and governments of the other several nations of the earth.

The expanded bank would in effect be a world bank under the direct management of the Federal Loan Administrator and the functions of the bank would be under the supervision of a board to consist of the President, the Secretary of State, the Secretary of the Treasury, and the Chairman of the Board of Governors of the Federal Reserve System.

The bill further provides that the proceeds from the sale of any of our surplus gold shall be deposited in the general fund of the Treasury. Also, all profits from the loan of gold shall likewise be covered into the general fund of the Treasury.

WORLD MONETARY UNIT

To the end that gold would not lose its place, importance, and value as a monetary metal, and, further, in order that the world may have a single monetary unit, the bill provides for the coinage of a portion of our surplus gold into gold coins containing 1 ounce of pure gold, which means that said coin would contain 480 grains of pure gold, troy weight, and 533 7/21 grains of gold, nine-tenths fine.

Before the recent gold dollar devaluation, gold was valued at $20.67 per fine ounce. At that time we had in circulation $20 gold coins, which meant that a $20 gold coin contained approximately 1 ounce of pure gold.

If the suggested plan for gold coins should be adopted, then a coin containing a full ounce of pure gold would be only a small fraction larger than the former $20 gold piece, but under the present valuation such gold coin would be valued at $35.

It is obvious to all that the value of gold in terms of dollars is arrived at through the amount of gold contained in the dollar.

The present statutory gold dollar contains 15 5/21 grains of gold nine-tenths fine, which means that such dollar contains approximately 13¾ grains of pure gold.

It was obviously the intent of the President to fix the content of the new gold dollar at such a weight as would serve the best interests of all our people and all our interests.

By dividing the weight of an ounce of pure gold by the number of grains of pure gold in the dollar, we find that the quotient is 35, hence a gold ounce is worth $35.

From the beginning of our Government until 1873 we used both gold and silver as either the money of account or as the basis for the issuance of the money of account.

From 1873 until 1900 the question of whether or not we would continue to use both gold and silver or go to the single gold standard was uppermost in the public mind.

In 1900 the Congress provided that we should go to the single gold standard, and since that time the United States has used only gold as basic and primary money.

If the other nations cannot retain what gold they have and cannot thereafter secure additional gold, then such nations will be forced to adopt some other commodity as a basis for at least their exchange.

If this should happen the gold which we will have assembled might not be in great demand and in that event our Government would stand to lose a vast amount of value.

If the thing suggested should happen, we would find the present 2,000,000,000 peoples of the earth in about as primitive a condition with regard to money as were their forefathers thousands of years ago.

Under present world conditions there is only one nation that has the opportunity of even making suggestions for a solution of this problem, and that nation is our own United States.

EFFORT TO SOLVE PROBLEM

Mr. President, upon what official or department of government rests the responsibility for solving or trying to solve this all-important problem?

What official or department of Government has either made suggestions or submitted a possible solution or remedy for the present rapidly developing monetary chaos if not a national and world-wide calamity?

The answer is none; neither official nor department.

Ten years ago when the great depression fell upon us and the other nations untied their monetary units from gold and thereby devalued their money in terms of gold, what did the managers of our money do? The answer is nothing, and thereby, calamity came to the Government; the banks, the people, and, incidentally, to one of the great political parties of the United States.

Mr. President, shall history repeat itself in the year 1940?

The facts about present conditions and present trends are or should be known best by our money managers, and these money managers are the Department of the Treasury and the Board of Governors of the Federal Reserve System.

Have we any recommendations or suggestions from either of these departments? Insofar as my knowledge goes, the answer is—no.

In this matter history is repeating itself. Ten years ago when we were drifting toward economic bankruptcy what suggestion for relief came to the Congress from the said departments or from any source? The only suggestion that came from any source outside of the Congress was stand pat. We stood pat and the calamity came.

Mr. President, we, the Congress, cannot step aside, we cannot put aside, we cannot escape the responsibility that rests upon us with regard to our monetary and financial system.

The Congress is responsible for the single gold standard and monetary system we now have. We know that the monetary systems of the world are likewise based upon the single gold standard. We know that there is only some $28,000,000,000 of monetary gold in all the world. We know that, of this gold, we now have some $18,200,000,000. We know that gold is coming to us at the rate of over two hundred millions per month, and that at such rate all the monetary gold in the world will have been sent here in the next 3 or 4 years.

Again I ask—should this happen what would be the conditions facing not only our country but the other countries of the earth?

Mr. President, the bill I have just introduced has for its objective, the formation of a program for meeting the issue I have sought to define. I am not seeking to stop the gold from coming to America, but after such gold or money arrives here, I am suggesting a plan for its use and redistribution.

To work out the details I am calling upon what should be the best financial brains in our country.

I suggest the creation of what may be called a world bank. This will be an expansion of the existing Export-Import Bank, and shall have for its additional objectives:

First. The redistribution of our surplus gold.

Second. The stabilization of currencies.

Third. The expansion of world trade.

Fourth. The introduction and establishment of the gold ounce as a world monetary unit.

Fifth. The use of our financial and economic power as an influence for permanent peace among the nations of the earth.

Mr. President, under the Constitution, which all patriotic Americans profess to support and uphold, we find that the Congress is the policy-making branch of our Government. The Congress, being the policy-making branch, has the exclusive power and jurisdiction to coin money and to regulate the value thereof. The bill which I have introduced has for its purpose the carrying out of the powers conferred upon the Congress by the Constitution.

As a part of my remarks, I ask unanimous consent that a copy of the bill as introduced be printed at this point in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 3510) is as follows:

A bill to provide for the expansion of the foreign trade of the United States and the stabilization of currencies through the redistribution of gold, and for other purposes

Be it enacted, etc., That for the purpose of aiding in financing and facilitating exports and imports and the exchange of commodities between the United States and any of its Territories and insular possessions and any foreign country or the agencies or nationals thereof, and for the purposes of assisting in the stabilization of the value of the dollar and other currencies, promoting the cooperation of central banks, and providing additional facilities for international financial objectives, the Export-Import Bank of Washington is authorized and empowered, in addition to its existing charter and statutory powers, to exercise the functions hereinafter provided by this act. Such functions shall be exercised under the direction and supervision of a board of management (thereinafter referred to as the "Board") consisting of the President, the Secretary of State, the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Federal Loan Administrator who shall be the executive manager for the said Board in carrying out the special functions of the said Export-Import Bank as herein provided. The said Board is authorized to make such rules and regulations as may be necessary for carrying out its functions and those of the Export-Import Bank of Washington under this act. The members of the Board shall receive no additional compensation for their services as such members.

SEC. 2. (a) With the approval of the Board, and subject to such terms, conditions, and limitations not inconsistent with the provisions of this act as the Board may prescribe and notwithstanding any existing provisions of law, the Export-Import Bank of Washington is authorized and empowered, on behalf of the United States—

(1) to sell any unobligated or unencumbered gold coin or bullion belonging to the United States;

(2) to make loans of any such gold coin or bullion to the central banks of foreign countries upon such security as the Board may approve as satisfactory;

(3) to accept the custody of gold for the account of such central banks;

(4) to make advances to such central banks against gold, bills of exchange, other short-term obligations of prime liquidity, as determined by the Board, or other securities approved by the Board;

(5) to open and maintain current or deposit accounts with such central banks;

(6) to accept deposits from such central banks on current or deposit accounts;

(7) to accept deposits in connection with agreements entered into between the Export-Import Bank of Washington and such central banks for the purpose of carrying out international agreements or settlements to which the United States is a party; and

(8) to accept such other deposits as, in the opinion of the Board, will aid in accomplishing the purposes of this act.

No loan of gold shall be made under this section except to a central bank which is approved by the Board, and no such loan shall be made to any such central bank unless such bank, or the foreign government which it represents, enters into an agreement satisfactory to the Board to fix a definite gold content for the monetary unit used by such bank or government, and to maintain such monetary unit in terms of gold as a basis for all exchange transactions entered into by such bank or government.

(b) The functions of the Export-Import Bank of Washington under this act shall, so far as practicable, be exercised through its existing facilities, but the Board is authorized to provide for such additional facilities and personnel as in its opinion may be necessary to carry out such functions. The Board is authorized to employ and fix the compensation of any such additional personnel without regard to the provisions of other laws relating to the employment and compensation of officers and employees of the United States. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such additional facilities and personnel.

(c) All the proceeds derived from the sale of any gold by the Export-Import Bank, and all profits derived by it from gold loans or from any of its other activities under this act, during any fiscal year, shall be covered into the Treasury as miscellaneous receipts prior to the end of such fiscal year.

(d) The Board shall make an annual report to the Congress at the beginning of each regular session with respect to the operations of the Export-Import Bank of Washington and the activities of the Board under this act.

SEC. 3. In order to further accomplish the purposes of this act, the Secretary of the Treasury is authorized and, with the approval of the Board, is directed to provide for the coinage of gold coins, in an aggregate amount not to exceed $2,000,000,000, out of any unobligated and unencumbered gold belonging to the United States: *Provided,* That the gold now set aside and held in the stabilization fund may be coined as herein provided. Such coins shall be of such design as the Secretary shall appprove, and each such coin shall contain 1 ounce of pure gold, or 480 grains Troy weight, and 533 7/21 grains of gold nine-tenths fine, and shall state the weight and fineness of the gold contained therein and the value thereof in dollars and shall be legal tender for all debts, public and private.

SEC. 4. In the operation of the bank as provided herein, should the Board decide that the best interests of the United States demands the sale or loan of more gold than is unobligated at the time, then such Board is authorized to secure the release of gold in the possession of the Treasury by reimbursing the Federal Reserve System or any bank in such System and thereby securing the return to the Treasury of gold certificates heretofore issued against such gold and the Treasury is hereby authorized to make payment to any such Federal Reserve bank out of any funds not otherwise appropriated.

SEC. 5. All acts or parts of acts which are inconsistent with any of the provisions of this act are hereby repealed; and all proclamations, orders, rules, regulations, and other action promulgated, made, issued, or taken by the President or the Secretary of the Treasury with respect to gold shall cease to be effective on and after the date of enactment of this act to the extent that such proclamations, orders, rules, regulations, and other action are inconsistent with any of the provisions of this act.

SEC. 6. The short title of this act shall be the "Surplus Gold Act of 1940."

PROPOSED ACQUISITION OF BRITISH CARIBBEAN ISLANDS AND BRITISH HONDURAS

Mr. REYNOLDS. Mr. President, at this time I ask unanimous consent to introduce a joint resolution similar to one which this afternoon will be introduced in the House of Representatives by Hon. JENNINGS RANDOLPH, a Representative from the State of West Virginia.

The PRESIDING OFFICER. Without objection, the joint resolution will be received. The clerk will state the title of the joint resolution.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 221) for the acquisition of British islands in the Caribbean and British Honduras.

Mr. REYNOLDS. Mr. President, the joint resolution requests and empowers the President of the United States to enter into negotiations with Great Britain for the acquisition of certain possessions of Great Britain in the Caribbean and in Central America; and if, after those negotiations, an agreement can be reached by which the United States shall acquire those islands, or certain of those islands, for defense purposes, the amount agreed upon will be credited to the indebtedness of Great Britain to the United States.

At the present time Great Britain is indebted to the United States in the total sum of $5,574,430,793.82. These figures I secured on Saturday from the State Department. At the time of my inquiry the State Department advised me that the first absolute default of the British Government in its indebtedness to the United States was on June 15, 1934, while the last token payment made by the British Government to the United States was on December 15, 1933, in the sum of $7,500,000, which amount was applied to interest accumulated and past due. The present status of that debt is, principal, $4,368,000,000; interest, $1,206,430,793.82; making a total, as heretofore stated, of $5,574,430,793.82.

The principal bears interest at the rate of 3½ percent, and is due semiannually; none having been paid since June 15, 1934. In the case of the payment of $7,500,000 at that time, the British Government did not designate where it was to be applied, but I am informed by the State Department that it was applied to the interest on the principal debt.

Mr. President, but recently we have heard a great deal in reference to the protection of the locks of the Panama Canal, particularly by the President of the United States since he was fishing in waters adjacent to that point; and recently we have read a great many editorials on the subject in the newspapers of the country, and quite a good deal of mention has been made of it upon the floor of the Senate and likewise upon the floor of the House. I am thoroughly of the opinion that we should provide ourselves with an adequate, actual national defense for defense purposes only; and in making

provision for adequate national defense we of course should of necessity prepare to protect the locks of the Panama Canal in order that our shipping may not be interfered with, and our fleet passing from Pacific waters to Atlantic waters. I may add at this time that once before I remarked, in making comparisons between the use of battleships and the use of battle planes, that it takes a battleship 11 days to proceed from San Francisco southward through the locks and northward in the Atlantic to New York City, whereas one of our big bombers can negotiate the distance across the continent between San Francisco and New York in 11 hours; but we are particularly interested in protecting the locks of the Panama Canal.

With that in view, we are at the present time expending a number of millions of dollars in increasing our fortifications in the immediate vicinity of San Juan, in Puerto Rico, concerning which the very able Senator from Oklahoma spoke some weeks ago after having made a visit there as a member of the Committee on Military Affairs. I think that is money well spent; and if we will fashion in our minds the location of the island of Puerto Rico, we will recall that it is approximately half-way between Cuba and the island of Trinidad, which is a British possession; and if we will further fashion in our minds the location of Puerto Rico we will envision it directly east of the Panama Canal itself.

In view of the fact that that is really virtually our only fortification for the protection of the locks from the Atlantic, and in view of the fact that we are the possessors of the Virgin Islands, a distance of about 60 miles from Puerto Rico—that is to say St. Thomas, the capital of the Virgin Islands, is about 60 miles from San Juan, the capital of Puerto Rico—and in view of the fact that we are maintaining friendly relations with the Dominican Republic and with the Republic of Haiti and with the Republic of Cuba I am of the opinion that we should, if we possibly can in a friendly way, acquire those islands in the arc extending from Florida to Port-of-Spain, which is the capital of Trinidad.

We have endeavored to do everything we possibly can to aid the Allies who are possessed of democratic forms of government. We have lifted the arms embargo, and we have permitted them to seize our ships in neutral waters and take them into belligerent ports. We have permitted them at sword's point and with arms at their side to confiscate, at least temporarily, our mails at Bermuda, and to hold up our ships, without a single serious protest having been issued by our State Department; all with a view of aiding, if possible, without ourselves becoming involved, the Allies in their death struggle with the totalitarian States, since we are violently opposed to totalitarianism in every form.

I think we should endeavor to help our English brothers and cousins. This is an hour when they are desperately struggling for their lives, and we can really do an act of charity at the present time by saying to them, "We want to help you. We know that you are overburdened with debts. We know that all the gold you have saved up, and all the gold you have, you are going to use for the purpose of buying implements of death at our armories here in the United States. In addition to all the troubles of the world that you have upon your shoulders, you have the debts, exceeding $5,000,000,000, that are owing and due and have remained unpaid to the United States of America for many years past."

We can help England and France at this time by saying, "We are going to lift some of these responsibilities off your shoulders; we are going to aid you by giving you an opportunity to pay your debt to us, at least a part of it, by turning over to us some property which you own in the Western Hemisphere, in the waters of the Atlantic." I suppose it could be properly so described.

I have in mind especially Bimini. Bimini is a British possession, only 50 miles from the coast of Florida. Ninety-five percent of all the tourists who go to Bimini come from the United States. Next, there is the island of Nassau, which is only about 150 miles from the coast of Florida. Then, just south of Cuba we find Jamaica, and the major part of the tourists to that island come from the United States, and, consequently, like Bimini and Nassau, Jamaica derives the greater portion of its revenue from that source.

Further southward, beyond the Virgin Islands, we find a group of islands, the Windward Islands and the Leeward Islands, which belong to Great Britain. They extend in a curve to the Port-of-Spain and the island of Trinidad, which is just a stone's throw off the coast of Venezuela in northeastern South America.

If we were possessed of those islands, extending from Florida, in that circle, to the Port-of-Spain, we then would be in an admirable position to lend strength to the fortifications which we are building at Puerto Rico; and if we should have those islands, I am confident we would entertain no fear of any attack by plane or ship or submarine from the waters of the Atlantic. But without the possession of those islands, in addition to Puerto Rico and the Virgin Islands, and considering the friendly relations of the Dominican Republic and Haiti, there is always danger of attack by submarines or battleships or cruisers or airplanes. For that reason I think we should endeavor to make a deal, if we possibly can, by which we could acquire these islands.

Furthermore, Mr. President, I have embodied in my joint resolution British Honduras. We would not strengthen ourselves materially by acquiring the islands to which I have referred unless we at the same time acquired British Honduras, which is in Central America, adjoining the Republics of Guatemala and Nicaragua.

The area of British Honduras, according to my recollection, is about 8,000 square miles, whereas the total number of square miles in all the islands belonging to the British, including Bermuda, Jamaica, and the Windward Islands and the Leeward Islands, is about 12,000. So a total of about 20,000 square miles is involved. I hope that the Committee on Foreign Relations, to which the joint resolution no doubt will be referred, will give consideration to this matter.

I am sure that Great Britain would be glad to consult with us in regard to such a transaction, because unquestionably they recognize their debt as an honest debt, the principal of which has been considerable for a number of years, and the interest on which has been piling up from year to year. Certainly for 25 years to come they will not be able to pay anything upon the interest, much less the principal, because when the present war is over, England, like all the other countries of Europe, will be so poverty-stricken that she will not be able to pay anything. This is the time when we desire to strengthen the defenses of the Canal from the East, and I think we should endeavor to make some arrangement of a satisfactory nature.

In particular reference to Bermuda, as Senators know, Bermuda is in the Atlantic Ocean exactly 530 miles directly East from Kitty Hawk, N. C. Bermuda is now being used as one of the stopping points of the trans-Atlantic planes flying to Lisbon, Portugal, and, as I stated a moment ago, we have experienced some difficulty due to the seizure and censoring of our mail. I may add, in that connection, that, as most of my colleagues know, we have no outposts in the North Atlantic, and by acquiring Bermuda we would have an outpost there which would be of considerable value to us from a defense standpoint.

It might be well for me to mention the fact that 95 percent of all the revenue derived by Bermuda comes out of the port of New York, and equally, 95 percent of all the tourists who visit the island of Bermuda come from the United States. Bermuda, Jamaica, Bimini, and Nassau represent a considerable number of American tourist dollars from year to year, and I do not believe that we would make a bad bargain if we could acquire these possessions at a reasonable figure.

I may add that later this week or early next week I propose to introduce another joint resolution, which will empower and request the President of the United States to enter

into negotiations with the Republic of France in reference to the acquisition of the islands in the Caribbean, which lie between the Virgin Islands and the Port-of-Spain, not far from the British island possessions in that section of the Caribbean.

In addition I shall include two islands which lie in immediate proximity to Newfoundland. They could be very well used by our airplanes in trans-Atlantic flights when using the northern route.

Mr. President, I should like to have included as a part of my remarks a portion of a letter which I received this morning from a gentleman in New York. I will not give his name, in view of the fact that he did not authorize me to use it publicly. He says:

I was very pleased to see your demand that Bermuda be ceded by the British Empire as part payment of their long-overdue war debt. I believe that the issue of return or surrender by European nations of all their holdings in the western world would be a very popular one with the American people, though it would be bitterly fought by British and French propagandists and their followers here. But surely our neutrality zone is a mockery when we patrol the 300-mile limit to seek German ships, while the war vessels of other belligerents destroy commerce (as they did the other day in the Dutch West Indies) with impunity, ignoring the zone and making use of their bases within.

I should like to have embodied in the RECORD as part of my remarks a press release by the Columbia Press Service, Bond Building, Washington, D. C., without date, in reference to the interest in this matter as evidenced by Representative Sweeney, of Ohio; by Gen. Smedley Butler; by Hon. Smith W. Brookhart, former United States Senator; and a number of others.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C.—Congressman MARTIN L. SWEENEY of Cleveland, Ohio, a Member of the House of Representatives for over 9 years, today announced his acceptance of the post of vice chairman of the "Make Europe Pay War Debts Committee" for the State of Ohio.

In accepting, Congressman SWEENEY voiced his emphatic approval of the committee's aims and of the proposal calling for immediate settlement of European war debts by cession of the British and French West Indies to the United States and the attachment of the deposits of Germany, Italy, and other countries in American banks.

The Ohio Congressman will cooperate energetically, he declared, with Senator ERNEST LUNDEEN of Minnesota, national chairman of the committee, and with such other outstanding leaders as Gen. Smedley D. Butler, vice chairman for Pennsylvania, and former Senator Smith W. Brookhart, vice chairman for Iowa. The list of vice chairmen includes a number of distinguished citizens.

"I am glad to assist in this great work," the Senator asserted, "and I consider the war-debts proposal a very reasonable one. It is high time that the American people, burdened by taxes, poverty, and international disturbances, collect some of the money due them—in real estate where it cannot be collected in cash."

Congressman SWEENEY, as vice chairman for Ohio, plans intensive activity in behalf of the "Make Europe Pay War Debts" movement, and it is likely that he will deliver various addresses as well as radio broadcasts. One such Nation-wide broadcast on the war-debt issue has already been given by Senator LUNDEEN over the National Broadcasting Co. hookup.

"The collection of these war debts or at least a substantial share of them," Congressman SWEENEY commented today, "is highly important both because of the plain undeniable justice of getting back American money or its equivalent, and because the agitation of the topic will be likely to make the American people so sick, tired, and disgusted with foreign wars that no amount of treacherous propaganda will ever draw us into another conflict on alien soil."

Keen gratification was expressed over Congressman SWEENEY's acceptance of the Ohio vice chairmanship of this important national committee by both Senator LUNDEEN and the headquarters of the committee.

"We consider Congressman SWEENEY a most valuable addition to our forces," it was stated, "and we have long had a high respect for his fearless statesmanship and his unwavering stand for genuine American principles. It is upon such men as Mr. SWEENEY that our Nation must depend for its protection against the schemes and stratagems of foreign agents and manipulators."

Mr. REYNOLDS. Mr. President, I should also like to have included in the RECORD a press release by the Columbia Press Service, without date, relative to the matter I have been discussing, in which is described the activities of the Make Europe Pay War Debts Committee.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Formation of the Make Europe Pay War Debts Committee with United States Senator ERNEST LUNDEEN, of Minnesota, as national chairman, and headquarters in Washington, D. C., was announced today. The list of vice chairmen will include Congressmen, editors, clergymen, educators, scientists, economists, and political leaders.

Senator LUNDEEN, long an advocate of separation of the Americas from involvement in European wars and military intrigues, caused a sensation in Congress when he demanded that the West Indies be seized and applied as payment on account of the European war debts to the United States. The Senator is one of the three remaining Members of Congress who, over 20 years ago, voted against American participation in the first World War. He contends that the entrance of the United States into that conflict was a tragic mistake and that equally strong reasons exist today for keeping out of transoceanic brawls.

The proposal for transfer of the West Indian islands to the ownership of the United States in liquidation of war obligations was favorably received by the American people, as evidenced by the Nation-wide survey made by the American Institute of Public Opinion. The institute's survey showed that 66 percent of those replying to the questionnaire would like to see the war debts exchanged for the islands, while 34 percent were opposed.

Citizens who took part in the institute's straw vote on Senator LUNDEEN's proposal commented that "America will never be paid in any other way," and that the transfer of ownership of various islands in the West Indies and other regions adjacent to the mainland of North and South America would be a practical way of furnishing partial compensation to the United States for the huge sums loaned to European governments in the first World War.

"Every country in Europe, with a few exceptions, owes money to the United States," declared Senator LUNDEEN. "While Great Britain and France are the principal creditors, Germany, Italy, and Russia have their obligations, too. It is not a one-sided proposition. The proposal which I made to Congress is strictly an American demand for a settlement of debts due America from governments on both sides of the present European wrangle. This suggestion has no bearing on the war itself and involves no preference one way or the other."

The Make Europe Pay War Debts Committee, which has headquarters in suite 425–426 of the Bond Building, Washington, D. C., will conduct a series of meetings in principal cities of the United States in an effort to organize sentiment in favor of a demand from the American Government for cash liquidation of war debts or cession of island possessions in the Caribbean Sea and off the coasts of the two American continents as payment on account. Senator LUNDEEN will speak in many of these meetings.

The treasurer and the secretary are Washington newspaper correspondents—Prescott Dennett, executive editor of the Columbia Press Service, being treasurer, and Linn A. E. Gale, free-lance writer and liberal, being secretary. S. Robert Kunkis, with offices in the Paramount Building, New York City, is the committee's attorney.

Four desirable objectives would be attained if European-owned land were ceded to the United States in partial liquidation of the 20-year-old war debts, according to Senator LUNDEEN. They are:

1. Payment of the long-pending obligations which the United States has so far failed to collect.

2. Instilling into the minds of the American people a profound hatred of war, not only because of its cruelties and barbarities, but also because it has left them weighted down with a fearful load of debts and taxes. The demand for payment of European war debts is bound to remind the people of the fact that the United States was "stung" on such an enormous scale in the first World War and would undoubtedly be "stung" still worse if it should be foolish enough to get into another world conflict.

3. Union of the nations of North, Central, and South America in a closer bond of friendship, as the result of the elimination of foreign control from countries south of us and islands in the Caribbean Sea and vicinity, as well as islands off the coasts of the two continents, such as the Falkland Islands near the Argentine coast.

4. The flags of the Americas would fly over all the land from the northern extremity of North America to the southern extremity of South America. America would be insulated against the bloody and devastating conflicts which deluge Europe in gore.

Foreign governments owning no territory in the Western Hemisphere or unwilling to cede their possessions to the United States in adjusting overdue wartime debts could cut down their indebtedness by surrender of bank deposits in this country. Many of these countries have large sums on deposit in American banks. If this money were transferred to the American Treasury, it would materially diminish the totals of the bills due to the United States.

Bermuda, Jamaica, Trinidad, Guadeloupe, Barbados, and hundreds of islands and islets in the Bahamas and other groups would become American territory if Great Britain should turn them over in trying to square up its debt of over two decades ago.

France and other European countries own various islands in or near the Caribbean Sea or a short distance from the coasts of the two American continents.

Senator LUNDEEN points out that European nations still owe the United States approximately $14,500,000,000. Of this sum, Great Britain owes in round figures $5,500,000,000; France, $4,180,000,000; Germany, $1,260,000,000; Belgium, $453,000,000; Czechoslovakia (now possessed by Germany), $166,000,000; Austria (also now a part of Germany), $26,000,000; Poland (now possessed by Germany and Russia), $263,000,000; Italy, $2,000,000,000; Russia, $395,000,000; Hungary, $2,400,000; Greece, $34,000,000; and Finland, $8,230,000. The only country in Europe to meet its obligations to the United

States promptly is Finland, whose wartime debt was discounted 50 percent by the American Government. Hungary, it was said, has been paying $18,000 annually, and Greece turned over $13,000 to the United States Treasury on its obligation of $34,000,000.

The next payments on the international debts due to the United States come due December 15 and the State Department will send out to the various European governments the customary formal notices. It is expected that these notices will be ignored as usual, except by Finland, and perhaps the Governments of Greece and Hungary.

Among the Congressmen who have indicated their approval of the aims of the committee in seeking to adjust the war debts from Old World governments are Representatives SCHAFER of Wisconsin; LUDLOW, of Indiana; and MURDOCK of Arizona.

Congressman SCHAFER of Wisconsin declared: "In view of our national debt, which has now passed $41,000,000,000, in addition to many more billions of obligations which Uncle Sam has guaranteed, it is about time that we move to collect the billions of dollars which foreign governments owe us instead of continuing to play Santa Claus to them in a big way."

Dr. John B. Patterson, professor of inter-American affairs at American University and director of its school of public affairs, endorsing the war-debts collection movement, remarked: "Much attention is given the matter of the expropriation of oil properties in Mexico, but little is said about the enormously larger war debts of countries in Europe which have been overdue for a score of years. It is on the latter that we should concentrate, and it is a shame that, with so widespread poverty in this country, the American Government has never made more than casual attempts to collect the huge sums which would do so much toward reducing destitution and restoring prosperity. The United States has not the slightest aspiration to own one inch of European soil, and it is only logical that the entire Western Hemisphere should be owned and controlled by the Americas."

A schedule of mass meetings to be held under the auspices of the Make Europe Pay War Debts Committee in Washington, New York, Baltimore, Philadelphia, and other important cities will be available soon, committee officials said.

Nation-wide approval of the proposal of Senator LUNDEEN is evidenced by correspondence from all parts of the country, committee officials stated.

Mr. REYNOLDS. Mr. President, insofar as the revenues from these various possessions in the Western Hemisphere of Great Britain are concerned, I requested from the Department of Commerce some statistics on production, foreign trade, and public finance for 1933, 1934, 1935, and for the information of the readers of the RECORD I should like to have this information embodied in the RECORD as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[The Library of Congress Legislative Reference Service]

Statistics of production, foreign trade, and public finance for British possessions in the Western Hemisphere, 1933, 1934, and 1935

Country, etc.	1933	1934	1935
Bermuda:			
Production: potatoes, tons	2,000	2,000	2,000
Foreign trade:			
Exports, total, £	63,000	51,000	55,000
Potatoes, £	24,636	14,739	13,602
Onions, £	4,482	3,157	1,716
Other vegetables, £	23,191	19,928	27,151
Lily bulbs, £	4,910	5,568	7,545
Imports, total, £	1,397,000	1,339,000	1,420,000
Public finance:			
Gross revenue, £	419,000	363,000	385,000
Gross expenditure, £	415,000	378,000	371,000
British Guiana:			
Production:			
Rice, tons	64,000	55,000	85,000
Sugar, hundredweight	2,839,000	2,644,000	3,560,000
Bauxite, tons	41,300	64,900	137,600
Diamonds, metric carats	49,900	46,000	47,800
Gold ore (in terms of metal) fine ounces	23,000	25,000	30,000
Foreign trade:			
Exports, total, £	1,886,000	1,709,000	2,040,000
Sugar, unrefined, £	1,197,000	1,160,000	1,443,000
Rice, £	221,000	121,000	98,000
Diamonds, £	115,000	101,000	103,000
Rum, £	80,000	102,000	89,000
Imports, total, £	1,801,000	1,748,000	1,832,000
Public finance:			
Gross revenue, £	1,069,000	1,147,000	1,089,000
Gross expenditure, £	1,050,000	1,081,000	1,128,000
British Honduras:			
Foreign trade:			
Exports, total, £	101,000	174,000	186,000
Gum, chicle:			
Domestic produce, £	48,954	39,598	34,975
Reexports	33,000	47,000	29,000
Mahogany logs and lumber, £	15,496	81,291	86,402
Bananas, £	11,245	18,595	25,055
Coconuts, £	7,545	12,868	19,303
Imports, total, £	393,000	379,000	535,000

Statistics of production, foreign trade, and public finance for British possessions in the Western Hemisphere, 1933, 1934, and 1935—Continued

Country, etc.	1933	1934	1935
British Honduras—Continued.			
Public finance:			
Gross revenue, £	217,000	129,000	279,000
Gross expenditure, £	197,000	168,000	278,000
Canada:			
Production:			
Wheat, bushels	281,900,000	275,800,000	277,300,000
Hay and clover [1], tons	11,443,000	11,174,000	14,060,000
Meat, tons	692,000	745,000	717,000
Dairy [2] (expressed in pounds of milk)	16,048,724,900	16,329,285,400	16,356,661,300
Wood pulp, tons	2,660,300	3,246,700	3,453,900
Gold ore (in terms of metal) fine ounces	2,949,000	2,972,000	3,285,000
Coal, tons	10,600,000	12,300,000	12,400,000
Petroleum, crude, tons	145,000	179,000	183,000
Foreign trade:			
Exports, total, £	118,678,000	132,698,000	152,127,000
Wheat, £	24,563,000	26,825,000	29,969,000
Paper, newsprint, £	15,121,000	16,552,000	18,307,000
Wood and timber, £	7,885,000	8,969,000	10,498,000
Wood pulp, £	5,183,000	5,240,000	5,669,000
Wheat flour, £	4,073,000	3,724,000	3,910,000
Whisky, £	3,309,000	2,715,000	3,286,000
Furs, £	2,897,000	3,017,000	3,175,000
Fish:			
Dried, canned, etc., £	2,499,000	2,685,000	2,755,000
Fresh or frozen, £	1,597,000	1,692,000	2,014,000
Motorcars, £	2,365,000	3,887,000	4,818,000
Imports, total, £	88,975,000	106,645,000	114,615,000
Public finance:			
Gross revenue, £	66,500,000	73,700,000	76,400,000
Gross expenditure, £	71,200,000	72,800,000	76,800,000
National wealth [3], dollars	25,768,236,000	----------	----------
National income [4], dollars	3,193,000,000	3,808,000,000	----------
Falkland Islands and dependencies:			
Foreign trade:			
Exports, total, £	454,000	598,000	450,000
Whale oil, £	257,000	360,000	246,000
Wool, £	101,000	130,000	109,000
Imports, total, £	270,000	296,000	278,000
Public finance:			
Gross revenue, £	102,000	117,000	75,000
Gross expenditure, £	117,000	115,000	141,000
Newfoundland:			
Production:			
Copper ore, tons	3,200	4,200	2,900
Gold ore (in terms of metal) fine ounces	16,000	11,000	13,000
Iron ore, tons	321,000	507,000	662,000
Lead ore (metal content), do	34,400	37,200	35,000
Silver ore (metal content) fine ounces	1,208,000	1,103,000	1,124,000
Zinc ore (metal content), tons	73,700	86,800	71,200
Fisheries	[5]	[5]	[5]
Foreign trade:			
Exports, total, £	5,629,000	4,908,000	5,336,000
Paper, £	3,126,000	2,315,000	2,555,000
Fish (fresh, dried, canned, etc.), £	1,461,000	1,310,000	1,478,000
Imports, total, £	3,110,000	3,348,000	3,951,000
Public finance:			
Gross revenue, £	1,700,000	1,800,000	2,000,000
Gross expenditure, £	2,300,000	1,500,000	1,700,000
WEST INDIES			
Bahamas:			
Foreign trade:			
Exports, total, £	145,000	105,000	113,000
Sponge, £	85,000	58,000	52,000
Tomatoes, £	26,451	20,444	26,064
Lumber, £	22,724	7,403	14,938
Hemp, £	162	1,371	3,802
Imports, total, £	930,000	725,000	718,000
Public finance:			
Gross revenue, £	338,000	277,000	297,000
Gross expenditure, £	310,000	277,000	289,000
Barbados:			
Production:			
Sugar, hundredweight	2,344,000	2,229,000	1,630,000
Cotton, pounds	2,000	41,000	10,000
Foreign trade:			
Exports, total, £	1,258,000	1,343,000	999,000
Molasses, £	437,000	537,000	637,000
Sugar, raw, £	788,000	775,000	319,000
Imports, total, £	1,719,000	1,913,000	1,840,000
Public finance:			
Gross revenue, £	468,000	472,000	468,000
Gross expenditure, £	451,000	406,000	400,000
Jamaica:			
Production:			
Sugar, hundredweight	1,107,000	1,437,000	1,494,000
Tobacco, pounds	[6]	[6]	[6]
Foreign trade:			
Exports, total, £	2,397,000	3,068,000	3,691,000
Coffee, raw, £	218,000	168,000	155,000
Bananas, £	1,018,000	1,665,000	2,174,000
Sugar, unrefined, £	424,000	448,000	558,000
Ginger and pimento, £	101,000	161,000	151,000

[1] Canada, Bureau of statistics. The Canada yearbook, 1937, p. 237.
[2] Same source, p. 254.
[3] Same source, p. 862.
[4] Same source, p. 865.
[5] About £4,000,000 annually. Statesman's Yearbook, 1937, p. 357.
[6] Cannot be stated.

Statistics of production, foreign trade, and public finance for British possessions in the Western Hemisphere, 1933, 1934, and 1935—Continued

Country, etc.	1933	1934	1935
WEST INDIES—continued			
Jamaica—Continued.			
Foreign trade—Continued.			
Exports—Continued.			
Rum £	48,000	136,000	150,000
Logwood and its extract £	171,000	110,000	127,000
Coconuts £	118,000	97,000	91,000
Imports, total £	4,365,000	4,765,000	5,009,000
Public finance:			
Gross revenue £	2,037,000	2,260,000	2,121,000
Gross expenditure £	2,186,000	2,256,000	2,178,000
Cayman Islands:			
Foreign trade:			
Exports, total £	5,127	12,908	10,798
Turtles, live £	966	1,504	2,059
Turtle shell and skin £	1,285	6,350	2,758
Rope of palm straw £	1,403	1,374	1,373
Imports, total £	31,750	23,145	24,355
Public finance:			
Gross revenue £	7,000	6,000	13,000
Gross expenditure £	7,000	7,000	9,000
Turks and Caicos Islands:			
Foreign trade:			
Exports, total £	17,259	12,898	13,220
Salt £	13,489	9,780	10,482
Sponge £	2,031	1,949	1,241
Dried conches £	1,197	935	1,245
Imports, total £	21,900	21,114	18,984
Public finance:			
Gross revenue £	10,000	7,000	11,000
Gross expenditure £	11,000	9,000	9,000
Leeward Islands:			
Production:			
Sugar hundredweight	980,000	923,000	560,000
Cotton pounds	929,000	1,050,000	
Foreign trade:			
Exports, total £	559,000	552,000	545,000
Sugar £	458,000	435,000	388,000
Cotton, raw £	30,000	43,000	68,000
Lime juice and oil £	25,612	21,563	21,937
Limes, fresh and preserved £	6,245	7,287	8,427
Molasses £	4,362	6,990	10,431
Imports, total £	612,000	578,000	576,000
Public finance:			
Gross revenue £	259,000	258,000	274,000
Gross expenditure £	262,000	259,000	272,000
Trinidad and Tobago:			
Production:			
Cane sugar hundredweight	2,415,000	2,107,000	2,356,000
Asphalt [1] Tons	111,337	92,829	134,578
Petroleum, crude Tons	1,310,000	1,492,000	1,599,000
Foreign trade:			
Exports, total £	3,562,000	3,772,000	4,114,000
Oils, petroleum £	1,492,000	2,068,000	2,148,000
Sugar £	1,116,000	916,000	942,000
Cocoa £	556,000	350,000	527,000
Asphalt £	151,000	166,000	204,000
Imports, total £	4,002,000	4,486,000	4,372,000
Public finance:			
Gross revenue £	1,687,000	1,710,000	1,811,000
Gross expenditure £	1,683,000	1,706,000	1,809,000
Windward Islands (Grenada, St. Lucia and St. Vincent):			
Production:			
Cotton (St. Vincent) pounds	164,000	200,000	360,000
Foreign trade:			
Exports, total £	391,000	417,000	458,000
Cocoa £	114,000	107,000	103,000
Nutmegs and mace (Grenada) £	59,000	74,000	98,000
Arrowroot (St. Vincent) £	55,510	75,044	76,668
Sugar £	54,655	45,375	54,783
Lime oil £	17,056	21,005	22,037
Imports, total £	546,000	587,000	652,000
Public finance:			
Gross revenue £	287,000	297,000	309,000
Gross expenditure £	294,000	314,000	311,000

[1] Statesman's yearbook, 1935, p. 356; 1936, p. 361; 1937, p. 369.

Source (except for special items as noted above):
Great Britain, board of trade. Statistical abstract for the British Empire for each of the 10 years, 1926–35.
Statistics of meat production, p. 30; agriculture, pp. 31–45; mineral production, pp. 47–53.
Public revenue and expenditure, pp. 12 and 14.
Trade and commerce: Canada, pp. 156–165; Newfoundland, pp. 194–197; other countries, pp. 272–297.
Production figures are in some cases not available; the British Statistical Abstract (referred to above) uses export figures for many items in its production tables.

Mr. REYNOLDS. Mr. President, at a later date I shall endeavor to present a résumé of the revenues, the kinds of government, the square mileage of these possessions, and all other information of a general nature which might be of interest to the American people who are interested in taking over these possessions.

We will want to consider many things in connection with that subject at the time our Government gives consideration to the acquisition of these islands. I have much information before me, but I desire to put it into digested form so that it will not be so difficult for those who desire to pursue the subject.

THE TRAGEDY OF POLAND

Mr. DAVIS. Mr. President, within the life span of a man he must endure much suffering. Man suffers physically and mentally. From the day a man is born he must struggle for existence. He is beset from all sides by the competition of his fellow men. Economic disturbances take away from him the means of a livelihood. Famine and pestilence come regularly to plague him. The elements are unpredictable and swoop down upon him in unexpected ways. Earthquakes, hurricanes, typhoons, and cloudbursts destroy his home, his land, and his family. Man-made war adds to these disasters. But, Mr. President, all these causes of suffering fade into insignificance when we consider the most devastating of all causes of suffering, namely, man's inhumanity to man. Man has recovered and will continue to recover from these blows. But it is the systematic, premeditated, calculated, and cruel destruction of one body of men by another that makes man's inhumanity to man so terrible. The human mind is capable of administering the most shameful of all inflictions.

Mr. President, the people of Europe have never been well off. The history of Europe is a history of servitude, slavery, starvation, pestilence, plagues, and exploitation of the people. It is a history of terrible and ravaging wars. There never was a plentiful supply of food in Europe. For every potato grown there is a mouth. For every blade of grass there is a lean specimen of livestock. When the elements are not kind and the crops fail, the peasant and his family face starvation.

Mr. President, there is no W. P. A. in Europe!

Somehow the people have managed to survive as a whole. It is amazing what the human body can endure. There are millions in Europe who survive on a piece of bacon and a handful of black bread a day. The most fortunate survive on a cup of potato soup, black bread, and hot water.

But, Mr. President, when war comes to a simple people, their fate is cruel. Armies must be fed, and the countryside must provide it. Lands are laid waste by explosives. Millions starve slowly but surely.

Those who have seen the screen version of Gone With the Wind can appreciate the tremendous and terrible development of instruments of war. Scientific discoveries are two-edged swords; they aid civilization in peace, and destroy civilization in times of war. Every generation provides more and more deadly techniques for taking the lives of millions of men, women, and children who are sacrificed on the altar of "man's inhumanity to man."

Mr. President, the war in Europe is no ordinary war. Outwardly it may appear the same as other wars. We read and hear of the devastation of towns, bombardments of highways and bridges, destruction of industries, confiscation of property and foodstuffs, and executions of human beings. But when we hear and read about the systematic destruction of a whole nation, the complete removal of a nation's people from their homeland, then we have something new and unbelievable. Mr. President, such is the unhappy fate of the Republic of Poland!

For the fourth time in history Poland has been overrun and partitioned. Nevertheless, heretofore she has risen gloriously and regained her rightful place in the world of nations. Her people have heroically cast off the yoke of the oppressors.

As a boy I was acquainted with many families of Polish descent. Some of us played together in the band of Sharon, Pa., and I remember that one of the favorite songs was Poland Shall Never Perish. I was brought up with this firm belief, and during the World War I had an opportunity to visit the new Poland and enjoyed very much my stay in Warsaw.

The events of the last few months have struck horror into the hearts of all of us. The mind is staggered at the thought of the cruel fate which has befallen these brave and noble people. As Americans whose government, acting with the sympathy of the entire Nation, played such an important role in the reconstitution of Polish independence, we cannot but look with dismay upon the present destruction of Poland.

But though Poland was overwhelmed, her people remained on the land, and where men have their feet placed solidly on their own land they will fight valiantly to protect and regain it. Therein lay the secret of the success of the heroic Polish people in rising from the dust into which they had been ground by the cruel heel of the conquerer and the oppressor.

Mr. President, in its struggle for liberty America received the voluntary services of many lovers of liberty from many countries. Those who loved liberty and freedom gave generously of their wealth and services. Those cosmopolitan lovers of liberty, who came from Europe to assist the colonists in their struggles for freedom and independence, are so identified with the founders of our Republic that each deserves a noble monument to his memory.

Not the least of these heroes of the American Revolution were two patriots of Poland. In the annals of the history of the American struggle for independence two names have been etched forever—Thaddeus Kosciuszko, the father of the American artillery, and Count Casimir Pulaski, the father of the American cavalry. Americans will never cease to honor the memory of those Polish patriots. It is only proper and fitting that we should find in all the books which deal with the lives of eminent Americans, a description of the lives of Kosciuszko and Pulaski. They were true Americans. America owes them and the nation that gave them birth an everlasting debt.

What has been said of the American citizenship of Lafayette, Steuben, and De Kalb is true of Kosciuszko and Pulaski. Their deeds naturalized them and we claim them as our own, though they were born in Poland. Kosciuszko became acquainted with Silas Deane, the accredited Paris commissioner of the revolted American colonies, who filled the soul of young Kosciusko with intense zeal to fight for liberty in America and win the honors which Deane promised. He came to America in the summer of 1776 and presented himself to Washington. "What can you do?" asked the Commander in Chief. "Try me," was the laconic reply.

Washington was pleased with the young man, made him his aide, and in October of that year the Continental Congress gave him the appointment of engineer in the Army, with the rank of colonel. He was in the Continental service during the whole war and was engaged in most of the important battles in which Washington in the North, or Greene in the South, commanded the American forces. He was greatly beloved by the American officers and was cordially admitted to membership in the Society of the Cincinnati. At the close of the war he returned to Poland, whose sovereign had permitted him to draw his sword in America, and in 1789 was made a major general by Poniatowski.

In the Polish campaign against Russia in 1792, Kosciuszko greatly distinguished himself; and in the noble attempt of his countrymen, in 1794, to regain their lost liberty, he was chosen general in chief. Soon afterward, at the head of 4,000 men, he defeated 12,000 Russians. Invested with the powers of a military dictator, he boldly defied the combined armies of Russia and Prussia, numbering more than 150,000 men. At length success deserted him; and, in October 1794, his troops were overwhelmed in a battle about 50 miles from Warsaw. He was wounded, fell from his horse, and was made prisoner, exclaiming, "The end of Poland!"

> Hope for a season bade the world farewell,
> And Freedom shrieked as Kosciuszko fell!
> —CAMPBELL.

The hero was cast into prison, in St. Petersburg, by the Empress Catherine. When she died, the Emperor Paul liberated him, and presented him with his own sword. Kosciuszko courteously refused the blade, and then uttered that terrific rebuke for the destroyers of Poland—that noble sentiment of a patriot's heart—"I have no longer need of a sword, since I have no longer a country to defend." He never again wore a military sword.

In the summer of 1797 Kosciuszko visited America, and was received with distinguished honors. Congress awarded him a life pension, and gave him a tract of land, for his services during the Revolutionary War. The following year he went to France, purchased an estate near Fontainebleau, and resided there until 1814. He went to Switzerland, and settled at Soleure, in 1816. Early the following year he abolished serfdom on his family estates in Poland.

On the 16th of October 1817 that noble patriot died at the age of 61 years. His body was buried in the tomb of the ancient kings of Poland at Cracow with great pomp; and at Warsaw there was a public funeral in his honor. The Senate of Cracow decreed that a lofty mound should be erected to his memory on the heights of Bronislawad, and for 3 years men of every class and age toiled in the erection of that magnificent cairn, 300 feet in height. The cadets of the West Point Military Academy erected an imposing monument there to the memory of Kosciuszko in 1829 at a cost of $5,000. His most enduring monument is the record of his deeds on the pages of history.

Count Casimir Pulaski, "The Father of the American Cavalry," came to America with a halo of romance, and was a tower of strength in the field. No general evoked from his troops more heroism than did this noble Pole. Lafayette referred to Pulaski as "one of the most devoted patriots and worthy soldiers in the cause and service of the United States. For this he gloriously laid down his life."

After years of gallant fighting to defend his country from the invasion of the Russians, Prussians, and Austrians, Pulaski went to France in 1775. In the French capital he came in contact with Silas Deane and Benjamin Franklin. He eagerly expressed the desire to enter the American service and fight for human freedom, this time in a strange country and against a new foe.

As Henry Williams said at the laying of the cornerstone of the Savannah monument to Pulaski in 1853:

> It stirred the heart of Pulaski like the voice of a battle trumpet. It was a struggle for liberty. It was his cause, whoever the people and wherever the scene of conflict.

A year passed before arrangements could be perfected. With Lieutenant Colonel Kotkowski, another Polish patriot, he sailed for America in June 1777. Under date of May 29, 1777, Franklin wrote to General Washington, as follows:

> Count Pulaski, of Poland, an officer famous throughout Europe for his bravery and conduct in defense of liberties of his country against the three great invading powers of Russia, Austria, and Prussia, will have the honor of delivering this into Your Excellency's hands. The courts here have encouraged and promoted his voyage from an opinion that he may be highly useful to our service. Mr. Deane has written so fully concerning him that I need not enlarge, and I add my wishes that he may find in our armies under Your Excellency occasions of distinguishing himself.

Thus began a short but brilliant association with George Washington. In less than a month after Pulaski had landed in New England he had presented his letters and had held conferences with Washington at sufficient length to convince the American Commander in Chief that he was one of the foreigners who came with high motives, and whose genuine ability, experience, and character could be used to undoubted advantage. Washington accepted him without reserve.

The one outstanding fact about Pulaski was his eagerness for active service. He proposed to John Hancock, President of the Continental Congress, a plan for developing the Cavalry. Hancock accepted it, and Pulaski set to work to make the Cavalry a potent factor in the Army. On more than one occasion the Cavalry proved the determining factor in the battles with the English. Historian Ramsay says:

> At Brandywine, Pulaski was a thunderbolt of war and always sought the post of danger as the post of honor.

After the Battle of Brandywine, at Warren Tavern, Pulaski saved the Army of Washington from a sudden surprise that might have proved fatal. At the head of his cavalry, while reconnoitering, he came upon a whole army of British near Warren Tavern and harassed the enemy, thus impeding their progress, and hastily gave the information to Washington, who then prepared to meet the enemy.

During the Battle of Savannah, Pulaski, seeing the apparent confusion and realizing that all was not well, drove up at the head of his cavalry to where the French were, to reinforce and encourage them, thinking that he might be able to get to the rear of the enemy through some opening. Dashing madly

ahead into a withering flame of shot and shell, he himself was struck in the groin by a swivel shot, and fell from his horse fatally wounded.

Thus ended the life of one who was the incarnation of the best traditions of Polish chivalry. He shared its virtues and its weaknesses. Proud and unyielding, patriotic, and unselfish he formed a worthy member of the gallant band of men who came to help America in the Revolution; and none deserves a higher rank in the minds and hearts of the American people. He fought and died for liberty, and maintained a firm sense of his personal dignity and obligations, and a fearless advocacy of his code to all lands and all epochs.

In his own words Pulaski had said:

Honor and a true desire of distinguishing myself in defense of liberty was the only motive which fired my breast for the cause of the United States.

He wrote to Congress:

I am a republican whom the love of glory and the honor of supporting the liberty of the Union drew hither.

At the young age of 38 Pulaski died as he had lived, a noble and undaunted warrior, fighting the battles of liberty and of the Republic. He sacrificed himself, all the years of his young life, his fortune, his ancestral dignity, his lofty spirit, his splendid genius, and all his earthly hopes, for liberty, justice, and humanity. For these things he gave all he had—his martyred life.

America has not been unmindful of its debt to Pulaski. Washington, D. C., and Savannah, Ga., have erected monuments to his memory. The Pulaski Skyway connecting New Jersey and New York City is a tribute of gratitude. Within only a few miles of my home town of Sharon, Pa., is a town bearing the name Pulaski, Pa. These are but a few of the material contributions dedicated to the everlasting memory of Pulaski.

Mr. President, the story of Polish contributions to American and world history and culture is long and glorious. It is sad indeed to watch a nation which produced Kosciusczko, Pulaski, Pilsudski, Paderewski, Rubenstein, Chopin, Mme. Curie, and others, go down into oblivion. Time does not permit me to outline their contributions. They are well known. All have contributed materially to music, science, military tactics, technology, and the many arts. Their heritage is rich, and we have been the fortunate recipients.

But, Mr. President, what is actually happening today in the land which gave America the services of these men? No one seems to know exactly, for the Nazi conqueror and the Soviet invaders have done their job of crushing a people so completely that they dare not let the world know of their craft. Oh, yes, Mr. President, Nazi efficiency is systematically and methodically driving out of Poland her people. Nazi efficiency is slowly starving the people of Poland so that Nazi soldiers might live. Yes, Nazi ruthlessness is eradicating a people from the face of the earth. Poland has become a nation of vagabonds.

A publication entitled "Warschauer Zeitung," the official organ of the military government of Germany in Hitler's half of Poland, announces that:

The mistakes of the German, Russian, and Austro-Hungarian empires, which left the Polish hopes alive for more than a century and finally led to the resurrection of the Polish state, are not to be repeated.

A project outlined on July 5, 1918, by Paul von Hindenburg to crush Polish aims for nationality and expropriate Polish property has been revived and damnably improved upon. At that time Hindenburg said:

It is necessary once and for all to remove all bases for Polish ambitions and make them dependent on the support of the German Empire.

Some 19,000,000 people were living in the 100,000 square miles of Poland Hitler now claims for his own. Of these, about 900,000 were of Germanic strain. There were about 2,000,000 Jews. The rest were Poles.

Now Hitler is calling home from Latvia, Estonia, Russia, Rumania, and Hungary all those whom he defines as Germans, even unto the seventh generation. They are coming back to take over the 100,000 square miles of Poland that Hitler has annexed to the Reich. Some 7,000,000 Poles and 1,000,000 Jews are going to be pushed out of the richest parts of the western provinces to make room for them.

A wedge of Poland to the south center, lying between Warsaw and the Slovak border, consisting of roughly 58,000 square miles of already overtaxed land in the provinces of Warsaw, Kielce, Lublin, and Cracow, will have added to its present population of 11,000,000 the 8,000,000 dispossessed.

How these 19,000,000 people are to live is not explained in the miserable Warschauer Zeitung. But there can be only one answer: Somebody is going to starve and leave this earth an emaciated, horrible body. We can be sure that those affected will not be those who came in from other countries to take over the land.

About 50 percent of the homes of Poland were destroyed when the Nazis stabbed through to Lwow in September. There never was adequate housing, even in peace; and the land has always had more than enough weight of people on it. Even without the new millions, many of those who have always lived there would have starved this winter, because the war ruined the harvest; and when there is no harvest people die in that part of the world. There is no W. P. A. in Poland! Nor is Hitler likely, with the blockade bearing down upon the Germans, to hesitate much before expropriating whatever food the Poles accumulate from any source.

I am informed that in Nazi-occupied Poland some 19,000,000 Poles, including about 2,000,000 Jews, are now exposed to death by executions, starvation, or disease. Although Germany and Russia have drawn screens about their activities in Poland, enough has leaked out through neutrals, and the few who have escaped from that area, to reveal a dismal picture.

Polish spokesmen here are convinced that the German resettlement scheme is nothing more than "a systematic program for extermination of the Polish people." One of the tragedies of this forced mass migration is that even the Germans whom the Nazis are uprooting and moving into Poland are, for the most part, bitterly opposed to the project. Most of them have lived where they are now living for generations—longer than most Americans of German origin have lived in this country.

Mr. President, the people of Poland need the assistance of the world, and especially of the United States, if they are to survive. It is not a question of providing munitions of war. The people of Poland need munitions of life. It is true that there are millions within our own country who could use more aid from the Government and from citizens through private initiative. I always have been and always will be for adequate aid to our needy. But it would be selfish to close our eyes to the slow, miserable death of our brethren in other countries. That has never been the policy of this Nation. We extended aid to Belgium during the World War and to all other European countries after the war. American charity over a long period fed 1,500,000 German children daily. Robert Burns put it aptly when he said, "A man's a man for a' that and a' that!" The love man has for his fellows in distress must transgress the physical limitations of geography.

The American Red Cross and the Commission for Polish Relief have responded nobly to the aid of Poland. But they have met many difficulties. For 4 months neither has been permitted access to German-occupied Poland. Access has been granted in the city of Cracow only. It has been only in the last few days that the Nazi Government has granted limited access into Nazi-occupied Poland. Why should messengers of mercy be denied the privilege of administering aid to the destitute and starving? Mr. President, there must be a sinister motive. Is it not possible that conditions are so terrible that the Nazi government does not dare to reveal them to the outside world?

Both relief organizations are rightfully demanding that the distribution of supplies be administered by their representatives; and until the principle of American supervision is accepted by the German Government, the British and Allied Governments have informed both agencies that they will not permit one pound of supplies to go through the blockade to Poland. It remains to be seen how and to what extent the

Nazi Government will honor its limited permission to the American Red Cross and the Commission for Polish Relief to administer their own relief.

It is no longer a secret to the world that tremendous changes have taken place in Poland during the past 4 months. It is known that over one-third of the city of Warsaw was destroyed; that its 1,200,000 inhabitants are struggling to survive under most difficult food conditions; that this is the most bitter winter which Poland and all Europe have had in 50 years; that the transport of food and fuel is extremely difficult, following the disorganization of war; that millions of people, on account of economic dislocation, are without employment in Poland; that they do not have the means of paying for food, shelter, and fuel; that the hundreds of thousands of people receiving soup in various citizens' relief kitchens throughout the country represent only a fraction of those in need; that the financial means of carrying on this local relief for even a fraction of the needy are nearly exhausted, and that hundreds of thousands of the population of former Poland are being moved from one territory to another, in the process of which they lose all basis for sustenance and existence.

The relief program which is envisaged for the stricken population of Poland foresees the furnishing of supplies on a scale of $2,000,000 per month, such action to be supported jointly by private charity and the grants of governments. Every week which passes means the loss of thousands of lives because of cold and hunger. The American Red Cross advises that the principal needs are for medicines, surgical instruments and hospital equipment, and also for warm clothing, blankets, bedding, and shoes.

Mr. President, private contributions have been the only source of aid to Poland. As of February 17, the American Red Cross' expenditures and commitments for Polish relief amounted to more than $397,000. This expenditure has been for relief in Poland and in Rumania, Yugoslavia, Hungary, Lithuania, and Latvia where Polish refugees have been receiving assistance following the German occupation of Poland. The American Red Cross has also shipped clothing and hospital supplies produced by volunteers working in Red Cross chapters valued at more than $26,000. This estimated value represents only the cost of materials used in the production of these supplies and does not include any money value placed on the labor of thousands of volunteers engaged in this effort.

For the same purposes the Commission for Polish Relief is administering private contributions amounting to more than $125,000.

Mr. President, the most inspiring spectacle I have seen in this country has been the manner in which the American people have responded to the aid of their distressed fellowmen. Nowhere in the world is there such a noble response. Our people play no favorites. Regardless of color, nationality, creed, or government, those who are in vital need receive our aid. Our reward will be received on that far and green shore of the Great Beyond. There must be a reward far more beautiful than that which this world can provide. The men of government and the men of production must come together to provide the necessary relief.

EXTENSION OF ANTIPERNICIOUS POLITICAL ACTIVITIES ACT

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico [Mr. HATCH] that the Senate proceed to the consideration of a bill the title of which will be stated.

The LEGISLATIVE CLERK. A bill (S. 3046) to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939.

Mr. HATCH. Mr. President, in order to clear up the parliamentary situation, let me say that I understand there is no objection to making Senate bill 3046 the unfinished business. So at this time I ask unanimous consent that Senate bill 3046 be made the unfinished business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to the consideration of the bill (S. 3046) to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, which had been reported from the Committee on Privileges and Elections with amendments.

Mr. HATCH. I ask unanimous consent that the committee amendments be considered first.

The PRESIDING OFFICER. Without objection, the committee amendments will be considered first.

Mr. McNARY. Mr. President——

Mr. BARKLEY. Mr. President, may I ask the Senator from New Mexico if he wishes to go on with the bill this afternoon?

Mr. HATCH. I should much prefer not to go on this afternoon but to wait until tomorrow.

Mr. BARKLEY. It is agreeable to me now to move an adjournment or recess until tomorrow.

Mr. McNARY. Mr. President, I was only going to observe that the request for the consideration of committee amendments first is not quite in order for a legislative bill. I am not going to urge that point, but there should be an explanation made of the bill before it reaches the stage of amendment. I think it is quite proper that the Senate should now adjourn for the day, but at this time I want to say to the Senator from New Mexico that tomorrow I hope, when the Senate convenes at 12 o'clock, he will make an explanation of the provisions of his bill.

Mr. HATCH. Mr. President, if the Senator will yield, I will say that it is my intention on tomorrow when the Senate convenes to request that the bill be considered section by section and to explain just what it does and in what manner we have approached the problem.

Mr. MILLER. Mr. President, I send to the desk an amendment which I intend to propose to Senate bill 3046 and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. NEELY. Mr. President, I offer an amendment in the nature of a substitute for Senate bill 3046 and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

REIMBURSEMENT OF STATES FOR LOSS BY FEDERAL LAND OWNERSHIP

Mr. O'MAHONEY. Mr. President, Members of this body and of the other House have on numerous occasions in the past expressed a great deal of interest in the problem of the reimbursement to the States for tax revenue lost by reason of the Federal ownership of land. During many years the Congress has considered this problem and numerous acts have been passed, as, for example, when the national forests were created it was provided that a portion of the revenues from the national forests should be paid to the States in lieu of taxation upon the lands. Likewise, when the Congress passed the General Leasing Act, affecting mineral lands, oil and gas lands, upon the public domain, a provision was written into the law that a certain proportionate share of the royalties derived therefrom should be paid to the States in which the leased deposits existed.

This morning the junior Senator from Arizona [Mr. HAYDEN] and I introduced a bill to provide, for example, that a collection which the Government of the United States is about to make by reason of a lawsuit affecting the Elk Hills naval reserve in California shall go to the reclamation fund.

During the past session several bills were introduced, some in the Senate and some in the House of Representatives, designed to provide a standard method of substitute payment to States. These measures, I understand, are now under consideration by the Federal Real Estate Board, from which a report may be expected. The Federal Real Estate Board was created by the President for the purpose of coordinating the methods of handling lands now under the direction of different administrative agencies.

Today I have a letter from the Chief of the Soil Conservation Service dealing with the distribution of payments to the

States in lieu of taxation under title III of the Bankhead-Jones Act. It is a matter of such importance, Mr. President, that I ask unanimous consent that, as a part of my remarks in the body of the RECORD, there may be printed a letter from Dr. Bennett to myself, together with a copy of a letter from the Acting Secretary of Agriculture to the Secretary of the Treasury, and a table showing the distribution of the payment of 25 percent of the receipts under the farm-tenant provisions of the Bankhead-Jones Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D. C., March 2, 1940.

HON. JOSEPH C. O'MAHONEY,
United States Senate.

DEAR SENATOR O'MAHONEY: In accordance with your verbal request of March 1, the following information is furnished concerning the payment to counties under title III of the Bankhead-Jones Farm Tenant Act:

In determining the payments to counties, the net revenue for each project is arrived at by defining net revenue as the gross receipts incident to the use of the land, reduced only by the applicable refunds or adjustments, which is in accordance with the Comptroller General's decision. The 25 percent of net revenue payable to counties, as provided in section 33 of title III of the above-named act, is distributed to the counties within which the project is located on the basis of the acreage held under title III within each county as of the end of the year.

We are enclosing a copy of the statement showing the recommended distribution of returns to counties and a copy of the letter from the Acting Secretary of Agriculture to the Secretary of the Treasury recommending the distribution of payments to counties under this program for the calendar year 1938. It will be noted that the total recommended payments to counties was $11,513.46 on an acreage of 4,937,481, which is equivalent to 2.33 mills per acre. The distribution of the payments to counties for the calendar year 1939 will total approximately $30,000 on an approximate acreage of 5,800,000, which is equivalent to 5.2 mills per acre. It is currently estimated that the return to counties for 1940 in total will approximate $38,500 on 7,000,000 acres, which is equivalent to 5.5 mills per acre.

We are advised by the General Accounting Office that the certificates of settlement for the 1938 payments in excess of $1 have been sent to the Treasury Department for actual issuance of checks so that the payments to the counties should actually be made in a very short time. The Service will be recommending the payments to counties for the calendar year 1939 very soon.

Sincerely,

H. H. BENNETT, *Chief.*

NOVEMBER 14, 1939.

The honorable the SECRETARY OF THE TREASURY.

DEAR MR. SECRETARY: In accordance with the procedure prescribed by the General Accounting Office for carrying out the provisions of section 33 of title III of the Bankhead-Jones Farm Tenant Act (Public, No. 210, 75th Cong., approved July 22, 1937), which requires that 25 percent of the net revenues received each calendar year from the use of land held by the Secretary of Agriculture under this title of the act will be paid to the counties in which any land is so held, there is submitted, in duplicate, a statement showing the recommended distribution, by counties, of 25 percent of the net receipts for the calendar year 1938. The recommended distribution of the 25 percent of net receipts to counties, as shown on the attached statement, has been determined on the basis of the acreage of each county in each project.

It is recommended that the distribution of 25 percent of the net receipts for the calendar year 1938, which, after reconciliation, amount to $11,513.46, be made to counties as provided in the attached statement and in accordance with the procedure prescribed by the General Accounting Office in letters to the Secretary of Agriculture dated December 7, 1937, and July 7, 1939.

In this connection, it is requested that a transfer and counter-warrant be issued transferring the sum of $46,053.90 as follows:

DEBIT

126026 Receipts from submarginal-land program, Farm Tenant Act $46,053.90

CREDIT

126204 Receipts due counties from submarginal-land program, Farm Tenant Act (name of State and county) (special fund, 25 percent) 11,513.46

125476 Proceeds from submarginal-land program, Farm Tenant Act (75 percent) 34,540.44

Sincerely,

HARRY L. BROWN, *Acting Secretary.*

Distribution to counties of receipts under the Bankhead-Jones Farm Tenant Act (Public, No. 210, 75th Cong., approved July 22, 1937) for the calendar year 1938

State	Project symbols	Adjusted deposits	25 percent	Total acreage by projects, Dec. 31, 1938	County	County symbols	Approximate acreage by counties	Ratio of county acreage to project acreage	Amounts due counties
Alabama	0.0102	$479.50	$119.88	25,709.37	Coffee	0.0116	8,859.41	34.46	$41.31
Do					Dale	.0123	16,849.96	65.54	78.57
Do	.0104	29.00	7.25	81,951.92	Bibb	.0104	41,588.79	50.75	3.68
Do					Hale	.0132	25,762.66	31.44	2.29
Do					Perry	.0152	6,714.00	8.19	.59
Do					Tuscaloosa	.0162	7,886.47	9.62	.69
Arkansas	.0301	229.00	57.25	68,388.83	Logan	.0342	50,982.04	74.55	42.68
Do					Yell	.0375	17,406.79	25.45	14.57
Do	.0302	1,357.11	339.28	14,697.00	Benton	.0304	5,975.93	40.66	137.95
Do					Washington	.0372	8,721.07	59.34	201.33
Do	.0303	15.00	3.75	19,790.96	Lee	.0339	10,535.83	53.24	2.00
Do					Phillips	.0354	9,255.13	46.76	1.75
Do	.0304	4.00	1.00	9,775.86	St. Francis	.0368	9,775.86	100.00	1.00
Do	.0305	41.70	10.42	13,824.94	Prairie	.0359	13,824.94	100.00	10.42
Do	.0306	67.05	16.76	27,514.16	Crawford	.0317	26,154.16	95.06	15.93
Do					Washington	.0372	1,360.00	4.94	.83
Colorado	.0501	64.57	16.14	3,865.51	El Paso	.0521	40.00	1.03	.17
Do					Teller	.0560	3,825.51	98.97	15.97
Do	.0502	1,300.00	325.00	80,096.29	Weld	.0562	80,096.29	100.00	325.00
Do	.0503	58.82	14.70	155,688.15	Las Animas	.0536	1,325.14	.85	.12
Do					Otero	.0545	154,363.01	99.15	14.58
Florida	.0801	581.52	145.38	239,132.12	Leon	.0837	90,185.24	37.71	54.82
Do					Wakulla	.0865	148,946.88	62.29	90.56
Georgia	.0901								
Do	.0902								
Idaho	[1].3501								
Illinois	.1102	1.00	.25	13,216.97	Jackson	.1239	40.00	.30	
Do					Union	.1291	283.41	2.15	.01
Do					Williamson	.1301	12,893.56	97.55	.24
Indiana	.1201	70.00	17.50	27,011.23	Martin	.1450	27,011.23	100.00	17.50
Louisiana	.1601	711.50	177.88	9,202.50	Claiborne	.2014	314.69	3.42	6.08
Do					Webster	.2060	8,887.81	96.58	171.80
Do	.1602	225.82	56.45	17,951.01	Claiborne	.2014	17,951.01	100.00	56.45
Maryland	.1801								
Do	.1802	60.00	15.00	7,723.08	Somerset	.2220	88.00	1.14	.17
Do					Wicomico	.2223	831.36	10.76	1.61
Do					Worcester	.2224	6,803.72	88.10	13.22
Michigan	.2001	85.96	21.49	40,666.82	Arenac	.2406	360.00	.89	.19
Do					Clare	.2418	3,847.50	9.46	2.03
Do					Cheboygan	.2416	3,614.42	8.89	1.90
Do					Crawford	.2420	7,581.37	18.64	4.00
Do					Gladwin	.2426	368.57	.91	.20
Do					Kalkaska	.2440	4,802.29	11.81	2.54
Do					Missaukee	.2457	2,925.77	7.19	1.55
Do					Montmorency	.2460	4,674.29	11.49	2.47
Do					Ogemaw	.2465	4,353.56	10.70	2.30
Do					Oscoda	.2468	2,543.91	6.26	1.35

[1] See Oregon.

Distribution to counties of receipts under the Bankhead-Jones Farm Tenant Act (Public, No. 210, 75th Cong., approved July 22, 1937) for the calendar year 1938—Continued

State	Project symbols	Adjusted deposits	25 percent	Total acreage by projects, Dec. 31, 1938	County	County symbols	Approximate acreage by counties	Ratio of county acreage to project acreage	Amounts due counties
Michigan					Presque Isle	0.2471	1,126.55	2.77	$0.60
Do					Roscommon	.2472	4,468.59	10.99	2.36
Do	$0.2002	$35.32	$8.83	29,131.28	Allegan	.2403	29,131.28	100.00	8.83
Minnesota	.2101	253.00	63.25	72,194.31	Beltrami	.2504	1,656.91	2.30	1.45
Do					Lake of the Woods	.2539	45,598.93	63.16	39.95
Do					Roseau	.2568	24,938.47	34.54	21.85
Do	.2102	61.00	15.25	17,519.00	Beltrami	.2504	40.00	.23	.04
Do					Koockiching	.2536	17,479.00	99.77	15.21
Mississippi	.2201	411.01	102.75	79,591.05	Choctaw	.2610	9,947.64	12.50	12.85
Do					Noxubee	.2651	5,595.51	7.03	7.22
Do					Oktibbeha	.2652	18,299.99	22.99	23.62
Do					Winston	.2679	45,747.91	57.48	59.06
Do	.2202	183.63	45.90	23,332.40	Chicksaw	.2609	22,813.88	97.78	44.88
Do					Pontotoc	.2657	518.52	2.22	1.02
Montana	.2401	81.50	20.37	913,866.79	Blaine	.2903	186,215.79	20.38	4.15
Do					Phillips	.2937	343,434.74	37.58	7.66
Do					Valley	.2954	384,216.26	42.04	8.56
Do	.2402	697.50	174.38	231,085.26	Musselshell	.2934	95,504.83	41.33	72.07
Do					Petroleum	.2936	135,580.43	58.67	102.31
Do	.2403	3,412.20	853.05	373,535.45	Prairie	.2941	373,535.45	100.00	853.05
Nebraska	.2501	3,213.20	803.30	96,062.60	Dawes	.3023	48,931.47	50.94	409.20
Do					Sioux	.3082	47,131.13	49.06	394.10
New Mexico	.2901	1,787.16	446.79	74,811.50	Rio Arriba	.3419	1,520.00	2.03	9.07
Do					Taos	.3427	73,291.50	97.97	437.72
New York	.3001								
Do	.3002	72.51	18.13	29,039.13	Albany	.3501	2,973.10	10.24	1.86
Do					Allegheny	.3502	2,999.35	10.33	1.87
Do					Broome	.3504	351.13	1.21	.22
Do					Chautauqua	.3507	1,153.25	3.97	.72
Do					Delaware	.3513	6,467.41	22.27	4.03
Do					Jefferson	.3523	1,221.28	4.21	.76
Do					Livingston	.3526	2,706.79	9.32	1.69
Do					Madison	.3527	2,671.57	9.20	1.67
Do					Ontario	.3535	1,130.57	3.89	.71
Do					Oswego	.3558	6,276.34	21.61	3.92
Do					Yates	.3562	1,088.34	3.75	.68
Do	.3004	15.00	3.75	6,320.96	Jefferson	.3523	6,320.96	100.00	3.75
North Carolina	.3101	601.00	160.25	51,580.64	Moore	.3663	2,579.40	5.00	7.51
Do					Richmond	.3677	28,655.65	55.56	83.48
Do					Scotland	.3683	20,345.59	39.44	59.26
Do	.3102	38.50	9.63	25,222.87	Bladen	.3609	25,222.87	100.00	9.63
North Dakota	.3201	903.16	225.79	397,523.44	McKenzie	.3827	397,523.44	100.00	225.79
Do	.3202	608.00	152.00	233,772.01	Billings	.3804	169,707.86	72.60	110.35
Do					Golden Valley	.3817	64,064.15	27.40	41.65
Do	.3203	2,703.83	690.96	60,820.63	Ransom	.3837	38,749.53	63.71	440.21
Do					Richland	.3839	22,071.10	36.29	250.75
Oklahoma	.3401	10.00	2.50	17,770.80	Noble	.4052	1,225.68	6.90	.17
Do					Payne	.4060	16,545.12	93.10	2.3
Oregon	.3501								
Do	.3503	1,857.24	464.31	61,367.42	Lane	.4119	19,133.49	31.18	144.77
Do					Lincoln	.4120	19,758.23	32.20	149.51
Do					Tillamook	.4128	18,843.24	30.70	142.54
Do					Yamhill	.4135	3,632.46	5.92	27.49
Pennsylvania	.3601	24.00	6.00	13,197.22	Bedford	.4205	6,101.74	46.23	2.78
Do					Huntingdon	.4231	3,527.52	26.73	1.60
Do					Perry	.4250	3,567.96	27.04	1.62
South Carolina	.3801	60.00	15.00	17,905.91	Anderson	.4404	5,085.40	28.41	4.26
Do					Pickens	.4439	6,744.21	37.66	5.65
Do					Oconee	.4437	6,076.30	33.93	5.09
South Dakota	.3901	10,981.73	2,745.43	478,297.37	Custer	.4516	47,154.53	9.86	270.70
Do					Fall River	.4523	208,676.83	43.63	1,197.83
Do					Jackson	.4535	89,771.81	18.77	515.32
Do					Pennington	.4551	132,694.20	27.74	761.58
Do	.3902	2,476.96	619.24	97,890.60	Jones	.4537	17,306.30	17.68	109.48
Do					Lyman	.4542	53,944.37	55.11	341.26
Do					Stanley	.4557	26,639.93	27.21	168.50
Do	.3903	1.00	.25	2,835.37	Dewey	.4520	2,835.37	100.00	.25
Tennessee	.4003	4.00	1.00	10,674.72	Chester	.4612	5,843.08	54.74	.54
Do					Hardeman	.4635	4,831.64	45.26	.45
Texas	.4101	1,298.00	324.50	12,277.73	Fannin	.4774	12,277.73	100.00	324.50
Washington	.4501	192.26	48.06	240,604.15	Pend Oreille	.5422	122,600.88	50.96	24.50
Do					Stevens	.5428	118,003.27	49.04	23.57
Wisconsin	.4701	10.00	2.50	8,762.33	Bayfield	.5604	7,964.82	90.90	2.27
Do					Sawyer	.5657	797.51	9.10	.23
Do	.4703	12.00	3.00	8,960.20	Florence	.5620	200.00	2.23	.07
Do					Forest	.562	7,723.61	86.20	2.58
Do					Vilas	.5663	1,036.59	11.57	.35
Do	.4704	10.00	2.50	68,839.38	Jackson	.5628	1,522.10	2.22	.06
Do					Juneau	.5630	51,479.86	74.78	1.87
Do					Monroe	.5642	13,658.91	19.84	.49
Do					Wood	.5671	2,178.51	3.16	.08
Do	.4705	5.00	1.25	53,274.08	Jackson	.5628	53,274.08	100.00	1.25
Wyoming	.4801	8,592.64	2,148.16	273,208.09	Campbell	.5703	124,939.81	45.73	982.35
Do					Converse	.5705	106,639.66	39.03	838.43
Do					Crook	.5706	320.00	.12	2.58
Do					Weston	.5723	41,308.62	15.12	324.80
Subtotal		46,053.90	11,513.46	4,937,481.41			4,937,481.41		11,513.46
Reconciliation: South Carolina	.3802								
Total		46,053.90	11,513.46	4,937,481.41			4,937,481.41		11,513.46

DESTITUTION AND UNEMPLOYMENT IN THE UNITED STATES

Mr. REYNOLDS. Mr. President, I have just had a private conversation with my good friend the senior Senator from the great Commonwealth of Pennsylvania [Mr. DAVIS] in reference to the remarks he made in the Senate this afternoon regarding the Poles. I think it is highly commendable of the Senator from Pennsylvania to speak of the distress in foreign lands, and I commend his action to every American citizen who speaks out in behalf of the poor, the unfortunate, the undernourished in all parts of the world.

That reminds me that only a few days ago I observed through the columns of the press that Mr. Hoover—who was

succeeded by President Roosevelt—had appeared at the Capitol, before a committee, at which time he made a request for $20,000,000 in the form of an appropriation from the publics moneys of the United States, from our Treasury for the purpose of feeding the unfortunates abroad now and those who will be found there after the end of the present war. I commend Mr. Hoover. I served a short term under Mr. Hoover. As a matter of fact, I served during the last "Lame Duck" Congress, at which time Mr. Hoover was President, and at which time Mr. Curtis, of Kansas, was our very able Vice President.

The article to which I refer reads:

CONGRESS ASKED BY HOOVER TO HELP FEED POLES—CITES FAMINE PERIL AT HOUSE HEARINGS

(By Carl Warren)

Herbert Hoover, once more in the role of the "great humanitarian"—a part which served as his springboard to the White House in 1928—seized the spotlight yesterday as unofficial sponsor of American relief for war victims in Poland as well as Finlend.

Asserting "the whole of Europe will be a starvation spot" after the war, Hoover urged Congress to start a food-shipment program by immediately appropriating $10,000,000 to $20,000,000.

For 45 minutes the somber-voiced, slow-spoken ex-President who heads his own Finnish relief orgnization, testified at a jam-packed hearing of the House Foreign Affairs Committee.

Seven million Poles, he said, face destitution this spring. He conferred with Polish and Finnish diplomats before returning to New York City at 4 p. m.

Mr. President, I think it is highly commendable and most laudable for the ex-President of the United States to be interesting himself in feeding the poor and looking after the destitute abroad; but I say that our first duty is to help the unfortunates of the United States of America. When I read that article in the newspaper I turned page after page, and what did I find in the same issue? Let us see about some of the destitute in this country. I think the time has come when we ought to think, at least a little bit, about the unfortunates in this country of ours.

Not so long ago the First Lady of the Land made a surprise visit to one of the public institutions of the District of Columbia, designed for the care of the aged and the infirm, at what is known as Blue Plains; and she remarked at the time that conditions at the institution were an outrage against decency. As a matter of fact, an investigation followed; and what did I find in the same newspaper from which I clipped this article?

Mr. CHAVEZ. Mr. President, may I interrupt the Senator for a moment?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Mexico?

Mr. REYNOLDS. Certainly; I shall be glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. Only this morning I received a letter from a widow in my State, an excellent lady, whom I have known for years, in which she called my attention to the fact that she had seen the article the Senator referred to. She stated that she has tried hard to get work from the N. Y. A. and other agencies. She has three children, but she cannot get work; and she asked me what Congress is going to do about feeding people in the United States before we take any action toward feeding people in Europe.

Let me add that within striking distance of this very room in the city of Washington, the Capital of the most potent and rich nation in the world, there is a schoolhouse at Massachusetts Avenue and First Street. Any Senator who will go there on any Thursday will find ladies from all over the city of Washington, mending and repairing old clothes, not for the lowly Negroes but for the white children of the city of Washington; and still we talk about being sorry for the people elsewhere.

Mr. REYNOLDS. I thank the Senator very much for his contribution.

Mr. President, in that connection, as I was about to relate, in the same issue of the newspaper I found the following:

UNEMPLOYMENT RISES 1,000,000 IN MONTH

Curtailed industrial activity and trade brought a sharp increase in unemployment and relief during January, Work Projects Commissioner F. C. Harrington said today.

Unemployment rose 1,000,000 over December as a result of seasonal influences, decreased agricultural employment, and a general slump in industrial activity. Mr. Harrington emphasized that the total unemployment approximated the level reached last summer. He did not give total unemployment figures because of divergent estimates.

Although W. P. A. rolls were expanded to absorb approximately 113,000 unemployed men and women, Mr. Harrington said, total W. P. A. enrollees at the end of the month numbered 700,000 less than a year ago. Enrollment totaled 2,265,000 on January 31, an increase of 500,000 since September.

"The effect of this decline in employment is to wipe out practically all the gains which have been made since August," Mr. Harrington said. "This has thrown an increasingly heavy burden on local relief agencies at a time when they are struggling with the problems created by the almost unprecedented cold weather.

Mr. President, of course, it is pathetic to think about the people in Europe who have been placed in an unfortunate position as a result of the fighting that is going on there; but let me show what else I clipped from the same newspaper:

CHILD OF POVERTY DEAD IN MYSTERY—MOTHER OF VICTIM, 11, WAS DENIED RELIEF

KANSAS CITY, KANS., March 1.—Police early today abandoned a theory that 11-year-old Harry Larsen hanged himself and announced: "It definitely looks like murder."

Detectives Holly Parker and Patrick J. Mallory began requestioning members of the family after police earlier said they believed the boy had taken his own life because "I am tired of eating mush, and that was about all we had."

Harry was found strangled to death in his bedroom by a school friend. A knotted undershirt tied to his neck was attached to a door knob.

Palmer and Mallory said they had found "new evidence" that caused them to drop the theory that the son of widowed Mrs. Agnes Larsen, mother of seven children, had committed suicide.

The detectives said they had learned that Harry, next to the youngest, had "had some trouble with other members of the family," but they refused to elaborate.

Police said neighbors who were questioned told them that only the eldest child was working "for about five or six dollars a week." They said they had heard Harry say, "I'd about as soon be dead as eat mush all the time."

Mrs. Larsen had been unable to get relief because her oldest child, Orville, had a hotel job. The dead boy was next to the youngest in the family of four boys and three girls.

In a different newspaper, the Washington Daily News, I find an article headed as follows:

"Okies" at our door—Misery and squalor of migratory workers along eastern seaboard matches Grapes of Wrath, says F. S. A. report.

This article describes the misery in which thousands upon thousands of American citizens, men and women and their offspring, are living along the highways and the byways today, some in tents, some without any covering, some occupying old, deserted, dilapidated houses, anything to serve as a roof over their heads. The article goes on to speak about the thousands upon thousands who are going not only to California, but to Georgia and South Carolina and Florida, and states that they are without food, without clothing, and many of them are so greatly undernourished that they are about on the verge of starvation.

I ask unanimous consent to have the article to which I refer printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Harvest season in the East will bring scenes like these [referring to photographs] close to the Nation's Capital.

The wretched conditions of the California-bound "Okies," which John Steinbeck described in Grapes of Wrath, are not worse than the poverty, squalor, and disease of the migratory workers in the East, according to the Farm Security Administration.

The apple orchards of the Shenandoah and the truck farms of the Eastern Shore will draw them north in creaking jalopies, in freight cars, and old trucks. They will live in ditch-side camps without sanitary facilities. They will work 12 to 18 hours a day. And when their work is done they will move on to the next crop.

From Florida to New Jersey between 10,000 and 20,000 families engage in rush period farm labor, the F. S. A. estimates. Soon they will finish harvesting winter vegetables in Florida. Then they will chop cotton and pick peaches in Georgia, work the strawberry, tobacco, and vegetable areas in the Carolinas. Then northward again to meet the apple-picking season in the Shenandoah and on to the truck farms of Maryland and Delaware, and finally on to pick cranberries in the New Jersey bogs.

Most of the migrants are Negroes. All are native-born. Some are northern workers who can't find factory jobs. More than 50 percent are syphilitic. Common-law marriages of a "seasonal nature" are common. Few children attend school.

"Education is in competition with beans in this county," the superintendent of schools in Palm Beach County, Fla., was quoted as saying, "and beans are winning out."

The report particularly cites the squalor and the moral license in Belle Glade and Pahokee, Fla. "The number of girls and young women from 16 to 25 who are alone in the district so far as family ties are concerned is alarming," the report cited. "Daughters of small Georgia, Arkansas, and Alabama sharecroppers are numerous.

"The exploitation of children brought down from Georgia by persons posing as the children's parents is not uncommon."

Workers subsist on cold and ready-prepared foods such as bread, crackers, cheese, baked beans, sliced sausage, salt fish, and the like, washed down with soda pop.

"Whisky bottles are encountered far more frequently than milk bottles in the vicinity of the quarters," the report said.

Mr. REYNOLDS. Mr. President, I think the time has come when we should devote at least a few of our charitable thoughts to the United States and to people here at home. We hear of innumerable agencies to help the Finns, and to help the Poles, and to help the Spaniards, and to help the Chinese, and to help the Czechoslovaks, and to help the Germans, and to help the Rumanians, and to help the people of this nation and that nation. Their misery is described, and we hear daily about their unfortunate condition. I am glad we have in this country persons who are looking after the people over there; but what I am interested in is finding in this country somebody who is going to look after starving, undernourished, poorly clad people in the United States of America.

In conclusion, let me say that in reading a newspaper a moment ago, the Washington Daily News, I saw this article:

JOBLESS AID REQUESTS REACH OVER 800,000

More than 800,000 people were forced to seek unemployment compensation checks in January because the drop in industrial activity deprived them of their jobs, the Social Security Board reported today.

Nearly $41,000,000 was paid out in benefit payments, a rise of more than 34 percent over the previous month. Reports covering more than 6,000,000 weeks of unemployment were filed with unemployment compensation offices throughout the country, the Board said.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. REYNOLDS. I yield to my friend from Tennessee.

Mr. McKELLAR. I merely want to say that I imagine, from what the Senator has said, that he believes in the old-fashioned doctrine that "charity begins at home."

Mr. REYNOLDS. Yes, sir; I thank the Senator very much. I believe that charity begins at home.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CHANDLER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. MILLER, from the Committee on the Judiciary, reported favorably the nomination of Thomas Glynn Walker, of New Jersey, to be United States district judge for the district of New Jersey.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He, also, from the same committee, reported adversely the nomination of Lynn McGraw Moses to be postmaster at Altoona, Pa., in place of A. B. Clark, removed.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS—NOMINATIONS RECOMMITTED

The legislative clerk read the nomination of Ford E. Samuel to be postmaster at Alameda, Calif., which had been adversely reported.

Mr. McKELLAR. I ask unanimous consent that that nomination be recommitted to the Committee on Post Offices and Post Roads for the present.

The PRESIDING OFFICER. Without objection, that order is made.

Mr. McKELLAR. I do not see the Senator from California present; but I will explain to him tomorrow why that is done, and he will have every opportunity to look after the nomination.

While I am on my feet, Mr. President, I desire to say that on February 29 the Senate confirmed the nomination of Fred A. Sommars to be postmaster at Carrington, N. Dak. I ask that the vote whereby the nomination was confirmed be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, the vote by which the nomination of Fred A. Sommars to be postmaster at Carrington, N. Dak., was confirmed is reconsidered, and the nomination is recommitted to the Committee on Post Offices and Post Roads.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the remaining nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

This concludes the Executive Calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 5, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 4, 1940

DIPLOMATIC AND FOREIGN SERVICE

James J. Murphy, Jr., of Pennsylvania, now a Foreign Service officer of class 3 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

TREASURY DEPARTMENT

Jonas W. Graber, of Kansas City, Kans., to be Assistant to the Commissioner of Internal Revenue, to fill an existing vacancy.

PUBLIC HEALTH SERVICE

Thomas Parran, of New York, to be Surgeon General of the Public Health Service for a term of 4 years. Reappointment.

The following-named dental surgeons to be senior dental surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Alf E. Nannestad, February 26, 1940.
Robert C. Stewart, March 22, 1940.
Robert L. Robinson, March 26, 1940.
William T. Wright, Jr., April 1, 1940.

COAST GUARD OF THE UNITED STATES

Lighthouse Engineer Edward William Laird to be a lieutenant in the Coast Guard of the United States, to rank as such from December 1, 1939.

PROMOTION IN THE REGULAR ARMY

TO BE MAJOR

Capt. Charles Francis Baish, Corps of Engineers, from February 27, 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 4, 1940

POSTMASTERS

MISSISSIPPI

Volney M. Crothers, Lambert.

MISSOURI

Noble C. Jessee, Stella.

NORTH CAROLINA

Ferdinand B. Johnson, Clinton.
Paul E. Hennessee, Glen Alpine.
Eula Mae White, Hiwassee Dam.
Thomas L. Maness, Star.

OREGON

Theodore A. Fleischhauer, Aurora.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 4, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our gracious Father in Heaven, we pray that the words of the Apostle, "Thy will be done" may put exultation in our minds and hearts; let us delight to do Thy will. Lift us out of any selfishness into an absorbing dignity and responsibility that our labors may be threaded with a great and exalted purpose. Baptize us with Thy grace like the sunlight behind the flower until we walk in Thy ways, thinking Thy thoughts, and making the weak strong and the strong just. O let Thy will be done within the four walls of our own country; grant that this prayer may liberate all stricken ones that are chained to the prison house of poverty, sin, and despair. O Thou Christ of the lonely way, Thou Rose of Sharon, forever bloom in our own hearts. We would keep silence before Thee. The presence of a chivalrous and brave soldier is with us. In this Chamber he labored faithfully and at the last paid the full measure of sacrifice. O Thou who telleth the tale of unspeaking death lift the curtain of that which is to come. In our dear Redeemer's name. Amen.

The Journal of the proceedings of Friday, March 1, 1940, was read and approved.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

COMMUNICATION FROM CLERK OF THE HOUSE

The Speaker laid before the House the following communication from the Clerk of the House, which was read:

OFFICE OF THE CLERK, HOUSE OF REPRESENTATIVES,
Washington, D. C., March 4, 1940.

The SPEAKER,
House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. WALTER A. LYNCH as a Representative-elect to the Seventy-sixth Congress, from the Twenty-second Congressional District of New York, to fill the vacancy caused by the death of Hon. Edward W. Curley, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.
By H. NEWLIN MEGILL.

SWEARING IN OF NEW MEMBER

Hon. WALTER A. LYNCH appeared at the bar of the House and took the oath of office.

EXTENSION OF REMARKS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial by Mr. Ashby Williams, a member of the District bar, on the subject The British Navy is the Biggest Racket Since the Roman Legions.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an item which appeared in the Cleveland Plain Dealer of February 8.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of reclamation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. NELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a brief extract from an article in the New York Times of yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a petition to Congress from the Multnomah civic clubs of my district and that it also be referred to the proper committee.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I also ask unanimous consent to extend my remarks and include two short statements on unemployment, one by the American Federation of Labor and the other by John L. Lewis.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address by Senator BRIDGES at Denver, Colo.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE NEW DEAL

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, 7 years ago today President Roosevelt took office. [Applause, the Members rising, Democratic.]

Please do not take up all of my minute. [Laughter.] One year from now we will be in office and you ought to applaud. [Applause, Republican.]

Mr. Speaker, my minute is just about gone and I am afraid the gavel will fall before I get a chance to say a word, but read in the RECORD tomorrow what I have to say about this administration and the promises it has made and the performance it has accomplished, and you will find that instead of President Roosevelt thinking now that he ought to continue for a third term he will resign today and let somebody else take his place, because he has not carried out those promises. [Applause.]

SEVEN LONG YEARS OF NEW DEAL

Today is the seventh anniversary of the reign of Franklin D. Roosevelt. Previous to his assuming office he made some of the finest campaign pledges for the operation of this Government that any President has ever made, and for 6 months after taking office he started in to carry out his promises for economy, efficiency, stability, and liberty. And I give you this one quotation—besides, the Democratic platform of 1932 could not have been more sound. The quotation is as follows, delivered at Pittsburgh on October 19, 1932:

> The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good.
>
> If government lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending; if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy.

What happened in 6 months, when they started on a program of spend, spend, spend, and lend, lend, lend; of destruction, killing the pigs, plowing under the cotton and burning the wheat; of waste and extravagance, such as our country never dreamed of previous to that time? Then the President, with his spend, spend, spend program requested the Congress to give him power and give him money. This they did. Money meant nothing to the New Deal Congress, and they gave him, at the first crack out of the box, $4,880,000,000—the worst thing that Congress ever did to any President at his own request. That was only the start to wanting. They have continued to give until they have put in his hands in the past 7 years over $18,000,000,000 in the guise of relief, and what have we to show for it? Much nothing—a lot of buildings and improvements and so-called improvements that

will continue to increase the daily cost of government. But we still have the debt for our children and our children's children to pay. The same story of the rich man leaving the son a lot of money without any experience in handling it. And what has been your experience in the majority of cases of this kind? Waste and extravagance and, finally, a wreck.

Where do we find ourselves today, as a nation with a debt limit of $45,000,000,000 and now up to the debt limit? Will this administration get through this year or will they have to increase it? I think they are going to try to get through this year and leave the next administration to increase it in order that they do not disobey the law. But this administration surely will disobey the law because their bookkeeping will be so juggled to avert the knowledge of the people from knowing what the maximum debt really is.

Seven long years of extravagance. Ten million men out of work when they came into office. Ten million men out of work today. After 7 years of trying to find jobs it seems to me with the same number of unemployed, the story is inability to meet the situation. In 7 long years, each year with a great deficit from one billion and a half dollars up, until we have created the greatest and most consistent deficit the world has ever known by any government. We were promised before the 7 years began that we would eliminate bureaus and consolidate departments. This was for economy in government. Instead we have set up more bureaus. Last year we started in to consolidate offices, and since the consolidation we have added to the Government pay roll over 100,000 additional employees. Putting employees on the Government pay roll for the taxpayers to pay will not decrease our national deficit, but will tend to increase it. Where is the economy?

In 7 years we have given the President more power in 100 laws that have been passed than any President has ever had; in fact, than any President ever would want. It is too much power for a bad man, and a good man would not have asked for it. We have placed in the hands of the President of the United States now, should he declare an emergency, power to take over the radio stations; take over the telegraph and telephone communications; take over the railroads, air lines, bus and truck lines; take over industrial establishments if they refuse preference to Government contracts. In 7 long years we have given the President the power to restrict production on the farm, to fix prices on agricultural products, and to manufacture goods in competition with private enterprise. In 7 long years we have given the President the power to create business corporations, and we now have our Government owning and controlling more business than was ever known in the history of our Nation. The President had the power to confiscate all the gold, which he did, and buried it in Kentucky. He decreased the value of the dollar to 59 cents. He is now hoarding the silver and burying it at West Point.

In 7 years we have given the President the power, in case he wants to use it, to close the banks and stock exchanges for 90 days. Dictatorship is close at hand. Will we permit it to go on?

Today, Mr. President, is the seventh year of your reign. Much talk is buzzing over the country as to whether you are contemplating running for another term. After the failure that you have had during the past 7 years in trying to solve the problem of unemployment and put this country on a solid foundation, I should advise you not to run for a third term but to resign your office now and let somebody else fill the remaining year. I say this not in the spirit of contempt, not in the spirit of enmity or jealousy, but I say it for the good of America, American agriculture, American labor, American industry, and American liberty.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include some excerpts and a recent resolution and telegrams of historical value on the memorial bodies at Fort Wayne, Ind.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the Clerk be permitted to read a short resolution recently adopted by the Legislature of the State of New York.

The SPEAKER. The gentleman from New York asks unanimous consent that the Clerk may read a resolution referred to by him, adopted by the Legislature of the State of New York. Is there objection to the request?

Mr. RANKIN. Mr. Speaker, reserving the right to object, what is it about? I do not think we ought to start a campaign of political propaganda in that way, and I believe I will object for the time being.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. RAYBURN. Mr. Speaker, everybody agreed to an unusual thing last week, and that was upon the assembling of the House today, and before calling the Consent Calendar, 1 hour of memorial exercises would be conducted. I think we ought to proceed with it. Therefore, I shall object to anyone proceeding for any length of time at the present time.

The SPEAKER. Objection is heard.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1941

Mr. FITZPATRICK, from the Committee on Appropriations, for Mr. TAYLOR, reported the bill (H. R. 8745, Report No. 1709) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, which was read a first and second time and referred to the Union Calendar.

Mr. RICH reserved all points of order against the bill.

THE LATE HONORABLE ROYAL C. JOHNSON

The SPEAKER. Under the previous order of the House 1 hour has been set aside for the purpose of paying tribute to the memory of the late ROYAL C. JOHNSON, of South Dakota. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN] for 1 hour.

Mr. RANKIN. Mr. Speaker, I yield 30 minutes to the gentleman from New York to be yielded as he sees fit.

I now yield 5 minutes to the distinguished gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, it is fitting that we, the former service men, soldiers of the World War, should devote a short time today as a memorial to ROYAL C. JOHNSON, former Congressman and our former comrade.

ROYAL JOHNSON was beloved and admired by all who knew him. He was born in 1882, admitted to the bar in South Dakota, his home, in 1906, and practiced law in Highmore, S. Dak. He was deputy State's attorney in 1909 and 1910, attorney General of South Dakota, 1911 to 1915, inclusive, and was a Member of the Sixty-fourth to Seventy-second Congresses, inclusive. During the war on January 5, 1918, he resigned from Congress and enlisted as a private in the United States Army. He was promoted to sergeant, Company K, Three Hundred and Thirteenth Infantry, April 23, 1918; to second lieutenant June 1, 1918, and assigned to Company D, Three Hundredth and Thirteenth Infantry. He was then promoted to first lieutenant September 3, 1918. He, with his company and regiment, went overseas on July 6, 1918. He was wounded on September 27, 1918, in the fierce fighting at Montfaucon, and discharged from the service on December 20, 1918. He was awarded and received the Distinguished Service Cross, the Purple Heart, and the French Croix de Guerre.

Since the war he was always active in all matters pertaining to the welfare of the veterans. He was a member of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. It is not inappropriate for me to say that the veterans, those who were disabled as well as those who are in perfect health, are under a deep debt of gratitude for the part he has played in their behalf.

I first knew him when I came to the Sixty-seventh Congress on March 4, 1921. He, together with those of us who were former service men, was responsible for the Committee on World War Veterans' Legislation which was organized during the first session of the Sixty-eighth Congress on the 18th day of January 1924. I served on this committee

with him the greater part of the time as the ranking minority member until March 3, 1929. I think every Member who has served on his committee admired him because of his absolute honesty, his fairness, and his high character. He was absolutely fearless. At no time on the committee would he allow partisanship to enter into the proceedings of the committee. As an illustration, he assigned two Democrats on the subcommittee, Milligan and myself, to draft the veteran legislation of 1924. At another time I was chairman of the subcommittee to investigate the Government hospitals. During the entire time that I served on the committee, I was his close friend.

After he retired from Congress he practiced law here in the District of Columbia and had a lucrative practice. He was in short, every inch a gentleman, a good lawyer, a fine soldier, and an outstanding citizen, and I, together, with his multitude of friends regret his untimely passing last year. Today it honors us to pay tribute to the memory of ROYAL C. JOHNSON, our former comrade in arms, our former colleague in Congress, who bore on his body the wounds received in battle, and who, whether in peace or in war, gave his best to the Nation that he loved so well.

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER pro tempore (Mr. NELSON). The gentleman from New York is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, this is an unusual tribute to an unusual former Member of this House, ROYAL JOHNSON, who has gone to join his comrades and those disabled veterans whom he aided in the bivouac of the dead. It is fitting and right that the House of Representatives should pause in its deliberations and pay this unusual tribute to one of its foremost former Members who died in the prime of life on August 1 last year, leaving a devoted wife and two sons.

"For Lycidas is dead, dead ere his prime" and probably as the result of the wounds he received in battle and the shock to his heart.

ROYAL JOHNSON was a gallant soldier, a distinguished and able legislator, a congenial and loyal friend, and a patriotic American in time of peace as well as war. He was the youngest attorney general ever to be elected in the State of South Dakota. He was elected to the Congress of the United States when he was 33 years of age. Shortly afterward he refused to be stampeded into voting for a declaration of war and was one of the 51 Members of the House who voted against our entry into the war with Germany. That vote took political courage and showed that he had the courage of his convictions. After war was declared he volunteered and entered the Army as a buck private. He was promoted successively to the grades of second lieutenant and first lieutenant in the Seventy-ninth Division. He led his men into action in the famous and hard-fought battle of Montfaucon, where he was badly wounded. He was decorated for gallantry by both the American and French Governments. He was in the hospital in France when he was reelected to Congress in 1918 by his constituents.

On his return to the Congress he introduced and secured the passage of a bill granting a national charter to the American Legion. He introduced and secured the passage of a bill awarding the Medal of Honor and the Distinguished Service Cross to the Unknown Soldier. When the Veterans' Committee was created in 1924 he became its first chairman and inaugurated with the other members of the committee our Government's policy of compensation and hospitalization for our disabled American soldiers. Today those hospitals, some 80 in number, stand as monuments to the honor and memory of ROYAL JOHNSON.

I think it is well as we pause in our deliberations today to repeat some of the words that ROYAL JOHNSON himself used back in 1917, when the House was considering the draft bill for which he voted, because today we are in the midst of war hysteria and fear and dread of being involved in another foreign war. Surely those in our midst who would have us go abroad again to fight to make the world safe for democracy and want to send the youth of America to foreign lands to fight other people's battles, and those internationalists and interventionists who are now clamoring to police and quarantine the world, should carefully weigh the remarks that ROYAL JOHNSON made in a speech on the floor of this House on April 26, 1917, directed at the war mongers of those days:

> Unlike Theodore Roosevelt, they never did and do not want to fight. They want to resolve, and I hereby christen them "resolution patriots," and define such patriots as "men who are long on resolving and short on enlisting." * * *
>
> I have been very much interested in the method of selection under the conscription law. If I had that duty, I want to assure you there would be a nonpartisan, nonpolitical choice, but that I would select a lot of "resolution patriots." * * * After selecting them, I would like to have the privilege of picking out the place for them to fight, and I assure you they would get all the fighting they have been so vociferously clamoring for—and they would do a lot more fighting and a lot less resolving.

Mr. Speaker, ROYAL JOHNSON was a credit to South Dakota. He was a credit to the party to which he belonged. He was a credit to the House of Representatives as one of its most distinguished Members for some 18 years; and, above all, he was a credit to America because of his vigorous Americanism and because he was a true patriot in time of peace as well as in war.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. CARTWRIGHT].

Mr. CARTWRIGHT. Mr. Speaker, I knew the honorable and distinguished late ROYAL JOHNSON; I knew him very well. He was a capable lawyer, a gallant soldier, and a distinguished legislator. As has been said, this is an unusual ceremony for an unusual man, but in every way he is entitled to this honor.

It was my privilege to serve with him. He gave unstinted service and a helping hand to everyone, regardless of political affiliation. He was concerned always with the best public interest and welfare of our Nation. His work as chairman of the Committee on World War Veterans' Legislation will serve as a lasting monument to his career as a legislator.

ROYAL JOHNSON is gone but not forgotten.

Mr. RANKIN. Mr. Speaker, we have one Member of the House who was with ROYAL JOHNSON in the thick of the fight. I yield 5 minutes to the distinguished gentleman from Maryland [Mr. COLE].

Mr. COLE of Maryland. Mr. Speaker, the decision to hold these exercises is most commendable. It is in keeping with the consistent regard and respect the distinguished chairman of the Committee on World War Veterans' Legislation [Mr. RANKIN] shows at all times for the ex-service men of this country.

I spoke briefly to the House on August 3 about the life of ROYAL JOHNSON. I shall therefore not repeat today much I said at that time.

ROYAL C. JOHNSON was admittedly a casualty of the World War. But for the wounds he sustained and the effect thereof in later life few will doubt that he would be with us today.

Following his vote against the resolution declaring war, he enlisted in the Regular Army on January 4, 1918, and was assigned to Company K, Three Hundred and Thirteenth Regiment of Infantry, then at Camp Meade, Md., of which company he became sergeant. Later he was assigned to the Third Officers' Training Camp at Camp Meade and received a second lieutenant's commission on June 1, 1918. He was assigned to Company D of the Three Hundred and Thirteenth Regiment of Infantry, embarking with the Seventy-ninth Division for France. He remained with his regiment until a later date when he was wounded in action. On September 3, 1918, he was promoted to a first lieutenant, still assigned to Company D of the Three Hundred and Thirteenth Infantry.

It was my privilege to be an officer at the same time in the Three Hundred and Sixteenth Regiment of Infantry, both of the Seventy-ninth Division. When the famous American drive on September 26, 1918, took place, all will agree that the Seventy-ninth Division had one of the most important positions in that terrific offensive. Directly within the sector of the Seventy-ninth Division was Montfaucon. The great work of this division at Montfaucon is a matter

of knowledge to many and enjoys, as it always will, a prominent place in every history of the World War. It was at Montfaucon that ROYAL was severely wounded. For that service he received the Distinguished Service Cross, the Purple Heart, and the French Croix de Guerre with gold star from the Republic of France. The wounds sustained by Royal in the Battle of Montfaucon were such that he was not permitted to be with his division the early part of October 1918 while occupying a defensive position in the Saint Mihiel sector and later in the final and big offensive battle which found his division in the front lines on Armistice Day.

Let us, in the performance of our important duties at this very critical period in the life of this Nation and the world, remember the lesson which knowledge and memory of the life of ROYAL C. JOHNSON so forcibly and manly portrays.

His war record is the envy of everyone, and along with his other great services to his country entitles him to a place in the land of perpetual peace and happiness to which I am sure he has been consigned.

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, one of the many compensations of our service here is the privilege of association with men who are making history, men who have rendered and are rendering a notable service to their day and generation. That was particularly true of those of us who had the privilege of serving with ROYAL JOHNSON.

I shall not speak of his rare character, his distinguished service in the war, his brilliant record in the House. All these have been the subject of eloquent comment by those who have preceded me. But I do wish to refer to his earnest devotion to principle and his patriotic loyalty to his country, when the two conflicted under trying circumstances. In that respect his course was strikingly parallel to that of Robert E. Lee, the great southern leader, under similar conditions. General Lee opposed the idea of war between the States. He was not in sympathy with the formation of a separate government and deprecated the entrance of his own State into the war. But war having been declared, he followed her as a loyal son and was the first soldier, as he was the first citizen of the Confederacy. ROYAL JOHNSON opposed the entry of the United States into the World War. He took his political life in his hands to vote against the declaration of war. But the die having been cast and the issue drawn, he resigned his seat in the Congress and enlisted as a private for immediate overseas service. His soldierly qualities and his fighting record are eloquently evidenced by his successive promotions from private to first lieutenant in 11 months at the front, the Distinguished Service Cross awarded him by the United States and the Croix de Guerre with gold star conferred on him by the Republic of France. But it was on his return to Congress at the termination of the war that he rendered his greatest service to the Nation at large. He fathered and guided through the House the provision for the incorporation of the American Legion, and then turned his attention to the creation of a separate and special committee to handle World War veterans' legislation. Through his efforts, the committee was created as the Committee on World War Veterans' Legislation, and he served as its first chairman. In that position he was a pioneer, a pathfinder, a trail blazer, for conditions differed so greatly from those following other wars that it was necessary to establish precedents in a hitherto unexplored field of veterans' legislation. How successfully he performed that trying and difficult task is shown by the remarkable unanimity of the support given him by all parties and by both the Veterans' Administration and the various service organizations. The code which he initiated remains today after these strenuous years of stress and trial unchanged in fundamental conception and practical application. It constitutes a monument beyond any tribute which storied bronze or sculptured granite could pay.

Wearied and weakened by the weight of the infirmities occasioned by the all but mortal wounds received during the crucial campaign at Montfaucon, he voluntarily retired from Congress and now has answered the last roll call. He was a gallant soldier, a loyal friend, a wise legislator, an illustrious American.

On fame's eternal camping ground,
His silent tent is spread,
And glory guards with solemn round,
The bivouac of the dead.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members who speak may be permitted to revise and extend their own remarks in the RECORD and that all other Members may have 5 legislative days in which to extend their own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. FISH. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF of Michigan. Mr. Speaker, ROYAL JOHNSON and I were bound by a golden cord of friendship that had many strong fibers.

First, he was a man whose character and whose attitudes were congenial and conducive to the warm friendship which existed between us.

Secondly, we were associated together in our work in this House at a time and under circumstances which could do no other than draw us into a close and friendly relationship. We stood together in a fight in this House that was vindicated by history, but which at the time was not popular with some of our colleagues.

Thirdly, we were brothers in arms throughout the first World War.

It gives me a sense of deep satisfaction to add that throughout the years that rolled by after ROYAL JOHNSON voluntarily ended his service in the House undefeated, that close and warm friendship between us continued up to the hour of his untimely passing.

ROYAL JOHNSON won the respect and the affection of those who knew him and were associated with him, because his nature was kindly; he was sturdily honest; he had the courage of his convictions; he was never afraid to say what he believed; and he was never afraid to stand firm and unwavering for what he conceived to be right.

Strong, firm, decided in his opinions, yet he was, withal, so gentle and kindly in his attitudes toward his colleagues and those associated with him as to never give wanton offense or to perpetuate a thoughtless hurt to others.

I think it may be truly said of this man that he was a fine American, an unwavering patriot, a good legislator, and excellent soldier, a sincere practitioner of the law, an honored member of his profession, and one who loved his fellowmen.

It is my conviction that no one who deserved it ever appealed to ROYAL JOHNSON for help without getting it if he could extend that help.

I would not have you believe that my friend's virtues set him apart from other men or made him unapproachable by others, because that would be exactly the opposite of his true character and temperament. He was a hail fellow well met; he was a man's man; his character and temperament were rugged, rough and ready, as well as fine and gentle.

There are many still in this body who knew ROYAL JOHNSON during his congressional service. To those of you who did not have the privilege of being associated with him, I say you truly missed a fine human experience in not knowing and working with him.

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very glad that we are pausing today to pay a tribute to the memory of ROYAL JOHNSON. The entire country owes him homage. The World War veterans owe him a debt of gratitude they will never be able to repay. Had it not been for his

perseverance, his farsightedness, and all-consuming interest in the problems of the veteran it is doubtful that this House would have a Committee on World War Veterans' Legislation today. When it was formed in 1922 he, among all other veterans in Congress, was selected as chairman of the new committee because of his deep knowledge of the subject. A better selection could not have been made. From his service in the World War, as a private, a sergeant, and a commissioned officer, he had first-hand knowledge of the many, and at that time most complex, difficulties disabled veterans were having in establishing their claims with the Federal Government. The new committee was faced with problems which at the time seemed unsurmountable. As chairman he faced these with fearless courage, taking the hard way instead of the easier, striving for equitable treatment for those bearing the scars of war. There is no question but that his honesty and his personal popularity made it possible to achieve these objectives.

His home State of South Dakota, which sent him to Congress nine consecutive times, knew well of his ability to work and work hard in every position in which he was placed. He had served there as deputy State's attorney, State's attorney, and as attorney general before coming to Congress in December 1915. His retirement from political life was of his own choosing, as he declined to be a candidate for reelection to the Seventy-third Congress. He was truly a great South Dakotan.

I wish every boy and every girl in this country could know just how much he loved America. In these days of unrest at home and of war abroad, such patriotism as ROYAL JOHNSON had is a great inspiration. What a heritage he left his own children and the youth of America by his selfless service. ROYAL JOHNSON was one of the few who voted against the World War, and yet when war came and his country needed him, he was one of the first to enlist. He thought his country was wrong, but, like Stephen Decatur, it was "My country, right or wrong."

ROYAL JOHNSON knew from personal experience the bitter lessons of pain. His military service was a record of heroism and courage that so clearly marked his character in postwar years. For conspicuous bravery in action he was awarded the Distinguished Service Cross by his Government and the Croix de Guerre by a grateful France. His medals were not won without cost to him, however, for he was severely wounded at the front, and those who knew him well can testify that he suffered many hours of pain during his years of service in this Congress. That these old scars of battle shortened his life there is no doubt. The world at large never knew of his physical suffering, for it was hidden by a tireless activity and a ceaseless energy unrivaled by men of sound physique. When he died he was in the very prime of life, not an old man in years—only 57—but very old in experience and knowledge of his work and knowledge of the world.

Personally I came to know ROYAL JOHNSON well. When I came to Congress in 1925 it was my very great privilege to be appointed to the Committee on World War Veterans' Legislation. Time has seen many changes, and today the present chairman and I are the only remaining members on that committee who served under ROYAL JOHNSON'S leadership. To know him, to work under him, was to admire his courage and his patriotism. He fought fair and fought hard for what he thought was right, but he was not hesitant in opposing measures that seem to him uncalled for.

The veterans of the World War miss him. We who knew him in Congress, who sought his advice and suggestions even after he left this House, miss him perhaps even more. Our country lost a brave and valiant soldier, a recognized statesman, and a citizen who had devoted his life to the service of others. But the spirit of ROYAL JOHNSON'S unselfishness and devotion to America marches on.

Mr. RANKIN. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, our departed friend well deserves the unusual distinction now being paid his memory; that is, the holding of this hour long enough to mark it with proof of the love and esteem which his former colleagues bore him.

I have been here many years and during the time I have served in this House I have seen men come and go, some great, some less so, all good and all men of distinction in their respective districts; but of those I have seen come and go, there has not been one who had more of the elements of greatness woven into the fabric of his life or who carried more goodness in his heart or who had a better reason for being here than ROYAL JOHNSON.

He was a man whose personal, professional, and official integrity were perfect. He probably had more influence upon me than any man with whom I have ever served. He was a great lawyer, a great statesman, a great soldier, a distinguished author, a great American, and my friend. I loved him devotedly and join with the thousands who knew him in mourning his untimely passing.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Speaker, I shall not detain the House except to say that I concur in the splendid tributes that have been paid here today to our deceased friend and former colleague, Hon. ROYAL JOHNSON. When I became a Member of this House he was a Member, and I had the honor and distinction of serving with him for a number of years. While we occupied different sides of the aisle, the aisle never separated our friendship or our affection. ROYAL JOHNSON was the chairman of the Committee on World War Veterans' Legislation. He was a great man, an able legislator, and he was my friend. And I am glad to pay this simple but heartfelt tribute to his memory.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. JOHNSON] such time as he may desire.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I desire merely to add a word to what my colleagues have said with reference to our departed friend the late lamented ROYAL C. JOHNSON. In the brief time that I shall take it is impossible to begin to recount the life history or pay a fitting tribute to this great, good man, who so indelibly impressed his life and character upon the people of the Nation.

If I remember correctly, the first time I ever heard of ROYAL JOHNSON I was a student in the University of Oklahoma, and he was an active and brilliant Member of this body. On January 4, 1918, the word was flashed around the world that a young man had actually resigned from Congress to enter the World War as a private soldier. The story said that the young man was very much opposed to war, but that when war was actually declared he felt he could not longer retain his membership in Congress after voting to draft other young men to answer the call to arms. The name of ROYAL JOHNSON immediately became a household word all over the land. It had a profound impression upon Congress, the country, and especially the young manhood of America. ROYAL JOHNSON set an example that will make future Congressmen stop, look, and listen before voting to send other men and boys into that awful carnage called war.

We heard of our departed friend many more times during that world conflict. A few months later, while I was in France, I recall reading of the daring feats of that stalwart young man who had risen from a private to a captain, a major, and later, I believe, to a lieutenant colonel. He was one of the real heroes of the World War. Later I saw and heard ROYAL JOHNSON at our national American Legion conventions and was delighted to know that he was so deeply interested in the welfare of his comrades in arms, especially the disabled veterans of that war and their dependent families.

It is needless to add that one of the first men I sought to meet when I came to Washington as an humble Member of this body was ROYAL JOHNSON. I found him to be brilliant, able, fair, and most reasonable. He was mild-mannered and unspoiled. As the years went by I learned to know him better, and, of course, to really know him was to love and admire him.

Although our friend and colaborer is gone to his reward, the memory of his splendid character, accomplishments, and friendship will always remain with us. His fine example is

one that all of us might well emulate. America needs more men of his high caliber and sterling worth. May God bless his memory.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. MAAS] such time as he may desire.

Mr. MAAS. Mr. Speaker, ROYAL JOHNSON has been, and will continue to be, an inspiration to all patriotic Americans and especially to Members of Congress.

Royal was an intense patriot who genuinely loved his country. As a Member of Congress he fought to keep the United States from becoming embroiled in the World War, but being a true lover of democracy when the majority ruled otherwise and voted to declare war, ROYAL JOHNSON left Congress and enlisted as a private soldier to fight for his beloved country.

He so conducted himself that he became a hero during the war to every young American soldier.

When the war was over, he returned to Congress, and organized and led the legislative movement to properly care for the American boys who had suffered most in the common cause of their country.

ROYAL JOHNSON was the first chairman of the World War Veterans' Committee in Congress. Under his able leadership legislation creating the great Veterans' Administration was enacted. Most of the fundamental and basic acts dealing with the veterans' relief and welfare were enacted into law while he was chairman of the committee.

Royal was an able and fearless leader for right and, though personally a mild-mannered individual, he was a relentless leader in pushing remedial legislation. He was loved and respected while alive. He will always be loved and revered in death. His great influence will live on to be a living memorial, far more fitting and appropriate than any statues, memorial addresses, or other testimonials that his friends can ever create. His name and his cause will march on and on as a true monument to a great American.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. KNUTSON] such time as he may desire.

Mr. KNUTSON. Mr. Speaker, the life of ROYAL C. JOHNSON, whose memory we commemorate today, should be an inspiration to the youth of our land; nay, more, it should refute completely those who preach the dark gospel of despair to the young men and women of America—the gospel that their opportunities for advancement have been greatly restricted and that henceforth many of them must look to the dole rather than to their own initiative.

Such a philosophy was as alien to the nature of ROYAL C. JOHNSON as anything could possibly be. He had sprung from that sturdy stock of old Americans who conquered a continent, foot by foot, and developed it into the greatest country of all time. Our distinguished friend was born in Iowa on October 3, 1882. The following March his family moved to South Dakota, when that State was yet a Territory and the hostile Sioux a serious problem. He grew to rugged manhood amidst the hardships and dangers of the frontier. At the age of 24 he graduated from the University of South Dakota and began the practice of law in his home town of Highmore. Shortly thereafter he was made assistant State's attorney and 2 years later State's attorney. At the age of 28 he became attorney general of the State of South Dakota, which position he filled with distinction for 4 years. In 1914 he was elected to Congress and served with fidelity and distinction in this body continuously for 18 years, save for the time that he served abroad in the armed forces of his country during the World War. After 18 years of outstanding service in this body he voluntarily retired to resume the practice of law.

ROYAL C. JOHNSON was in every sense a family man. He was happiest when surrounded by his family. He was an individual whom we were all proud to call "friend" and his was one of the closest friendships formed by me in the nearly quarter of century service in this body. I was en route to Europe when word came to me that this gigantic oak had toppled over in an unexpected storm. His passing created a scar that even time cannot fully heal.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, when, through the efforts of Mr. JOHNSON, the Committee on World War Veterans' Legislation was created, it was feared that as a veteran he might not be wholly impartial, and two of us who had been beyond the age limit at the time of the war were chosen to be with him to offset any tendency he might show toward undue friendship for the soldier. I was one of the two and while he was a member sat with him. There came no occasion for the apprehension. I wish to add to the deserved tributes that have been made to him simply a recognition of his independence and his fairness. Always in time of peace as in time of war his first thought was of the welfare of his country.

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, this is a most unusual but deserving tribute.

It was my pleasure to meet ROYAL JOHNSON the day he came to Washington as a Member of this body. Well do I remember the day he left to go to war and well do I remember his return. Wounded in action, no one ever heard him mention his disabilities, but those of us who really knew him were always aware of his sufferings.

On his return he was placed in charge of an investigation of expenditures during the period of the war. Out of that investigation testimony covering 20 or more volumes was printed, but in the end ROYAL JOHNSON, a Republican, told the world nothing was found that showed any official had violated a public trust.

The Democratic Party was in control during the period of the war. There was no attempt on the part of that committee to cast reflections upon those charged with expenditures of billions.

His work as chairman of the Committee on World War Veterans' Legislation has already been told. The World War veterans can and do thank ROYAL JOHNSON for many of the benefits they now enjoy.

Little did I feel when I saw him at the Emergency Hospital, after he suffered injuries by being struck by an automobile, that in so short a period I would be in Arlington Cemetery while he was being laid to rest.

ROYAL JOHNSON was my friend and I cherished his friendship.

The history of our country that does not contain the record of ROYAL JOHNSON during the World War and the years that followed will be incomplete.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. WIGGLESWORTH] such time as he may desire.

Mr. WIGGLESWORTH. Mr. Speaker, I am happy as a Member of Congress and as a World War veteran to join in this tribute to a former colleague and comrade for whom I had both admiration and affection.

When I first came to Congress ROYAL JOHNSON was one of the experienced and influential Members of this House. A member of the Rules Committee, chairman of the Committee on World War Veterans' Legislation, a member of the Republican steering committee, at 46 years of age he had already served in this body for 13 years. He extended a helping hand to me on many occasions and I formed with him a friendship which endured through the years of our service here together, through the years after his voluntary retirement from public life, up to the day of his death.

Only the evening before he died he telephoned me in my office. He had heard that I was going to Europe. Characteristically, he wanted to give me some suggestions and to send me in the morning a letter that he thought would be helpful. The letter was never written. Before he could return to his office in the morning "taps" had sounded. He had been called to his reward.

Mr. Speaker, ROYAL JOHNSON served his country with real distinction both in time of war and in time of peace.

His retirement from Congress to enlist as a private in the Regular Army in the World War; his several promotions to the rank of first lieutenant; the wounds which he received in action at Montfaucon; the Distinguished Service Cross, the Order of the Purple Heart, and the Croix de

Guerre with star, which he won on the battlefield, speak eloquently of his desire to serve, his ability to lead, and his valiant conduct in time of war.

His splendid work in this House in the course of which he fought so strongly and so fairly for the best interests of his comrades in arms, speaks no less emphatically of his patriotic service in time of peace. All of us who served with him here will bear witness to his character, his integrity, and his courage as a national legislator and a leader in public life.

ROYAL JOHNSON devoted himself to public service for 33 years. His long career as deputy State's attorney, as State's attorney, as attorney general, and as a Member of Congress for 18 years emphasizes the confidence which he enjoyed among those whom he was privileged to serve.

A valiant soldier, an able and resourceful lawyer, a distinguished public servant, a true and loyal friend, our departed colleague and comrade stood for all that is best in American life. His memory will not fade, Mr. Speaker, from the minds and hearts of those fortunate enough to be included in his wide circle of friends in every walk of life. [Applause.]

Under leave to extend my remarks, I include at this point copies of the citations which he won in France, together with a further tribute appearing in the January issue of the South Dakota Bar Journal:

CITATIONS AWARDED TO LT. ROYAL C. JOHNSON

The Distinguished Service Cross: "For extraordinary heroism at Montfaucon September 26 and 27, 1918. He constantly exposed himself to the enemy fire during the action at Montfaucon, setting an example to his men by his fearlessness. When severely wounded by shell fire, he assisted two wounded men of his company to the rear and refused to occupy space in the ambulance until these men had been provided for."

The French Croix de Guerre with star: "A very brave officer, exposed himself to the enemy's fire during the attack on Montfaucon and set an example of courage for his men. Though wounded by shell splinters, he brought aid to two wounded men of his company and refused to enter the ambulance before them."

[From the South Dakota Bar Journal for January 1940]

ROYAL CLEAVES JOHNSON

(By Dawes E. Brisbane)

On a shady slope in Arlington stands a simple marker indicating the last resting place of ROYAL C. JOHNSON. From the beauty and dignity of that historic hillside overlooking the Nation's Capital "those who also served" maintain their eternal guard over the living spirit of the Republic. The greatest posthumous honor was rightly bestowed when he was committed to the imperishable community of that deathless legion.

ROYAL JOHNSON represented South Dakota for 18 years as a Member of Congress. First elected in 1914, he continued that service until his voluntary retirement in 1933. When the United States entered the World War, against which he courageously cast his vote in the House, he enlisted as a private in an infantry regiment of the Regular Army. Later assigned to the Third Officers' Training Camp, he was commissioned and assigned to the Three Hundred and Thirteenth Infantry. While leading his command through the shambles that was Montfaucon he was left behind seriously wounded. The Distinguished Service Cross was awarded for his conspicuous bravery that day. France also conferred upon him the Croix de Guerre with gold star.

The armistice found Lieutenant JOHNSON in a base hospital. His recovery was sufficient to permit being invalided home, where he resumed his place on the floor of the House December 17, 1918. He fathered the bill incorporating the American Legion. He sponsored many laws for the relief of disabled soldiers. He was chairman of the House Committee on Veterans' Legislation from its creation until he retired from Congress.

Royal was a constant member of the South Dakota Bar Association from his admission in 1906. During the earlier years of that period he served as State's attorney of Hyde County and two terms as attorney general of South Dakota. A member of the District of Columbia Bar, he had been actively engaged in the practice of his profession in Washington since his retirement from public life. In this work he was eminently successful.

Born in Cherokee, Iowa, October 3, 1882, his parents brought him to South Dakota the following year. He attended public schools at Highmore and Pierre and college at Yankton. He earned his law degree at the University of South Dakota in 1906.

A great athlete, Royal played a hard, heady game of tackle on the varsity and for many years was the outstanding baseball catcher in the State. His ability to negotiate the "tough ones" gained for him the lasting nickname "Sod Grabber." In other activities he brilliantly held a place on the university debating team and, as in later life, he was at all times a leader among his associates. By doing odd jobs during the school months and playing semiprofessional baseball during the summer he was able to complete his education.

His marriage to Florence Thode in 1907 was the fulfillment of a college romance. Two stalwart sons survive to give solace to their bereaved mother. They are Everett Royal Johnson, a successful engineer and member of the bar, and Lt. Harlan Thode Johnson, of the United States Navy.

Royal was a member of the Phi Delta Theta, Delta Theta Phi (law), the Masons, and the Elks. He belonged to the Metropolitan, the National Press, the University, and the Chevy Chase Clubs in Washington. He was a Republican and a Congregationalist.

A soldier of valor, a statesman of great integrity, a lawyer of high ethics, he was with all a friend of boundless loyalty.

In his last public utterance, before a large gathering in the House Office Building assembled there to do him honor, he expressed the modest and simple hope that some of those who may come after might say of him, "With all his limitations he did his best." Thus, prophetically, did he give voice to his own epitaph.

Mr. WIGGLESWORTH asked and obtained unanimous consent to extend his remarks by including copies of citations awarded for gallantry in action in France and a further brief tribute appearing in the January edition of the South Dakota Bar Journal.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, this is indeed a rare occasion. The Congress of the United States in honoring the memory of the late ROYAL C. JOHNSON, former Member of Congress from South Dakota, pays a tribute to the achievements that characterized his busy and useful life.

I like to remember the deceased as I first knew him as a Member of Congress when he was named as the chairman of the newly formed World War Veterans' Committee of the House of Representatives.

As a former lieutenant with the Three Hundred and Thirteenth Infantry, Seventy-ninth Division, A. E. F., at Montfaucon, France, he performed an act of heroism so outstanding that a grateful Government conferred upon him the Distinguished Service Cross.

This former officer constantly exposed himself to enemy fire, setting a brave example to his men by his fearlessness prompted by his love of country. This record of service and the fact that he was likewise distinguished in civil life for his many noble traits of character, combined to make his selection universally acclaimed by veterans throughout the country.

During my many years of active participation as a National and State officer in the Veterans of Foreign Wars of the United States I had an opportunity to become intimately acquainted with ROYAL C. JOHNSON and from this association learned to appreciate the many splendid qualities of his richly gifted soul.

His thorough knowledge of the problems confronting the World War veteran and his dependents and his splendid leadership of the World War Veterans' Committee laid the foundation for the Federal Government's present veteran-welfare program.

As a Member of Congress his position did not remove him from the daily comradeship of his World War veteran buddies, and he was found holding an active membership and office in the great veteran organizations of our country. He was constantly visiting veteran hospitals and giving a word of cheer to those helpless comrades to whom death would be a welcome respite from the daily pain and anguish that wracked their bodies and distorted their minds.

At Montfaucon, France, the heorism of ROYAL C. JOHNSON and all American soldiers is recognized by a beautiful monument; while here in the United States every Government hospital for disabled veterans stands as a monument to this distinguished veteran for his devotion to the welfare of America's disabled veterans and their dependents.

If the veterans of the World War, 4,000,000 strong, could join me in this Chamber today, I know their voices would blend with mine in saying, "Our comrade, ROYAL C. JOHNSON, is gone but not forgotten."

Mr. FISH. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, many are the disabled veterans, their widows and orphans in this land of ours today whose lives are just a little sweeter and whose burdens just

a little easier to bear because of the untiring efforts, the kindly heart, and the understanding mind of the late great American in whose memory we are today doing honor; the first chairman of the Veterans' Affairs Committee, the Honorable ROYAL C. JOHNSON.

Although his work here on earth is finished, his high ideals still live and will live so long as friendship and true patriotism warm the hearts of men.

ROYAL JOHNSON knew the innermost desire of his genuine American fellow men was to observe the golden rule—to do unto others as you would have them do unto you.

ROYAL JOHNSON knew that the great majority of Americans would want the defenders of Old Glory treated justly and fairly, for such has been the expression of our people since the Declaration of Independence.

ROYAL JOHNSON knew that a just pension system was not only very necessary for a free system of government, but also that it would be the most economical for the taxpayers of this Nation to maintain.

He knew that every American boy and girl who had studied history had the knowledge that the veterans of every war in which the United States had ever engaged had been compensated as justly as could be devised by the various administrations of our Government. And for that very reason these same boys and girls have always responded to the call for volunteers, thereby making it unnecessary for the United States to maintain a huge conscription army which would cost more than the amount awarded to those veterans who had served their country and to their dependents.

ROYAL JOHNSON knew, as do most informed people, that the veterans of many warring nations in Europe after the close of the World War were aggravated by the treatment they received at the hands of their respective governments, and that aggravation is the cause for much of the unrest in Europe today.

The American veteran returned home after the World War singing the praises of his Government. ROYAL JOHNSON was among those returning soldiers; he carried his loyalty and devotion to his country from the battlegrounds of war-torn Europe back to the Halls of Congress that breathes the very essence of American democracy. And he strove mightily to the end that all of those who served their country would be properly rewarded. God rest his soul.

Mr. FISH. Mr. Speaker, I yield two and a half minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Speaker, during my years of service in this House I have found my greatest happiness and satisfaction in watching men on both sides of the aisle develop in ability, in character, and in service, and among these men none stands in my affection beyond that of our dear friend, ROYAL JOHNSON. I said to him when we first became acquainted and I could evaluate his qualities that it was fortunate and appropriate he was named "Royal," for, certainly, he was a son of the king. He had kingly qualities of courage, intelligence, and faithfulness. The sources of his wisdom, his tolerance, and his sense of justice lay deep in that silent, spiritual world from which all true men draw inspiration and guidance.

A few years ago on a glorious August day I stood at Montfaucon, in France, representing this body in the dedication of a great war monument. The President of France spoke, the President of the United States sent a message across the sea, great generals were there, great armies were massed, but the supreme moment came when three young men stood up, all Army chaplains, one a Roman Catholic priest, one a Protestant preacher, and one a little Jewish rabbi who had lost his eyes in that grim battle, and as the crowd stood with bowed heads these young heroes of the faith lifted their hands toward the blue sky and called upon the one power that underlies this world and every other world to which we belong, the power of God; and it was in the faith of His presence and His power that ROYAL JOHNSON found inspiration for his courage, for his industry, for his self-sacrifice, and I cannot help but feel that today, as he stands in the sunlit presence of his divine Creator, if he could give us a message, it would be, "Still keep your faith in the God in whose service I was willing to lay down my life; keep your faith in the great principles of freedom for which I stood and our country has stood from the beginning. Carry on and thus be worthy of those of us who have gone before."

Mr. FISH. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, if I can voice the sentiments of South Dakota today, it would be one of appreciation for the courtesy and the thoughtfulness of the House in setting aside this hour in memory of ROYAL JOHNSON.

I would speak for a few minutes about the South Dakota background of ROYAL JOHNSON, because only as you know the soil out of which a man springs, and only as you know something of the sunshine and the rain of his early years do you really understand the man.

Royal was the son of an early South Dakota printer. His father established the Highmore Herald, and lost it in the depression of 1893. Those were the days when the homesteader was invading the cattle country. Young JOHNSON knew what it was to pick up buffalo chips for fuel at home, to pull an old Washington hand press for his father at the print shop, and to punch cows for ranchers to get spending cash.

He worked his way through the State university by playing semipro baseball in the summer, back in those days when it was both moral and legal to sweat and when "sit down" strikes were unknown. No one should wonder that the Republicans frequently won the congressional ball games during his playing days here. They only ended when war wounds got his legs.

Others speak of Royal as a Member of Congress who voted against the war, then enlisted as a private in an officers' training camp, where he won a first lieutenant's commission. The truth is that he was captain of a South Dakota National Guard company that for 3 years ran off with honors at the national encampments. He could have asked for a major's field commission had he not had conscientious scruples against doing things the easy way. Incidentally, following his death last summer, I introduced a bill to give him a promotion and place him on the emergency officers' retired list, a bill which has not yet been reported by the committee that has it in charge.

After graduation from law school, Royal went back to his home town to break into law practice. He literally did just that. He opposed the town banker and the established legal patriarch by taking the case of a Civil War veteran on whose farm the bank was seeking to foreclose a mortgage. He won the case and saved the farm.

At 25 he ran for county attorney, bucking the local machine. Civil War veterans carried his campaign by horse and buggy to every home in the county. He lost the county-seat town, but he won the country and the election.

That assured him an income of $400 a year. He promptly went to Arizona and persuaded a girl he had met at the university that he was now a man of affluence. She became Florence Johnson, now known and loved by many Washington people.

Two years later his university friends scattered throughout the State backed him, and at 28 he became the youngest attorney general in the United States. And such were the times and such were the ideals of my father that we hitched up the team for a 24-mile drive to hear ROYAL JOHNSON deliver the high-school commencement address at the county seat. That was in the spring of 1912, I think, and gave me my first sight of ROYAL JOHNSON.

As attorney general, he cleaned up a lot of old legal practices in the State, and it was generally accepted that he would go on to other honors. In one campaign it is said that he came to a stream swollen by floods. Others in the party turned back, but Royal stripped, rolled his clothes into a ball, threw them across, and then swam the stream and went on to keep his speaking date.

He was elected to Congress in 1914, and represented the old Second District for 18 years, the longest period a South Dakotan has served. He succeeded another distinguished South

Dakotan, the Honorable Charles Burke, who served for 14 years and then went on to other posts in service of the Nation, and who is here with us today. Of ROYAL JOHNSON'S service in Congress, I need add nothing to what others are saying.

Royal never forgot his close comrades in arms. He was one of the incorporators of the first American Legion posts in the country, the original General Pershing Post, of Washington, later renamed George Washington Post, No. 1. That was March 5, 1919, 10 days before the meetings in Paris. A few days before he died he contacted me to see if he could help in arranging a transfer to a diagnostic center for Hook Phares, a grand old soldier. Hook had put up his age to go to the Philippines in 1898, and later put it down to go to France with the National Guard outfit for whom he cooked on the Mexican border. On the front lines, when Royal was wounded, Hook nursed him until he could be hospitalized. Royal sent word to me, "Do everything you can for Hook. He saved my life." Only a few days after we saw Royal laid away in Arlington Cemetery I saw Hook at Hines Hospital, Chicago. He was only a shadow of the man he had been, a misshapen wreck in the last throes of stomach cancer. But he asked about Royal's death, and Royal's last comment about him helped another soldier to die in peace.

When the service was over at Arlington last August some of us saw a sacred, simple, eloquent thing happen. One of Royal's sons, supporting his mother on his arm, turned smartly toward the grave, drew himself to full attention, then gave his father a soldier's salute. That was his farewell.

We all salute him today—a great South Dakotan, a true American.

Mr. RANKIN. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, I did not have the privilege of serving with our colleague and comrade, the late ROYAL JOHNSON, but I have been able to see the work done by him and the groundwork laid by him as chairman of the committee of which the distinguished gentleman from Mississippi is now chairman and which I have the privilege of being a member.

As the elected head of War Veterans in Congress, which numbers more than 185 Members in the House and Senate, I pay tribute to Hon. ROYAL JOHNSON on behalf of all war veterans in Congress.

Colleague is a precious name. Associations in the Halls of Congress form eternal friendships, and those who were able to call ROYAL JOHNSON colleague and who served with him have today paid a fine and deserved tribute to that brave soldier, courageous legislator, and that fine American. You have called him colleague and friend. You have referred to the fine services which he rendered. Going back in the records of the CONGRESSIONAL RECORD, you will find that before the war and after the war, as well as the service he rendered on the field of battle during the war, he was always rendering service. He was stalwart and courageous in his views. He dared to do that which he thought to be just, and he stood by his convictions. Having voted against a declaration of war, in the concluding statement of a speech he made on the floor of this House he said:

> No Member of the Congress will do more to assist a vigorous prosecution of the war than I will.

This he did well and nobly and in such a manner as to deserve the commendation of those who called him colleague, or those who called him friend, and those many more who called him comrade.

Throughout the Nation today those who are recipients of benefits, those who are in hospitals, those who are getting compensation or pensions, can well be grateful for the early work which ROYAL JOHNSON did when he was pioneering, so to speak, in the field of World War veterans' legislation. I add my voice to the many voices that have been raised today in paying tribute to a colleague, to a friend, to a comrade, to a great citizen, to a brave soldier, and a distinguished Member of this House. [Applause.]

Mr. FISH. Mr. Speaker, I yield the remainder of my time on this side to the gentleman from South Dakota [Mr. MUNDT], who now represents the district that ROYAL JOHNSON represented in this House for 18 years.

The SPEAKER. The gentleman is recognized for 2½ minutes.

Mr. RANKIN. Mr. Speaker, I yield the gentleman from South Dakota 2½ minutes.

Mr. MUNDT. Mr. Speaker, on that sad day last August when ROYAL C. JOHNSON answered the last roll call, America lost a distinguished citizen, and South Dakota lost a favorite son. Having the responsibility which I now have of representing the district which he so well represented for 18 years, I have come to know what the people of his home district thought about ROYAL JOHNSON.

As I travel the highways and the byways of this district, as we Congressmen must every other year, I have met both the citizens of his own party and those who opposed him in election, and I have found them all sharing and reflecting the same attitudes and opinions about ROYAL JOHNSON which have been so eloquently expressed here today by his colleagues. ROYAL JOHNSON had and has a host of friends in his home district, and in his home State of South Dakota. Nothing which he ever did or said cost him the friendship of the people of his home State, including both those of the party supporting him and those of the party opposing him. After the election and between campaigns all recognized the valor and gallantry and friendship and patriotism of ROYAL JOHNSON.

As the Representative of that district which was his, I thank you all for your courtesy and thoughtfulness in setting this hour apart from our busy lives and dedicating it to the memory of ROYAL JOHNSON. As I listened to this ceremony I could not help recalling a statement which he made to a group of fellows sitting in a hotel room, not as the expression of a politician speaking from a platform, where he might have been inclined to engage in something resembling demagogy, but in private conversation with some friends during that interim of time between when war was declared in Europe and the time when this country became involved. Speaking to a group of his friends he said one night, "I can never make myself come to the point where I shall vote to put this country into war unless in the same speech in which I recommend our entrance I also announce the fact that I am willing to fight for the cause to which I would be offering the living sacrifices of thousands and millions of mothers throughout America."

I have reflected since that he not only kept that pledge he made to some friends of his, but that when he had to meet the challenge he did something even more significant. Having weighed the evidence and decided in his opinion that America should have no part in the active conflict of that war, having appeased his conscience by voting against the entrance into war, in spite of that, he volunteered his services as a private and marched gallantly into war, and when there, took a leading part, as has been so eloquently expressed by those who were friends of his, in the front line trenches, in the front lines of those going over the top, getting wounded, winning the highest military distinctions and honors this Government can bestow. Then he came back again to serve the cause of peace, because at the time of his death ROYAL JOHNSON belonged to the Committee to Keep America Out of War, and he stood at that time as he stood throughout his career, an opponent of war, a believer that America can make her best contribution to the world by maintaining a peace in which men govern themselves.

I am sure that if ROYAL C. JOHNSON could have his way today he would want this ceremony dedicated to the hope that the men of this Congress will, and the Executive of this Nation will, adhere steadfastly to a policy of peace, and convey to all the world that this country will not again send American boys to die on foreign soil. By so doing we can give substance today to the ideals for which ROYAL C. JOHNSON made so many sacrifices.

Mr. FISH. Mr. Speaker, the gentleman from Mississippi has yielded me one-half minute. I yield that to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I want to participate in tribute to the late ROYAL C. JOHNSON, of South Dakota, lawyer, soldier, statesman, and all-round American. His career of public service to his State and to his country was a long one and an honorable and distinguished one. He interrupted his service in Congress to enlist in the Army in January 1918. He served in the Three Hundred and Thirteenth Infantry as private, sergeant, second lieutenant, and first lieutenant, and was wounded in September 1918. The luster of his military record is enhanced by the fact that he was awarded the Distinguished Service Cross by the United States Government and the Croix de Guerre with gold star by the Republic of France. Returning to Congress, he became the first chairman of the House Committee on World War Veterans' Legislation; and while his legislative interests and activities were comprehensive, he is probably best remembered and most loved for his distinguished and unselfish service to veterans of all wars of the United States in general and to the American veterans of the World War in particular. He served his country and his fellow man in war and in peace. He was for many years a distinguished Member of this body. In all of it he was a human, kindly, lovable character, with friends everywhere. We in Nebraska were proud to have ROYAL JOHNSON as our neighbor. He visited us many times; and by his speeches, his friendliness, and his good humor he endeared himself to the people of a State wherein his circle of personal acquaintances was large.

Mr. RANKIN. Mr. Speaker, having served with ROYAL JOHNSON for many years as ranking Democrat on the Veterans' Committee while he was chairman, and 2 years as chairman while he was the ranking Republican, I am probably in a better position than any other man alive to understand the heartaches that he experienced in his services in that capacity.

He was a worthy and splendid chairman and his heart beat in sympathy for the disabled veterans of the World War. He was my friend.

Someone has said:

I wrote my name upon the sand
And trusted it would stand for aye,
But soon the refluent sea
Had washed my feeble words away.

I carved my name upon the wood
And after years returned again.
I missed the shadow of the tree
That stretched of old upon the plain.

The solid marble next my name
I gave as a perpetual trust,
An earthquake rent it to its base,
Now it lies o'er laid with dust.

All these had failed; I was perplexed.
I turned and asked myself, What then?
If I would have my name endure,
I'll write it on the hearts of men.

ROYAL JOHNSON wrote his name on the hearts of his fellow men, and especially upon the hearts of his colleagues in this House. He was a patriot; he was a worthy representative of his country on the field of battle; but, above all, he had the courage and patriotism to vote his convictions as a Member of this body.

I was one of the last Members who ever conferred with him. Among other things, he said, "I have a grandson, Royal Johnson, 2d. God forbid that he should ever be called to fight the Nation's battles on foreign soil." He was for peace; for keeping America out of entangling alliances and for keeping American soldiers out of foreign countries. That was one of the burdens of his heart. He was for the safety of small nations; he believed in making the world safe for democracy. But he wanted to see the end of these useless, senseless wars that are today threatening the destruction of civilization. He longed to live to see the restoration of world peace, the dawn of that golden age of which Tennyson dreamed when he said:

For I dipt into the future, far as human eye could see,
Saw the Vision of the world, and all the wonder that would be;
Saw the heavens fill with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with costly bales;
Heard the heavens fill with shouting, and there rained a ghastly dew
From the nations' airy navies grappling in the central blue;
Far along the world-wide whisper of the south-wind rushing warm,
With the standards of the peoples plunging through the thunderstorm;
Till the war-drum throbbed no longer and the battle-flags furled
In the parliament of man—the federation of the world.
There the common sense of most shall hold a fretful realm in awe,
And the kindly earth shall slumber, lapt in universal law.

STATE ACCOUNT OF ADVANCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to permit the Secretary of State to authorize disbursements of appropriated funds under a "State account of advances."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1940.*

INSTALLATION AND MAINTENANCE OF TELEPHONES IN RESIDENCES OF AMERICAN AMBASSADORS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

There are transmitted herewith a report of the Secretary of State and a draft of a proposed amendment to existing legislation designed primarily to provide for the installation and maintenance of telephones in the official residences of American Ambassadors, Ministers, and officers of the Foreign Service, which the Government is acquiring by purchase or lease, or constructing in various foreign countries under the provisions of the Foreign Service Buildings Act of May 7, 1926.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1940.*

REPORT OF COMMISSION OF FINE ARTS (H. DOC. NO. 648)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with the accompanying papers, referred to the Committee on the Library and ordered printed, with illustrations:

To the Congress of the United States:

I transmit herewith for the information of the Congress the report of the Commission of Fine Arts of their activities during the period January 1, 1935 to December 31, 1939.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1940.*

COMMITTEE ON LABOR

Mr. KELLER. Mr. Speaker, I ask unanimous consent on behalf of the chairman of the Committee on Labor, that the Committee on Labor may sit during the session of the House this afternoon.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the seventy-fourth anniversary of the entry of my State, Nebraska, into the Union, and to include therein a newspaper article regarding this anniversary.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a short newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a statement of the principles of the Democratic Motion Picture Committee of Hollywood.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein an address to the Central Housing Committee on February 17, 1940, prepared by the Speaker of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BRADLEY of Michigan asked and was given permission to extend his own remarks in the RECORD.

PRESIDENTIAL THIRD TERMS

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, last week there came from the Legislature of the State of New York a resolution calling upon the Congress of the United States to take adequate, expedient, and proper steps to limit the length of the tenure of office of a President to two terms. Accordingly, I am introducing, at this time, joint resolutions to this effect, which I will proceed to read as long as my time permits.

Joint resolution proposing an amendment to the Constitution of the United States with respect to the ineligibility of a President to a third term

Resolved by the Senate and House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. No person who has twice been elected to the office of President shall again be eligible to be elected to such office or to execute such office for the whole or any part of another term.

"SEC. 2. This article shall be inoperative unless it shall have been ratified by an amendment to the Constitution within 7 years from the date of its submission to the States by Congress."

Joint resolution prohibiting payment of compensation for a President during his third term of office

Resolved, etc., That no part of any appropriation heretofore or hereafter made shall be available to pay compensation of any President for any period during which he is executing that office during a third term.

Taking my cue from the Senate of New York State—my home State—I am today introducing legislation in the Congress dealing with the subject of a third term for the President of the United States. As a Member of Congress from the State of New York, I feel it a duty to attempt to reflect the wishes of the legislature of my home State upon the subject.

On September 17, 1796, George Washington, first President of the United States, delivered his Farewell Address to the American people. On that day the Father of our Country set down certain suggestions for the guidance of the American people. He openly refused to seek election for the third successive time even though it was within his easy reach. Had he chosen to do so, he could have made himself a totalitarian; but by his refusal to seek election for the third time, he established a tradition that to this day has remained unbroken.

In his Farewell Address President Washington said:

The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper * * * to decline being considered among the number of those of whom a choice is to be made.

I believe that this tradition established by Washington, of not seeking election to the Presidency for a third term, forms the one remaining bulwark protecting the people of this Nation against the threat of the establishment of a dictatorship. If the calamity of a dictatorship should come to pass, the minorities, whose rights are now guaranteed under our Constitution, will be placed in jeopardy. They will be accorded the same treatment now given them in certain countries of Europe.

It is, I am sure, the intent of the New York State Legislature by its resolution to urge the Congress of the United States to enact suitable legislation to prevent any President from seeking a third term. In this matter I am glad to be an instrument to bring that desire before the House at this time.

ALBANY, *February 26, 1940.*

Whereas on September 17, 1796, George Washington, first President of the United States, delivered his Farewell Address to the American people; and

Whereas on that day the Father of Our Country set down certain suggestions for the guidance of the American people; and

Whereas by his refusal to seek election for the third time he established a tradition that to this day has remained unbroken; and

Whereas in his Farewell Address President Washington said: "Friends and citizens, the period for a new election of a citizen, to administer the Executive Government of the United States, being not far distant, and the time actually arrived, when your thoughts must be employed in designating the person, who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution that I have formed, to decline being considered among the number of those out of whom a choice is to be made."; and

Whereas this tradition of a President of the United States of not seeking election for a third term forms the one remaining bulwark protecting the people of this Nation against the threat of the establishment of a dictatorship; and

Whereas with the establishment of a dictatorship the minorities now accorded their rights under our Constitution will be swept aside and accorded the same treatment now given them in certain countries of Europe: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be and hereby is memoralized to enact suitable legislation to prevent any President from seeking a third term and that a copy of this resolution be transmitted to the Vice President, the Speaker of the House of Representatives, and each Member of Congress from New York State.

By order of the senate.

WILLIAM S. KING, *Clerk.*

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, the gentleman from New York [Mr. HALL] just stated that the New York State Legislature passed a resolution to prevent any President from seeking a third term. However, as I understand it, every senator and assemblyman of the State legislature who voted for that resolution was a Republican. The Republicans of New York State know that if President Roosevelt is renominated he will be reelected and carry the State of New York, which they would like to prevent. [Applause.]

I am surprised that a Republican Member of the House of Representatives from the State of New York should rise on this floor and comment on a resolution adopted by Republicans in both branches of the New York State Legislature relative to the question of a third term. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I am not so much concerned with the resolution that you have just heard read, but I am very frank to admit that as a Republican I would like to see President Roosevelt renominated by the Democratic Party on the third-term issue so that it can be decided by the American people. This question was not decided alone by George Washington. I do not know whether he was a Republican or a Democrat. The third-term issue was decided by those great Democratic Presidents Thomas Jefferson, Madison, Monroe, and Jackson, and it became part and parcel of the principles of the Democratic Party and

part of the Democratic political creed. It was reaffirmed by Democratic Senators voting against a third term for Calvin Coolidge. The American people are against a third term and the setting up of a dictatorship in the United States. [Applause.]

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

YAKIMA INDIANS

The Clerk called the bill (H. R. 3824) to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ALASKA RAILROADS

The Clerk called the next bill, H. R. 4868, to amend the act authorizing the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore (Mr. WARREN). Is there objection to the request of the gentleman from Michigan?

There was no objection.

EMPOWERING CERTAIN UNITED STATES INDIAN SERVICE OFFICERS TO MAKE ARRESTS

The Clerk called the next bill, H. R. 5409, to authorize certain officers of the United States Indian Service to make arrests in certain cases and for other purposes.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

PAYMENT OF AWARDS OF SPECIAL MEXICAN CLAIMS COMMISSION

The Clerk called the next bill, H. R. 1821, to provide for the payment in full of the principal of awards of the Special Mexican Claims Commission.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. BEAM, and Mr. KEAN objected.

MEXICAN CLAIMS

The Clerk called the next bill, S. 326, for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. FISH, Mr. COSTELLO, and Mr. BEAM objected.

TRIAL OF GOOD BEHAVIOR OF UNITED STATES DISTRICT JUDGES

The Clerk called the next bill, H. R. 5939, to provide for trials of and judgments upon the issue of good behavior in the case of certain Federal judges.

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. SATTERFIELD]?

There was no objection.

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent that the author of the bill H. R. 5939 may be permitted to insert a brief statement in the RECORD as to the purpose of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. SATTERFIELD]?

There was no objection.

PASSAMAQUODDY BAY TIDAL POWER

The Clerk called the joint resolution (S. J. Res. 57) authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this joint resolution may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. VAN ZANDT, Mr. WADSWORTH, and Mr. FADDIS objected.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. VAN ZANDT, Mr. WADSWORTH, and Mr. FADDIS objected.

EXPEDITIOUS SETTLEMENT OF DISPUTES WITH UNITED STATES

The Clerk called the next bill (H. R. 6324) to provide for the more expeditious settlement of disputes with the United States, and for other purposes.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice. The Rules Committee has granted a rule for the consideration of this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

Mr. WALTER. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CELLER. Mr. Speaker, I object.

ADDITIONS TO SEQUOIA NATIONAL FOREST, CALIF.

The Clerk called the next bill, H. R. 1790, to authorize additions to the Sequoia National Forest, Calif., through exchanges under the act of March 20, 1922, or by proclamation or Executive order.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

CROP INSURANCE FOR COTTON

The Clerk called the next bill, H. R. 6872, to amend the Federal Crop Insurance Act.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

OSAGE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6314, authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

There was no objection.

NATIONAL MISSISSIPPI RIVER PARKWAY

The Clerk called the next bill, H. R. 3759, to authorize a National Mississippi River Parkway and matters relating thereto.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

NATIONAL LAND POLICY

The Clerk called the next bill, H. R. 1675, to establish a national land policy, and to provide homesteads free of debt for actual farm families.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

KIOWA, COMANCHE, AND APACHE INDIANS

The Clerk called the next business, House Joint Resolution 290, referring the claims of the Kiowa, Comanche, and Apache Tribes of Indians in Oklahoma to the Court of Claims for finding of fact and report to Congress.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

There was no objection.

DEVIL'S DEN SPRINGS, DECATUR COUNTY, GA.

The Clerk called the next bill, H. R. 4040, declaring Devils Den Springs, in Decatur County, Ga., to be nonnavigable.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all of Devils Den Springs, a tributary of the Flint River, in the county of Decatur, State of Georgia, extending approximately one and one-half miles in length, 10 feet deep at the mouth and from 20 to 40 feet deep in the vicinity of the springs, be, and the same is hereby, declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States of America, and is temporarily closed to navigation.

SEC. 2. That the right of Congress to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS MISSOURI RIVER, FLORENCE STATION, OMAHA, NEBR.

The Clerk called the next bill, H. R. 7069, authorizing Douglas County, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence Station, in the city of Omaha, Nebr.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LIMITING THE PRESENT LAWS WITH RESPECT TO COUNSEL IN CERTAIN CASES

The Clerk called the next bill, H. R. 7032, to limit the operations of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RELIEF OF INDIANS WHO HAVE PAID TAXES ON ALLOTTED LANDS

The Clerk called the next bill, H. R. 952, for the relief of Indians who have paid taxes on allotted lands for which patents in fee were issued without application by or consent of the allottees and subsequently canceled, and for the reimbursement of public subdivisions by whom judgments for such claims have been paid.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BARRING OF CLAIMS AGAINST THE UNITED STATES

The Clerk called the next bill, H. R. 8150, providing for the barring of claims against the United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. O'CONNOR. Reserving the right to object, Mr. Speaker, I should like to have the author of the bill, the gentleman from Missouri, explain the bill.

Mr. COCHRAN. Mr. Speaker, this bill was referred to the Expenditures Committee by the Comptroller General. It came in the form of the Annual Report of the Comptroller General through the Speaker of the House. There is no State in the Union that does not have a statute of limitations, but the Government has no general statute of limitations. The Comptroller General has annually urged the passage of a bill such as this, providing a statute of limitations for the filing of claims at the expiration of 6 years. The committee amended the bill and provided for a 10-year limitation rather than 6 years.

The Comptroller General called the attention of the Congress to the fact that tens of thousands of claims are filed annually, some growing out of the Revolutionary period, others out of the War of 1812–14, others out of the War with Mexico, the Civil War, the Indian War, the Spanish War, and so forth. Whenever a claim is filed, it is necessary to examine the old records. The great majority of the claims are denied, but the cost to the General Accounting Office for personnel to investigate the claims is tremendous. The General Accounting Office is overworked. It needs the personnel used to investigate claims for other purposes. Under the provisions of the bill as drawn by the General Accounting Office, where a claim is filed and the statute of limitations prevails, all that is necessary to do is to send a copy of the law to the claimant.

This bill absolutely affects no particular class of claims, as the gentleman seems to surmise. I know the gentleman is very much interested in Indian claims, but this bill has no bearing upon them whatever.

Mr. O'CONNOR. Of course, the gentleman's bill applies to all Indian claims? And as the gentleman is always active about Indian bills, naturally I am concerned about his bill.

Mr. COCHRAN. I do not know that it would apply to Indian claims, but the gentleman knows the Indians cannot sue the Government without the Government's consent. This is the reason Members come here asking for the passage of jurisdictional bills.

Mr. O'CONNOR. What is the gentleman's opinion on this question; suppose we pass the gentleman's bill; would that foreclose any further action on the part of Congress in passing jurisdictional bills?

Mr. COCHRAN. Absolutely not. It would have no bearing on the passage of any jurisdictional act. There is no connection whatever between this bill and a jurisdictional bill granting the Indians the right to go to the Court of Claims, or between this bill and any cases already pending there.

Mr. O'CONNOR. Does not the gentleman believe his bill is of sufficient importance that it should require consideration by the House before being passed?

Mr. COCHRAN. I may say that the Comptroller General has recommended this bill annually. He states that a very large amount of money is being spent in investigating these claims that should be saved. We provide a 6-year statute of limitations on the right of veterans to sue the Government under their war-risk insurance. If we can deny a man who has fought for his country the right to file a claim against the Government afer 6 years, then we ought to be able to deny to other citizens the right to file claims that are 100 years old; 10 years is certainly reasonable. Let me say again to the gentleman that this has absolutely no bearing upon any jurisdictional acts granting Indians the right to go to the Court of Claims.

Mr. O'CONNOR. I do not believe we should deny the veteran or any other person the right to present his claim after 6 or 10 years, and therefore, Mr. Speaker, I object.

Mr. COCHRAN. The law affecting the veteran's right to file claims is already in the statute books. This bill does not affect that statute.

Mr. O'CONNOR. Then why does the gentleman want to pass this bill?

Mr. COCHRAN. To outlaw all claims against the Government after a period of 10 years.

The SPEAKER pro tempore. The gentleman from Montana objects. Is there further objection?

Mr. KRAMER. I object, Mr. Speaker.

The SPEAKER pro tempore. Three objections are required. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That every claim or demand against the United States cognizable by the General Accounting Office under section 305 of the Budget and Accounting Act of June 10, 1921 (42 Stat. 24), and the act of April 10, 1928 (45 Stat. 413), shall be forever barred unless such claim, bearing the signature and address of the claimant or of an authorized attorney, shall be received in said Office within 10 full years after the date such claim first accrued: *Provided*, That when a claim of any person serving in the military or naval forces of the United States accrues in time of war, or when war intervenes within 5 years after its accrual, such claim may be presented within 5 years after peace is established.

SEC. 2. Whenever any claim barred by section 1 shall be received in the General Accounting Office, it shall be returned to the claimant with a copy of this act, and such action shall be a complete response without further communication.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, line 8, after "authorized", insert "agent or."

Mr. WOLCOTT. Mr. Speaker, I have offered this amendment to the bill, to have the words "agent or" inserted after the word "authorized," in line 8, because there may be some legal question as to whether the word "attorney" includes "agent," or whether "agent" includes "attorney." This is merely clarifying language so that if you are not an attorney you may be authorized to act as an agent for the individual who makes the claim, and the claim would have the same status as if it had been filed by the individual or by an attorney.

Mr. COCHRAN. I have no objection to the amendment, Mr. Speaker.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF CROP-LOAN LAW

The Clerk called the next bill, H. R. 7878, to amend the crop-loan law relating to the lien imposed thereunder, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISCRIMINATION AGAINST GRADUATES OF CERTAIN SCHOOLS

The Clerk called the next bill, S. 1610, to prevent discrimination against graduates of certain schools, and those acquiring their legal education in law offices, in the making of appointments to Government positions the qualifications for which include legal training or legal experience.

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, it seems to me this bill should come up and be considered under a rule of the House. It is a very important measure. It may be very far reaching. I believe the Members have a right to free and open discussion of the bill. The lawyers of the Government have the handling of claims and the protection of the rights of the Government in cases involving millions of dollars, and also Mr. Justice Reed's Committee on Civil Service Improvement has not yet sent in a report. That committee was appointed and is giving extensive study to the problem of legal positions in the Government. I think we should wait until after that time before acting on this bill, and therefore I shall be obliged to object.

Mr. ELLIS and Mr. LEWIS of Colorado also objected, and the bill was stricken from the calendar.

MILEAGE TABLES FOR THE UNITED STATES ARMY AND OTHER GOVERNMENT AGENCIES

The Clerk called the next bill, S. 506, relating to mileage tables for the United States Army and other Government agencies, and to mileage allowances for persons employed in the offices of Members of House and Senate.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DELAWARE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6535, authorizing an appropriation for payment to the Delaware Tribe of Indians on account of permanent annuities under treaty provision.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDMENT OF LAWS GOVERNING FEDERAL PRISONERS

The Clerk called the next bill, H. R. 7343, to amend certain laws governing Federal prisoners and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of July 3, 1926 (44 Stat. 901; U. S. C., title 18, sec. 746), be amended to read as follows:

"That on the discharge from any institution of any person convicted under the laws of the United States he shall be furnished with transportation to the place of conviction or place of bona fide residence within the United States at the time of his commitment under sentence of the court, or to such place within the United States as may be authorized by the Attorney General. In the direction of the Attorney General, he may also be furnished with suitable clothing and an amount of money not to exceed $20. For the furnishing of such clothing and money charge shall be made and allowed in the accounts of the said institution with the United States."

SEC. 2. Section 3 of the act of May 13, 1930 (46 Stat. 272; U. S. C., title 18, sec. 723c), is amended to read as follows:

"SEC. 3. The said Board, or any member thereof, shall hereafter have the exclusive authority to issue warrants for the retaking of any United States prisoner who has violated his parole. The unexpired term of imprisonment of any such prisoner shall begin to run from the date he is returned to the custody of the Attorney General under said warrant, and the time the prisoner was on parole shall not diminish the time he was originally sentenced to serve."

SEC. 3. Section 5 of the act of June 25, 1910 (36 Stat. 820; U. S. C., title 18, sec. 718), is amended to read as follows:

"SEC. 5. That any officer of any Federal, penal, or correctional institution or any Federal officer authorized to serve criminal process within the United States, to whom such warrant shall be delivered, is authorized and required to execute such warrant by taking such prisoner and returning him to the custody of the Attorney General. All necessary expenses incurred in the administration of this act shall be paid out of the appropriation for the institution in connection with which such expense was incurred, and such appropriation is hereby made available therefor."

SEC. 4. Section 6 of the act of June 25, 1910 (36 Stat. 820; U. S. C., title 18, sec. 719), is amended to read as follows:

"SEC. 6. When a prisoner has been retaken upon a warrant issued by the Board of Parole, he shall be given an opportunity to appear before said Board of Parole, a member thereof, or an examiner designated by the Board. The said Board may then, or at any time in its discretion, revoke the order and terminate such parole or modify the terms and conditions thereof. If such order of parole shall be revoked and the parole so terminated, the said prisoner shall serve the remainder of the sentence originally imposed; and the time the prisoner was out on parole shall not be taken into account to diminish the time for which he was sentenced."

SEC. 5. Section 5296 of the Revised Statutes (U. S. C., title 18, sec. 641) is amended to read as follows:

"SEC. 5296. When a poor convict, sentenced by any court of the United States to be imprisoned and pay a fine, or fine and costs, or to pay a fine, or fine and costs, has been confined in prison 30 days, solely for the nonpayment of such fine, or fine and costs, such convict may make application in writing to any commissioner of the United States court in the district where he is imprisoned setting forth his inability to pay such fine, or fine and costs, and after notice to the district attorney of the United States, who may appear, offer evidence, and be heard, the commissioner shall proceed to hear and determine the matter. If on examination it shall appear to him that such convict is unable to pay such fine, or fine and costs, and that he has not any property exceeding $20 in value, except such as is by law exempt from being taken on execution for debt, the commissioner shall administer to him the following oath: 'I do solemnly swear that I have not any property, real or personal,

to the amount of $20, except such as is by law exempt from being taken on civil process for debt by the laws of (naming the State where oath is administered); and that I have no property in any way conveyed or concealed, or in any way disposed of, for my future use or benefit. So help me God.' Upon taking such oath such convict shall be discharged; and the commissioner shall give to the keeper of the jail a certificate setting forth the facts. In case the convict is found by the commissioner to possess property valued at an amount in excess of said exemption, nevertheless, if the Attorney General finds that the retention by such convict of all of such property is reasonably necessary for his support or that of his family, such convict shall be released without further imprisonment solely for the nonpayment of such fine, or fine and costs; or if he finds that the retention by such convict of any part of such property is reasonably necessary for his support or that of his family, such convict shall be released without further imprisonment solely for nonpayment of such fine or fine and costs upon payment on account of his fine and costs, of that portion of his property in excess of the amount found to be reasonably necessary for his support or that of his family."

SEC. 6. Section 7 of the act of May 14, 1930 (46 Stat. 326; U. S. C., title 18, sec. 753f), is amended to read as follows:

"SEC. 7. Hereafter all persons convicted of an offense against the United States shall be committed, for such terms of imprisonment as the court may direct, to the custody of the Attorney General of the United States or his authorized representative, who shall designate the places of confinement where the sentences of all such persons shall be served. Two or more sentences of imprisonment imposed upon different counts of the same indictment or of the same information, or on different indictments or informations, may be served in the same institution, regardless of the length of the several sentences and irrespective of whether they are to be served concurrently or consecutively. The Attorney General may designate any available, suitable, and appropriate institutions, whether maintained by the Federal Government or otherwise, or whether within or without the judicial district in which the person was convicted. The Attorney General is also authorized to order the transfer of any person held under authority of any United States statute from one institution to another if in his judgment it shall be for the well-being of the prisoner or relieve overcrowded or unhealthful conditions in the institution where such prisoner is confined or for other reasons."

SEC. 7. The act of May 14, 1930 (46 Stat. 325; U. S. C., title 18 sec. 753 to 753j), as amended, is amended by inserting after section 11 the following section:

"SEC. 12. Officers and employees of the Bureau of Prisons of the Department of Justice are empowered to make arrests without warrant for violations of any of the provisions of sections 9, 10, and 11 of this act if the person making the arrest has reasonable grounds to believe that the person so arrested is guilty of such offense, and if there is likelihood of the person escaping before a warrant can be obtained for his arrest. If the person so arrested is a fugitive from custody, he shall be returned to custody, and all other persons so arrested shall immediately be taken before a committing officer. Officers and employees of the said Bureau of Prisons are authorized and empowered to carry firearms under such rules and regulations as the Attorney General may prescribe."

With the following committee amendments:

Pages 1 and 2, strike out all of section 1 of the bill from page 1, line 3, to page 2, line 5, inclusive.

Page 2, on line 6, strike out "Sec. 2" and insert in lieu thereof the word "That."

Page 2, line 17, strike out "Sec. 3" and insert in lieu thereof "Sec. 2."

Page 3, line 5, strike out "Sec. 4" and insert in lieu thereof "Sec. 3."

Page 3, line 20, strike out "Sec. 5" and insert in lieu thereof "Sec. 4."

Pages 5 and 6, strike out all of section 6 of the bill from page 5, line 12, to page 6, line 12, inclusive.

Page 6, line 13, strike out "Sec. 7" and insert in lieu thereof "Sec. 5."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN EXHIBITORS AT THE GOLDEN GATE INTERNATIONAL EXPOSITION

The Clerk called the next business, House Joint Resolution 433, to protect the copyrights and patents of foreign exhibitors at the Golden Gate International Exposition, to be held at San Francisco, Calif., in 1940.

There being no objection, the Clerk read the joint resolution as follows:

Resolved, etc., That the Librarian of Congress and the Commissioner of Patents are hereby authorized and directed to establish branch offices under the direction of the Register of Copyrights and the Commissioner of Patents, respectively, in suitable quarters on the grounds of the Golden Gate International Exposition, to be held at San Francisco, Calif., in 1940, under the direction of the San Francisco Bay Exposition, a California corporation, said quarters to be furnished free of charge by said corporation, said offices to be established at such time as may, upon 60 days' advance notice, in writing, to the Register of Copyrights and the Commissioner of Patents, respectively, be requested by said San Francisco Bay Exposition, but not earlier than April 1, 1940, and to be maintained until the close to the general public of said exposition; and the proprietor of any foreign copyright, or any certificate of trade-mark registration, or letters patent of invention, design, or utility model issued by any foreign government protecting any trade-mark, apparatus, device, machine, process, method, composition of matter, design, or manufactured article imported for exhibition and exhibited at said exposition may, upon presentation of proof of such proprietorship satisfactory to the Register of Copyrights or the Commissioner of Patents, as the case may be, obtain without charge and without prior examination as to novelty, a certificate from such branch office, which shall be prima facie evidence in the Federal courts of such proprietorship, the novelty of the subject matter covered by any such certificate to be determined by a Federal court in case an action or suit is brought based thereon; and said branch offices shall keep registers of all such certificates issued by them, which shall be open to public inspection.

At the close of said Golden Gate International Exposition the register of certificates of the copyright registrations aforesaid shall be deposited in the Copyright Office in the Library of Congress at Washington, D. C., and the register of all other certificates of registrations aforesaid shall be deposited in the United States Patent Office at Washington, D. C., and there preserved for future reference. Certified copies of any such certificates shall, upon request, be furnished by the Register of Copyrights or the Commissioner of Patents, as the case may be, either during or after said exposition, and at the rates charged by such officials for certified copies of other matter; and any such certified copies shall be admissible in evidence in lieu of the original certificates of any Federal court.

SEC. 2. It shall be unlawful for any person without authority of the proprietor thereof to copy, republish, imitate, reproduce, or practice at any time during the period specified in section 6 hereof, any subject matter protected by registration as aforesaid at either of the branch offices at said exposition which shall be imported for exhibition at said exposition, and there exhibited and which is substantially different in a copyright, trade-mark, or patent sense, as the case may be, from anything publicly used, described in a printed publication or otherwise known in the United States of America prior to such registration at either of said branch offices as aforesaid; and any person who shall infringe upon the rights thus protected under this act shall be liable—

(a) To an injunction restraining such infringement issued by any Federal court having jurisdiction of the defendant;

(b) To pay to the proprietor such damages as the proprietor may have suffered due to such infringement, as well as all the profits which the infringer may have made by reason of such infringement, and in proving profits the plaintiff shall be required to prove sales only and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages and profits such damages as to the court shall appear to be just;

(c) To deliver upon an oath, to be impounded during the pendency of the act, upon such terms and conditions as the court may prescribe, all articles found by the court after a preliminary hearing to infringe the rights herein protected; and

(d) To deliver upon an oath, for distruction, all articles found by the court at final hearing to infringe the rights herein protected.

SEC. 3. Any person who willfully and for profit shall infringe any right protected under this act, or who shall knowingly and willfully aid or abet such infringement, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by imprisonment for not exceeding 1 year or by a fine of not less than $100 nor more than $1,000, or both, in the discretion of the court.

SEC. 4. All the acts, regulations, and provisions which apply to protecting copyrights, trade-marks, designs, and patents for inventions or discoveries not inconsistent with the provisions of this act shall apply to certificates issued pursuant to this act, but no notice of copyright on the work shall be required for protection hereunder.

SEC. 5. Nothing contained in this act shall bar or prevent the proprietor of the subject matter covered by any certificate issued pursuant to this act from obtaining protection for such subject matter under the provisions of the copyright, trade-mark, or patent laws of the United States of America, as the case may be, in force prior hereto, and upon making application and complying with the provisions prescribed by such laws; and nothing contained in this act shall prevent, lessen, impeach, or avoid any remedy at law or in equity under any certificate of copyright registration, certificate of trade-mark registration, or letters patent for inventions or discoveries or designs issued under the copyright, trade-mark, or patent laws of the United States of America, as the case may be, in force prior hereto, and which any owner thereof and of a certificate issued thereon pursuant to this act might have had if this act had not been passed, but such owner shall not twice recover the damages he has sustained or the profit made by reason of any infringement thereof.

SEC. 6. The rights protected under the provisions of this act as to any copyright, trade-mark, apparatus, device, machine, process, method, composition of matter, design, or manufactured article imported for exhibition at said Golden Gate International Exposition shall begin on the date the same is placed on exhibition at said exposition and shall continue for a period of 6 months from the date of the closing to the general public of said exposition.

SEC. 7. All necessary expenses incurred by the United States in carrying out the provisions of this act shall be reimbursed to the Government of the United States by the San Francisco Bay Exposition, under regulations to be prescribed by the Librarian of Congress and the Commissioner of Patents, respectively; and receipts from such reimbursements shall be deposited as refunds to the appropriations from which such expenses were paid.

SEC. 8. Section 6 of Public Resolution No. 35, of the Seventy-fifth Congress, approved May 28, 1937, is hereby amended by adding thereto at the end thereof immediately before the period the words "in 1940."

With the following committee amendments:

Section 2, page 4, lines 14 and 19, strike out "upon an" and insert "up on."

Section 2, page 4, line 15, strike out "act" and insert "action."

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASING OF RESTRICTED ALLOTMENTS OF DECEASED INDIANS

The Clerk called the bill (H. R. 8024) to provide for the leasing of restricted allotments of deceased Indians in certain circumstances, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

UNIVERSITY OF NEW MEXICO

The Clerk called the bill (H. R. 5961), granting to the regents of the University of New Mexico the right to alienate certain lands conveyed to them under authority of the act of Congress, approved August 19, 1935 (Public, No. 284, 74th Cong.), in exchange for an equivalent amount of land more expediently situated.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the regents of the University of New Mexico be, and they are hereby, authorized to convey to the Santa Ana Pueblo that certain portion of the lands patented to them under authority of the act of Congress, approved August 19, 1935 (Public, No. 284, 74th Cong.), described as follows:

A strip of land one hundred feet wide extending along the north and west boundaries of the northwest quarter section 30, and a strip of land one hundred feet wide extending along the north boundary of lot 7, section 30, all in township 13 north, range 4 east, New Mexico principal meridian, New Mexico, these tracts comprising thirteen and three-tenths acres, more or less;

That the pueblo of Santa Ana, a community of Pueblo Indians residing in New Mexico with the approval of the Secretary of the Interior, is hereby authorized to convey to the regents of the University of New Mexico and the said regents of the University of New Mexico are hereby authorized to accept from the said Santa Ana Pueblo in exchange for the aforesaid lands, the lands described as follows:

Beginning at a point on the south boundary of the El Ranchito grant, which is also on the west bank of the Rio Grande, township 13 north, range 4 east; thence north eighty-nine degrees fifty-nine minutes west one hundred and twenty-eight feet to a point on the said south boundary of the El Ranchito grant; thence north sixteen degrees forty minutes east two thousand three hundred and eighty-seven and nine-tenths feet to a point on the west boundary of the El Ranchito grant; thence north eight degrees fifty minutes east one thousand six hundred and forty-two and seven-tenths feet to a point on the west boundary of the El Ranchito grant; and which is nine hundred and forty-nine and nine-tenths feet south eight degrees fifty minutes west from the section line between sections 30 and 19 of township 13 north, range 4 east; thence south sixty-three degrees forty minutes east to the west bank of the Rio Grande; thence in a southwesterly direction along the west bank of the Rio Grande to the place of beginning, and containing eleven and eight-tenths acres, more or less: *Provided*, That any lands conveyed to the pueblo of Santa Ana pursuant to the provisions of this act shall acquire the same legal status as those lands now owned by the pueblo, which may be conveyed to the regents of the University of New Mexico pursuant hereto.

With the following committee amendments:

Page 2, line 9, after the words "New Mexico", add a comma.

Page 2, line 14, strike out all language following the word "lands" down to the word *"Provided"*, line 8, page 3, and in lieu thereof insert the following: "lots three and six and that portion of lot two, section thirty, township 13 north, range 4 east, New Mexico principal meridian, New Mexico, lying south of a line beginning at a point on the west boundary of lot two, north eight degrees fifty minutes east six hundred and ninety-two and eight-tenths feet from an angle point one on the west boundary of the El Ranchito grant and bearing south sixty-three degrees forty minutes east to the west bank of the Rio Grande, containing a total area of eleven and eight-tenths acres, more or less."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill granting to the regents of the University of New Mexico the right to alienate certain lands conveyed to them under authority of the act of Congress, approved August 19, 1935 (49 Stat. 659), in exchange for an equivalent amount of land more expediently situated."

A motion to reconsider the vote by which the bill was passed was laid on the table.

AMENDING COPYRIGHT LAW

The Clerk called the bill (S. 547) to amend section 23 of the act of March 4, 1909, relating to copyrights.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That section 23 of the act of March 4, 1909 (35 Stat. 1080; U. S. C., title 17, sec. 23), is hereby amended by deleting from the second proviso clause thereof the words "when such contribution has been separately registered."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ASSISTANT SURGEONS FOR TEMPORARY SERVICE, NAVY MEDICAL CORPS

The Clerk called the bill (S. 2284) to amend the act of May 4, 1898 (30 Stat. 369), so as to authorize the President to appoint 100 acting assistant surgeons for temporary service.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. DONDERO. Mr. Speaker, I reserve the right to object, and until I know something about the bill, I am constrained to object.

Mr. VINSON of Georgia. Mr. Speaker, if the gentleman will read the report, I am sure he will get the information he desires. The purpose of the bill is to permit the President to appoint temporarily 100 positions in the Medical Corps of the Navy with the rank of junior lieutenant. They will be kept there a probationary period, approximately 18 months, and from them they will cull out the officers they need, to put into the permanent organization of the Medical Corps. It does not increase the Medical Corps at all. The Medical Corps is not being increased over the number permitted by law by doing this. It is a better method to obtain the personnel.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 4, 1898, entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1899, and for other purposes" (30 Stat. 369), is hereby amended so that the last paragraph of the appropriation for the Bureau of Medicine and Surgery (30 Stat. 380), to which provides as follows: "The President is hereby authorized to appoint for temporary service 25 acting assistant surgeons, who shall have the relative rank and compensation of assistant surgeons", shall read as follows: "The President is hereby authorized to appoint for temporary service 100 acting assistant surgeons, who shall have the rank and compensation of assistant surgeons."

Mr. WOLCOTT. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 8, after the parenthesis, strike out the remainder of line 8; and strike out lines 9, 10, 11, and through the word "surgeons", line 1, page 2.

Mr. VINSON of Georgia. Mr. Speaker, as I understand it, the purpose of that amendment is to make the bill show exactly what the amendment is?

Mr. WOLCOTT. Mr. Speaker, it seems to me it is redundancy to begin with, and that we are adopting an entirely different policy in respect to the amendment of bills. I do not know of any bill which has ever been amended since I have been here wherein you set out the language of existing

law, and then set out the new language. You amend the bill by amending the last paragraph of the bill, so that it shall read in a particular manner. I do not like to see a practice grow up on the floor here whereby we recite the language of existing law and then set forth the new language, because it is not only redundant, but it is very confusing to have the language of the old law set out in the new law, as it becomes a part of the law and to the person who reads as he runs, he might confuse the existing law with the new law.

It is hereby amended so that the last paragraph of the appropriation for the Bureau of Medicine and Surgery, etc.

Mr. VINSON of Georgia. That is right.

Mr. WOLCOTT. My point is that you set forth in the amendment the existing law and then you set forth entirely different language.

Mr. VINSON of Georgia. No doubt, when the bill was prepared by the Judge Advocate General's Office, they had that thought in mind to carry out in the bill the Ramseyer rule, which it does in the bill. This is a Senate bill that was sent up.

Mr. WOLCOTT. There is nothing in the Ramseyer rule to indicate that existing law shall be set out in a new statute. Under the Ramseyer rule, it should be in the report.

Mr. VINSON of Georgia. I have no objection to it, provided it shows that the act is now being amended, which permits the President "is hereby authorized to appoint for temporary service 100 assistant acting surgeons."

Mr. WOLCOTT. I do not see how there could be any question as to what act or what paragraph is being amended. The bill is very clear and sets forth the new language. I think until the House, by rule, adopts a new policy with respect to the amendment of existing law we should adhere to the present practice, regardless of whether the Judge Advocate General wants it or not.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I trust that since the gentleman has called attention to this law he will allow the bill to go through in its present phraseology, with the assurance that in the future any bills that have a bearing on this will be in accordance with his line of thought, because I do not want to have to go to conference on this bill. It may upset exactly what the bill wants in connection with it. By a hasty examination of the amendment, it might be prejudicial to the bill, and I trust the gentleman will let it go through this time, with the assurance that bills of this kind in the future will be in accordance with his line of thought.

Mr. WOLCOTT. I may say that the reason I offered this amendment is because I have noticed a tendency in bills which have been introduced, now being considered by committees, to change the established policy of the House in this respect. I think we should have it decided today as to whether we want to change a policy which has been in existence as long as this Congress, respecting amendments of acts. If there is any particular reason why this should be put in, and it goes to the Senate and they convince the gentleman, I am sure the House will accept the Senate amendment to that effect.

Mr. VINSON of Georgia. It does not go to the merits of the matter. It is a matter of form.

Mr. WOLCOTT. It is perfectly innocuous.

Mr. VINSON of Georgia. I have no objection.

The SPEAKER pro tempore. Without objection, the amendment will be agreed to.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ACT RELATIVE TO PAYMENT OF COMMUTED RATIONS OF ENLISTED MEN

The Clerk called the next bill, S. 3012, to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), relative to the payment of the commuted rations of enlisted men.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), insofar as the provisions thereof are embodied in section 908 of title 34 of the United States Code, is hereby amended to read as follows:

"Money accruing from the commuted rations of enlisted men legally assigned to duty with officers' or other messes, afloat or ashore, may be paid under such regulations as may be prescribed by the Secretary of the Navy."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN SURPLUS LAND AT BREMERTON, WASH.

The Clerk called the next bill, H. R. 7081, authorizing the Secretary of the Treasury to sell certain surplus land owned by the United States in Bremerton, Wash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized to sell at such price as he shall deem reasonable, and in connection with such sale to convey, all the right, title, and interest of the United States in and to the east 9-foot strip of lot 47, block 14, original plat of Bremerton, Kitsap County, Wash.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill authorizing the Secretary of the Navy to sell certain surplus land owned by the United States in Bremerton, Wash."

BULL LAKE DAM, RIVERTON IRRIGATION PROJECT, WYOMING

The Clerk called the next bill, S. 2843, granting easements on Indian lands of the Wind River or Shoshone Indian Reservation, Wyo., for dam-site and reservoir purposes in connection with the Riverton reclamation project.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby granted to the United States and its assigns, including its successors in control of the operation and maintenance of the Riverton reclamation project, Wyoming, a flowage easement and an easement for a dam site, together with all rights and privileges incident to the use and enjoyment of said easements, over tribal and allotted lands of the Wind River or Shoshone Indian Reservation within that part of said reservation required for the construction of the Bull Lake Dam and Reservoir on Bull Lake Creek, a tributary of the Wind River, in connection with the Riverton reclamation project, Wyoming, and for the impounding of approximately 155,000 acre-feet of water, including a 10-foot freeboard: *Provided*, That in consideration of the said rights insofar as they affect tribal lands there shall be deposited into the Treasury of the United States pursuant to the provisions of the act of May 17, 1926 (44 Stat. 560), for credit to the Shoshone and Arapaho Indians of the Wind River Reservation the sum of $6,500, from moneys appropriated for the construction of the said Bull Lake Dam and Reservoir, and the said sum when so credited shall draw interest at the rate of 4 percent per annum.

SEC. 2. That compensation to the individual Indian owners of the allotted lands within the area described in section 1 shall be made from moneys appropriated for the construction of the Bull Lake Dam and Reservoir at the appraised value of the easements: *Provided*, That should any individual Indian not agree to accept the appraised value of the easement as it affects his land the Secretary of the Interior be, and he is hereby, authorized to acquire such easement by condemnation proceedings.

SEC. 3. The easements herein granted shall not interfere with the use by the Indians of the Wind River or Shoshone Indian Reservation of the lands herein dealt with and the waters of Bull Lake Creek and the reservoir insofar as the use by the Indians shall not be inconsistent with the use of said lands for reservoir purposes.

SEC. 4. The Secretary of the Interior is authorized to perform any and all acts and to prescribe such regulations as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PURCHASING OF CLOTHING AND OTHER SUPPLIES ISSUED TO VETERANS

The Clerk called the next bill, H. R. 7660, to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 35B of the Criminal Code of the United States, as amended by the act of June 18, 1934 (ch. 587, 48

Stat. 996), and Public Law No. 465, Seventy-fifth Congress, third session, April 4, 1938 (52 Stat. 957), as contained in United States Code, title 18, section 86, is hereby amended to read as follows: "Whoever shall purchase, or receive in pledge from any person any arms, equipment, ammunition, clothing, military stores, or other property furnished by the United States under a clothing allowance or otherwise, to any soldier, sailor, officer, cadet, or midshipman in the military or naval service of the United States or of the National Guard or Naval Militia, or to any person accompanying, serving, or retained with the land or naval forces and subject to military or naval law; or to any former member of such military or naval service at or by any hospital, home, or facility maintained by the United States; having knowledge or reason to believe that the property has been taken from the possession of the United States or furnished by the United States under such allowance, or otherwise, shall be fined not more than $500 or imprisoned not more than 2 years, or both."

With the following committee amendment:

On page 1, line 6, after the abbreviation "Stat.", strike out the figures "957" and insert "197."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JURISDICTION OF UNITED STATES COURTS OVER CRIMES COMMITTED ON CERTAIN FEDERAL RESERVATIONS

The Clerk called the next bill, H. R. 8119, to amend the Criminal Code so as to confer concurrent jurisdiction on courts of the United States over crimes committed on certain Federal reservations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 272, paragraph Third of the Criminal Code (act of Mar. 4, 1909, sec. 272; 35 Stat. 1143; U. S. C., title 18, sec. 451) be amended to read as follows:

"Third. When committed within or on any lands reserved or acquired for the use of the United States, and under the exclusive or concurrent jurisdiction thereof, or any place purchased or otherwise acquired by the United States by consent of the legislature of the State in which the same shall be, for the erection of a fort, magazine, arsenal, dockyard, or other needful building."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OIL PORTRAIT OF CHARLES MOORE

The Clerk called the next business, House Joint Resolution 448, authorizing the Joint Committee on the Library to procure an oil portrait of Charles Moore.

There being no objection, the Clerk read the resolution as follows:

Resolved, etc., That the Joint Committee on the Library is hereby authorized to procure an oil portrait of Charles Moore, former Chairman of the Commission of Fine Arts, for the Smithsonian Institution, to be painted by an American artist, at a cost not to exceed $2,500. The committee shall have the advice of the Commission of Fine Arts in accordance with the act of Congress approved May 17, 1910.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WORKMEN'S COMPENSATION ACT

The Clerk called the next bill, H. R. 2008, to increase the lump-sum payment made under the Workmen's Compensation Act in cases of permanent total disability suffered prior to February 12, 1927.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in all cases of permanent total disability of an employee of the United States, where such disability occurred prior to February 12, 1927, and such employee accepted a lump-sum payment in accordance with the provisions of section 14 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, such employee, if alive upon the date of enactment of this act, shall be entitled to receive the difference between the amount of the lump-sum payment received and the amount he would have received if, in computing the present value of future payments in accordance with the provisions of such section 14, the amount of so many of such future payments as would have become payable after February 12, 1927, had been computed at the rate provided for in said act, as amended by the act entitled "An act to amend an act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, and acts in amendment thereof," approved February 12, 1927: *Provided*, That the age of the employee at the date of enactment of said act of February 12, 1927, shall be used in computing the amount of payments under this section: *Provided further*, That in computing the amount of so many of such future payments as would have become due from April 1, 1933, to March 31, 1935, both inclusive, deductions shall be made at the rate or rates provided in the act entitled "An act to maintain the credit of the United States Government," approved March 20, 1933, and acts in amendment thereof.

SEC. 2. All claims for increased payments under this act shall be filed with the United States Employees' Compensation Commission within 1 year from the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OPERATION OF STATUTES OF LIMITATIONS IN CERTAIN CASES

The Clerk called the next bill, H. R. 4828, to amend the law limiting the operation of statutes of limitations in certain cases.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to limit the operation of statutes of limitations in certain cases," approved May 10, 1934 (48 Stat. 772; U. S. C., title 18, sec. 587), be, and it is hereby, amended to read as follows:

"That whenever an indictment is found defective or insufficient for any cause, after the period prescribed by the applicable statute of limitations has expired, a new indictment may be returned not later than the end of the next succeeding term of such court, regular or special, following the term at which such indictment was found defective or insufficient, during which a grand jury thereof shall be in session."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVILEGE OF RETIREMENT EXTENDED TO CERTAIN DISTRICT JUDGES

The Clerk called the next bill, H. R. 5292, to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, the United States District Court for the District of the Canal Zone, and the United States Court for China.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii," approved May 31, 1938 (Public, No. 566, 75th Cong.), be, and the same is hereby amended to read as follows:

"That every justice of the Supreme Court of the Territory of Hawaii, and every judge of the United States District Court for the Territory of Hawaii, the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, the United States District Court for the District of the Canal Zone, and the United States Court for China may hereafter retire after attaining the age of 70 years. If such justice or judge retires after having served as a justice or judge of any of the aforementioned courts for a period or periods aggregating 10 years or more, whether continuously or not, he shall receive annually in equal monthly installments, during the remainder of his life, a sum equal to such proportion of the salary received by such justice or judge at the date of such retirement as the total of his aggregate years of service bears to the period of 16 years, the same to be paid by the United States in the same manner as the salaries of the aforesaid justices and judges: *Provided, however*, That in no event shall the sum received by any such justice or judge hereunder be in excess of the salary of such justice or judge at the date of such retirement.

"SEC. 2. In computing the years of service under this act, service in any of the aforesaid courts shall be included whether such service be continuous or not and whether rendered before or after the enactment hereof. The terms 'retire' and 'retirement' as used in this act shall mean and include retirement, resignation, failure of reappointment upon the expiration of the term of office of an incumbent, or removal by the President of the United States upon the sole ground of mental or physical disability."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRADING AND CLASSIFICATION OF CLERKS IN FOREIGN SERVICE

The Clerk called the next bill, H. R. 8446, to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended, be, and the same is hereby, amended as follows: Section 26 (e) of said act, as amended by the act of April 24, 1939, is amended to read as follows:

"(e) The annuity of a retired Foreign Service officer shall be equal to 2 percent of his average annual basic salary for the 10 years next preceding the date of retirement, multiplied by the number of years of service not exceeding 30 years and in determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, in the total service shall be eliminated: *Provided*, That at the time of his retirement a Foreign Service officer, if the husband of a wife to whom he has been married for at least 5 years, may elect to receive a reduced annuity and designate his wife as his beneficiary, to whom will be paid any portion up to two-thirds of his reduced annuity, at the option of the officer, as long as she may live after his death: *Provided, however*, That the annuity payable to the widow shall in no case exceed 25 percent of the officer's annual basic salary for the 10 years next preceding the date of retirement. If the age of the officer is less than the age of the wife or exceeds her age by not more than 8 years, the annuity of the officer will be reduced by an amount equal to one-half the annuity which he elects to have paid to his widow. If the age of the officer exceeds the age of the wife by more than 8 years, the annuity of the officer will be reduced by an amount equal to one-half the annuity which he elects to have paid to his widow plus an additional reduction equal to 2 percent of such widow's annuity for each year, or fraction thereof, that the difference in age exceeds 8: *Provided further*, That the officer may at his option also elect to have his annuity reduced by an additional 5 percent of the amount which he elects to have paid to his widow, with a provision that, from and after the death of his wife, if the officer shall survive her, the annuity payable to the officer shall be that amount which would have been payable if no option had been elected: *Provided further*, That a retired officer who is receiving an annuity on the effective date of this act, if the husband of a wife to whom he was married at the time of his retirement and for a total period of at least 5 years, shall be entitled under the same terms and conditions set forth above, to elect to receive a reduced annuity, a portion of which will be continued on his death throughout the life of his surviving widow, but all such elections by retired officers shall be made within 6 months following the effective date of this act, and they shall all be effective on the same date, to be prescribed by the President: *And provided further*, That no increases in annuities under this act shall operate retroactively and nothing in this act shall be interpreted as reducing the rate of the annuity received by any retired officer on the effective date of this act, unless the officer voluntarily elects to receive a reduced annuity as provided herein."

SEC. 2. The provisions of section 1 of this act shall be construed and interpreted in every respect as having been in effect on and after July 1, 1939 (the effective date of the act of April 24, 1939, which it amends), and, accordingly, any retired officer is hereby authorized to avail himself of the benefits of these provisions, as follows:

(a) A retired officer who elected to receive a reduced annuity and a life annuity payable to his surviving widow as provided in section 26 (e) of the act of February 23, 1931, as amended by the act of April 24, 1939, is hereby authorized, within 6 months of the effective date of this act, to amend such election in accordance with the additional provisions of the aforesaid section 26 (e) as established by section 1 of this act and to change the amount thereof within the limitations established by these provisions: *Provided*, That such an amended election shall be effective on the 1st day of the calendar month in which the application is filed, except where the wife of such an officer has died since September 1, 1939, the date heretofore fixed in accordance with law as the effective date for such elections, such amended election shall be considered effective as of the latter date.

(b) A retired officer who did not elect to receive a reduced annuity and a life annuity payable to his surviving widow, as provided in section 26 (e) of the act of February 23, 1931, as amended by the act of April 24, 1939, is hereby authorized, within 6 months of the effective date of this act, to make such an election, but only in accordance with the additional provisions of the aforesaid section 26 (e) as provided in section 2 of this act: *Provided*, That such an election shall be effective on the first day of the calendar month in which the application is filed.

SEC. 3. This act shall take effect on the 1st day of the calendar month following the date of its approval by the President.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATALINA HIGHWAY, CORONADO NATIONAL FOREST, ARIZ.

The Clerk called the next bill, S. 2152, to protect scenic values along the Catalina Highway within the Coronado National Forest, Ariz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter mining locations made under the mining laws of the United States upon lands within 400 feet of the center line of the Catalina Highway, Coronado National Forest, Ariz., which highway begins at the south boundary of said national forest near the southeast corner of section 7, township 13 south, range 16 east, Gila and Salt River base and meridian, and runs in a general northerly direction for a distance of about 25 miles to Soldier Camp, shall confer on the locator no right to the surface of the land described in his location other than the right to occupy and use, under the rules and regulations relating to the administration of the Coronado National Forest, so much thereof as may be reasonably necessary to carry on prospecting and mining, and shall not authorize the taking of any rescurce other than the mineral deposits, or the occupancy of said land for any purpose other than prospecting and mining; and each patent issued thereafter under the United States mining laws upon a mineral location made upon lands within 400 feet of said center line shall convey title only to the mineral deposits within said land and the right, subject to rules and regulations relating to the national forests, to occupy and use the surface of the land for prospecting and mining only: *Provided*, That valid mining claims within said lands existing on the date of enactment of this act and thereafter maintained in compliance with the laws under which they were initiated and the laws of the State of Arizona may be perfected in accordance with the laws under which they were initiated.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROPERTY FELONIOUSLY TAKEN FROM FEDERAL BANK

The Clerk called the next bill, H. R. 8399, to prohibit the receipt, possession, or disposition of money or property feloniously taken from a bank organized or operating under the laws of the United States or any member of the Federal Reserve System.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of May 18, 1934, entitled "An act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System" (48 Stat. 783; U. S. C., title 12, sec. 588b), as amended, be further amended by adding thereto the following subsection:

"(c) Whoever shall receive, possess, conceal, store, barter, sell, or dispose of any property or money or other thing of value knowing the same to have been taken from a bank in violation of subsection (a) of this section shall be fined not more than $5,000 or imprisoned not more than 10 years, or both."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHMOND, FREDERICKSBURG & POTOMAC RAILROAD CO.

The Clerk called the next bill, S. 2992, to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States, at Quantico, Va.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to transfer to the Richmond, Fredericksburg & Potomac Railroad Co., a corporation of the State of Virginia, by appropriate deed of conveyance, free from all encumbrances and without cost to the Richmond, Fredericksburg & Potomac Railroad Co., all right, title, and interest of the United States in and to the following parcels of land contained within the Marine Corps Reservation at Quantico, Va., as indicated by metes and bounds descriptions on blueprint "P. W. Drawing No. 665, approved August 19, 1938," and "Right of Way and Track Map of Richmond, Fredericksburg & Potomac Railroad Co. V–1/40," both on file in the Navy Department:

Parcel 1. Strip of land approximately ten feet wide and nine hundred feet long adjacent to and along the east side of the right-of-way of the Richmond, Fredericksburg & Potomac Railroad Co., containing two thousand and sixty-six ten-thousandths of an acre, more or less; and

Parcel 4. A strip of land twenty feet wide and twelve hundred feet long adjacent to and along the east side of the right-of-way of the Richmond, Fredericksburg & Potomac Railroad Co., containing five thousand and five hundred and nine ten-thousandths of an acre, more or less; in consideration of the transfer to the United States by appropriate deed of conveyance by the Richmond, Fredericksburg & Potomac Railroad Co., free from all encumbrances, and without cost to the United States, all right, title, and interest of the Richmond, Fredericksburg & Potomac Railroad Co., to the following parcels of land:

Parcel 2. A strip of land along the west boundary of the Richmond, Fredericksburg & Potomac Railroad Co. right-of-way between the center line of the old channel of Chopawamsic Creek and the 1877 channel change, containing five and three one-hundredths acres, more or less; and

Parcel 3. A strip of land between the west boundary of the Richmond, Fredericksburg & Potomac Railroad Co. and the 1877 channel of Chopawamsic Creek, containing nine and forty-eight one-hundredths acres, more or less.

SEC. 2. The Secretary of the Navy is further authorized to acquire on behalf of the United States by purchase, condemnation, or otherwise, all right, title, and interest in any remaining small areas adjoining parcels 2 and 3 and the 1877 channel change of Chopawamsic Creek in order to adjust the boundary line of the Marine Corps Reservation.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' ADMINISTRATION FACILITY, TUSKEGEE, ALA.

The Clerk called the next bill, S. 1088, to authorize the Administrator of Veterans' Affairs to exchange certain property located at Veterans' Administration facility, Tuskegee, Ala., title to which is now vested in the United States, for certain property of the Tuskegee Normal and Industrial Institute.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized and directed to transfer to the Tuskegee Normal and Industrial Institute, Tuskegee Institute, Ala., title to the land described in subsection (a) of this act, now vested in the United States, in exchange for certain property, described in subsection (b) of this act, from the Tuskegee Normal and Industrial Institute.

(a) The following-described property located in the northwest corner of the northeast quarter of the southwest quarter of section 23, township 17, range 23 east, Macon County, Ala., and being all that portion of the Government reservation lying west of the old Chehaw Road:

Beginning at a point, said point being the northwest corner of the northeast quarter of the southwest quarter of said section 23, said point also being the northwest corner of that part of the Government reservation lying west of the old Chehaw Road; thence east along the north line of the northeast quarter of the southwest quarter of said section 23, same also being the north line of that part of the Government reservation lying west of the old Chehaw Road, a distance of three and four-tenths chains to a point in the west side of the old Chehaw Road; thence south twenty-five degrees east along the west line of the old Chehaw Road, a distance of three and thirty-four one-hundredths chains to a point, said point being in the southerly boundary line of the Government reservation; thence west along the southerly boundary line of the Government reservation, a distance of four and eighty-one one-hundredths chains to the west line of the northeast quarter of the southwest quarter of said section 23; thence north along the west line of the northeast quarter of the southwest quarter of said section 23, a distance of three and three one-hundredths chains to the point of beginning, containing, in all, one and twenty-four one-hundredths acres more or less.

(b) The following-described property located in the north half of the southeast quarter of section 23, township 17, range 23 east, Macon County, Ala.:

Beginning at a point, said point being in the northeast quarter of the southeast quarter of said section 23, and also being three and three one-hundredths chains south of the east and west half section line of said section 23 and ten and two-tenths chains west of the east line of said section 23, and further being in the south line of the Government reservation as at present constituted; thence south a distance of six and eighty-one one-hundredths chains to a point; thence west a distance of eleven chains to a point, said point being west one and two-tenths chains from the east line of the northwest quarter of the southeast quarter of said section 23; thence north a distance of six and eighty-one one-hundredths chains to a point, said point being in the southerly boundary line of the present Government reservation; thence east along the southerly boundary line of the Government reservation a distance of eleven chains to the point of beginning, containing seven and five-tenths acres, more or less.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRAVEL EXPENSES FOR VETERANS' ADMINISTRATION BENEFICIARIES

The Clerk called the next bill, S. 2866, to provide for allowance of expenses incurred by Veterans' Administration beneficiaries and their attendants in authorized travel for examination and treatment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized, under regulations to be prescribed by the President, to pay the actual necessary expenses of travel, including lodging and subsistence, or in lieu thereof an allowance based upon the mileage traveled, of any person to or from a Veterans' Administration facility, or other place for the purpose of examination, treatment, or care: *Provided*, That payment of mileage upon termination of examination, treatment, or care may be made prior to completion of such travel: *And provided further*, That when any such person requires an attendant other than an employee of the Veterans' Administration for the performance of such travel, such attendant may be allowed expenses of travel upon a similar basis.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF FRANKING PRIVILEGE TO PAN AMERICAN SANITARY BUREAU

The Clerk called the next bill, H. R. 8350, permitting official mail of the Pan American Sanitary Bureau to be transmitted in penalty envelopes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the privilege of the free transmission of official mail matter is hereby extended to the Pan American Sanitary Bureau in the same manner and subject to the same conditions as is provided in the case of official mail matter of the Pan American Union.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING FRANKING PRIVILEGE TO WIDOWS OF EX-PRESIDENTS OF THE UNITED STATES

The Clerk called the next bill, H. R. 8398, amending acts extending the franking privilege to widows of ex-Presidents of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the acts of February 1, 1909 (ch. 55, 35 Stat. 591), October 27, 1919 (ch. 84, 41 Stat. 1449), March 4, 1924 (ch. 45, 43 Stat. 1359), June 14, 1930 (ch. 493, 46 Stat. 1906), and June 16, 1934 (ch. 560, 48 Stat. 1395), extending the franking privilege to Frances F. Cleveland (Preston), Mary Lord Harrison, Edith Carow Roosevelt, Edith Bolling Wilson, Helen H. Taft, and Grace G. Coolidge, respectively, are hereby amended by inserting in each of said acts the words "or facsimile thereof" after the words "under her written autograph signature."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCORPORATION OF UNITED SPANISH WAR VETERANS

The Clerk called the next bill, H. R. 8238, providing for the incorporation of the United Spanish War Veterans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the organization known as United Spanish War Veterans, with a membership limited to officers, soldiers, and sailors of the Army, Navy, or Marine Corps of the United States of America, including acting assistant surgeons, contract doctors, dentists, veterinary surgeons, officers, and enlisted men in the United States Revenue Cutter Service on vessels temporarily under the control of the War or Navy Department, commissioned medical officers of the United States Marine Hospital Service, officers and enlisted men in the Philippine Scouts and other organizations of native troops maintained by the War Department in the Philippine Islands, paymaster clerks actually on duty in the field or aboard ship who served at any time during the War between the United States of America and the Kingdom of Spain, or at any time during the War for the Suppression of the Insurrection in the Philippine Islands, including the China Relief Expedition, prior to July 4, 1902, and who either have been honorably discharged from the service or still continue in the same, and women who served honorably under contract or by appointment as Army nurses, chief nurses, or superintendents of the Army Nurse Corps at any time between April 21, 1898, and July 4, 1902, is hereby created a body corporate and politic of the District of Columbia, by the name of "United Spanish War Veterans," by which name it shall be a person in law, capable of suing and being sued, and of having and exercising all incidental powers as a litigant or otherwise as if it were a natural person, with power to acquire by purchase, gift, devise, or bequest, and to hold, convey, or otherwise dispose of property, real or personal, as may be necessary to carry into effect the patriotic, fraternal, and charitable purposes of its organization, and to use in carrying out the purposes of the corporation such emblems and badges as it may have heretofore or may hereafter adopt, and generally to do any and all such acts and things as may be necessary and proper in carrying into effect the purposes of the corporation.

SEC. 2. The object and purpose of this corporation shall be to perpetuate the name of United Spanish War Veterans and to preserve in corporate form said organization as now and heretofore maintained and conducted, and to thus provide and continue an agency and instrumentality through and by which its members, for and during the remainder of their natural lives, unite in the fraternal bonds of comradeship; perpetuate the memories of the War with Spain and the campaigns incident thereto; promote peace and good will at home and among all nations; encourage an adequate national defense and protect and preserve our institutions of government. The corporation shall not at any time engage in any business for pecuniary profit and gain.

SEC. 3. The principal office of this corporation shall be kept and maintained in the city of Washington, D. C., but annual or other meetings of its governing body and members may be held in any State of the Union, and the corporation shall have the power to possess and hold property needful or desirable for its objects and purposes anywhere in the United States or any of its Territories or dependencies consistently with the provisions of local laws pertaining thereto.

SEC. 4. The supreme governing and controlling authority in said organization shall be the national encampment thereof, composed of representatives from the several department encampments as are now or may hereafter be organized: *Provided*, That there shall never be any change in the plan of organization of said national encampment that shall materially change its present representative form of government or render possible the concentration of the control thereof in the hands of a limited number or in a self-perpetuating body not representative of the membership at large.

SEC. 5. The qualifications for membership in said organization, except as they are limited by the provisions in section 1 of this act, and the rights and privileges of the members thereof shall be such as are fixed by the constitution and rules and regulations heretofore or hereafter adopted by said national encampment.

SEC. 6. The activities of said corporation shall be exercised through and by the following agencies in accordance with the constitution and rules and regulations now in force or such as may be hereafter enacted by the national encampment thereof, namely:

First. Through the national encampment, its officers, and committees.

2. Through such department encampments as may have been heretofore or as may be hereafter organized, their officers, and committees.

3. Through such camps as may have been heretofore or may be hereafter organized, their officers, and committees.

4. Through such auxiliary organizations by whatever name or designation as have been heretofore or may hereafter be authorized by the national encampment.

Such department encampments and auxiliary organizations shall be subject and subordinate in authority to the national encampment, and such camps shall be also subject to such control exercised through the department encampment and department officers of the particular department to which it belongs.

SEC. 7. Said corporation and its State and local subdivisions shall have the sole and exclusive right to have and to use in carrying out its purposes the name "United Spanish War Veterans."

SEC. 8. The corporate existence of United Spanish War Veterans and the exclusive rights of its surviving members to wear the insignia of membership therein shall terminate only when the last of its members dies: *Provided, however*, That if, at any national encampment hereafter held, a memorial shall be adopted by the vote of three-fourths of the members present reciting that because of the decrease in its membership, or because of the age and infirmity of its surviving members, it no longer is advisable and practicable to hold future annual national encampments, such action shall not operate to deprive said organization of any of its corporate powers; but the government thereof may be modified to provide for such contingency subject to the restrictions contained in section 3 of this act: *Provided further*, That nothing in this act shall in any manner affect the right or the power of such camps or departments to dispose of or otherwise affect the ownership of property held by any camp or department in its own name, nor affect the right of such camps or departments to organize corporations under State laws for the purpose of caring for and disposing of such property.

SEC. 9. The national encampment may, by resolution, provide for the disposition and future ownership of its property and archives, and may declare the event in which such disposition shall become effective and such ownership vested, and a duly authenticated copy of such resolutions shall be filed in the office of the Supreme Court of the District of Columbia. Upon the happening of the event thus declared, and upon the filing of a petition in said Supreme Court reciting said facts, said court shall take jurisdiction thereof and, upon due proof being made, the court shall enter a decree which shall be effectual to vest title and ownership in accordance with the provisions of such a resolution.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANIFESTS

The Clerk called the next bill, H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 4349, 4350, 4351, 4352, 4353, 4354, 4355, 4356, 4359, and 4360 of the Revised Statutes of the United States are hereby repealed.

With the following committee amendment:

Page 1, line 4, after the figures "4356", insert the figures "4357."

Page 1, line 5, after the word "States", insert "and the act of July 12, 1876 (U. S. C., 1934 ed., title 46, sec. 302)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SESQUICENTENNIAL ANNIVERSARY OF SIGNING OF FIRST UNITED STATES PATENT LAW

The Clerk called the next business, Senate Joint Resolution 206, creating a joint committee to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the Senate joint resolution as follows:

Whereas there will occur on April 10, 1940, the one hundred and fiftieth anniversary of President George Washington's approval of the first act of Congress authorizing and regulating the grant of patents as contemplated in article I, section 8, of the Constitution; and

Whereas the encouragement and the protection thus afforded to discoverers and inventors have both inspired and rewarded their genius to the benefit of this Nation and the whole world; and

Whereas the American patent system inaugurated by this act of Congress has promoted countless applications of the arts and sciences to the needs and well-being of our people and thereby contributed notably to a higher standard of living in our country; and

Whereas it is fitting that the anniversary of the institution of a system so beneficial to the people of the United States should be worthily observed: Now, therefore, be it

Resolved, etc., That there is hereby created a joint committee consisting of the chairman of the Senate Committee on Patents, the chairman of the House Committee on Patents, the Secretary of Commerce, the Commissioner of Patents, and five other members to be selected by them, with power and authority to make suitable arrangements for an appropriate observance of the sesquicentennial of the first United States patent law.

SEC. 2. That the President of the United States is requested to set aside April 10, 1940, as Inventors' and Patent Day to invite a general public commemoration of an event which has proved so important and salutary to this Nation.

SEC. 3. That the committee shall present to the Senate and the House of Representatives suggestions for suitable exercises whereby Congress may mark the anniversary.

With the following committee amendments:

Page 2, line 3, strike out "joint committee" and insert "commission."

Page 2, line 16, strike out "committee shall present to the."

Page 2, line 17, strike out "suggestions for" and insert "shall conduct."

The committee amendments were agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended so as to read: "Joint resolution creating a commission to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law."

INVESTIGATION OF SUPPLY OF TIN

The Clerk called the next business, House Resolution 275.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. COCHRAN. Mr. Speaker, reserving the right to object, I would like some information. A few years ago the gentleman from Florida [Mr. CALDWELL] headed a committee to make a similar investigation.

Mr. BLOOM. That is right. I have discussed this resolution with the gentleman from Florida, who was the first to offer legislation of this kind, and upon whose resolution the original investigation of the committee was undertaken. I may say that the gentleman from Florida [Mr. CALDWELL] has advised me that he is in thorough accord with the purposes of the present resolution and feels that the investigation should be made.

Mr. COCHRAN. I understand the Army, the Navy, and the Department of Commerce have all the information that this resolution calls for.

Mr. BLOOM. No; they never did have the information until the Committee on Foreign Affairs investigated this matter and developed it for them, but that was 5 years ago. What we are trying to do now is bring the information down to date because the conditions and the situation existing

throughout the world are entirely different from what existed in 1935. We made a thorough study and we recommended legislation that was passed, and it has done good work up to now; but in the last 5 years the situation has completely changed, and, as the gentleman knows, we must get most of our tin through England.

There is no one department or branch of the Government that can supply the Congress with complete information about the tin situation. Although the United States is wholly dependent upon foreign nations for its supply of tin, it consumes approximately one-half the world's production. Our normal consumption will run between 60,000 and 90,000 tons per year. In wartime this would be greatly increased. An average approximate peacetime price of tin is not far from $1,000 per ton, making our annual tin bill between $60,000,000 and $90,000,000.

The world production and price of tin are controlled by the International Tin Committee, officially representing the governments of the principal producing nations. The United States must, in effect, pay the price resulting from the committee's control. Frequently these prices bear no relation to the cost of tin production.

More than 4 years have elapsed since the former report of the Foreign Affairs Committee on tin. Our tin situation today is more precarious than ever before. During the past 4 years world conditions and world politics have undergone vital changes which affect unfavorably our already serious situation as regards tin.

Looked at from any point of view, it is high time that this situation was examined. I am not prepared to say whether the departments upon which, under existing law, devolves the duty of attempting to better our situation have done all that could have been done under the circumstances. That is a point which we might well look into also. However, it is not the main point. The outstanding and somewhat alarming fact is that the United States is today totally without any resources of this vital material, and, after more than 2 years of effort, has been unable to strengthen its position. In fact, its position is relatively much worse than it has even been before. It seems to me clearly a responsibility of Congress to act promptly in this matter. It is a problem which must be solved, and the former investigation carried out by the Committee on Foreign Affairs indicates that although difficult, it is by no means impossible of solution.

Aside from the primary consideration, which I have just mentioned, there are secondary aspects of this matter which are only relatively less grave. I refer to the recent action of the International Tin Committee in, without warning, drastically reducing tin quotas of the producing nations for the unquestioned purpose of making the United States pay millions of dollars of their war bills through an increase in the prices we have to pay them for tin. We have seen tin in this country at more than a dollar a pound, forced up by this same or similar agencies. An advance of only 10 cents per pound on the cost of tin we buy, will increase our annual tin bill by more than $20,000,000. There seems good reason to fear the possibility of advances far greater than this if the present war continues. I think it is worth spending a little time and four or five thousand dollars looking into this situation before it has cost us tens of millions.

There is also a very grave question of the continued exports from this country of both tin and tin-bearing scrap, the latter in the face of legislation which I believe the Congress intended to stop this practice.

The gentleman states that the Army, the Navy, and the Department of Commerce have all the information this resolution calls for. In fairness to those departments, I feel that I should say to the gentleman that they would be the first to admit that they cannot answer the primary questions toward which this resolution is directed, namely, where are we going to get our tin in sufficient quantities, and what are we going to do when we fail to get it?

Mr. COCHRAN. The gentleman tells me where we get the tin.

Mr. BLOOM. Yes.

Mr. COCHRAN. Still the gentleman wants to know, through this resolution, where we are going to get the tin. He says he knows we are getting tin through England. If that is so, why investigate?

Mr. BLOOM. We do not know how we are going to get it and this investigation is to bring it down to date and find out what we are going to do in this country. We have in this country today only about a 2 weeks' supply of tin, if we cannot get any more. It is very important, both for national defense and for commercial purposes, that we should know something at this time and find out what is going to happen so far as the tin situation is concerned.

Mr. COCHRAN. How much is it going to cost?

Mr. BLOOM. It will not cost $5,000. The last time we received $10,000 and gave back a thousand dollars.

Mr. COCHRAN. I suggest that this go over for 2 weeks until I find out from the departments how much information they have on the subject. Mr. Speaker, I ask unanimous consent that this resoluiton may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

Mr. FADDIS. Mr. Speaker, reserving the right to object, may I ask the author of the resolution whether this carries an appropriation?

Mr. BLOOM. As I said to the gentleman from Missouri, it will cost from $3,000 to $5,000 to bring this investigation down to date.

Mr. FADDIS. Mr. Speaker, this is not a new question by any means. This matter has been investigated, investigated, and reinvestigated for a great many years. A few years ago this committee spent $10,000 in an investigation of this kind and it did not produce one iota more information than the Committee on Military Affairs produced in an investigation it made without spending a nickel. There are downtown any number of men connected with the Bureau of Mines and other departments who can tell the House of Representatives or anybody else in this country the exact situation with regard to tin all over the world and at any specific hour of the day.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. FADDIS. In just a minute. They can tell us anything we want to know. They can bring us up to date almost to the hour on the tin situation all over the world and so far as I am concerned I cannot see any use in any more furore about this matter. I yield to the gentleman from New York.

Mr. FITZPATRICK. May I ask the gentleman from New York, is the statement true which appeared in the paper a short time ago that we exported some of our tin to foreign countries?

Mr. BLOOM. That is true.

Mr. FITZPATRICK. Then it is high time to stop exporting tin when we produce only 1 percent of what we use.

Mr. BLOOM. We passed a resolution here several years ago prohibiting the exportation of tin-plate scrap.

Mr. FADDIS. I introduced that resolution myself.

Mr. BLOOM. I may say to the gentleman that for the benefit of our country, and for the benefit of our defenses, we should know what we are going to do with reference to tin. There has never been an investigation by the Congress with reference to the 21 States in the United States that contain tin. We have never tried to bring into this country tin ore for smelting here and I think that would be for the best interest of our country.

[Here the gavel fell.]

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

Mr. FADDIS. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. COCHRAN. Mr. Speaker, I object.

The Clerk called the next bill, S. 2740, to amend section 9a, National Defense Act, as amended, so as to provide specific

authority for the employment of warrant officers of the Regular Army as agents of officers of the finance department for the disbursement of public funds.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 9a of the National Defense Act, as amended by the act of June 4, 1920 (41 Stat. 766), be, and the same is hereby, further amended as follows:

After the word "officers", in line 13 of the said section, insert the words "or warrant officers"; before the word "to", in line 15, insert the words "or warrant officer."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENLISTMENT OF MEN UP TO 45 YEARS OF AGE IN TECHNICAL UNITS OF THE ENLISTED RESERVE CORPS

The Clerk called the next bill, S. 2769, to amend section 55, National Defense Act, as amended, to provide for enlistment of men up to 45 years of age in technical units of the Enlisted Reserve Corps.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 55 of the National Defense Act of June 3, 1916, as amended (44 Stat. 704), be and the same is hereby further amended to read as follows:

"SEC. 55. The Enlisted Reserve Corps: The Enlisted Reserve Corps shall consist of persons voluntarily enlisted therein. The period of enlistment shall be 3 years, except in the case of persons who served in the Army, Navy, or Marine Corps at some time between April 6, 1917, and November 11, 1918, who may be enlisted for 1-year periods and who in time of peace shall be entitled to discharge within 90 days if they make application therefor. Enlistments shall be limited to persons eligible for enlistment in the Regular Army who have had such military or technical training as may be prescribed by regulations of the Secretary of War, except that for original enlistments of such specialists in units as may be prescribed by regulations of the Secretary of War the maximum age shall be 45 years. All enlistments in force at the outbreak of war, or entered into during its continuation, whether in the Regular Army or the Enlisted Reserve Corps, shall continue in force until 6 months after its termination unless sooner terminated by the President."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTEREST RATE ON LAND BANK AND LAND BANK COMMISSIONER LOANS

The Clerk called the next bill, H. R. 8450, to make permanent the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TALLE. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TALLE. Mr. Speaker, I rise to speak in support of the pending bill, H. R. 8450, which proposes to make permanent the reduced rates of interest on Federal land bank and Land Bank Commissioner loans at 3½ percent and 4 percent, respectively. I believe that this bill should pass. The interest rates specified in it are reasonable. They are neither unduly low nor unduly high. The rates are just because they are somewhat in line with those charged in other forms of business. Furthermore, these rates will help to stabilize agriculture, because borrowers will be better able to meet their obligations and escape inevitable foreclosures that dog the heels of unsuccessful business. There will be fewer tenant farmers in the future if present owners of farms can survive the difficult conditions which prevail in agriculture now.

Agriculture is a business in which the fixed expenses represent a large part of the cost of operation. Here are some of the fixed expenses: Interest on mortgages, taxes, insurance, freight rates, depreciation on buildings and machinery. These operating expenses accumulate day and night, whether crops are good or poor, whether prices of agricultural products are high or low. To be sure, lower interest rates will not solve the problems which confront agriculture today, but they will help to solve these problems, because, in many instances, the interest expense is a very large part of the total fixed expenses.

There are many farmers in my district, the Fourth District in Iowa, who are keenly interested in what this bill provides. On March 23, 1939, I introduced a bill, H. R. 5285, which proposes to achieve somewhat the same objectives as are sought in the bill which the Committee on Agriculture has seen fit to approve and which is before the House at the present moment. On March 24, 1939, I addressed the House in support of my bill.

Specifically my bill proposes that the interest rate on both types of loans be made permanent at a rate of 3½ percent, and it proposes further that the maturity period of the Land Bank Commissioner loans be made to extend over 34 years instead of the much shorter period which the law now prescribes.

I regret that the pending bill does not contain a provision for extending the period during which the Commissioner loans may be repaid. I trust that such a provision may be allowed in the form of an amendment to the pending bill. And I hope that there may be no objection to the pending bill when it comes before the House for action at some later date during the present session of the Congress.

The solution of our domestic problems should be our first order of business. Private property is the basic institution in our national economy. The pending bill seeks to preserve private property, and by preserving private property we support the entire economic structure of our Nation. Although this bill does not conform strictly to my own, I am for it, and urge its enactment at an early date.

NATURALIZATIONS OF CERTAIN ALIENS

The Clerk called the next bill, H. R. 6443, to permit certain aliens whose childhood was spent in the United States, if eligible to citizenship, to become naturalized without filing declaration of intention.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any alien who at the time of entering the United States is less than 16 years of age may upon attaining the age of 21 years, if eligible to citizenship, be naturalized upon full and complete compliance with all the requirements of the naturalization laws, subject to the following exceptions:

(a) No declaration of intention shall be required; and

(b) The petition for naturalization shall be filed within 1 year after such alien attains the age of 21 years.

SEC. 2. Nothing in this act shall be construed as preventing its application to aliens who entered the United States prior to its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This completes the call of the Consent Calendar.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1941

Mr. FITZPATRICK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes; and pending that motion, I ask unanimous consent that general debate run throughout the day, the time to be equally divided and controlled by myself and the ranking minority member of the subcommittee.

Mr. RAYBURN. Reserving the right to object, Mr. Speaker, I trust that this motion will not be pressed this afternoon. As the program has been given out, this bill would come up for consideration in the first instance on tomorrow, and I have made that statement to a great many gentlemen. I thought that members of the committee had understood this, although I had not spoken to the gentleman from New York about it. However, I am committed to the statement that this bill will not come up until tomorrow, and I therefore trust that the gentleman will not press his motion.

The gentleman can have all the remainder of the week for the consideration of the bill.

The SPEAKER. Permit the Chair to say to the gentleman from Texas that the Chair takes the responsibility for the misunderstanding with reference to the time the bill would be called up. The Chair was under the impression that the bill would be called up at the conclusion of the call of the Consent Calendar today, at the request of the subcommittee interested. The Chair regrets, of course, that he was misinformed. Of course, the gentleman from New York can withdraw his motion.

Mr. FITZPATRICK. Then, Mr. Speaker, I withdraw my motion and unanimous-consent request. I did not understand that that was the situation.

The SPEAKER. Under a special order of the House heretofore entered, the gentleman from Pennsylvania [Mr. RICH] is recognized for 15 minutes.

POTOMAC ELECTRIC POWER CO.

Mr. RICH. Mr. Speaker, I take this time this afternoon due to the fact that several days ago before the Joint Committee on Printing the gentleman from Mississippi [Mr. RANKIN], who was desirous of having published a booklet regarding the rates of public utilities in the electrical business, made the statement that the Potomac Electric Power Co., of the city of Washington, was making 70 percent on the common stock. I said, "Mr. RANKIN, if the Potomac Electric Power Co. is making 70 percent on their capital investment, I will give you a new suit of clothes, because I do not believe any public utility in America is permitted to make a profit of that kind." I further made the statement that if they were making 70 percent on their capital invested, I would take the floor of the House and condemn them just the same as would the gentleman from Mississippi, for I would consider that a most unjust profit.

I probably would not have said anything further about that were it not for the fact that the gentleman from Mississippi rose on the floor of the House and said that he had lost a suit of clothes, that the Potomac Electric Power Co. were making only 60 percent. Therefore I have one of two courses to choose. It becomes my duty to defend the Potomac Electric Power Co. on the floor of the House of Representatives, or it becomes my duty to rise and say that they are highway robbers. I cannot do the latter; therefore, I am compelled to do the former.

May I say right here that I hold no stock in that company, and before that statement was made to the gentleman from Mississippi [Mr. RANKIN], I did not know anybody connected with it.

Let me say in the first place that after I went back to my office I wrote the Potomac Electric Power Co. asking for their financial statement. In return I received a reply from the president of the Potomac Electric Power Co., Mr. A. G. Neal, stating that he had filed with both the Speaker of the House and with the Vice President of the United States a copy of the annual report for 1939 and for previous years. When I went to the Speaker's office to get the copy of the report, I was informed that it was with the Committee on the District of Columbia. I went to that committee and got the statement that was filed by the president of the company, Mr. A. G. Neal, and which was sworn to before a notary public in the District of Columbia. It reads as follows:

I, A. G. Neal, president of the Potomac Electric Power Co., do hereby solemnly swear that the annexed statement is just and true to the best of my knowledge and belief.

I hold in my hand the statement that was filed with the Speaker of the House of Representatives.

Then I tried to find out who this man, A. G. Neal, was, because I did not want to quote him on the floor of the House of Representatives unless he was a respectable and honest citizen. I got a report from the Library, quoting from Who's Who in the Nation's Capital, 1933–39, and also this additional report:

Alfred G. Neal, who has been acting president of the Potomac Electric Power Co. since William McClellan resigned to become president of the Union Electric Co., St. Louis, was elected president of the corporation by the board of directors last week in recognition of his long and efficient service.

Mr. Neal, who was born in Upper Marlboro, Md., in 1886, started with the company as assistant controller in February 1918, was elected vice president in January 1925, and made general manager in 1933. He has served on the board of directors of Potomac Electric Power Co. and Washington Railway & Electric Co. and held membership on the executive committee of Potomac Electric Power Co. since December 1934.

He worked his way up in the company and is now president and general manager, and he must be a good man or he would not hold both of those jobs with such a big concern.

Let me here insert other quotations about Mr. A. G. Neal:

Statement of Mr. Thomas L. Eagan, president of the Washington Rotary Club, Washington, D. C.:

Mr. Alfred Neal, in addition to being president of the Potomac Electric Power Co., has been closely identified with civic life in Washington for years. He is regarded as one of our outstanding citizens. He was chairman of the community service committee for the Washington Rotary Club last year—a committee that serves in the interest of boys' clubs of Washington and crippled children.

Another reputable source says:

Mr. Neal has been active in civic life for so many years that his name is known and respected throughout the community. He has done work amongst boys' clubs and for crippled children, in addition to other contributions too numerous and too well known to mention.

Mr. Lawrence E. Williams, president of the Washington Board of Trade, states:

The greater part of his entire business career has been with the general field of public utilities. Mr. Neal has been a resident of the District since 1917 and has for many years been one of Washington's most prominent citizens. He has long been interested in civic affairs. He has been a member of the Washington Board of Trade for 10 years, serving on its committees on charities and corrections, industrial interests, municipal finance, and public utilities. He is an active member of the Rotary Club and a trustee of the Community Chest.

He is regarded as a man of splendid character, exceptional ability, and excellent citizenship.

I have several other recommendations showing that this man is a man of unimpeachable character and outstanding ability.

Now, what is the situation insofar as the Potomac Electric Power Co. and its operations are concerned?

First, I may state that the capital stock as revealed in this statement is 130,000 shares at par of $100, and it has common stock of $6,000,000; preferred capital stock, 6 percent, series 25, $2,000,000; preferred capital stock, 5½ percent, series 27, $5,000,000; making a total of $13,000,000 capital.

It has long-term or first-mortgage debts, 3¼ percent, due 1966, of $20,000,000. It has first-mortgage bonds of 3¼ percent, due 1974, of $5,000,000; a total of $25,000,000 of bonds outstanding.

It has earned surplus of $31,157,058.16.

This report gives a list of the stockholders. I counted the pages and there are 75 pages with 55 names on the page, which would mean over 4,000 stockholders. Many of them are banks in the city that are trustees for estates.

There is $7,000,000 preferred stock. Amount necessary for dividend on preferred stock annually is $395,037.42.

The conservative practice of this corporation for years back has been to pay out nominal dividends to the stockholders and then the balance went back into the surplus fund, which they used for improvements.

Now, what did this company do last year? It manufactured 1,103,819,809 kilowatt-hours of electricity. It used 510,891 tons of coal, and the cost of the coal was $2,619,723.12. This not only gave work to the people in the District, but it gave work to the miners back in the States who mined the coal, and also gave work to the railroad employees who transported the coal here to the District of Columbia.

They made improvements to plant and equipment in 1939, as the report will show, in the production plant of over $117,110.51; transmission plant, $256,465.57 more; in the distribution plant of $4,005,143.08; and in the general plant of $195,230.92. They have construction work in progress

amounting to over $800,000. In other words, the actual improvements they made to their facilities last year amounted to $4,454,340.10.

The amount spent for labor by this corporation last year was $5,061,274.44.

The assets of the company, as shown by this report, are $89,236,023.

The Commission of the District of Columbia, a body which is made up to audit the books of this company and to state on what grounds they can base their capitalization in order that they may charge proper rates, has put that figure at $80,974,758.

On this valuation last year, 1939, they earned $4,230,271.33, or for the common stock and surplus—money invested—they earned 7.39 percent. Seven and thirty-nine hundreds percent on their capital invested, and when they have earned this amount after putting their surplus back into the company, is that, I ask you, an unjust earning for any corporation that takes the chances and the responsibilities that a public utility has to take?

Now, for taxes in 1939 they paid out $2,225,635.83, or 53 percent of the net earnings.

Some taxes the Government and District get for the privilege of a corporation doing business. A real asset to the District and to the United States. If it were like the T. V. A. what taxes would it pay? What taxes do Government corporations or business pay? I'll say none; they are a liability instead of an asset. The number of customers is 197,232. The taxes paid for each customer amounts to $11.28 per year, or 94 cents for each customer per month in tax. Who pays the tax, I ask?

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I am afraid that my time will go before I can get in what I want to say. The gentleman has 20 minutes following me, and I am afraid that I will not have time to get all of this into the RECORD.

Mr. RANKIN. Oh, I will get the gentleman additional time.

Mr. RICH. Will I get my time from the gentleman?

Mr. RANKIN. No, from the House.

Mr. RICH. I want to get all of this into the RECORD. I want to make a complete statement.

Mr. RANKIN. When the gentleman comes to account for taxes, he is counting in the income taxes.

Mr. RICH. Well, taxes are taxes, and call them any name you want to. You have to pay them.

Mr. HOFFMAN. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Does the gentleman yield?

Mr. RICH. I yield for 1 minute of time, and that is all.

Mr. RANKIN. I just want to say to the gentleman from Pennsylvania that when he gets to counting the taxes, he is counting in the income taxes, the taxes on these enormous incomes—the taxes on these enormous incomes that these utilities and power companies make.

Mr. RICH. Oh, the gentleman said it right the first time—enormous income taxes. Their total income was $4,230,271.33. The gentleman will not dispute that, will he?

Mr. RANKIN. How is that?

Mr. RICH. The gentleman will not dispute the fact that their income was $4,230,271.33?

Mr. RANKIN. I shall answer that in my own time.

Mr. RICH. Naturally big corporations have to pay a big tax. They pay now 18½ percent of their income, first crack out of the box, and the more they make, the more they have to pay, naturally. I want to show what this corporation has done in the reduction of rates since 1925. They have reduced their rates according to reports given here by $762,332, and in 1926 by $552,164, and in 1934 by $379,841. I can ask unanimous consent to have this table inserted in the RECORD, because I do not want to read each one of these years. A fine table of progress in rate reduction.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The matter referred to follows:

POTOMAC ELECTRIC POWER CO.

MEMORANDA

Amount absorbed by rate reduction

Year in which rate reduction was made:	
1925	$762,352
1926	352,164
1927	430,829
1928	337,895
1929	624,062
1930	660,035
1931	830,463
1932	861,023
1933	563,335
1934	379,841
1935	147,821
1936	310,117
1937	504,682
1938	770,325
1939	393,986
1940	575,297

The average rate paid by residential customers in 1924, just prior to the inauguration of the consent-decree, sliding-scale plan, was very close to 10 cents per kilowatt-hour. The precise figure is not available as the same rate schedule was available until 1926 for both residential and small commercial customers. The average rate in 1926 was 6.73 cents after two rate reductions. In 1939 it was 2.61 cents. It is quite possible that the average rate for 1940 will drop to 2.5 cents, about a quarter of what it was in 1924.

Residential rates

1924

First 120 hours' use of the connected load	cents per kilowatt-hour	10
Excess	do	5.225
Minimum charge		$1.00

1940

First 40 kilowatt-hours	cents per kilowatt-hour	3.9
Next 90 kilowatt-hours	do	1.75
Excess	do	1.5
Minimum charge		$0.75

Mr. RICH. In the year 1940 they reduced the rates by $575,297. The residential rates in 1924 are listed here as well as in 1940.

Mr. RANKIN. Will the gentleman read those residential rates for 1924?

Mr. RICH. In 1924, 10 cents per kilowatt-hour.

Mr. RANKIN. That was before the T. V. A. was created.

Mr. RICH. The rates are on the above-mentioned table, and I insert later the rates at Tupelo, Miss.

Mr. RANKIN. The first 50 kilowatt-hours in Tupelo costs only $1.25.

Mr. RICH. Mr. Speaker, I do not yield to the gentleman from Mississippi any longer at this time.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. RICH. I shall put it into the RECORD showing the residential rates in Tupelo, Miss., and in Sheffield, Ala. Then I will show the rates in Washington, D. C., and show that after you use 150 kilowatt-hours the rate in Washington, D. C., is cheaper than it is in Tupelo, Miss.

Residential rates

TUPELO, MISS.

First 50 kilowatt-hours	cents per kilowatt-hour	3.00
Next 150 kilowatt-hours	do	2.00
Next 200 kilowatt-hours	do	1.00
Excess of 400 kilowatt-hours	do	.40

SHEFFIELD, ALA.

Same as Tupelo, Miss., except .4 cent block is 1,000 kilowatt-hours and excess over 1,400 is at .75 cent.

Comparative bills at Washington and Tupelo rates

	Washington	Tupelo
50 kilowatt-hours	$1.74	$1.50
100 kilowatt-hours	2.61	2.50
150 kilowatt-hours	3.44	3.50
200 kilowatt-hours	4.19	4.50
250 kilowatt-hours	4.94	5.00

One great advantage that the rates in Tupelo, Miss., have over the Potomac Electric Power Co., or any other electric power company, is the fact that the W. P. A. using Govern-

ment money have gone down into Tupelo and all these southern cities served by T. V. A. and have given them grants of 45 percent or an outright gift to help them electrify their towns and local communities. Then the communities went out to the Public Works Administration and borrowed the other 55 percent, having the Government do all the work and furnish all the money.

Now no such grants or gifts were given the people of Washington, nor was the Potomac Electric Power Co. aided in any way in Government subsidies. No wonder the people down south are "hollering" for the T. V. A., a Government-owned and controlled electric plant furnished by the taxpayers back in Pennsylvania and all the other States, and those fellows down there are getting the gravy. Why, it is just outlandish to think that anything like that should happen in civilized America, unless you are a communistic or Russianized form of government. And God forbid that we in America go any further with such New Deal organizations and agencies as is suggested by some of the Members of Congress. What is going to happen to us when we have a dictatorship at the head of our Government and everything Russianized? We will have no need for a Congress, the dictators will run this Government, and that is about where we are headed now.

Mr. RANKIN. Mr. Speaker, I hope the gentleman will stay here, because I have some figures on Williamsport, Pa.

Mr. RICH. Do not worry. I will not run away.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that his time be extended 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RICH. And I say this, Mr. Speaker: If the gentleman from Mississippi has made his statement as wild about the electric rates in Williamsport, Pa., as he has about the rates of the Potomac Electric Power Co. here in Washington, I know I shall have no confidence in them, and yet I want to say here that I believe the gentleman from Mississippi, JOHN RANKIN, is an honest man. I do not believe there is a crooked hair in his head, but I think he is obsessed with the idea that everybody in the utility business, and every businessman is a crook. I say that I am a businessman, and I glory in that fact, and I am not going to put my head under a table or under a bushel for the gentleman from Mississippi, JOHN RANKIN, or for anybody else. I am not ashamed of it. I am mighty proud that I am, and I have not gone in bankruptcy or been arrested for being dishonest.

The value of the Potomac Electric Power Co., $6,000,000 of stock for 1925 to 1935, shows dividends that they paid on their capital invested from 6.78 percent in 1925 to 7.12 percent in 1935; 1939, 10.50. That is when we had the undistributed-profits tax, and they were compelled then by a law that was unjust to pay out their money or else pay an exorbitant income tax on undistributed profits. Then they had nothing to go ahead and make improvements with because they tried to save taxes; that was honest and just. In fact, it was what the tax wanted corporations to do. That is what this company has been doing ever since 1925—improve their service and reduce rates. The reports will show that.

Potomac Electric Power Co. dividends paid in relation to equity of common stock outstanding for years from 1925 to 1935, inclusive

	Equity value of $6,000,000 par value of common stock	Dividends paid on common stock	Percent dividends paid on equity value of common stock
			Percent
1925	$12,390,615.59	$840,000	6.78
1926	14,138,213.56	960,000	6.79
1927	15,888,035.33	1,080,000	6.80
1928	18,850,652.87	1,200,000	6.36
1929	21,765,347.30	1,320,000	6.06
1930	25,797,723.07	1,440,000	5.58

Potomac Electric Power Co. dividends paid in relation to equity of common stock outstanding for years from 1925 to 1935, inclusive— Continued

	Equity value of $6,000,000 par value of common stock	Dividends paid on common stock	Percent dividends paid on equity value of common stock
			Percent
1931	$28,378,135.69	$1,560,000	5.50
1932	30,791,376.71	1,680,000	5.46
1933	33,367,413.57	1,800,000	5.39
1934	34,758,271.97	2,280,000	6.56
1935	35,805,594.07	2,550,000	7.12
1936	36,781,930.47	3,600,000	9.79
1937	37,387,729.25	3,900,000	10.43
1938	37,204,397.34	3,900,000	10.48
1939	37,157,058.16	3,900,000	10.50

Mr. Speaker, I ask unanimous consent to put these charts that I have read into the RECORD, as well as an article on The Utilities Offer the Facts, by C. W. Kellogg, and it deals with the Tennessee Valley Authority, showing the rates that the public utilities pay and what the Tennessee Valley Authority charges.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RANKIN. Reserving the right to object, the gentleman will let the RECORD show that Mr. Kellogg is employed by the Power Trust, will he?

Mr. RICH. I do not know. As long as he is honest I do not care who employs him. We are after facts; not trying to injure and destroy anyone.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Speaking of the electric companies in Pennsylvania, I know Mr. John Wise, president; Mr. Lon Heath, vice president; Mr. Earl Mench, district manager; and Mr. McIntire, district manager, of Pennsylvania Power and Light Co., and they are honest, capable people, and anything you say regarding their company will have no effect on their standing in society for everybody knows them to be fine, honest businessmen.

Now, I will say to my colleague from Mississippi that he should read these reports I insert in the RECORD tomorrow, because I do not have time to read them into the RECORD now. The gentleman has made a statement about this Potomac Electric Power Co. receiving 60 or 70 percent profit on their common capital stock. He knows that all during the years they have been in operation, since 1925, they have put in their money, over and above nominal dividends, into surplus for improvements and benefits to their patrons. They have accumulated that surplus, and that is just like that much capital. It should be, because if they did not invest that in improvements they would have to go out and sell different kinds of debentures or stocks in order to get capital to make these improvements.

So I ask you, in the name of good business, what is the difference whether a corporation puts its surplus back into the corporation or whether it goes out and sells additional stock? It is all the same to the consumer. It requires the same amount of money. It is the only just thing to do. It is sound, sensible business, and honest and conservative management.

I will say that for the Potomac Electric Power Co., as far as I understand this statement, and I have gone over it, I think they are doing a good job in the District of Columbia. They are reducing their rates annually. They are trying to give service to the people of the District of Columbia. I am glad I did not have to stand here today and give them any condemnation, because I think they are conservative, legitimate, honest business people, and they have a good organization. They are not trying to hoodwink anybody. They are not trying to gouge anybody. It is all an open book, because they are compelled by the law of the District

of Columbia to furnish the Speaker of the House and the Vice President a copy of their report. I return this report of Potomac Electric Power Co. now to the "mayor" of the District of Columbia, the gentleman from West Virginia, Mr. JENNINGS RANDOLPH. [Applause and laughter.]

THE UTILITIES OFFER THE FACTS—WITH THE CLOUDS OF A NEW GOVERNMENT DRIVE AGAINST THE UTILITIES NOW GATHERING, THIS REFUTATION OF THE NEW ACCUSATIONS IS TIMELY, IMPORTANT, AND WORTH FILING FOR FUTURE REFERENCE

(By C. W. Kellogg, President, Edison Electric Institute)

The recent renewal by Federal Government officials of attacks on the electric utility industry makes it desirable to examine factually the charges that have been made against the utilities.

This paper will be addressed particularly to the statement of Congressman JOHN E. RANKIN, of Tupelo, Miss., in the CONGRESSIONAL RECORD for October 23, 1939. The gist of his statement is that based on T. V. A. rates, the national power bill represented in 1938 an overcharge of $889,000,000; based on rates in Tacoma, Wash., the annual overcharge was $1,130,000,000; and based on Ontario, Canada, rates, $1,007,000,000. Mr. RANKIN charges also that the utilities are greatly overcapitalized.

The figures in the tables he presents to substantiate the claimed "overcharges" reveal many inaccuracies, but my purpose is to discuss only the general considerations involved.

To be fair, comparisons must be between subjects where conditions are approximately similar. For example, a comparison of crop yields to be fair should be under similar conditions of soil, rainfall, and climate; and it is common experience that a few high spots are no fair measure of average conditions.

Let us apply this test in turn to each of the three situations Mr. RANKIN has used as a measuring stick for the whole Nation.

1. The T. V. A. power system is the product of large appropriations from the Federal Treasury. It has charged off half of its expenditures to other than power purposes. It pays no interest. It has set aside a ridiculously small amount for depreciation. It pays a tax which is only a small fraction of the rate of taxation of private utilities and it has received without charge substantial aid from other Government agencies. Many of the municipalities taking power from its system have obtained their distribution systems through the intermediary of the T. V. A. at prices far below cost. Others have received P. W. A. grants at 45 percent of the cost, with the remainder of the money lent at a low rate of interest.

It ought to be clear that, with the above set of facts, it is most unfair to denounce as "overcharges" the difference between what publicly regulated, privately financed enterprises, in order to recoup their costs, have to charge for service and what a heavily subsidized Government project elects to charge. In fact, if the T. V. A. program and method were used to duplicate the power facilities of the entire Nation, the total yearly cost to the taxpayer would be so staggering as far to outweigh the so-called overcharge of $889,000,000.

2. Tacoma is another special case. It has very cheap water-power sources near at hand. Fuel prices have been such as to encourage domestic use of electricity. For over 40 years it has been a municipal plant, during which period the tax exemption alone (assumed by the taxpayer) could have more than paid off the entire plant investment. The fact is that taxes plus electricity cost more in Tacoma than in its neighboring city in the same State, Spokane. Here is a comparison where conditions are relatively similar, the chief difference being that the Spokane utility is privately owned and operated.

The average annual use of electricity in the home in 1938 was 2,104 kilowatt-hours in Spokane and 1,804 kilowatt-hours in Tacoma. The average residence rate per kilowatt-hour was in Spokane, 2.08 cents; in Tacoma, 1.56 cents.

This apparently favorable layout for the Tacoma householder is, however, destroyed and reversed by the relative tax picture. The tax rate in 1938 for the two cities was: Spokane, $45.30; Tacoma, $57—a difference of $11.70 a thousand in favor of Spokane. For a modest dwelling, assessed at $3,000, this difference becomes $35.10—an amount which figures out to 1.95 cents for each of the 1,804 kilowatt-hours used by the average Tacoma home.

WHAT COUNTS IS MONEY SPENT

So, with taxes equalized, the resident of such a home in municipal Tacoma pays over half as much again for the same amount of electricity as does the corresponding resident of private Spokane. This is a more revealing comparison, because it is the actual money spent by the citizen that really counts with him, whether he pays it out for taxes or for electricity.

3. The third measuring stick used by Mr. RANKIN is Ontario. Ontario is principally supplied by Niagara Falls as a source for power generation, but other cheap water powers are available. Its power system is tax exempt. It does not have as high standards of construction as are required of electric utilities in the United States. No coal is mined in Ontario and supplies of oil and gas are limited, which gives electricity a competitive advantage.

Although electricity has heretofore enjoyed tax exemption, the combined tax and electric bill of the average householder in Toronto, for instance, is higher than the combined tax and electric bill of the average householder in the neighboring city of Buffalo. Similarly, the combined tax and electric bill of the average householder of Windsor, Ontario, is higher than the combined tax and electric bill of the average householder in Detroit, across the river. What has been gained in cutting the price of electricity has been more than offset by rising taxes over a period of years. (The new war tax against public power has greatly disturbed the public power officials in Canada. Its effect on their rate structure has not yet been determined.)

The average rates of municipal plants in the United States are about on a parity with those of private plants, as the summary of the January 1, 1939, rate survey of the Federal Power Commission shows. The table compares average monthly bills in different consumption groups as of that date.

Cost per horsepower, comparable hydroelectric plants

GOVERNMENT PLANTS

Project	Present or initial cost	Ultimate cost	Capacity in horsepower		Present or initial cost per horsepower	Ratio of present to ultimate horsepower
			Present	Ultimate		
						Percent
Pickwick	$31,800,000	$39,900,000	96,400	289,200	$330	33.3
Wilson	46,950,748	57,950,748	246,600	595,100	190	41.4
Wheeler	33,483,559	42,400,000	85,800	343,000	390	25.0
Guntersville (now building)	33,400,000	35,200,000	96,300	128,400	347	75.0
Chickamauga (now building)	37,010,000	39,200,000	108,600	144,800	341	75.0
Norris	37,257,000	37,257,000	134,000	134,000	278	100.0
Total or average	219,901,307	251,907,748	767,700	1,634,500	286	47.0

PRIVATE PLANTS

Project	Licensee	Cost claimed by licensee	Capacity in horsepower		Present or initial cost per horsepower	Ratio of present to ultimate horsepower
			Present	Ultimate		
						Percent
Coosa	Alabama Power	$10,646,056.76	72,000	93,000	$148	77.4
Ohio River	Louisville Gas & Electric	7,829,738.72	108,000	135,000	72	80.0
Chattahoochee	Columbus Electric & Power	7,688,544.12	66,000	80,000	116	82.5
Safe Harbor	Safe Harbor Water Power	24,995,111.74	255,000	510,000	98	50.0
Conowingo	Susquehanna River Power	55,156,084.98	378,000	594,000	146	63.6
Tallapoosa	Alabama Power	17,868,816.84	135,000	180,000	132	75.0
Total or average		124,184,353.16	1,014,000	1,592,000	122	63.7

	Government	Private
Number of plants	2,112	18,249
15 kilowatt-hours	$1.22	$1.23
25 kilowatt-hours	1.83	1.82
40 kilowatt-hours	2.69	2.63
100 kilowatt-hours	4.85	4.76
250 kilowatt-hours	8.97	8.25
500 kilowatt-hours	14.98	11.64

This is an arithmetic average. The weighted average is somewhat favorable to the municipal plants on account of the dominating influence of the three large west coast municipal systems with below-average rates. But, with the correction for tax exemption, the comparison is decidedly in favor of private companies.

Another way to appraise Mr. RANKIN's alleged overcharge of $889,000,000 in the national electric bill is to consider just what that electric bill has to pay for.

The gross operating revenues of the electric utilities of the United States for 1937 were $2,207,000,000. Total operating and maintenance expenses, together with taxes and retirement and other reserves, required $1,551,000,000, leaving $656,000,000 that was paid to bond- and stock-holders—an average rate of 5½ percent on the $12,000,000,000 invested in plant.

The alleged overcharge would wipe out any return to the millions of investors who put part or all of their life savings into this great amount of capital, and it would still leave $233,000,000 to come from elsewhere.

Presumably, this would have to come out of the $451,000,000 paid in wages to employees—about a 50-percent cut. It could not be taken out of taxes, or out of the cost of coal or other materials; nor could it be taken from the retirement and reserve allowances without seriously impairing the standards of service which the public properly demands of private enterprise, as the electric utilities have no national treasury to draw upon.

AVERAGED $122 PER HORSEPOWER AGAINST $286

As to Mr. RANKIN's assertion that the plant investment claimed by the electric utilities is greatly inflated, the Government's own experience in the past 6 years has tended to confirm the validity of the private companies' investments in similar property.

The table which appears on page 17 compares the cost reported to the Federal Power Commission of six dams built in recent years in the East and Southeast under Federal license by private companies, with the estimated or actual cost of six dams on the Tennessee River as part of the T. V. A. system built by the Government. The initial cost (with 64 percent of ultimate capacity installed) averaged $122 per horsepower for the six private plants. For the six Government plants (with 47 percent of ultimate capacity installed), it averaged $286.

Five of the six dams on the Tennessee River have or will have navigation locks while the six private plants have none. But the resulting difference in cost of 5 or 6 percent does not materially affect the comparison.

According to a W. P. A. survey, the electric bill of the average workman amounts to 1.5 percent of his cost of living. According to other Government surveys, the electric bill amounts to about 1.3 percent of the value of product in the average manufacturing business. If, through Federal subsidy, the price of electricity were cut one-third, this would amount to only one-half of 1 percent of the cost of living for the householder and of the value of product for the manufacturer. On the other hand, the share of the average family in the cost of government is now about $516 per annum, or 44 percent of the average worker's annual income.

LOW-COST CURRENT ISN'T ALL

Using public funds to subsidize the cost of electricity has not proved a long-range advantage. Although Ontario has long enjoyed low-cost electricity, business development in the bordering areas of western New York and Michigan has far outstripped the growth in Ontario, and wages on the American side compared with those on the Ontario side quite overshadow the small factor of electric rates.

Cheap electricity has proved a relatively unimportant factor in the growth and development of Tacoma, which has been outstripped by Seattle to the north and Portland to the south with higher prices for electricity. Similarly, in Mr. RANKIN's own Tupelo, Miss., the first community to take T. V. A. power, there has been no influx or development by reason of cheap electricity. In fact, two mills have gone out of business—not, of course, because of cheap electricity but because cheap electricity proved to be no important consideration.

In the end, though, the issue of private enterprise versus public ownership is far greater than the mere question of the price of electricity.

Economic well-being has always advanced where private enterprise has been given fair play to exert its initiative, resource, and industry. Low taxes, resulting from wise and efficient handling of necessary functions of government and from leaving to private enterprise the business it can perform, far outweigh the influence of electric rates. Larger earnings with which to pay living and business costs have been much more important to any people than subsidized electric rates.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. RANKIN] is recognized for 20 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield if it is not taken out of my time.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill S. 1610.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. RANKIN. Yes; just so it is not taken out of my time.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks and insert an article entitled "The Power of Empty Pockets," by O. M. Thomason.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ANSWERING MR. RICH—POTOMAC ELECTRIC POWER CO. DID MAKE 64 PERCENT ON COMMON STOCK LAST YEAR—ELECTRIC RATES AND OVERCHARGES IN PENNSYLVANIA

Mr. RANKIN. Mr. Speaker, the gentleman from Pennsylvania [Mr. RICH] has just given us an amusing performance in his attempt to answer my statement concerning the Potomac Electric Power Co. and its earnings on its common stock. In his speech he went out of his way to attack the T. V. A., and to make statements about the city of Tupelo, Miss., my home town, that are so far from the facts that I cannot let them go unchallenged.

It seems to me that he has permitted these utility propagandists to take him for a "snipe hunt" and leave him to hold the bag. His childish handling of this question makes one think of Innocents Abroad.

The conscientious gentleman from Pennsylvania [Mr. RICH] might well say to these utilities, in the words of Holy Writ, "I came to you a stranger and ye took me in." His speech was so weak that I at first thought he wrote it himself, but when he wound up by reading into the RECORD the attack on me by C. W. Kellog, the chief propagandist for the Power Trust—which statement is literally teeming with false and misleading statements—and when I ran hurriedly over his remarks, knowing that the conscientious gentleman from Pennsylvania would not intentionally make a misstatement, it occurred to me that his speech might be characterized as "the hand of Esau and the voice of Jacob."

The gentleman from Pennsylvania says he has no prejudice on this subject. He should not have, for prejudice presupposes knowledge, and he showed such a pathetic lack of knowledge of this subject that it should clear him of any charges of personal prejudice.

I make this statement in justice to him because when the people up in Pennsylvania whom he represents, or whom he is supposed to represent, finally realize how they are being robbed and plundered in electric light and power rates, I want them to know that we here who know and love the gentleman from Pennsylvania, understand thoroughly that his attitude on this subject is prompted by an error of the head and not of the heart. He just does not know any better. He is one of the innocent victims himself. The Power Trust is robbing him and the enterprises he is connected with in the most ruthless manner, just as they are the rest of the people of Pennsylvania, as I will show before I conclude.

I am glad he has begun to study this question, even though he is in the kindergarten stage of it. When he gets a little more information on the subject, he will probably ask to have these remarks of his struck from the RECORD.

The first thing I want to do is to teach him to read a meter. I brought these meters in here the other day, placed the old one with four dials before him, and challenged him to read it. I placed it on a table out in the hall and a little later I saw the gentleman from Pennsylvania attempting to read it. He fumbled worse than the proverbial nearsighted farmer on the dial phone. If he cannot read the meter, and is so easily misled by this Power Trust propaganda, which he has just read into the RECORD, how in the world does he expect his constituents to protect themselves against the exorbitant rates they are now paying for electricity?

When I saw him vainly attempt to read this old meter, and then heard his speech, I thought of a Negro down at home who tried to tell the time of day by the dial on the gas tank at the filling station. Some country Negroes had come to town and wandered up and down the streets till they got hungry. They asked another Negro to find out the time of day for them. He saw this dial on the gas tank and thought it was the town clock. He gazed at it for a minute and said, "Well, de bes' I kin tell, hits jes' about 15 minutes after haf pas' a quarter 'fo leben o'clock; but if any de res' of you all wants to know what time it is while you is in town, ef I ain't along, I spec you better jes' look at de sun." [Laughter.]

In order to assist him in every possible way I am going to show how they are robbed and plundered in light and power rates in his district before I close, but I first want to answer the misleading statements and erroneous conclusions arrived at by the gentleman from Pennsylvania [Mr. RICH]. He really answered himself when he showed that there are only $6,000,000 of common stock of the Potomac Electric Co., and, to quote his own words, "they earned $4,230,271.33, or for the common stock and surplus," and so on.

Who got that surplus? Why it went to these common-stock holders, of course. It did not go to the bondholders; it did not go to the preferred-stock holders—it went to these common-stock holders who own this $6,000,000 of common stock, and I believe any school boy in Pennsylvania can show that it amounted to more than 64 percent, which I said these common-stock holders were earning.

In other words, they simply take their overcharges, which they wring from the ultimate consumers in the District of Columbia by exorbitant rates, which the gentleman from Pennsylvania has just showed ran as high as 10 cents a kilowatt-hour before the T. V. A. was created and its yardstick rates promulgated, showing the American people what electricity is really worth—they simply take these overcharges, call them "surplus," reinvest them in additional facilities on which to overcharge additional consumers, and try to hide the fact that they are making from 60 to 75 percent annually on their common stock.

But the people of the District of Columbia are helpless; they must look to Congress for protection. Instead of giving them this pitiful reduction of $525,297 in their light and power rates for the coming year, they should have been given a reduction of at least $3,000,000.

Mr. RICH. Mr. Speaker, will the gentleman yield for one-half minute?

Mr. RANKIN. Not just now. Now let us see who owns this Potomac Electric Co. A holding company, this Washington Railroad & Electric Co., owns 100 percent of its common stock. That company is owned or controlled by the North American Co., which in turn is owned or controlled by another holding company, the Central States Electric Co., which is owned by Harrison Williams, the multimillionaire who has become rich through these overcharges, and who is often referred to by the press as the "owner of the world's largest yacht."

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. No; not yet.

Mr. SCHAFER of Wisconsin. Is it bigger than Vincent Astor's yacht?

Mr. RANKIN. I do not know the exact size of it, but I will show before I conclude that the constituents of the gentleman from Wisconsin are helping to pay for this yacht in overcharges for their electric lights and power, and that he is doing nothing to protect them. Remember the people of Wisconsin are overcharged $20,000,000 a year for electric lights and power.

This North American Co. owns and controls other companies that are served by the people of Michigan, Wisconsin, Illinois, Iowa, Kansas, Ohio, Missouri, and some States in the far West. When I say that these companies are "served by the people" in those States, I mean just that.

The record shows that the people of Michigan paid an overcharge for electric lights and power in 1938, amounting to $40,030,420, according to the T. V. A. rates, and $47,000,000, according to the Ontario rates; the people of Wisconsin paid overcharges during that year amounting to $20,858,242, according to the T. V. A. rates; the people of Illinois, $69,915,257; Iowa, $14,461,697; Kansas, $10,774,695; Ohio, $47,871,987; Missouri, $21,005,411; Pennsylvania, $72,513,570; Alabama, $7,300,505; Arizona, $4,319,264; Arkansas, $5,681,543; California, $32,942,007; Colorado, $8,532,935; Connecticut, $17,605,938; Delaware, $2,005,452; District of Columbia, $3,025,477; Florida, $15,496,148; Georgia, $11,026,411; Idaho, $3,497,009; Indiana, $24,110,278; Kentucky, $8,904,411; Louisiana, $9,463,871; Maine, $6,278,767; Maryland, $13,191,408; Massachusetts, $44,487,091; Minnesota, $16,432,306; Mississippi, $4,649,439; Montana, $4,115,411; Nebraska, $7,099,169; Nevada, $941,585; New Hampshire, $4,557,821; New Jersey, $48,077,342; New Mexico, $2,172,940; New York, $157,872,433; North Carolina, $11,582,712; North Dakota, $2,737,207; Oklahoma, $11,452,668; Oregon, $6,414,474; Pennsylvania, $72,513,570, as I have just stated; Rhode Island, $7,535,927; South Carolina, $5,719,937; South Dakota, $3,331,189; Tennessee, $7,274,287; Texas, $31,096,962; Utah, $4,427,614; Vermont, $2,791,629; Virginia, $11,010,583; Washington, $10,492,265; West Virginia, $10,117,190; Wyoming, $2,088,863.

The rates in every one of these States could be reduced so as to wipe out these enormous overcharges, and still afford ample returns on all legitimate investments. These are the tributes the people of the various States are paying to these utilities, including these vast holding companies, stacked, as I have said, three or four deep upon the top of one subsidiary or operating company, and reaching down through that maze, or network, of corporate entanglements and sucking the economic lifeblood from the ultimate consumers of electric lights and power, and paying to a few useless officials salaries so large that they were denounced by the President of the United States as "thievery within the law." No wonder they can pay large income taxes out of these exorbitant rates they are wringing from the helpless consumers.

This holding company that owns or controls the Potomac Electric Co. also owns the Union Electric Co. of Missouri. The gentleman from Pennsylvania offers cumulative evidence, or statements, to show that Mr. A. G. Neal, president of the Potomac Electric Co., who made this affidavit which he inserted in the RECORD, is an honorable man, and one of these statements shows that Mr. Neal succeeded Mr. William McClellan, who recently resigned to become president of the Union Electric Co. in St. Louis. As a matter of fact, the Union Electric Co. and the Potomac Elecrtic Co., as I have shown, are owned by the same outfit, and they rushed Mr. McClellan out to St. Louis to try to stave off the catastrophe which the sins of that outfit have produced.

If the conscientious gentleman from Pennsylvania had looked a little further into this great mesh of holding-company entanglements, he would have known that they are all a part of the same system, and he would have found that the officials of the Union Electric Co. are now under indictment for corruption, perjury, and falsifying the records to cover up the funds used to bribe officials.

I wonder how much of these funds that are wrung from the helpless consumers of electricity in the District of Columbia will now go to keep these officials out of jail in St. Louis.

Mr. RICH. Is the gentleman talking about the Potomac Electric Power Co., or whom is the gentleman talking about?

Mr. RANKIN. I am trying to show the gentleman from Pennsylvania whom he has been talking for. I am talking about the crowd that owns and controls the Potomac Electric Co.

Mr. RICH. Do not let the impression go out that they are officials of the Potomac Electric Power Co.

Mr. RANKIN. Why not? Why not let the people know that they own and control the Potomac Electric Power Co.? I have shown that there are three or four holding companies piled up on top of the people of the District of Columbia siphoning money out of their pockets, just as there are in Pennsylvania, siphoning money in overcharges out of the pockets of every human being in the gentleman's district who turns an electric switch, except perhaps the few of them who are served by municipal plants.

Mr. RICH. Then the gentleman means to say that the officials of every municipal electric company or public utility are crooks and scoundrels. Is that the gentleman's interpretation?

Mr. RANKIN. Certainly not.

Mr. RICH. That is what the gentleman said.

Mr. RANKIN. Oh, not at all. If the gentleman from Pennsylvania does not understand language any better than that, he ought not to get mixed up in a controversy of this kind.

Mr. RICH. That is the same information the gentleman gave me. If I did not know anything more about some of these things than the gentleman does I would take a college education and find out.

Mr. RANKIN. The gentleman from Pennsylvania needs some kindergarten education. He could not even read the meter I brought in here.

Mr. RICH. I could read that meter or any other meter ever made. The gentleman knows it, and so do I. Why he makes such a statement I cannot understand.

Mr. RANKIN. Here is the meter now with its four dials; I will yield for the gentleman from Pennsylvania to read it. He cannot tell me now what the reading of this meter is. He will not try to read it; he will not dare try. He can read this other one-dial meter, which is now being put on the market for about half the price of the old one, as result of my efforts, and which any farmer boy in Pennsylvania or Mississippi can read.

As I pointed out the other day, these old four-dial meters, with two dials running clockwise and two counterclockwise, are obsolete, and so complicated that the average man who pays an electric bill cannot even read one of them. When I found out they had this new one-dial meter in Canada, I set to work to get it manufactured in this country; and I succeeded.

The R. E. A. is now supplying these meters to the people on their rural lines at less than half the price they paid for the old ones; and, as I pointed out, if every residential consumer in the United States had to buy a new meter now they would save over $100,000,000 on them.

Instead of trying to educate the gentleman from Pennsylvania to read this old, complicated meter, this old four-dial concern, I want to urge him to get one of these new ones that he can read without further training and that every consumer in his district can read.

The gentleman from Pennsylvania [Mr. RICH] missed the point in my previous remarks, and therefore did not meet the issues I raised. I showed that the Potomac Electric Power Co. was earning an excessive return on the actual stated balance sheet investment in common stock, amounting last year to 64 percent—see page 58, 1938 Annual Report of the Public Utility Commission of the District of Columbia. And if the returns coincided with the true legal and historical concept of the sliding-scale plan of rates and dividends, the electric consumers of Washington would be purchasing electricity at the T. V. A. yardstick rates or less, or something like 30 or 40 percent below the present rates, and they would have received a rate reduction of about $3,000,000 a year instead of $525,000.

The T. V. A. yardstick rates could be put into effect here in Washington without any destruction of legitimate investments or credits. Then everyone could cook and heat their house with electricity, as they will be doing sooner or later.

The third column of the gentleman's table is erroneous, as it does not set out all the net earnings. He left out of consideration all earnings retained in the bank at the end of the year over the actual payment to the common shareholder, or funds invested in plant or equipment.

The equity figures in the second column of his table were started in 1925 on a $7,500,000 to $10,000,000 advance in value without actual investment. Their capital structure was simply watered that amount. Some authorities state the initial write-up was $7,500,000; others say it was $10,000,000. I have pointed out how this water got into the balance sheet. The people of Washington have been paying rates on it ever since. If he wants an independent verification of the facts, he can find it on pages 261 and 262 of Bauer's Electric Power Industry, published by Harper & Bros. in 1939. I would refer him also to the study of the sliding scale published by the Columbia University Press in 1936, pages 154 and 157. Both publications can be secured from the Congressional Library. In the Columbia University publication, column 6, he will find a verification of my tables for the years 1925 and 1933. The publication, for example, showed in the year 1930 the common stock earned 68 percent. The gentleman ignored the division of the $6,000,000 impounded fund, which under a court order belonged to the rate payers.

Again his equity value ignores depreciation, as it was actually derived from an undepreciated rate base. There is no law or decision that allows an undepreciated rate base. It is contrary to all the natural laws ordained by the Creator. He has also gone astray as to the stock ownership. For information on that point, he should consult the declaration filed by the company with the S. E. C. Likewise, he will find by asking the Utility Commission for a break-down of taxes paid, that the local company has been paying ridiculously low local taxes when compared to gross earnings.

The latest record I have before me on that point is for 1937, the year the Potomac Electric Co. earned 74 percent on its common stock. The taxes for that year on the property of this concern in both Maryland and the District of Columbia, including the Federal tax on electricity, amounted to only 6.8 percent on its gross earnings. Of course, this does not include the income taxes paid by the higher-ups in this combination on their enormous incomes; nor does it include the taxes on Mr. Harrison's yacht.

This is a lower percentage than the municipal plant at Tupelo, Miss., pays in taxes out of its gross revenues.

For the information of the House, here is the table showing the earnings of this Potomac Electric Co., both before and after the consent decree, as shown by the records of the Utilities Commission of the District of Columbia.

I do not see how the conscientious gentleman from Pennsylvania [Mr. RICH] even could understand it.

TABLE 1.—*Stock earnings, Potomac Electric Power Co., compared with rate index*

BEFORE CONSENT DECREE, REPRESENTATIVE YEARS

Calendar year	Top residential rate index, cents per kilowatt-hour	Amount available for dividends	Amount preferred stock outstanding	Amount paid on preferred stock	Amount common stock outstanding	Amount available for common-stock dividend	Percent earned, common stock
1	2	3	4	5	6	7	8
1914	10	$617,425	$250,000	$25,000	$5,750,000	$592,425	10.3
1915	10	666,942	250,000	27,500	5,750,000	639,442	11.1
1918	10	568,780	250,000	27,500	5,750,000	541,280	11.0
1920	10	532,818	250,000	20,000	5,750,000	512,818	8.0
1923	10	1,020,896	250,000	25,000	5,750,000	1,004,896	17.5
AFTER CONSENT DECREE							
1925	7.5	$2,295,724	$2,000,000	(1)	$5,000,000	$2,295,724	38.3
1926	7.0	2,598,117	2,000,000	$166,128	6,000,000	2,491,989	41.5
1927	6.25	2,932,162	7,000,000	248,702	6,000,000	2,683,465	44.7
1928	5.9	3,699,677	7,000,000	392,030	6,000,000	3,307,647	55.1
1929	5.2	4,120,136	7,000,000	394,917	6,000,000	3,725,219	62.1

[1] No dividend paid on preferred in 1925 as new issue put out at end of year. Columns 3 to 7, inclusive, taken from reports, Public Utilities Commission, District of Columbia.

TABLE 1.—*Stock earnings, Potomac Electric Power Co., compared with rate index*—Continued

AFTER CONSENT DECREE—continued

Calendar year	Top residential rate index, cents per kilowatt-hour	Amount available for dividends	Amount preferred stock outstanding	Amount paid on preferred stock	Amount common stock outstanding	Amount available for common-stock dividend	Percent earned, common stock
1	2	3	4	5	6	7	8
1930	4.7	$4,471,725	$7,000,000	$394,911	$6,000,000	$4,076,804	68.0
1931	4.2	4,471,725	7,000,000	394,970	6,000,000	3,872,704	64.6
1932	3.9	4,267,674	7,000,000	395,045	6,000,000	3,746,959	62.4
1933	[2] 3.9	4,142,004	7,000,000	395,044	6,000,000	3,619,120	60.4
1934	[2] 3.9	3,598,793	7,000,000	395,045	6,000,000	3,203,748	53.5
1935	[2] 3.9	3,607,267	7,000,000	395,044	6,000,000	3,212,223	53.5
1936	[2] 3.9	4,246,041	7,000,000	395,045	6,000,000	3,850,996	64.4
1937	[2] 3.9	4,886,974	7,000,000	395,044	6,000,000	4,491,930	74.9
1938	[3] 3.9	4,187,909	7,000,000	395,000	6,000,000	3,792,909	63.2
1939	[4] 3.9	4,230,271	7,000,000	395,000	6,000,000	3,835,271	64.0

[2] Reductions given in each year by reducing bottom steps of rate from 3 cents to 2, 1.5, and intermediate steps from 3.8 cents to 3.6 cents, 3.3, 2.0, 1.9, and 1.8 cents, respectively.

[3] 50 kilowatt-hours included in first step.

[4] 45 kilowatt-hours included in first step.

Earning data secured from Public Utility Commission of the District of Columbia

Mr. Speaker, the gentleman talks about this rate base and refers to it as being $80,000,000 or $89,000,000, when the record shows that there are only $25,000,000 in bonds, $7,000,000 in preferred stocks, and $6,000,000 common stocks, amounting in all to $38,000,000, as shown by the record; and that after paying the interest on the bonds and preferred stocks it left 64 percent for the holders of the common stocks.

I do not know who wrote that stuff the gentleman from Pennsylvania read, showing that 50 kilowatt-hours a month in Tupelo, Miss., costs a domestic consumer $3, when in fact it costs him only $1.25. In his district in Pennsylvania it would cost $3.12, although the power company that operates in that area can generate its own power with Pennsylvania coal or purchase it wholesale for less than Tupelo is paying for its power purchased wholesale from the T. V. A. But while the Tupelo system supplies electricity to the people at the yardstick rates, or at rates based upon the cost of generation, transmission, and distribution, the power company is wringing overcharges from the people of his district, including the conscientious gentleman from Pennsylvania himself, amounting to more than 100 percent, as I shall show before I close.

The difference between the gentleman from Pennsylvania and me is that he goes to the power company for his information, and I go to the official record. That was the report of the power company which he read from.

Mr. RICH. Here it is. Read it. It is authentic.

Mr. RANKIN. I do not care to read it; it is not official, and the gentleman knows it is not official.

Mr. RICH. It is sworn to and filed with the Speaker of the House.

Mr. RANKIN. I used the record of the Utilities Commission of the District of Columbia.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Wisconsin for a brief question.

Mr. SCHAFER of Wisconsin. Does not the Public Utilities Commission of the District of Columbia regulate the utilities and control the rates? If that be so, is the gentleman indicting the New Deal which has had control of the Utilities Commission of the District of Columbia for the last 7 years?

Mr. RANKIN. I decline to yield further. The gentleman from Wisconsin does not want information on this subject, but I will give him some a little later, on the way his people in Wisconsin are robbed with overcharges for electricity to the amount of more than $20,000,000 a year.

As a matter of fact, we were trying to pass a law along the lines of the British law, which would make the Potomac Electric Power Co. give back part of their earnings to the consumers every year and at the same time cut their dividends down in proportion, until they got these rates down to their normal levels. They complied, in a way, so far as the rates were concerned, but they completely dodged the issue so far as their dividends were concerned. A few men who own this concern, or actually one man, draw down enormous rake-offs every year. The gentleman from Pennsylvania stood here and said they have all this property, when the truth is the consumers in Washington have paid for it many times. Well, suppose I own a house and lot in Williamsport, Pa., the gentleman's home, and that house is worth $5,000.

Mr. RICH. Woolrich.

Mr. RANKIN. Or in Woolrich, his home town, and I rent it to the gentleman from Pennsylvania. Suppose I have him tied so that he cannot get a house anywhere else, just as the power company has these folks all tied up, both here and in Pennsylvania. They not only cannot get power anywhere else, but they have to pay whatever rates are imposed.

Suppose the gentleman cannot get a house anywhere, and I charge him $1,000 a year rent. Then suppose I come to him and say, "I am going to raise the rent on that house to $5,000 a year." He might ask, "What are you going to do with it?" I say, "I am going to build another house with it and I am going to rent it to the gentleman from Wisconsin [Mr. SCHAFER] for $1,000 a year." Of course, it would all be mine.

That is exactly what this outfit has done here. They have taken from the people of the District of Columbia all this money, and, instead of putting it into rate reductions, they have gone out and reinvested it for themselves, and now call it a part of their rate base.

They remind me of the New Zealand savage William J. Bryan used to tell about who claimed title to a piece of land on the grounds that he had eaten the owner.

Mr. RICH. If the gentleman will read the statement I shall put in the RECORD, he will find they never paid more than 10 percent and they have only done that in the last 2 or 3 years when there has been the undistributed profits tax. Most of the time they paid 5, 6, or 7 percent. If the gentleman will read that tomorrow morning he will know more about it than he does now.

Mr. RANKIN. I hope I will never be that gullible.

When I hear a man get up here and read something, and finally discover he is reading from a statement made by C. W. Kellogg, I feel that he is more to be pitied than blamed.

I promised the gentleman from Pennsylvania [Mr. RICH] a little kindergarten education on power rates in Pennsylvania, so I am going to move up to his district. I want to say again that I love the gentleman from Pennsylvania, and I resent the effort of these utility people to take him off on a snipe hunt and mislead him.

Mr. RICH. I want to say to the gentleman that no public utility or anybody else will take me on a "snipe hunt," not even the gentleman himself. I will take care of myself and I will not ask the gentleman or anybody else to look after me.

Does the gentleman mean to take me on a "snipe hunt"? No one can do that with me; I can take care of myself, and I ask no help from any of my colleagues.

Mr. RANKIN. I said these utilities propagandists had evidently taken the gentleman on a "snipe hunt." I did not do it. Do not blame me for it.

Let me say to the gentleman from Pennsylvania [Mr. RICH] that under the last rates published by the Federal Power Commission, as shown by this book I have here, which gives the rates in every community in the United States, and which I am trying to get published as a House document, so as to have these rates in your hands, because you are going to need them, every one of you, this summer and this fall—it shows that 40 kilowatt-hours of electricity in Tupelo, Miss., costs $1; in Cleveland, Ohio, where they have a municipal plant, $1.27; and in Williamsport, Pa., the biggest town in the gentleman's district, and in all the other towns in that area, the cost is $2.57. In Tupelo, Miss., 50 kilowatt-hours a month costs $1.25; in Williamsport, Pa., and throughout that area, $3.12. In Tupelo, 100 kilowatt-hours a month costs $2.25; and in Williamsport, Pa., and surrounding area, $5.04. In Tupelo 250 kilowatt-hours a month costs $4.25; in Williamsport, Pa., and surrounding area the cost is $8.34, and so forth.

These rates apply to all the towns in that area. The country people in his district pay more, if they get any electricity at all.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I do not have time. I only have a few more minutes.

Mr. RICH. Mr. Speaker, will the gentleman yield for just one question?

Mr. RANKIN. I cannot get any more time, the gentleman sees that.

Mr. RICH. I will try to get the gentleman 1 additional minute.

Mr. RANKIN. The gentleman cannot do it. They have men in the House here to block me. I am sorry, I cannot yield.

Mr. RICH. Nobody will block you from getting time.

Mr. RANKIN. They have tried it already, as the gentleman knows.

Mr. Speaker, I want to set out a comparison between the light and power rates in the district of the gentleman from Pennsylvania, the rates in the District of Columbia, and the rates in my home town of Tupelo, Miss.

The Pennsylvania rates which I shall quote are the rates charged by the Pennsylvania Power & Light Co. in the following towns and cities:

Akron, Alburtis, Allentown, Allenwood, Almedia, Antes Fort, Aristes, Ashland, Ashley, Atglen, Atlas, Auburn, Audenried, Avis, Bareville, Bausman, Beach Haven, Beachlake, Beaver Meadow, Beaver Springs, Beavertown, Benton (Columbia County), Berwick, Berrysburg, Bethlehem, Bingen, Bird in Hand, Bloomfield, Blooming Glen, Bloomsburg, Blue Ball, Bowmans (Carbon County), Bowmansville, Brance Dale, Brandonville, Bressler, Broad Mountain, Brockton, Brodheadsville, Brownstown (Lancaster County), Brownsville (Schuylkill County), Buck Mountain, Butztown, Camp Hill, Canadensis, Carlisle, Castanea, Catasauqua, Cementon, Center Valley, Centralia, Cetronia, Christiana, Christmans, Coaldale, Columbia, Conestoga, Conyngham, Coopersburg, Coplay, Cortez, Craley, Cranberry Junction, Cresco, Cressona, Cumbola, Dalmatia, Damascus, Danielsville, Danville, Dauphin, Delano, Denver, Dewart, Donaldson, Drifton, Duboistown, Duncott, East Greenville, East Honesdale, East Petersburg, East Prospect, East Stroudsburg, East Texas, Ebervale, Eckley, Eden, Egypt, Elizabethtown, Elizabethville, Elverson, Eylsburg, Enhaut, Enola, Espy, Excelsior, Exchange, Fern Glen, Flemington, Florin, Fogelsville, Forestville, Fort Hunter, Fountain Hill, Fountain Springs, Frackville, Freeburg, Freeland, Freemansburg, Friedensville, Fritztown, Fullerton, Gap, Gauffs Hill, Georgetown (Luzerne County), Gilbert, Gilberton, Girardville, Gordon, Gordonville, Gottshalls, Gouldsboro (Sand Cut), Gowen City, Gratz, Greely, Greenawalds, Hagersville, Halifax, Hamlin, Hanover (Luzerne County), Harleigh, Harrisburg, Harwood Mines, Hauto, Hawley, Hazelton, Hegins, Helfenstein, Hellertown, Herndon, Hetlerville, Highspire, Hogestown, Hokendauqua, Hollisterville, Holtwood, Homesville, Honesdale, Honeybrook, Hopeland, Hughesville, Hummels Wharf, Hummelstown, Ickesburg, Intercourse, Jeansville, Jeddo, Jersey Shore, Junedale, Kaska, Kelayres.

Keystone, Kis-Lyn, Kleinfelter, Kulpmont, Lackawaxen, Lake Ariel, Lampeter, Lancaster, Landingville, Landisville, Lansford, Lattimer Mines, Laurel Run, Laurelton, Lavelle, Leacock, Leaman Place, Lehigh Tannery, Lehighton, Lemoyne, Light Street, Limeridge, Lincoln, Linden, Linglestown, Lititz, Litzenberg (Chapman Station), Liverpool, Llewellyn, Lock Haven, Locust Gap, Locustdale, Loganton, Longlevel, Lost Creek, Loyalton, Loysville, Lykens, Lytle, Macungie, Madisonville, Mahanoy City, Mahanoy Plane, Manheim, Mar Lin, Marietta, Marion Heights, Martic Forge, Martins Creek, Marysville, Maytown, McAdoo, McAllisterville, McClure, McElhattan, Mechanicsburg (Cumberland County), Mechanicsburg (Lancaster County), Mechanicsville (Schuylkill County), Mexico, Middleburg, Middleport, Mifflin (Juniata County), Mifflintown, Mifflinville, Mill Mall, Millersburg, Millerstown (Perry County), Millersville, Millville, Millway, Milton, Minersville, Montandon, Montgomery, (Lycoming County), Montoursville, Morea Colliery, Moreland, Morgantown, Mount Carbon, Mount Carmel, Mount Joy, Mount Pocono, Mountain Top, Mountainhome, Mountville, Mowry, Muir, Muncy, Natalie, Neffs, Neffsville, Nescopeck, Nesquehoning, New Berlin, New Boston, New Columbia, New Columbus, New Cumberland, New Holland, New Kingstown, New Market, New Philadelphia, New Providence, Newfoundland, Newmanstown, Newport (Perry County), Newville, North Catasaqua, Northampton, Northumberland, Nuremberg, Oberlin, Oneida, Orangeville, Orefield, Orwigsburg, Orwin, Palo Alto, Paradise, Park Crest, Parryville, Paxinos, Paxtang, Paxtonville, Penbrook, Penns Creek, Pennsburg, Phoenix Park, Picture Rocks.

Pine Grove (Schuylkill County), Plainfield, Plains (Luzerne County), Pleasant Mount, Pocono Pines, Port Carbon, Port Clinton, Port Royal, Port Trevorton, Pottsville, Progress, Quakake, Quarryville, Ranshaw, Ravenrun, Ravine, Reamstown, Rebuck, Red Hill, Reinerton, Reinholds, Rheems, Richfield, Richland, Richlandtown, Ringtown, Riverside, Roaring Creek, Robesonia, Rock Glen, Rockville, Roherstown, Rothville, Rutherford Heights, St. Nicholas, Sandy Run (Luzerne County), Schaefferstown, Schenckville, Seelyville, Selinsgrove, Sellersville, Seltzer, Shaft, Shamokin, Shamokin Dam, Shenandoah, Shenandoah Heights, Sheppton, Sheridan, Shillington, Shiremanstown, Shohola, Siegersville, Silverdale, Sinking Spring, Skytop, Slatedale, Slatington, Snyderstown, Souderton, South Enola, South Williamsport, Spring Glen, Springtown, Steelton, Stevens, Stiles, Stockertown, Stockton, Strasburg, Stroudsburg, Sugarland, Summerdale, Summit Hill, Sunbury, Swatara Station, Tamaqua, Tannersville, Tatamy, Telford, Terre Hill, Thompsontown, Tobyhanna, Tomhicken, Tower City, Tremont, Tresckow, Trevorton, Trexlertown, Trumbauersville, Turbotville, Tuscarora, Tylersville, Uniondale, Uniontown (Dauphin County), Upper Lehigh, Valley View, Vera Cruz, Vintage, Wadesville, Wagnersville, Walnut Bottom, Walnutport, Warrensville, Washington (Lancaster County), Weissport, Wernsville, Wescoeville, West Catasaqua, West Fairview, West Hazelton, West Milton, West Lawn, White Haven, White Mills, Whitedeer, Wiconisco, Wilberton, Wilkes-Barre, Williamsport, Williamstown, Willow Street, Winfield, Witmer, Womelsdorf, Woodland (Schuylkill County), Woolrich, Wormleysburg, Wrightsville, Wydnor, Wyoming, Wyomissing Hills, and Zerbe.

The rates in every one of these places could be reduced to the T. V. A. levels and still leave ample returns on legitimate investments.

You will note that this list includes not only Williamsport, the largest city in the gentleman's district, but also Woolrich, his home town. Here are the rates in effect in all the above cities and towns, compared with the rates in Tupelo, Miss.

Monthly residential rates

	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours	1,000 kilowatt-hours	1,500 kilowatt-hours	2,000 kilowatt-hours
Pennsylvania Power & Light rates	$1.74	$2.57	$5.04	$8.34	$12.09	$19.59	$27.09	$34.59
Tupelo, Miss. (Tennessee Valley Authority) rates	.75	1.00	2.25	4.25	6.15	8.15	10.45	13.95

Commercial rates

	50 kilowatt-hours	150 kilowatt-hours	375 kilowatt-hours	750 kilowatt-hours	1,500 kilowatt-hours	6,000 kilowatt-hours
Pennsylvania Power & Light rates	$3.12	$8.62	$20.99	$40.12	$73.87	$216.37
Tupelo, Miss., rates	1.25	3.75	8.25	13.25	20.75	57.75

Industrial rates

	15,000 kilowatt-hours	30,000 kilowatt-hours	60,000 kilowatt-hours	120,000 kilowatt-hours	200,000 kilowatt-hours	400,000 kilowatt-hours	1,000,000 kilowatt-hours
Pennsylvania Power & Light rates	$370	$478	$872	$1,602	$2,568	$4,962	$8,535
Tupelo, Miss., rates	226	323	547	950	1,991	2,629	5,310

Mr. RICH. But you forget to tell them that the power that you are getting down at Tupelo is paid for by the people in my district, because the Government is doing that, and they are being taxed, and they are paying for the power you are using down there. You get it for less than it costs the Government to furnish it to you in Tupelo, Miss.

Mr. RANKIN. Mr. Speaker, I will answer that statement in a moment.

Mr. RICH. Mr. Speaker, I just want you to show in that 5 minutes, if you will, how much taxes the T. V. A. is paying to any State or any county or anybody else for what they are doing and getting for nothing, and I can show you that every public utility, just like the Potomac Electric Power Co., pays half of their earnings into the Government for taxes. Instead of that, you fellows down there are resting on the Government, and we in Pennsylvania are paying the bill to run the T. V. A. and the Government; and that is where you have the advantage of us, because you have got the Government in business down there.

Mr. RANKIN. Mr. Speaker, the conscientious gentleman from Pennsylvania will have to get a better answer than that when he goes back to face the people in his district and has to confess that every single human being in his district who buys his electricity from the Pennsylvania Power & Light Co.—and that means practically all of them who use electricity—have to pay an overcharge ranging from 100 to 300 percent.

He tries to tell you that the power companies in Pennsylvania pay taxes and that the municipal light and power system in Tupelo does not. In that he has been misled again, for the municipal plant at Tupelo pays proportionately more money in lieu of taxes for the amount of electricity sold than does any power company in Pennsylvania.

Then he tries to make you believe that Tupelo is buying power from the T. V. A. below the cost of production. There he has been misled again. Tupelo pays on an average of a little more than 5 mills a kilowatt-hour for her electricity, while the Alabama Power Co. transmitted power into my district last year and sold it for profit to a private power company at 4.1 mills a kilowatt-hour.

The Louisiana Power & Light Co. generates power, transmits it into the State of Arkansas, and sells it wholesale to the Arkansas Power & Light Co. for profit at 2.6 mills a kilowatt-hour, or a little more than one-half the rate paid by Tupelo when it buys power wholesale from the T. V. A.

But let me bring the gentleman from Pennsylvania a little nearer home, and call his attention to the fact that last year the power generated at the Conowingo Dam on the Susquehanna River was sold at wholesale for profit at 3.34 mills a kilowatt-hour. The Pennsylvania Power & Light Co. can purchase power, or generate it with Pennsylvania coal anywhere in the State at less than 4 mills a kilowatt-hour. Then it certainly ought to be able to distribute it at the same rates the city of Tupelo distributes her power for which she pays 5 mills a kilowatt-hour.

If that were done, the average householder in the gentleman's district would save more than 100 percent on his light and power bill, and the commercial consumer would save anywhere from 175 percent to 300 percent; while a small industry using 200,000 kilowatt-hours a month would save about $700 a month. One using 400,000 kilowatt-hours would save $2,300 a month; and one using 1,000,000 kilowatt-hours a month would save $3,200 or more than $37,000 a year, on its electric power bill—and the people of the whole State would save $72,000,000 a year.

But the gentleman from Pennsylvania intimates that this drive to get electricity to the American people at what it is worth is socialism; when, as a matter of fact, it is the greatest movement toward individualism this country has seen for generations. It is building up the homes, the mercantile establishments, and the small industries of the Nation and making this country a better, a brighter, and a richer place in which to live.

God speed the day when we can convert men like the gentleman from Pennsylvania [Mr. RICH], enlist their enthusiastic support, and bring the blessing of cheap electricity to the people of the entire Nation, including the now helpless consumers in Pennsylvania. [Applause.]

The SPEAKER. Under order of the House heretofore made, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

THE CIGAR INDUSTRY

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. GROSS. Mr. Speaker, I have come to the Well of this House today to plead with you to let my people work. The cigar industry, which had its beginning in my county—York County, Pa.—150 years ago, and which has built towns and communities and afforded a high standard of living for many thousands of people, is rapidly coming to a close because of the recent legislation passed by this House. Just this week several more factories have been forced to close. Not only the community is suffering in this, but the Federal Government, too, will suffer.

The local internal-revenue office of Red Lion reports that in 1939 cigar stamps were sold there for 253,270,518 cigars. Wherever cigars have been sold in recent years the name of Red Lion suggested itself and immediately people thought of cigars, and more cigars—once good, honest, 5-cent cigars. Not only did the cigar industry mean prosperity in the communities in which the factories were located but to the surrounding country for miles and miles around. Good times or bad times depended on the cigar industry. I am inviting the membership of this House to drive up into my county, just 100 miles away from here, and see what a community has been built up by this industry, with its large banks, churches, schools, and substantial homes.

Red Lion Borough, incorporated 60 years ago, built out of cigars, has the highest percentage of population attending Sunday school of any community in the United States. They have never allowed liquor to be sold in the town. They have set up a standard of morals and living generally that has never been surpassed anywhere. And now the wage and hour law is forcing these factories to close. There was a time not long ago when an adjoining borough had more than 40 cigar factories, some of them employing several hundred people. Today, if I am rightly informed, there are only 2 or 3 in operation. Would you believe me when I tell you that this town must be a ghost town in the near future?

Recently a cigar manufacturer who had been in business for many years was compelled to pay to his employees wages, due under the new act, totaling $2,900. Mr. Heindle issued these checks to his employees and all of the 38 employees walked into his office and laid their checks on his desk, refusing to accept them. This speaks for the feeling of the people in the community. This is concrete evidence of the good will existing between the employees and the employers.

Another factory that recently closed posted a lengthy statement in their plant calling to the attention of the workers that because of the existing wage and hour law they were compelled to close their factory. And they did close on February 23. They definitely set forth in the statement that they had a market for cigars and that they wanted to continue to operate, and that just as soon as the liberty and freedom they had enjoyed throughout a period of years was given back to them they would open up their business and reemploy every one of their old employees.

I am asking this House if it is going to stand idly by and see community after community like this with thriving industry be blackened out by a destructive piece of legislation when it could be prevented by simply amending the law. I am asking you again why you will not let my people work?

I am reliably informed that recently when several of these factories closed the workers flocked to the unemployment agency 10 miles away to find the place overcrowded and many of them had to go back to their homes and return the next day to report. True it is that many of them are not earning much money, but they are willing to work for what they are earning and they will make their earnings keep them rather than be on relief. Years ago I read a book—I have even forgotten the title—but it con-

cerned starving people in Ireland, and about all I remember of the book was that the writer said, "What has poor Ireland done that England will let the people starve?" I am asking this House and particularly the New Deal Members here, "What have my people done that you refuse to let them work and earn an honest living?"

There never were any labor troubles in the cigar communities until 1933, when due to recent legislation supported by rubber-stamp politicians a group of outside troublemakers, principally from New York and Philadelphia, came into the county and created a strike. The strike so disrupted business that the machine began to come and then finally hundreds of people were clinging to the last straw—working and willing to work for what they could earn.

We find the present vicious law severing that last straw, and I am here today pleading for those people and again asking this House why in the name of God and humanity you will not let my people work?

[During the delivery of the foregoing the following occurred:]

Mr. HOFFMAN. Mr. Speaker, I did not yield for a speech.

The SPEAKER. The gentleman yielded to the gentleman from Pennsylvania and this will be taken out of the gentleman's time.

NATIONAL LABOR RELATIONS BOARD

Mr. HOFFMAN. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman from Michigan is recognized for 13½ minutes.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, speaking under a special order, if I start a sentence and have not finished it before someone demands that the words be taken down, have I the right to finish that sentence so as to make the meaning clear?

Mr. WALTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALTER. Can the Speaker of the House of Representatives make a declaratory judgment?

The SPEAKER. The Chair doubts if the gentleman from Pennsylvania states a parliamentary inquiry and he also doubts very much whether the gentleman from Michigan states a parliamentary inquiry, because the matter to which the gentleman refers has passed beyond the present stage of discussion.

Mr. HOFFMAN. It may come up later.

The SPEAKER. If it does, the Chair will then rule upon it.

Mr. HOFFMAN. Then I would not be accused of ignoring the ruling of the Chair if I act in good faith?

The SPEAKER. The gentleman from Michigan under special order of the House is now entitled to 13½ minutes. The gentleman will proceed.

Mr. HOFFMAN. Mr. Speaker, last Friday I endeavored to make it clear that the hearings before the Smith committee had disclosed a situation which shows that the Labor Board had gotten into such a position that it is no longer useful. That is, that the confidence of the people throughout the country, in that Board, had been destroyed, also that this investigation before the Smith committee had shown that the law itself should be amended. At that point in the discussion I was asked by the gentleman from Michigan [Mr. HOOK] who resides in the northern peninsula of Michigan, and who is the only Democratic Member of this body from his State who resides in that peninsula, why the Smith committee should continue those hearings, if the statements I had made previously were correct. It was then my duty and I endeavored to show to the satisfaction of the gentleman from northern Michigan, who is a Representative in this House and lives in the northern peninsula, why the committee should continue. The investigation has already proceeded so far, if the newspaper reports are true, that the committee itself is now proposing amendments, is getting ready to make what is known as a preliminary report, which would embody those amendments.

The investigation of that committee has disclosed to the membership of the House and to the country that we have ample evidence showing the necessity for the abolition of the Board, for the amendment of the law, but there may be somebody here and there throughout the country or there may be some Member of the House who is not satisfied, and so, in order to satisfy that individual or that Member of the House or to remove from the mind of this one man or two men, if there were two, a doubt if one existed, and to show that there is not longer any doubt about what we should do, the Smith committee obtained another $50,000 and intends to continue its investigation.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. RAYBURN. I wanted to give the gentleman in one moment my version of why the committee desires to proceed.

Mr. HOFFMAN. But I did not ask the gentleman. I was trying to tell my version. My version is just as I said, that the committee intends to continue so that no longer can anyone doubt the necessity of making these moves. I recall, in my childhood days, that there was a doubting Thomas who wanted to put his finger in the wound on our Saviour's side so he would know that Christ had been crucified. Thomas would not accept the testimony of the other disciples but demanded that he be shown. I do not have any criticism of any Member of the House, or anyone on the outside, who wants to wait until the last bit of evidence that can be produced has been produced before making up his mnd. On the other hand, if the rest of us are satisfied, then there is no reason why we should not act.

As an illustration, you will recall that the Smith committee found in the files of the Board a memorandum by Mr. Witt, Secretary of the Board, which told of a visit which he was asked to make to Pittsburgh on the 2d day of June 1937, there to meet Lee Pressman, general counsel of the C. I. O., and Philip Murray, vice president of the C. I. O., in order that they might make a demand upon the Inland for a signed contract, something which the Supreme Court had said, back in April of 1937, need not be made in oral form.

Now, suppose I doubted that that memorandum was in Witt's handwriting. Suppose I claimed that that document was forged. Then there would be the question whether it was forged or not.

Now, we are all familiar, I think, with the proposition that it takes expert testimony to determine whether an instrument has been forged or not. We have had books written on that subject. So if I were in doubt, even though Mr. Witt came in and admitted that he made it, even though Mr. Mayne came in and admitted that the document, the authenticity of which was questioned, was forged, still I might thing that Mr. Witt or Mr. Mayne was laboring under a misapprehension and might be mistaken, and I might want to wait until there had been further evidence from the F. B. I. The average citizen who heard the testimony in the Smith hearing knows we need a new Board—that the law should be amended.

So perhaps this committee is going on and on and on until they have convinced by overwhelming testimony the last doubting Thomas.

I suppose you noticed in the papers that the committee was going to bring out a preliminary report, and the newspaper reporters have been speculating as to the amendments which were to be proposed by the Smith committee. After the Smith committee brings out this report—suppose it brings it out this week—that report will be referred to the Labor Committee of the House. We have the statement of the chairman of that committee, through the papers at least, that no action will be taken until the final report of the Smith committee is brought out. When is that going to be? Does anyone know? We will go along until the latter part of March or the first of April. Then if it is referred to the Labor Committee of the House it must be there 30 days, must it not, before you can get it on the floor of the House by petition? The papers also state that two gentlemen from Georgia, who are Members of this House, intend to bring out a discharge petition if the Committee on Labor

does not act. But, as I said before, that will take 30 days after the report of the Smith committee has been submitted to the Labor Committee of the House of Representatives. Certainly this House will give the Labor Committee a few days, perhaps a week or 2 weeks, to consider that. Then we will be getting down to the end of the session.

The appeal that I have made is this, that inasmuch as we know now, the majority of us, that this law should be amended, inasmuch as the Congress intends sometime to get rid of that Board, and the only way you can get rid of the Board is to repeal the act and pass legislation creating a new Board, enacting such provisions as you want to, the only way that can be done being by some sort of petition similar to that which these two gentlemen from Georgia are quoted as stating they intend to circulate, why is it that the Republicans who advocate a change of this law should sit here and wait for the majority to act, if we really want that act amended? Why should we not sign this Petition No. 23 that I put on the Speaker's desk some time ago and bring out the bill which I introduced in March of 1939 and get it on the floor of this House? Then throw it into the wastebasket, if you wish, or propose any amendment you wish, but insure that the House at least, regardless of what the Senate may do, will propose amendments to the National Labor Relations Act, and abolish the Board.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes; I yield.

Mr. GROSS. Being a member of that Labor Committee I believe that their procrastination is just a part of the determination on the part of the leadership not to get anything out of that committee. With all of the pressure that is being exerted on us, I believe they are determined not to bring anything out, but what they are trying to do is to discredit the Smith committee, and it is the most popular committee today of any committee of Congress.

Mr. HOFFMAN. All I can say today is that three Members of the House Committee on Labor have signed Petition No. 23, that the House Committee on Labor has been holding hearings for more than 10 months, that this subject has been up for 2 years; and if there has been delay, this delay should be charged to the majority side. If there is no inclination shown to bring out this legislation, then from this time on the lack of doing something instead of talking about doing something can be charged to the majority side; and there is no reason for us to let the majority circulate their petition and steal our thunder.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. CRAWFORD. I wish to ask the gentleman a question because of his intense study of the Wagner Act, the wage-hour law, and the work of the Labor Board. In the gentleman's opinion—and I realize this is only an opinion but I am asking it because I think the gentleman's opinion will be as good as that of anyone in the House—in the gentleman's opinion will this present session of Congress be permitted to consider amendments to the wage and hour law or the Wagner Labor Relations Act?

Mr. HOFFMAN. I have no way of knowing. The answer to that rests with the majority unless we of the minority come up here and get together within striking distance by the signing of petition No. 23. If we do, then we can say to those on the majority side who really want the law amended: "Now, come on, boys, we have 150 signatures to this petition; you come up now and sign." If they refuse then there is evidence that there is no real desire to amend the law. I do not know any other way to bring it out other than by a discharge petition.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes; I yield to a member of the Committee on Labor.

Mr. RANDOLPH. The gentleman stated that three members of the Committee on Labor had signed petition No. 23.

Mr. HOFFMAN. Yes.

Mr. RANDOLPH. Would the gentleman also inform the House of the approximate number, if not the exact number, of Members who have signed it?

Mr. HOFFMAN. I have never looked at it since I filed it with the Clerk. I am not going around begging anyone to sign any petition. I made the simple announcement that the petition was there and its purpose, and I assume that every Member of the House will exercise his own good judgment whether he wants to sign it or not.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield further?

Mr. HOFFMAN. I yield.

Mr. CRAWFORD. The reason I ask this question is because I have received so many letters from Democrats and Republicans operating industries in my district asking whether the Congress will be permitted to consider the matter at this session.

Mr. HOFFMAN. I do not know. That is within the control of the majority leadership and I have no way of knowing what their program is.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. WALTER. Does not the gentleman feel that much of the criticism that is made of the National Labor Relations Board is the result of the manner in which the act has been administered?

Mr. HOFFMAN. Much of it, yes.

Mr. WALTER. The Judiciary Committee last year reported almost unanimously a bill that would provide judicial review of decisions of administrative agencies. Does not the gentleman feel that the prompt enactment of that bill would at least hang something over the heads of these administrators so that they would attempt to carry out the clearly expressed intent of Congress?

Mr. HOFFMAN. I intend to vote for that bill and do everything that I can to get others to vote for it. [Applause.]

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. STEARNS of New Hampshire indefinitely.

WITHDRAWAL OF RESOLUTION

Mr. PATMAN. Mr. Speaker, on last Wednesday I filed House Resolution 404 through a misunderstanding. I am advised by the Parliamentarian that it cannot be withdrawn except by action of the House. I therefore ask unanimous consent that the Committee on Rules be discharged from further consideration of House Resolution 404 and that the resolution be laid on the table.

The SPEAKER. Without objection, the request of the gentleman from Texas will be granted.

There was no objection.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech delivered by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE LITTLE RED SCHOOLHOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter I have received from the Detroit Federation of Teachers and my reply thereto.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker and my colleagues in the House, I want to speak today for a few minutes on the subject of the little red schoolhouse. Ably it has been said that when Abraham Lincoln was a boy the schoolhouses were red only on the outside. I want to cast no reflections generally upon our American system of education, nor the many thousands of loyal school teachers in our Nation, but I do say to you that it should be a matter of grave concern to us all—not only to Members of this House but to all citizens of the United States—that we see to it that no taint of

pink stains the pure whiteness of our great system of education [applause] which made this the greatest Nation on earth.

If stories that we hear have any foundation, many of our educational institutions are not only at present afflicted with a pink stain, but in some cases this stain verges on red. In any event, in my opinion, it is time that this Congress—that the people who elect us, as well as the boards of education and the regents of universities in this Nation—see to it that our teachers hereafter spend more time teaching Americanism and the principles of religion and less time expounding doctrines of un-Americanism and in criticism of our traditional American institutions.

Now, Mr. Speaker, I am aroused by a letter which I received Saturday from the Detroit Federation of Teachers, at the top of whose letterhead there is this slogan, "Democracy in education—Education for democracy." The letter is signed by Mr. Philip H. Nichamin, chairman, legislative committee.

I do not know who Mr. Nichamin may be. I have been informed by the Bureau of Naturalization of the Department of Labor today that according to their records there was born in Minerk, Russia, in 1875, one Henry Nichamin who became a naturalized American citizen December 4, 1912, and lives in Detroit. According to the records at the time he was naturalized, he had two sons—Sammy and Heinie—born in 1906 and 1909, respectively. I do not know whether Mr. Philip H. Nichamin is either of those sons.

Mr. Speaker, I have the greatest respect in the world for the Detroit schools and Dr. Frank Cody, who has been the superintendent of schools in Detroit for many years. I do not know how many of the Detroit teachers belong to the Detroit Federation of Teachers, Local 231, 4612 Woodward Ave. But I sincerely hope that none of the teachers of Detroit subscribe to, and have had any part in, the drafting of the letter I received and which I shall introduce a little later in my remarks. If they do so subscribe, I feel that they have not been put in possession of the facts or have been deliberately misled in opposing the various measures mentioned in this letter. But if they do so subscribe, after having been put in full possession of the true facts and having fully understood what is in each of the bills mentioned, then I say to you, Mr. Speaker, they are not worthy of the solemn responsibilities entrusted to them as teachers of American youth.

Now, Mr. Speaker, I wish to read this letter received from Mr. Nichamin, together with my reply.

THE DETROIT FEDERATION OF TEACHERS,
LOCAL 231, THE AMERICAN FEDERATION OF TEACHERS,
Detroit, Mich., February 29, 1940.

Representative FRED BRADLEY,
Washington, D. C.

DEAR REPRESENTATIVE BRADLEY: As workers and educators, we are alarmed by the flood of antialien bills now pending in Congress. We are alarmed by the implications and the potential abuses of such legislation. We are convinced that civil rights, like peace, are indivisible: when the rights of any section of the population are threatened, so are the rights of the rest.

Education for democracy cannot be realized if teachers' rights are to be endangered. Furthermore, there is precedent and logic which indicates that restrictive legislation, such as the antialien bills, are weapons against the rights of working people, and especially against those in the ranks of organized labor.

We ask you to use your influence in defeating all such legislation, and particularly the following: The Stewart bill (S. 2830), the Smith bill (H. R. 5138), the Dempsey bill (H. R. 4860), the Hobbs bill (H. R. 5643), the Reynolds bills (S. 1979 and S. 1980).

We hope that you will give our plea your consideration.

Sincerely yours,

PHILIP H. NICHAMIN,
Chairman, Legislative Committee.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 4, 1940.

THE DETROIT FEDERATION OF TEACHERS, LOCAL 231,
4612 Woodward Avenue, Detroit, Mich.

(Attention Mr. Philip H. Nichamin, Chairman, Legislative Committee.)

GENTLEMEN: I acknowledge and thank you for your favor of February 29th objecting to certain so-called antialien bills now pending in Congress.

I have every sympathy for an alien. I have every sympathy for the oppressed peoples of certain other nations of the world. However, so far as I have been able to determine, we have not as a Nation ever established recruiting stations abroad soliciting immigration into the United States. Generally speaking, on the other hand, our doors have always been open to aliens. They must, however, realize that in coming to the United States of America they must be determined to and desirous of living under our form of government, under our ideals of government, and under our principles of government. When this is not so, as far as I am concerned, they are no longer to be desired in this country. There is nothing in the Constitution of this country which teaches that it should commit suicide while shielding within its folds, and under its protection, those who would bring about its destruction.

Each of the several bills mentioned in your letter is designed to protect the Constitution of the United States and the loyal American citizens who live under its cloak. It is the intention of these bills to restrict the activities only of undesirable aliens. I shall support each and every one of those measures that have that aim in view.

Very truly yours,

FRED BRADLEY, M. C.

Mr. Speaker, verily it is time that the people of America awaken lest under influences and philosophies such as these promulgated by Mr. Nichamin turn the Little Red Schoolhouse into a Big Red Schoolhouse. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. GIFFORD]?

There was no objection.

SEVENTH ANNIVERSARY OF THE BIRTH OF THE NEW DEAL

Mr. GIFFORD. Mr. Speaker, I rise at this time simply to express my extreme disappointment as I expected to listen to some remarkable speeches today in honor of the seventh birthday of the New Deal. I want to express my very great disappointment.

EXTENSION OF REMARKS

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to include in the Appendix of the RECORD a radio address I delivered before the Benevolent and Protective Order of Elks of Washington on last Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an article from the pen of Paul Scharrenberg, entitled "Washington, the City Beautiful," which is a reprint from the American Federationist.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a table showing the spending of American Presidents as published on January 6 in the New York Sun.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

ACQUISITION OF CERTAIN ISLANDS IN THE CARIBBEAN

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, a few days ago on this floor I called attention to the decision of Pan American Airways in canceling the east-bound stop at Bermuda on the flight to Europe due to the British seizure and censorship of mail.

In connection with this matter I quote from a recent Detroit Free Press editorial:

There is some talk in London about the "theoretical right" of a belligerent to "hail the clippers above the high seas and force them down and search them for contraband."

The possibility that something of this sort may be attempted has been suggested from the start, but practical difficulties and hazards in the way of undertaking it exist.

And there are other reasons why, it is to be hoped, the British will not undertake anything of the sort.

The forfeiture of American friendliness and good will which might be a result, particularly in the event of some untoward and perhaps fatal accident, would be a loss far greater than any possible gain from the practice.

I have introduced in the House this afternoon a resolution looking toward the acquisition of certain British islands in the Caribbean and British Honduras. The President is asked to enter into negotiations in any manner as may be deemed appropriate.

An identical resolution has been introduced in the other body this afternoon by the able Senator from North Carolina [Mr. REYNOLDS], and I am sure that his grasp of the situation will be reflected in appropriate remarks which he no doubt will make before the Senate on this proposal.

Mr. FISH. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from New York.

Mr. FISH. There has been a good deal said about this matter in the newspapers. Why should not the gentleman's resolution be seriously considered with a view to liquidating some of the British war debt payments which are now due us?

Mr. RANDOLPH. That is exactly what I propose to do. It would be in part payment for the indebtedness which the British Government owes the United States. That would be the basis for the negotiations.

Mr. FISH. In view of the fact they are not paying interest on the debt, why should we not get it for some of the interest payment immediately?

Mr. RANDOLPH. I think the gentleman's suggestion is splendid. I am pleased to have his support of my resolution.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 424. Joint resolution to authorize the United States Maritime Commission to acquire certain lands at St. Petersburg, Fla.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 29 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 5, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE CENSUS

There will be hearings by the Committee on the Census in room 312, House Office Building, Tuesday, March 5, 1940, at 10:30 a. m., on the reapportionment of Representatives in Congress.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m., Wednesday, March 6, 1940, for the consideration of H. R. 8540.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, March 6, 1940, at 10:30 a. m., for the consideration of H. R. 2176, H. R. 7878, and H. R. 8236.

COMMITTEE ON THE JUDICIARY

On Wednesday, March 6, 1940, at 10 a. m., there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Thursday, March 7, 1940:

H. R. 6321, to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

This bill was previously referred to the Committee on Ways and Means, but under date of February 26 it was rereferred to this committee.

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

H. R. 8612, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1424. A letter from the secretary, the American Academy of Arts and Letters, transmitting official report of the American Academy of Arts and Letters for the year 1939; to the Committee on the Library.

1425. A letter from the Acting Secretary of War, transmitting draft of a proposed bill to prevent retardation in promotion and in pay and allowances of permanent pro-

fessors of the United States Military Academy appointed by the President from the commissioned officers of the Regular Army which the War Department presents for consideration of the Congress with a view to its enactment into law; to the Committee on Military Affairs.

1426. A letter from the president, Board of Commissioners of the District of Columbia, transmitting draft of a proposed bill to authorize and direct the Commissioners of the District of Columbia to accept and maintain a memorial fountain to the members of the police department; to the Committee on the District of Columbia.

1427. A letter from the president, Board of Commissioners of the District of Columbia, transmitting draft of a proposed bill to provide for the regulation of the business of fire, marine, casualty, and title insurance, and for other purposes; to the Committee on the District of Columbia.

1428. A letter from the Secretary of Agriculture, transmitting Seventh Annual Report of the Farm Credit Administration covering its operations for the year 1939 (H. Doc. No. 647); to the Committee on Agriculture and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TAYLOR: Committee on Appropriations. H. R. 8745. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes. (Rept. No. 1709). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 8295. A bill for the relief of Leo Neumann and his wife Alice Neumann; with amendment (Rept. No. 1710). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CUMMINGS:

H. R. 8746. A bill to amend the Sugar Act of 1937, and for other purposes; to the Committee on Agriculture.

By Mr. GEARHART:

H. R. 8747. A bill to provide for the acquisition of certain lands within the Sierra National Forest in the State of California; to the Committee on Agriculture.

By Mr. JONES of Texas:

H. R. 8748. A bill to reduce permanently the interest rates on Federal land bank and land-bank commissioner loans; to relieve Federal land-bank borrowers of stock liability; to place the Federal land banks on a self-supporting basis; to refund and guarantee the bonds of such banks; to increase the functions and responsibilities of national farm-loan associations and county committees of farmers; to provide for the adjustment and refinancing of farm-mortgage debts; to limit the institution of foreclosure proceedings and the taking of deficiency judgments; and for other purposes; to the Committee on Agriculture.

By Mr. NELSON:

H. R. 8749. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Petersburg, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California:

H. R. 8750. A bill to safeguard the rights of American employers and American employees by requiring that employee representatives under the National Labor Relations Act be citizens of the United States; to the Committee on Labor.

By Mr. REECE of Tennessee:

H. R. 8751. A bill enabling the formation of the Delaware-New Jersey Bridge Corporation, defining its powers and duties, and authorizing it to design, construct, maintain, and operate a bridge across the Delaware River at or near Wilmington, Del.; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK:

H. R. 8752. A bill to provide pay to Air Corps Reserve officers for risks incurred in authorized training flights when not on active duty; to the Committee on Military Affairs.

By Mrs. O'DAY:

H. R. 8753. A bill to amend subsection (d) of section 4 of the act of Congress approved May 26, 1924, entitled "An act to limit the immigration of aliens into the United States, and for other purposes"; to the Committee on Immigration and Naturalization.

By Mr. EDWIN A. HALL:

H. J. Res. 480. Joint resolution prohibiting payment of compensation for a President during his third term of office; to the Committee on the Judiciary.

H. J. Res. 481. Joint resolution proposing an amendment to the Constitution of the United States with respect to the ineligibility of a President to a third term; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. J. Res. 482. Joint resolution for the acquisition of British islands in the Caribbean and British Honduras; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to consider their resolution with reference to election of Presidents of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to consider their House Resolution No. 56, with reference to Senate bill 1518 and House bill No. 7152 of the Seventy-sixth Congress, which provide for the establishment of the Cumberland Gap National Historical Park and the Cumberland national recreational area in Kentucky, Virginia, and Tennessee; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H. R. 8754. A bill to authorize cancelation of deportation in the case of Anthony Consola; to the Committee on Immigration and Naturalization.

By Mr. BULWINKLE:

H. R. 8755. A bill for the relief of I. M. Cook, J. J. Allen, and the Radiator Specialty Co.; to the Committee on Claims.

By Mr. BYRNE of New York:

H. R. 8756. A bill for the relief of Agostino Lubrano; to the Committee on Immigration and Naturalization.

By Mr. CLASON:

H. R. 8757. A bill for the relief of Maj. John R. Holt; to the Committee on Claims.

By Mr. COLLINS:

H. R. 8758. A bill for the relief of J. D. Austin; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 8759. A bill for the relief of Will T. Stevens; to the Committee on Claims.

H. R. 8760. A bill granting a pension to Mary E. Fox; to the Committee on Invalid Pensions.

By Mr. SASSCER:

H. R. 8761. A bill for the relief of Philip Duplessis; to the Committee on Claims.

By Mr. VINCENT of Kentucky:

H. R. 8762. A bill for the relief of W. H. Rabold, Sr., administrator of the estate of Raphael Fred Rabold; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6765. By Mr. ANDERSON of California: Senate Joint Resolution No. 6, relative to memorializing the President and the Congress of the United States to enact Senate bill 2212, relating to the development of marketing and marketing services for farm commodities; to the Committee on Agriculture.

6766. By Mr. BOYKIN: Petition of J. Woodie Cook, of Riderwood, Ala.; to the Committee on Ways and Means.

6767. By Mr. BURDICK: Petition of Roderick Macheran and J. Ellensen, of Sarles, N. Dak., and others; to the Committee on Ways and Means.

6768. By Mr. ENGLEBRIGHT: Assembly Joint Resolution No. 14, State of California, relative to continuance of Japanese beetle suppression under Federal auspices, and Senate Joint Resolution No. 1, State of California, relative to memorializing Congress to enact a plan for old-age security wholly supported by Federal funds; to the Committee on Agriculture.

6769. By Mr. HART: Petition of the National Association of Tobacco Distributors, New York, N. Y., urging the modification of the Fair Labor Standards Act to exempt employees of wholesale distributors from the hours limitations (but not the wage provisions) now prescribed by that law; to the Committee on Labor.

6770. Also, petition of the Polish-American Citizens' Club of Camden, N. J., urging that financial aid be extended to the Polish Government, and that measures be enacted permitting the entry into the United States of Polish refugee children; to the Committee on Foreign Affairs.

6771. Also, petition of the Industrial Union of Marine and Shipbuilding Workers of America, Local No. 15, Hoboken, N. J., urging that provision be made to exclude the importation of refined sugar made by cheap tropical labor in order that American workmen can regain the work they have lost; to the Committee on Agriculture.

6772. By Mr. HARTER of New York: Petition of the Buffalo Lodge, No. 1, International Ship Masters' Association, Buffalo, N. Y., opposing the proposed St. Lawrence seaway project; to the Committee on Foreign Affairs.

6773. By Mr. JOHNS: Petition of W. A. Ahlstrom, of La Crosse, Wis., and 125 other citizens of Wisconsin, asking vigorous support of the Patman chain-store bill (H. R. 1), to the end that it may be speedily enacted into law; to the Committee on Ways and Means.

6774. By Mr. LUTHER A. JOHNSON: Petition of W. C. Dulaney, Coolidge, Tex., favoring Senate Joint Resolution 66, making refund of the processing tax on hogs marketed for slaughter by the raisers and producers; to the Committee on Agriculture.

6775. By Mr. MARTIN J. KENNEDY: Petition of the Syracuse Chamber of Commerce, Syracuse, N. Y., expressing opposition to the St. Lawrence seaway and power project; to the Committee on Interstate and Foreign Commerce.

6776. Also, petition of the superintendent of public works, State of New York, Albany, N. Y., expressing opposition to House bill 6395, which concerns power to the Labor Department to set up hours and wages on all contracts in which the Federal Government is the expender; to the Committee on the Judiciary.

6777. By Mr. KRAMER: Resolution of the city of Los Angeles relative to adequate Federal-aid program under title I; to the Committee on Ways and Means.

6778. Also, resolution of the West Los Angeles Democratic Club, No. 1, relative to the antipoll tax, etc.; to the Committee on Ways and Means.

6779. Also, resolution of the Senate and the Assembly of the State of California relative to memorializing the President and the Congress to enact Senate bill 2212, relating to the development of marketing and marketing services for farm commodities; to the Committee on Agriculture.

6780. Also, resolution of Long Beach Chamber of Commerce relative to flood-control authorization, etc.; to the Committee on Flood Control.

6781. By Mr. McCORMACK: Petition of the Massachusetts Women's Political Club, Florence Birmingham, of Brighton, Mass., president, condemning the enforced 30-day furlough of Work Projects Administration workers, and requesting the Congress to provide sufficiently large appropriation to give work to the unemployed through made-work relief until a solution is found for the pressing problem of joblessness; to the Committee on Appropriations.

6782. By Mr. MACIEJEWSKI: Resolution adopted by American citizens, 2,000 strong, at a mass meeting of members of St. Valentine's Roman Catholic Church held in St. Valentine's Hall, Cicero, Ill., February 23, 1940, relating to Polish relief; to the Committee on Foreign Affairs.

6783. Also, resolution of the executive committee of taxpayers' associations of Illinois, relating to 30-hour-week employment; to the Committee on Labor.

6784. By Mr. PATMAN: Petition of Gus Marx and 227 other citizens of Pawnee, Okla., favoring the passage of House bill 1, the Federal chain-store tax bill; to the Committee on Ways and Means.

6785. Also, petition of William Seibert and 58 other citizens of New York State, favoring House bill 1, the Federal chain-store tax bill; to the Committee on Ways and Means.

6786. By Mr. PFEIFER: Petition of A. W. Brandt, superintendent of public works, Albany, N. Y., opposing House bill 6395; to the Committee on the Judiciary.

6787. By Mr. RANKIN: Petition of the Legislature of Mississippi; to the Committee on Banking and Currency.

6788. By Mr. SCHIFFLER: Petition of John P. Helmick, M. D., secretary, Marion County Medical Society, Fairmont, W. Va., for the establishment of a national department of health, the executive officer of which shall be established as a member of the President's Cabinet as secretary of health; to the Committee on Interstate and Foreign Commerce.

6789. Also, petition of Rev. John Arthur Visser, minister, Vance Memorial Church, Woodsdale, Wheeling, W. Va., and members of the youth groups of Vance Memorial Church, protesting against shipment of war materials to Japan; to the Committee on Foreign Affairs.

6790. By Mr. SNYDER: Petition from Charles W. Baldwin, of Somerset, Pa., urging that Congress pass legislation restoring benefits denied some of the Spanish War veterans under the provisions of the late Economy Act; to the Committee on Pensions.

6791. By the SPEAKER: Petition of the Manhattan Council for Civil Rights, Mrs. William R. Price, chairman, New York City, petitioning consideration of their resolution with reference to the so-called antialien bills; to the Committee on Immigration and Naturalization.

6792. Also, petition of H. F. Haley and others, of Stanford University, petitioning consideration of their resolution with reference to reciprocal-trade agreements; to the Committee on Foreign Affairs.

6793. Also, petition of Philip Schoenberg, of Cleveland, Ohio, petitioning consideration of their resolution with reference to elections in Cuyahoga County, and others in Ohio; to the Committee on Elections No. 3.

6794. Also, petition of the Board of Navigation and Canal Commissioners of the Point Isabel-San Benito Navigation District of Cameron County, Tex., petitioning consideration of their resolution with reference to the Corps of Engineers of the United States Army; to the Committee on Rivers and Harbors.

6795. Also, petition of the San Diego Young Democrats, San Diego, Calif., petitioning consideration of their resolution with reference to loans to any foreign power; to the Committee on Appropriations.

6796. Also, petition of the San Joaquin County Industrial Union Council, Stockton, Calif., petitioning consideration of their resolution with reference to Federal Housing; to the Committee on Banking and Currency.

6797. Petition of the office of the city engineer, City Hall, Los Angeles, Calif., petitioning consideration of their resolution with reference to adequate Federal-aid program under title 1 of bills S. 3105 and H. R. 7891; to the Committee on Roads.

6798. By Mr. ANGELL: Petition of the Multnomah Civic Club of Portland, Oreg., petitioning the Congress to appoint a special committee of the House and Senate to study the money problem; to the Committee on Banking and Currency.